UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

☒ Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2024

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from _________ to _________

Commission file number: 0-25923

Eagle Bancorp, Inc.

(Exact name of registrant as specified in its charter)

Maryland	52-2061461
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

7830 Old Georgetown Road, Third Floor, Bethesda, Maryland 20814
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: (301) 986-1800

Securities Registered Pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, $0.01 par value	EGBN	The Nasdaq Stock Market LLC

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Section 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act Yes ☐ No ☒

Indicate by check mark whether the registrant; (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by checkmark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐	Accelerated filer ☒
Non-accelerated filer ☐	Smaller reporting company ☐
	Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. § 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☒

Indicate by check mark whether any of those error corrections are restatement that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act. Yes ☐ No ☒

The aggregate market value of the outstanding Common Stock held by nonaffiliates as of June 30, 2024, was approximately $551.8 million.

As of February 10, 2025, the number of outstanding shares of the Common Stock, $0.01 par value, of Eagle Bancorp, Inc. was 30,204,202.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Company's definitive Proxy Statement for the Annual Meeting of Shareholders to be held on May 15, 2025 are incorporated by reference in Part III hereof.

EAGLE BANCORP, INC.
ANNUAL REPORT ON FORM 10-K
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PART I

ITEM 1. BUSINESS

In this report, unless otherwise expressly stated or the context otherwise requires, the terms “we,” “us,” the “Company,” “Eagle” and “our” refer to Eagle Bancorp, Inc. and our subsidiaries on a consolidated basis, except in the description of any of our securities, in which case these terms refer solely to Eagle Bancorp, Inc. and not to any of our subsidiaries. References to “EagleBank” or “Bank” refer to EagleBank, which is our principal operating subsidiary. This report contains additional trade names and trademarks of other companies. We do not intend our use or display of other companies' trade names or trademarks to imply an endorsement or sponsorship of us by such companies or any relationship with any of these companies.

Eagle Bancorp, Inc. (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 "Bank"). The Company was formed by a group of local businessmen 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 Bank, a Maryland chartered commercial bank, which is a member of the Federal Reserve System ("Federal Reserve Board," "Federal Reserve" or "FRB"), is the Company’s principal operating subsidiary. It commenced banking operations on July 20, 1998. The Bank currently operates twelve branch offices: six in Suburban Maryland; three located in the District of Columbia; and three in Northern Virginia. The Bank also has four lending centers and utilizes various digital capabilities, including remote deposit services and mobile banking services. The Bank maintains its physical presence via branches and lending centers consistent with its strategic plan.

The Bank has three active direct subsidiaries: Bethesda Leasing, LLC, Eagle Insurance Services, LLC and Landroval Municipal Finance, Inc. Bethesda Leasing, LLC holds title to and operates real estate owned and acquired through foreclosure. Eagle Insurance Services, LLC, which previously offered access to insurance products and services through a referral program with a third party insurance broker, continues to receive fee income in connection with such program. Landroval Municipal Finance, Inc. focuses on lending to municipalities by buying debt on the public market as well as direct purchase issuance.

The Bank operates as a community bank alternative to the super-regional financial institutions that 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 itself to, client needs in a proactive, personalized fashion. Management believes that the Bank’s target market segments, small, medium and middle-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. These themes of convenience and proactive personal service form the basis for the Bank’s business development strategies.

Over its twenty-six year history, the Company has grown primarily through organic growth, but also has completed two whole bank acquisitions. On August 31, 2008, the Company acquired Fidelity & Trust Financial Corporation ("Fidelity") and on October 31, 2014 acquired Virginia Heritage Bank ("Virginia Heritage").

Description of Services. The Bank offers a broad range of commercial banking services to its business and professional clients, as well as consumer banking services to individuals living and/or working primarily in the Bank’s market area. These services include (i) commercial loans for a variety of business purposes such as for working capital, equipment purchases, real estate lines of credit and government contract financing; (ii) asset based lending and accounts receivable financing (on a limited basis); (iii) construction and commercial real estate loans; (iv) business equipment financing; (v) consumer home equity lines of credit, personal lines of credit and term loans; (vi) consumer installment loans such as auto and personal loans; and (vii) personal credit cards offered through an outside vendor.

During the year ended December 31, 2023, the Company ceased originating residential real estate mortgage loans and completed residual origination and sales activities on its residential real estate mortgage lending business. The Company made the decision to cease originating residential real estate mortgage loans given the challenged nature of the business and the uncertainty of maintaining or increasing the volume or percentage of revenue or net income that has previously been produced by the residential mortgage business.

The Bank emphasizes providing commercial banking services to sole proprietors, small, medium and middle-sized businesses, partnerships, corporations, non-profit organizations and associations and investors generally living and working in and near the Bank’s primary service area. A full range of retail banking services are offered to accommodate the individual needs of both corporate customers as well as the community the Bank serves. The Bank also offers online banking, mobile banking and a remote deposit service, which allows clients to facilitate and expedite deposit transactions through the use of

electronic devices. A suite of Treasury Management services is also offered to business clients. The Bank’s deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") to the fullest extent provided by law.

The Bank’s loan portfolio consists primarily of traditional business and real estate secured loans. Commercial and industrial loans are made, with a substantial portion having variable and adjustable rates, where the cash flow of the borrower's operating business is the principal source of debt service with a secondary emphasis on collateral. Real estate loans are made generally for commercial purposes and are structured using both variable and fixed rates and renegotiable rates which adjust in three to five years, with maturities of generally five to ten years. Commercial real estate loans, which comprise the largest portion of the loan portfolio, are secured by both owner occupied and non-owner occupied real property and include a component of acquisition, development and construction ("ADC") lending.

The Bank’s consumer loan portfolio is a smaller portion of the loan portfolio and primarily includes home equity loans and lines of credit that are structured with an interest only draw period followed either by a balloon maturity or a fully amortized repayment schedule.

The Bank is also a preferred lender under the Small Business Administration's ("SBA") Preferred Lender Program. As a preferred lender, the Bank can originate certain SBA loans in-house without prior SBA approval. SBA loans are made through programs designed by the federal government to assist the small business community in obtaining financing from financial institutions that are given government guarantees as an incentive to make the loans. Under certain circumstances, the Bank attempts to further mitigate commercial term loan losses by using loan guarantee programs offered by the SBA. SBA lending is subject to federal legislation that can affect the availability and funding of the program. From time to time, this dependence on legislative funding causes limitations and uncertainties with regard to the continued funding of such programs, which could potentially have an adverse financial impact on our business.

Up until the second half of 2024, the Company originated multifamily Federal Housing Administration ("FHA") loans through the Department of Housing and Urban Development's Multifamily Accelerated Program. The Company securitized these loans through the Government National Mortgage Association ("Ginnie Mae") MBS I program and sold the resulting securities in the open market to authorized dealers in the normal course of business and periodically bundled and sold the servicing rights. During the year ended December 31, 2024, the Company sold the remaining servicing rights to all multifamily FHA loans. However, the Company maintains its licenses to operate in this business and is evaluating options for future activity.

The Bank's lending activities carry the risk that the borrowers will be unable to perform on their obligations. As such, interest rate policies of the Federal Reserve and general economic conditions, nationally and in the Bank’s primary market area, could have a significant impact on the Bank’s and the Company’s results of operations. To the extent that economic conditions deteriorate, business and individual borrowers may be less able to meet their obligations to the Bank in full, in a timely manner, resulting in decreased earnings or losses to the Bank. Economic conditions may also adversely affect the value of property pledged as security for loans.

The Bank's goal is to mitigate risks in the event of unforeseen threats to the loan portfolio as a result of economic downturn or other negative influences. Plans for mitigating inherent risks in managing loan assets include: designing and enforcing loan policies and procedures to mitigate those risks, evaluating each borrower’s business plan during the underwriting process, identifying and monitoring primary and alternative sources for loan repayment and obtaining collateral to mitigate economic loss in the event of liquidation. Specific loan reserves may be established based upon credit and/or collateral risks on an individual loan basis. A risk rating system is employed to proactively estimate loss exposure and provide a measuring system for setting general and specific reserve allocations.

The composition of the Company’s loan portfolio is heavily weighted toward commercial real estate, both owner occupied and income producing. At December 31, 2024, owner occupied commercial real estate and construction – commercial and industrial ("C&I") (owner occupied) represented approximately 17% of the loan portfolio while non-owner occupied commercial real estate and real estate construction represented approximately 66% of the loan portfolio. The combined owner and non-owner occupied and commercial real estate loans represented approximately 83% of the loan portfolio. Real estate also serves as collateral for loans made for other purposes, resulting in a combined total 85% of all loans in our portfolio being secured or partially secured by real estate. These loans are underwritten to mitigate lending risks typical of this type of loan such as declines in real estate values, changes in borrower cash flow and general economic conditions. The Bank typically requires a maximum loan-to-value ("LTV") ratio of 80% and a minimum debt service coverage ratio ("DSCR") of 1.0 to 1.15. Personal guarantees may be required but may be limited. In making real estate commercial mortgage loans, the Bank generally requires that interest rates adjust not less frequently than five years.

The Company is also an active traditional commercial lender providing loans for a variety of purposes, including working capital, equipment, accounts receivable financing and other corporate purposes. The Company's underwriting standards address collateral and debt service cash flow. Personal guarantees are generally required, but may be limited. In originating SBA loans, the Company assumes the risk of non-payment on the unguaranteed portion of the credit. The Company generally sells the guaranteed portion of the loan generating noninterest income from the gains on sale, as well as servicing income on the portion participated. SBA loans other than Paycheck Protection Program ("PPP") loans are subject to the same cash flow analyses as other commercial loans. SBA loans are subject to a maximum loan size established by the SBA as well as internal loan size guidelines. Refer to Note 4 to the Consolidated Financial Statements for additional information regarding loan origination and risk management.

Our lending activities are subject to a variety of borrower lending limits imposed by state and federal law. These limits will increase or decrease in response to increases or decreases in the Bank’s level of capital. At December 31, 2024, the Bank had a legal lending limit of $223.0 million. At December 31, 2024, the average loan size outstanding for Commercial Real Estate ("CRE") and C&I loans was $7.2 million and $1.2 million, respectively. In accordance with internal lending policies, the Bank may sell participations in its loans to other banks, which allows the Bank to manage risk involved in these loans and to meet the lending needs of its clients. The risk of nonpayment (or deferred payment) of loans is inherent in all lending. The Bank’s marketing focus on small to medium-sized businesses may result in the assumption by the Bank of certain lending risks that are different from those associated with loans to larger companies. Management and/or committees of the Bank carefully evaluate loan applications and attempt to minimize credit risk exposure by use of loan application data, due diligence and approval and monitoring procedures; however, there can be no assurance that such procedures can significantly reduce such lending risks.

Loans are secured primarily by duly recorded first deeds of trust or mortgages. In some cases, the Bank may accept a recorded junior trust position. In general, borrowers will have a proven ability to build, lease, manage and/or sell a commercial or residential project and demonstrate satisfactory financial condition. Additionally, an equity contribution toward the project is generally required whether associated with acquisition or construction of a property.

The general terms and underwriting standards for each type of commercial real estate and construction loan are incorporated into the Bank’s lending policies. These policies are analyzed periodically by management, and the policies are reviewed and re-approved periodically by either the Board of Directors (the "Board") or a designated committee thereof. The Bank’s loan policies and practices described in this report are subject to periodic change, and each guideline or standard is subject to waiver or exception in the case of any particular loan, by the appropriate officer or committee, in accordance with the Bank’s loan policies. Loan policy standards are often stated in mandatory terms, such as "shall" or "must," but these provisions are subject to exceptions. Policy requires that loan value not exceed a percentage of "market value" or "fair value" based upon appraisals or evaluations obtained in the ordinary course of the Bank’s underwriting practices.

Construction loans require that the financial condition and experience of the general contractor and major subcontractors be satisfactory to the Bank. Guaranteed, fixed price contracts are required whenever appropriate, along with payment and performance bonds or completion bonds for larger scale projects.

Loans intended for residential land acquisition, lot development and construction are made on the premise that the land: (1) is or will be developed for building sites for residential structures; and (2) will ultimately be utilized for construction or improvement of residential zoned real properties, including the creation of housing. Residential development and construction loans will finance projects such as single family subdivisions, planned unit developments, townhouses and condominiums. Residential land ADC loans generally are underwritten with a maximum term of 36 months, including extensions approved at origination.

Commercial land acquisition and construction loans are secured by real property where loan funds will be used to acquire land and to construct or improve appropriately zoned real property for the creation of income producing or owner-user commercial properties. Borrowers are generally required to put equity into each project at levels determined by the appropriate loan committee. Commercial land acquisition and construction loans generally are underwritten with a maximum term of 24 months.

LTV ratios, with few exceptions, are maintained consistent with or below supervisory guidelines.

Substantially all construction draw requests must be presented in writing on American Institute of Architects documents and certified either by the contractor, the borrower and/or the borrower’s architect. The Company's policies also provide that each draw request shall also include the borrower’s soft cost breakdown certified by the borrower or their Chief Financial Officer. Prior to an advance, to justify the draw requisition, the Bank or its contractor inspects the project to determine that the work has been completed.

Commercial permanent loans are generally secured by improved real property, which is generating income in the normal course of operation. Debt service coverage, assuming stabilized occupancy, must be satisfactory to support a permanent

loan. The DSCR is ordinarily at least 1.0 to 1.15. As part of the underwriting process, DSCRs are generally stress tested assuming a 200 basis point increase in interest rates from their current levels.

Commercial permanent loans generally are underwritten with a term not greater than 10 years or the remaining useful life of the property, whichever is lower. The preferred term is between 5 to 7 years, with amortization to a maximum of 25 years.

Personal guarantees are generally received from the principals on commercial real estate loans, and only in instances where the LTV is sufficiently low and the debt service coverage is sufficiently high is consideration given to either limiting or not requiring personal recourse.

Updated appraisals for real estate secured loans are obtained based on factors relating to borrower financial condition, project status, loan terms and market conditions.

The Company’s loan portfolio includes ADC real estate loans including both investment and owner occupied projects. ADC loans amounted to $1.8 billion at December 31, 2024. A portion of the ADC portfolio, both speculative and non-speculative, includes loan funded interest reserves at origination. ADC loans that provide for the use of interest reserves represented approximately 59% of the outstanding ADC loan portfolio at December 31, 2024. The decision to establish a loan-funded interest reserve is made upon origination of the ADC loan and is based upon a number of factors considered during underwriting of the credit including: (1) the feasibility of the project; (2) the experience of the sponsor; (3) the creditworthiness of the borrower and guarantors; (4) borrower equity contribution; and (5) the level of collateral protection. When appropriate, an interest reserve provides an effective means of addressing the cash flow characteristics of a properly underwritten ADC loan, although as with all lending activities the Company remains exposed to credit risk. The Company does not significantly utilize interest reserves in other loan products. The Company recognizes that one of the risks inherent in the use of interest reserves is the potential masking of underlying problems with the project and/or the borrower’s ability to repay the loan. In order to mitigate this inherent risk, the Company employs a series of reporting and monitoring mechanisms on all ADC loans, whether or not an interest reserve is provided, including: (1) construction and development timelines which are monitored on an ongoing basis which track the progress of a given project to the timeline projected at origination; (2) a construction loan administration department independent of the lending function; (3) third party independent construction loan inspection reports; (4) monthly interest reserve monitoring reports detailing the balance of the interest reserves approved at origination and the days of interest carry represented by the reserve balances as compared to the then current anticipated time to completion and/or sale of speculative projects; and (5) quarterly commercial real estate construction meetings among senior Company management, which includes monitoring of current and projected real estate market conditions. If a project has not performed as expected, it is not the customary practice of the Company to increase loan funded interest reserves.

As part of its overall risk assessments, management reviews the Bank’s loan portfolio and general economic and market conditions on a regular basis and will continue to adjust both quantitative and qualitative reserve factors as necessary.

Deposit services include business and personal checking accounts, Negotiable Order of Withdrawal ("NOW") accounts, tiered savings and money market accounts and time deposits with varying maturity structures and customer options. A complete individual retirement account program is available. The Bank also participates in the IntraFi Network, LLC ("IntraFi") Certificate of Deposit Account Registry Service ("CDARS") and its Insured Cash Sweep ("ICS") program, both of which function to provide greater FDIC insurance coverage for participating Bank customers. The Bank also utilizes brokered deposit funds in its overall asset/liability management program.

The Bank historically has offered a full range of online banking services for both personal and business accounts and has a Mobile Banking application. In early 2024, the Bank launched a new online and mobile banking platform as the Bank seeks to further modernize its deposit offerings to its customers. Deposit services associated with this digital platform are available and marketed outside of the Bank's immediate market area across the United States. This digital banking platform is predominantly focused on Certificates of Deposits and High Yield Savings Accounts. Other deposit services offered by the Bank within our Washington, D.C. metropolitan area market include cash management services, business sweep accounts, lockbox, remote deposit capture, account reconciliation services, merchant card services, safe deposit boxes and Automated Clearing House origination. After-hours depositories and automated teller machine ("ATM") service are also available.

The Company and Bank maintain portfolios of short term investments and investment securities consisting primarily of U.S. agency bonds and government sponsored enterprise mortgage-backed securities, municipal bonds and corporate bonds. The Bank also owns equity investments related to membership in the Federal Reserve and the Federal Home Loan Bank of Atlanta ("FHLB"). The Company’s securities also include equity investments in the form of common stock of two local banking companies. These equity investments are categorized as Other Assets and not accounted for in the Fixed Income Securities tables. The investment securities portfolio provides the following objectives: capital preservation, liquidity management, additional income to the Company and Bank in the form of interest, collateral to facilitate borrowing arrangements and assistance with meeting interest rate risk management objectives. The current Investment Policy primarily limits the Bank to investments of high quality U.S. Treasury securities, U.S. agency securities, government sponsored enterprise

MBS and high grade municipal and corporate securities, with certain exceptions for the purchase of BBB- or non-rated subordinated debentures of U.S. regulated banks following an analysis of credit worthiness. High risk investments, including private label collateralized mortgage obligations rated AA and below or municipal or corporate bonds rated BBB and below, and non-traditional investments are prohibited. Investment maturities are generally limited to ten to fifteen years, except as specifically approved by the Asset Liability Committee ("ALCO") and mortgage-backed pass-through securities, which may have final stated maturities of 30 years, with average lives generally not to exceed eight years.

The Company and Bank have formalized an asset and liability management process and have a standing ALCO consisting of senior management overseen by the Board. The ALCO operates under established policies and practices and a Committee Charter, which practices are updated and re-approved annually. A typical ALCO meeting includes discussion of current economic conditions and balance sheet and other strategies, including interest rate trends and the current balance sheet and earnings position, comparisons to budget, cash flow estimates, liquidity positions, liquidity stress tests, and funding alternatives as necessary, interest rate risk position (monthly), including derivative positions, capital positions of the Company and Bank, reviews (including independent reviews) of the investment portfolio of the Bank and Company and the approval of investment transactions. Additionally, ALCO meetings may include reports and analysis of outside firms to enhance the Committee’s knowledge and understanding of various financial matters. Various other bank employees attend monthly committee meetings to build their understanding of all financial matters. A weekly conference call is scheduled to bring added attention primarily to shorter term cash flow estimates and interest rate matters.

The development of the Company’s customer base has benefited from building full relationships that include deposit balances, loan balances and noninterest revenue sources. The Bank has placed enhanced reliance on proactively designed officer calling programs and lender teams, active participation in business organizations, and enhanced referral programs.

Internet Access to Company Documents. The Company provides access to its Securities and Exchange Commission ("SEC") filings through its web site at www.eaglebankcorp.com. After accessing the web site, the filings are available upon selecting “Investor Relations/SEC Filings/Documents.” Reports available include the annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports as soon as reasonably practicable after the reports are electronically filed with or furnished to the SEC. Further, the SEC maintains an Internet site that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC at http://www.sec.gov.

MARKET AREA

The primary market area of the Bank is the Washington, D.C. metropolitan area. With a population of 6.4 million and projected annualized growth rate of 0.48% through 2030, the region is the 6th largest metropolitan area in the U.S. (U.S. Census Bureau 2023). Total employment in the region is approximately 3.4 million per the 2025 Bureau of Labor Statistics report. The unemployment rate has increased since 2023. As of November 30, 2024 and 2023, the region had a 3.2% and 2.5% unemployment rate, respectively. The Washington, D.C. metropolitan area contains a substantial federal workforce, as well as a variety of support industries that employ professionals such as attorneys, lobbyists, government contractors, real estate developers and investors, non-profit organizations and consultants. The Gross Regional Product for the metropolitan area in 2023 was reported at $714.7 billion, per the Federal Reserve Economic Data. This figure can be heavily attributed to the federal government, but other significant sectors include professional and business services, education, healthcare, leisure and hospitality. The region also has a very active non-profit sector including trade associations, colleges, universities and major hospitals. Transportation congestion and federal government spending and employment levels remain threats to future economic development and quality of life in the area.

Effective July 1, 2015, the Bank entered into a multi-faceted support agreement with George Mason University ("George Mason"), the Commonwealth of Virginia’s largest public research university. The agreement provides for significant educational support, and a strategic alliance including the Bank obtaining the naming rights to a multi-purpose sports and entertainment venue formerly known as the Patriot Center, now known as "EagleBank Arena" in Fairfax, Virginia for up to a 20-year term. Under the agreement, the Bank pays George Mason an annual fee to be used for scholarships, internships, overall educational and athletic support and beautification efforts.

COMPETITION

The Bank faces significant competition in originating and retaining loans and attracting deposits as the Washington, D.C. market area has a high concentration of large and regional banks based outside the area, one large locally based bank that operates nationwide, numerous community banks and several large credit unions. Although some consolidation has occurred in the market in the past few years, the Bank continues to compete with other community banks, savings and loan associations, credit unions and finance companies, as well as other kinds of financial institutions and enterprises, such as securities firms,

insurance companies, savings associations, private lenders and nontraditional competitors such as fintech companies and internet-based lenders, depositories and payment systems.

The Bank’s most direct competition for deposits comes from large and regional banks based outside the Washington, D.C. market area, all of which have substantially greater financial resources than the Bank. Among the advantages that many of these large institutions have over the Bank are their ability to finance extensive advertising campaigns, maintain extensive branch networks, make larger technology investments and to directly offer certain services, such as international banking and trust services, which are not offered directly by the Bank. In addition, following the banking sector stress of March 2023, some large banks had advantages in sourcing deposits due to the perceived stability of larger banks.

The Bank faces direct competition for loans from each of these institutions described above as well as from on-line lenders and other loan origination firms. Further, the greater capitalization of the larger institutions headquartered out-of-state allows for higher lending limits than the Bank, although we believe the Bank’s current lending limit is sufficient for our business and able to accommodate the credit needs of most businesses in the Washington, D.C. metropolitan area, which distinguishes it from most community banks in the market area. Some of these competitors have other advantages, such as tax exemption in the case of credit unions and, to some extent, lesser regulation in the case of finance companies and many nontraditional competitors.

As a result of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), enacted in July 2010, regulation of all financial firms was heightened, although new legislation in 2018 did amend some of the prior law, prompting some de novo activity but mostly driving further consolidation. Under current law, unlimited interstate de novo branching is available to all state and federally chartered banks. As a result, institutions, which previously were ineligible to establish de novo branches in the Bank’s market area, may elect to do so.

HUMAN CAPITAL RESOURCES AND MANAGEMENT

Human Capital

At EagleBank, our culture is defined by our Relationships F.I.R.S.T. corporate values: Flexible, Involved, Responsive, Strong, and Trusted. We value our employees by investing in a healthy work-life balance, competitive compensation and benefit packages and a vibrant, team-oriented environment centered on professional service and open communication amongst employees. We strive to build and maintain a high-performing culture and be an “employer of choice” by creating a work environment that attracts and retains outstanding, engaged employees who embody our company mantra of “Relationships FIRST.”

The Board oversees the strategic management of our human capital resources. The Human Resources Department’s day-to-day responsibility is managing our human capital resources.

Talent Acquisition and Retention

As of December 31, 2024, we employed 451 full and part time employees across our 17 locations, which includes our branch offices, corporate offices and lending and other operating facilities. During 2024, we hired 108 employees. Our voluntary turnover rate was 18%, 12% and 17%, respectively for the years ended December 31, 2024, 2023 and 2022. None of our employees are represented by a union or subject to a collective bargaining agreement.

Diversity and Inclusion

We strive toward a powerful and inclusive team of employees, knowing we are better together with our combined wisdom and intellect. With a commitment to equality and inclusion for every employee, we focus on understanding, accepting and valuing the differences among people. To accomplish this, we have established a Diversity & Inclusion Advisory Council made up of 20 employee representatives.

Compensation and Benefits

We provide a competitive compensation and benefits program to help meet the needs of our employees. In addition to salaries, these programs include annual bonuses, stock awards, a 401(k) Plan with an employer matching contribution, healthcare and insurance benefits, health savings accounts, flexible spending accounts, vacation and sick leave, family leave and an employee assistance program.

We provide pay levels and pay opportunities that are designed to be internally fair, externally competitive and cost-effective. To determine competitive market compensation levels, we use market surveys that report salary data of companies with similar positions, asset size and geographical location. To further align base pay with experience and individual performance, we annually review our salary structure and ranges to keep pace with changes in the marketplace. With the support of independent third-party experts in this field, we review the compensation of employees and conduct a pay equity analysis as part of our efforts to ensure consistent pay practices.

Employee Engagement

We regularly collect feedback to better understand and improve the employee experience and identify opportunities to continually strengthen our culture. In our last employee survey, conducted in 2024, nearly 58% of employees participated. We host periodic all-employee conference calls to disseminate information and to respond to employee questions.

Learning and Development

We invest in the growth and development of our employees by providing a multi-dimensional approach to learning that is designed to empower, intellectually grow and professionally develop our colleagues. Our employees receive continuing education courses that are relevant to the banking industry and their job function. We also offer leadership and customer service training. These resources help to provide employees with the skills they need to achieve their career goals, build management skills and become leaders within our Company. Employees have access to more than 5,000 on-demand learning solutions to help them learn new skills and advance in their career as well as certificate programs built around specific job roles. We also provide tuition reimbursement to help employees develop their skills and enhance their performance.

REGULATION

Our business and operations are subject to extensive federal and state governmental regulation and supervision. The following is a brief summary of certain statutes and rules and regulations that affect or may affect us. This summary is not intended to be an exhaustive description of the statutes or regulations applicable to our business. Supervision, regulation, and examination of the Company by the regulatory agencies are intended primarily for the protection of depositors and the Deposit Insurance Fund ("DIF"), rather than our shareholders or other investors.

The Company. The Company is a bank holding company registered under the Bank Holding Company Act of 1956, as amended ("BHC Act") and is subject to regulation and supervision by the FRB. The BHC Act and other federal laws subject bank holding companies to restrictions on the types of activities in which they may engage, and to a range of supervisory requirements and actions, including regulatory enforcement actions for violations of laws and regulations and unsafe and unsound banking practices. As a bank holding company, the Company is required to file with the FRB an annual report and such other additional information as the FRB may require pursuant to the BHC Act. The FRB may also examine the Company and each of its subsidiaries. The Company is subject to risk-based capital requirements adopted by the FRB, which are substantially identical to those applicable to the Bank, and which are described below.

The BHC Act requires approval of the FRB for, among other things, a bank holding company’s direct or indirect acquisition of control of more than five percent (5%) of the voting shares, or substantially all the assets, of any bank or the merger or consolidation by a bank holding company with another bank holding company. The BHC Act also generally permits the acquisition by a bank holding company of control, or substantially all of the assets, of any bank located in a state other than the home state of the bank holding company, except where the bank has not been in existence for the minimum period of time required by state law; but if the bank is at least 5 years old, the FRB may approve the acquisition.

With certain limited exceptions, a bank holding company is prohibited from acquiring control of any voting shares of any company that is not a bank or bank holding company and from engaging directly or indirectly in any activity other than banking or managing or controlling banks or furnishing services to or performing services for its authorized subsidiaries. A bank holding company may, however, engage in, or acquire an interest in a company that engages in, activities which the FRB has determined by order or regulation to be so closely related to banking or managing or controlling banks as to be properly incident thereto. In making such a determination, the FRB is required to consider whether the performance of such activities can reasonably be expected to produce benefits to the public, such as convenience, increased competition or gains in efficiency, which outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interest or unsound banking practices. Some of the activities that the FRB has determined by regulation to be closely related to banking include making or servicing loans, performing certain data processing services, acting as a fiduciary or investment or financial advisor and making investments in corporations or projects designed primarily to promote community welfare. The FRB may order a bank holding company or its subsidiaries to terminate any of these activities or to terminate its ownership or control of any subsidiary when it has reasonable cause to believe that the bank holding company’s continued ownership, activity or control constitutes a serious risk to the financial safety, soundness or stability of it or any of its bank subsidiaries.

The Gramm Leach-Bliley Act of 1999 ("GLB Act") allows a bank holding company satisfying criteria related to its and its bank subsidiaries' status as well capitalized and well managed and the bank's under the Community Reinvestment Act to certify its status as a financial holding company, which would allow such company to engage in activities that are financial in nature, that are incidental to such activities or are complementary to such activities. The GLB Act enumerates certain activities that are deemed financial in nature, such as underwriting insurance or acting as an insurance principal, agent or broker, underwriting, dealing in or making markets in securities and engaging in merchant banking under certain restrictions. It also

authorizes the FRB to determine by regulation what other activities are financial in nature or incidental or complementary thereto. The Company has not elected financial holding company status.

Federal Reserve policy and regulation and the Federal Deposit Insurance Act ("FDIA") require a bank holding company to serve as a source of financial and managerial strength to its bank subsidiaries. As a result of a bank holding company's source of strength obligation, a bank holding company may be required to provide funds to a bank subsidiary in the form of subordinated capital or other instruments which qualify as capital under bank regulatory rules, including at times that the bank holding company might otherwise determine not to provide support. Any loans from the holding company to such subsidiary banks likely would be unsecured and subordinated to such bank’s depositors and perhaps to other creditors of the bank. If a bank holding company commits to a U.S. federal banking agency that it will maintain the capital of its bank subsidiary, whether in response to the source-of-strength authority or other regulatory measures, that commitment will be assumed by the bankruptcy trustee for the bank holding company if it commences bankruptcy proceedings, and the bank will be entitled to priority payment in respect of that commitment, ahead of other creditors of the bank holding company. In addition, where a bank holding company has more than one FDIC-insured bank or thrift subsidiary, each of the bank holding company's subsidiary FDIC-insured depository institutions is responsible for losses to the FDIC as a result of an affiliated depository institution's failure.

Share Repurchases. A bank holding company is generally required to give the FRB prior written notice of any purchase or redemption of its own then outstanding common stock if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemptions during the preceding 12 months, is equal to 10% or more of the company's consolidated net worth. The FRB may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe and unsound practice or would violate any law, regulation, FRB order or directive or any condition imposed by, or written agreement with, the FRB. The FRB has adopted an exception to this approval requirement for well-capitalized bank holding companies that meet certain conditions. In addition, in certain circumstances a bank holding company’s repurchases of its common stock are subject to prior notice or supervisory non-objection under policies or supervisory expectations of the FRB. Redemptions of equity in the form of preferred stock are generally subject to a prior approval requirement, and the capital conservation buffer requirement can also restrict the Company’s ability to engage in repurchases of its regulatory capital instruments as described below under “Capital Adequacy.”

As a Maryland corporation, the Company is subject to additional requirements, limitations and restrictions. For example, state law restrictions include limitations and restrictions relating to indemnification of directors, distributions to shareholders, transactions involving directors, officers or interested shareholders, maintenance of books, records, minutes, borrowing and the observance of corporate formalities.

The Bank. The Bank is a Maryland chartered commercial bank and a member of the Federal Reserve and a state member bank, whose accounts are insured by the Deposit Insurance Fund ("DIF") of the FDIC up to the maximum legal limits of the FDIC. The Bank is subject to regulation, supervision and regular examination by the State of Maryland Office of Financial Regulation and the FRB. The regulations of these various agencies govern most aspects of the Bank’s business, including required reserves against deposits, loans, investments, mergers and acquisitions, borrowing, dividends and location and number of branch offices. As an institution with over $10 billion in total consolidated assets, the Bank became subject to increased regulation and supervision by the FRB and the FDIC in 2022. As of December 31, 2024, our total assets were $11.1 billion. Therefore, the Bank is subject to ongoing (rather than periodic) supervision, targeted examinations, more frequent loan portfolio reviews and other enhanced supervision. In particular, the FRB and the FDIC focus on the soundness of the Bank’s risk management framework and capabilities, given the greater complexity and impact of the Bank’s risks as a larger institution. The laws and regulations governing the Bank generally have been promulgated to protect depositors and the DIF and not for the purpose of protecting shareholders or other investors.

Commercial banks, savings and loan associations and credit unions are generally able to engage in interstate banking or acquisition activities. As a result, banks in the Washington, D.C. Metropolitan area can, subject to limited restrictions, acquire or merge with a bank in another jurisdiction and can branch de novo in any jurisdiction.

Subsidiary banks of a bank holding company are subject to certain restrictions imposed by the Federal Reserve Act on any extensions of credit to the bank holding company or any of its subsidiaries or investments in the stock or other securities thereof, and on the taking of such stock or securities as collateral for loans to any borrower. Further, a bank holding company and any subsidiary bank are prohibited from engaging in certain tie in arrangements in connection with the extension of credit. A subsidiary bank may not extend credit, lease or sell property or furnish any services or fix or vary the consideration for any of the foregoing on the condition that: (i) the customer obtain or provide some additional credit, property or services from or to such bank other than a loan, discount, deposit or trust service; (ii) the customer obtain or provide some additional credit, property or service from or to the Company or any other subsidiary of the Company; or (iii) the customer not obtain some other credit, property or service from competitors, except for reasonable requirements to assure the soundness of credit extended.

Branching and Interstate Banking. The federal banking agencies are authorized to approve interstate bank merger transactions without regard to whether such transaction is prohibited by the law of any state, unless the home state of one of the banks has opted out of the interstate bank merger provisions of the Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994 ("Riegle-Neal Act") by adopting a law after the date of enactment of the Riegle-Neal Act and prior to June 1, 1997, which applies equally to all out-of-state banks and expressly prohibits merger transactions involving out-of-state banks. Interstate acquisitions of branches are permitted only if the law of the state in which the branch is located permits such acquisitions. Such interstate bank mergers and branch acquisitions are also subject to the nationwide and statewide insured deposit concentration limitations described in the Riegle-Neal Act. Washington, D.C., Maryland and Virginia have each enacted laws that permit interstate acquisitions of banks and bank branches. The Dodd-Frank Act authorizes national and state banks to establish *de novo* branches in other states to the same extent as a bank chartered by that state would be permitted to branch.

The GLB Act made substantial changes in the historic restrictions on non-bank activities of bank holding companies and allows affiliations between types of companies that were previously prohibited. The GLB Act also allows banks to engage in a wider array of nonbanking activities through “financial subsidiaries”.

Brokered Deposits. A "brokered deposit" is any deposit that is obtained from or through the mediation or assistance of a deposit broker. Deposit brokers may attract deposits from individuals and companies throughout the United States and internationally whose deposit decisions are based primarily on obtaining the highest interest rates. Banks that become less than "well-capitalized" under applicable regulatory capital requirements may be restricted in their ability to accept or renew, or prohibited from accepting or renewing, brokered deposits, and less than "well capitalized" banks also are subject to interest rate restrictions on deposits.

Bank Secrecy Act. Under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act, commonly referred to as the "USA Patriot Act," financial institutions are subject to prohibitions against specified financial transactions and account relationships, as well as enhanced due diligence standards intended to detect and prevent the use of the United States financial system for money laundering and terrorist financing activities. The Bank Secrecy Act requires financial institutions, including banks, to establish anti-money laundering programs, including employee training and independent audit requirements, meet minimum standards specified by the act, follow minimum standards for customer identification and maintenance of customer identification records and regularly compare customer lists against lists of suspected terrorists, terrorist organizations and money launderers.

Office of Foreign Assets Control. The United States has imposed economic sanctions that affect transactions with designated foreign countries, foreign nationals and others, which are administered by the U.S. Treasury Department’s Office of Foreign Assets Control ("OFAC"). The OFAC-administered sanctions targeting countries take many different forms. Generally, however, they contain one or more of the following elements: (i) restrictions on trade with or investment in a sanctioned country, including prohibitions against direct or indirect imports from and exports to a sanctioned country and prohibitions on a “U.S. person” engaging in financial transactions relating to making investments in, or providing investment-related advice or assistance to, a sanctioned country; and (ii) a blocking of assets in which the government or specially designated nationals of a sanctioned country have an interest by prohibiting transfers of property subject to U.S. jurisdiction (including property in the possession or control of U.S. persons). Blocked assets (e.g., property and bank deposits) cannot be paid out, withdrawn, set off or transferred in any manner without a license from OFAC. Failure to comply with these sanctions could have serious legal and reputational consequences.

Capital Adequacy. The FRB and the other federal banking agencies have adopted risk-based and leverage capital adequacy requirements, pursuant to which they assess the adequacy of capital in examining and supervising banks and bank holding companies and in analyzing bank regulatory applications. Risk-based capital requirements assign different capital requirements to various classes of assets and off-balance sheet items based on standardized supervisory measures of risk. The Dodd-Frank Act additionally requires capital requirements to be counter cyclical so that the required amount of capital increases in times of economic expansion and decreases in times of economic contraction, consistent with safety and soundness.

The federal banking agencies have adopted rules, referred to as the Basel III Rules, to implement the framework for strengthening international capital and liquidity regulation adopted by the Basel Committee on Banking Supervision, or Basel III. The Basel III framework, among other things, (i) introduced the concept of common equity tier one capital ("CET1"); (ii) required that most adjustments to regulatory capital measures be made to CET1 and not to the other components of capital; (iii) expanded the scope of the adjustments to capital that may be made as compared to prior regulations; and (iv) specified that Tier 1 capital consists of CET1 and “Additional Tier 1 capital” instruments meeting specified requirements. Under the Basel III Rules, repurchase or redemption of Additional Tier 1 and Tier 2 capital instruments requires prior approval of the appropriate federal banking agency, which in our case is the FRB for both the Company and the Bank. Prior approval to repurchase or

redeem CET1 instruments is only required under the Basel III Rules to the extent that a separate legal or regulatory requirement for prior approval applies, such as the restrictions described under “Share Repurchases” above.

The Basel III Rules require institutions to maintain: (i) a minimum ratio of CET1 to risk-weighted assets of 4.5% plus a “capital conservation buffer” of 2.5% for an overall effective requirement of 7.0%; (ii) a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0% plus the capital conservation buffer for an overall effective requirement of 8.5%; (iii) a minimum ratio of Total (Tier 1 plus Tier 2) capital to risk-weighted assets of 8.0% plus the capital conservation buffer for an overall effective requirement of 10.5%; and (iv) a minimum leverage ratio of 4%, calculated as the ratio of Tier 1 capital to balance sheet exposures plus certain off-balance sheet exposures (computed as the average of the month-end ratios each month during a calendar quarter).

Banking institutions with a risk-based ratio above the minimum but below the capital conservation buffer face constraints on their ability to pay dividends, effect equity repurchases and pay discretionary bonuses to executive officers, which constraints vary based on the amount of the shortfall, and the institution's "eligible retained income" (that is, the greater of (i) net income for the preceding four quarters, net of distributions and associated tax effects not reflected in net income, and (ii) average net income over the preceding four quarters).

The Basel III Rules provide for the manner of calculating risk-weighted assets, including the recognition of credit risk mitigation, such as financial collateral and a range of eligible guarantors. As discussed below, the Basel III Rules also integrate the capital requirements into the prompt corrective action provisions under Section 38 of the FDIA.

The capital ratios described above are the minimum levels that the federal banking agencies expect. Our state and federal regulators have the discretion to require us to maintain higher capital levels based upon our concentrations of loans, the risk of our lending or other activities, the performance of our loan and investment portfolios and other factors. Failure to maintain such higher capital in accordance with supervisory expectations could result in a lower composite regulatory rating, which would impact our deposit insurance premiums and could affect our ability to borrow and costs of borrowing and could result in additional or more severe enforcement actions. In respect of institutions with high concentrations of loans in areas deemed to be higher risk, or during periods of significant economic stress, regulators may require an institution to maintain a higher level of capital and/or to maintain more stringent risk management measures than those required by these regulations.

In December 2017, the Basel Committee on Banking Supervision published the last version of the Basel III accord, generally referred to as "Basel III Endgame." On July 27, 2023, the federal banking regulators proposed revisions to the Basel III Rules to implement the Basel Committee’s 2017 standards and make other changes to the Basel III Rules. The proposal introduces revised credit risk, equity risk, operational risk, credit valuation adjustment risk and market risk requirements, among other changes. However, the revised capital requirements of the proposed rule would not apply to the Company or the Bank because they have less than $100 billion in total consolidated assets and trading assets and liabilities below the threshold for market risk requirements. The Federal Reserve has indicated that it expects to work with the other federal banking regulators in 2025 on a revised proposal.

In 2016, the Financial Accounting Standards Board ("FASB") issued the current expected credit losses model ("CECL"), which became applicable to us on January 1, 2020. CECL required financial institutions to estimate and establish a provision for expected credit losses over the lifetime of the asset, at the origination or the date of acquisition of the asset, as opposed to reserving for incurred or probable losses through the balance sheet date. Upon implementation, an institution recognized a one-time cumulative effect adjustment to the allowance for credit losses ("ACL"). The federal banking regulators have adopted a rule providing for an optional three-year phase-in period for the day-one adverse regulatory capital effects upon adopting CECL. In response to the COVID-19 pandemic, the federal banking regulators issued a final rule in March 2020 that provided banking organizations with an alternative option to temporarily delay for two years the estimated impact of the adoption of the CECL methodology on regulatory capital, followed by the three-year phase-in period. The cumulative amount that is not recognized in regulatory capital will be phased in at 25% per year beginning January 1, 2022. We have elected to adopt the option provided in the March 2020 interim final rule.

Prompt Corrective Action. Under Section 38 of the FDIA, each federal banking agency is required to implement a system of prompt corrective action for institutions that it regulates. The federal banking agencies have promulgated substantially similar regulations for this purpose. The following capital requirements currently apply to the Bank for purposes of Section 38.

Capital Category	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	Common Equity Tier 1 Capital Ratio	Leverage Ratio	Tangible Equity to Assets
Well Capitalized	10% or greater	8% or greater	6.5% or greater	5% or greater	n/a
Adequately Capitalized	8% or greater	6% or greater	4.5% or greater	4% or greater	n/a
Undercapitalized	Less than 8%	Less than 6%	Less than 4.5%	Less than 4%	n/a
Significantly Undercapitalized	Less than 6%	Less than 4%	Less than 3%	Less than 3%	n/a
Critically Undercapitalized	n/a	n/a	n/a	n/a	Less than 2%

An institution generally must file a written capital restoration plan which meets specified requirements with the appropriate federal banking agency within 45 days of the date the institution receives notice or is deemed to have notice that it is undercapitalized, significantly undercapitalized or critically undercapitalized. The appropriate federal banking agency must provide the institution with written notice of approval or disapproval within 60 days after receiving a capital restoration plan, subject to extensions by the applicable agency.

An institution that is required to submit a capital restoration plan must concurrently submit a performance guaranty by each company that controls the institution. Such guaranty shall be limited to the lesser of (i) an amount equal to 5.0% of the institution's total assets at the time the institution was notified or deemed to have notice that it was undercapitalized or (ii) the amount necessary at such time to restore the relevant capital measures of the institution to the levels required for the institution to be classified as adequately capitalized. Such a guaranty shall expire after the appropriate federal banking agency notifies the institution that it has remained adequately capitalized for four consecutive calendar quarters. An institution that fails to submit a written capital restoration plan within the requisite period, including any required performance guaranty, or fails in any material respect to implement a capital restoration plan, shall be subject to the restrictions in Section 38 of the FDIA that are applicable to significantly undercapitalized institutions.

A "critically undercapitalized institution" is required to be placed in conservatorship or receivership within 90 days, unless the FDIC formally determines that forbearance from such action would better protect the DIF. Unless the FDIC or other appropriate federal banking agency makes specific further findings and certifies that the institution is viable and is not expected to fail, an institution that remains critically undercapitalized during the fourth calendar quarter after the date it became critically undercapitalized must be placed in receivership. The general rule is that the FDIC will be appointed as receiver within 90 days after an institution becomes critically undercapitalized unless good cause is shown and an extension is agreed to by the federal regulators. In general, good cause requires that adequate capital has been raised and is imminently available for infusion into the institution, except for certain technical requirements, which may delay the infusion for a period of time beyond the 90 day time period.

Immediately upon becoming undercapitalized, an institution shall become subject to the provisions of Section 38 of the FDIA, which (i) restrict payment of capital distributions and management fees; (ii) require that the appropriate federal banking agency monitor the condition of the institution and its efforts to restore its capital; (iii) require submission of a capital restoration plan; (iv) restrict the growth of the institution's assets; and (v) require prior approval of certain expansion proposals. The appropriate federal banking agency for an undercapitalized institution also may take any number of discretionary supervisory actions if the agency determines that any of these actions is necessary to resolve the problems of the institution at the least possible long-term cost to the DIF, subject in certain cases to specified procedures. These discretionary supervisory actions include: requiring the institution to raise additional capital; restricting transactions with affiliates; requiring divestiture of the institution or the sale of the institution to a willing purchaser; and any other supervisory action that the agency deems appropriate. These and additional mandatory and permissive supervisory actions may be taken with respect to significantly undercapitalized and critically undercapitalized institutions.

Additionally, under Section 11(c)(5) of the FDIA, a conservator or receiver may be appointed for an institution where: (i) an institution's obligations exceed its assets; (ii) there is substantial dissipation of the institution's assets or earnings as a result of any violation of law or any unsafe or unsound practice; (iii) the institution is in an unsafe or unsound condition; (iv) there is a willful violation of a cease-and-desist order; (v) the institution is unable to pay its obligations in the ordinary course of business; (vi) losses or threatened losses deplete all or substantially all of an institution's capital, and there is no reasonable

prospect of becoming "adequately capitalized" without assistance; (vii) there is any violation of law or unsafe or unsound practice or condition that is likely to cause insolvency or substantial dissipation of assets or earnings, weaken the institution's condition or otherwise seriously prejudice the interests of depositors or the insurance fund; (viii) an institution ceases to be insured; (ix) the institution is undercapitalized and has no reasonable prospect that it will become adequately capitalized, fails to become adequately capitalized when required to do so or fails to submit or materially implement a capital restoration plan; or (x) the institution is critically undercapitalized or otherwise has substantially insufficient capital.

Regulatory Enforcement Authority. Federal banking law grants substantial enforcement powers to the federal banking agencies. This enforcement authority includes, among other things, the ability to assess civil money penalties, to issue cease-and-desist or removal orders and to initiate injunctive actions against banking organizations and institution-affiliated parties. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. Other actions or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with regulatory authorities.

Consumer Financial Protection Bureau. The Dodd-Frank Act created the CFPB, an independent federal agency with broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws, including the Equal Credit Opportunity Act, Truth in Lending Act, Real Estate Settlement Procedures Act, Fair Credit Reporting Act, Fair Debt Collection Practices Act, the consumer financial privacy provisions of the GLB Act and certain other statutes. The CFPB has examination and primary enforcement authority with respect to depository institutions with over $10 billion in assets. The CFPB also has authority to prevent unfair, deceptive or abusive practices in connection with the offering of consumer financial products. The Dodd-Frank Act permits states to adopt consumer protection laws and standards that are more stringent than those adopted at the federal level and, in certain circumstances, permits state attorneys general to enforce compliance with both the state and federal laws and regulations.

The Bank is also required to provide information to the CFPB on a quarterly basis, and is subject to periodic examinations by the CFPB focused on compliance with consumer laws and regulations, as a banking organization over $10 billion in total assets. The changes resulting from the Dodd-Frank Act and CFPB rule making and enforcement policies may impact the profitability of our business activities, limit our ability to make, or the desirability of making, certain types of loans, including non-qualified mortgage loans, require us to change our business practices, impose upon us more stringent capital, liquidity and leverage ratio requirements or otherwise adversely affect our business or profitability. The changes may also require us to dedicate significant management attention and resources to evaluate and make necessary changes to comply with the new statutory and regulatory requirements.

In October 2024, the CFPB finalized a new rule that requires a provider of payment accounts or products, such as a bank, to make data available to consumers upon request regarding the products or services they obtain from the provider. Any such data provider is also required to make such data available to third parties, with the consumer's express authorization and through an interface that satisfies formatting, performance and security standards, for the purpose of such third parties providing the consumer with financial products or services requested by the consumer. Data required to be made available under the rule includes transaction information, account balance, account and routing numbers, terms and conditions, upcoming bill information, and certain account verification data. The rule is intended to give consumers control over their financial data, including with whom it is shared, and encourage competition in the provision of consumer financial products or services. For banks with at least $10 billion but less than $250 billion in total assets, compliance with the rule's requirements is required by April 1, 2027.

In December 2024, the CFPB issued a final rule that modifies or eliminates several long-standing exclusions from requirements generally applicable to consumer credit that previously exempted certain overdraft practices. The rule generally requires banks to restructure many overdraft fees, overdraft lines of credit, and other overdraft practices as separate consumer credit accounts that would be subject to those requirements. This rule applies to banks with over $10 billion in total assets, including the Bank, starting in October 2025. Compliance with these new requirements could result in the Bank, among other things, facing higher compliance costs in charging overdraft fees, experiencing a decreased ability to recover amounts extended as overdraft protection, reducing the availability of overdraft protection, and/or charging lower overdraft fees.

Fair and Responsible Banking. Banks and other financial institutions are subject to numerous laws and regulations intended to promote fair and responsible banking and prohibit unlawful discrimination and unfair, deceptive or abusive practices in banking. These laws include, among others, the Dodd-Frank Act, Section 5 of the Federal Trade Commission Act, the Equal Credit Opportunity Act and the Fair Housing Act. Many states and local jurisdictions have consumer protection laws analogous, and in addition, to those listed above. These federal, state and local laws regulate the manner in which financial institutions deal with customers taking deposits, making loans or conducting other types of transactions. Failure to comply with these laws and regulations could give rise to regulatory sanctions and actions by the U.S. Department of Justice and state attorneys general.

Financial Privacy and Cybersecurity. Under the Federal Right to Privacy Act of 1978, which imposes a duty to maintain confidentiality of consumer financial records and prescribes procedures for complying with administrative subpoenas of financial records, financial institutions are required to disclose their policies for collecting and protecting confidential information. Consumers generally may prevent financial institutions from sharing personal financial information with nonaffiliated third parties except for third parties that market the institutions' own products and services. Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to consumers.

The federal banking regulators regularly issue guidance regarding cybersecurity intended to enhance cyber risk management standards among financial institutions. A financial institution is expected to establish multiple lines of defense and to ensure their risk management processes address the risk posed by potential threats to the institution. A financial institution's management is expected to maintain sufficient processes to effectively respond and recover the institution's operations after a cyberattack. A financial institution is also expected to develop appropriate processes to enable recovery of data and business operations if a critical service provider of the institution falls victim to this type of cyberattack. The Bank has adopted an information security program that has been approved by the Board and reviewed by its regulators.

In November 2021, the federal bank regulatory agencies issued a final rule regarding notification requirements for banking organizations related to significant computer security incidents. Under the final rule, a bank holding company, such as the Company, and a state member bank, such as the Bank, would be required to notify the Federal Reserve within 36 hours of any incident that has materially disrupted or degraded, or is reasonably likely to materially disrupt or degrade, the banking organization's ability to deliver services to a material portion of its customer base, jeopardize the viability of key operations of the banking organization, or pose a threat to the financial stability of the United States.

In July 2023, the SEC issued a final rule that requires registrants, such as the Company, to (i) report material cybersecurity incidents on Form 8-K within four business days of their being deemed material, (ii) disclose cybersecurity policies and procedures and governance practices, including at the board and management levels, in Form 10-K and (iii) present the disclosures in inline XBRL.

Community Reinvestment Act. The Community Reinvestment Act ("CRA") requires that, in connection with examinations of insured depository institutions within their respective jurisdictions, the federal banking agencies evaluate the record of each financial institution in meeting the needs of its local community, including low- and moderate-income neighborhoods. The Bank's record of performance under the CRA is publicly available. A bank's CRA performance is also considered in evaluating applications seeking approval for mergers, acquisitions and new offices or facilities. Failure to adequately meet these criteria could result in additional requirements and limitations being imposed on the Bank. Additionally, we must publicly disclose the terms of certain CRA-related agreements. In October 2023, the OCC, the Federal Reserve and the FDIC jointly issued a final rule to modernize the federal bank regulators' regulations implementing the CRA. The final rule introduces new tests under which the performance of banks with over $2 billion in assets will be assessed. The new rule also includes data collection and reporting requirements, some of which are applicable only to banks with over $10 billion in assets, such as the Bank. Most provisions of the final rule will become effective on January 1, 2026, and the data reporting requirements will become effective on January 1, 2027. However, the final rule is currently enjoined as to the plaintiff trade associations while a federal court considers a lawsuit challenging the rule.

Concentration and Risk Guidance. The federal banking regulatory agencies promulgated joint interagency guidance regarding material direct and indirect asset and funding concentrations. The guidance defines a concentration as any of the following: (i) asset concentrations of 25% or more of Total Capital (loan related) or Tier 1 Capital (non-loan related) by individual borrower, small interrelated group of individuals, single repayment source or individual project; (ii) asset concentrations of 100% or more of Total Capital (loan related) or Tier 1 Capital (non-loan related) by industry, product line, type of collateral or short-term obligations of one financial institution or affiliated group; (iii) funding concentrations from a single source representing 10% or more of Total Assets; or (iv) potentially volatile funding sources that when combined represent 25% or more of Total Assets (these sources may include brokered, large, high-rate, uninsured, internet-listing-service deposits, Federal funds purchased or other potentially volatile deposits or borrowings). If a concentration is present, management must employ heightened risk management practices including board and management oversight and strategic planning, development of underwriting standards, risk assessment and monitoring through market analysis and stress testing, third party review and increasing capital requirements.

Additionally, the federal bank regulatory agencies have issued guidance governing financial institutions with concentrations in commercial real estate lending. The guidance provides that institutions that have (i) total reported loans for construction, land development and other land which represent 100% or more of an institution's total risk-based capital; or (ii) total reported commercial real estate loans, excluding loans secured by owner-occupied commercial real estate, representing 300% or more of the institution's total risk-based capital and the institution's commercial real estate loan portfolio has increased 50% or more during the prior 36 months, are identified as having potential commercial real estate concentration risk. As of December 31, 2024, as per the regulatory guidance, commercial real estate loans (including construction, land and land

development loans) represented 372.6% of consolidated risk based capital; however, growth in that segment over the past 36 months at 26.8% did not exceed the 50% threshold laid out in the regulatory guidance. Construction, land and land development loans represented 122.60% of consolidated risk based capital as of December 31, 2024. Institutions that are deemed to have concentrations in commercial real estate lending are expected to employ heightened levels of risk management with respect to their commercial real estate portfolios, and may be required to hold higher levels of capital.

FDIC Insurance Premiums. Deposits at the Bank are insured up to applicable limits by the DIF of the FDIC and the Bank is subject to deposit insurance assessments to maintain the DIF. Deposit insurance assessments are based on average total assets minus average tangible equity. For larger institutions, such as the Bank, the FDIC uses a performance score and a loss-severity score to calculate an initial assessment rate. In calculating these scores, the FDIC uses a bank's capital level and supervisory ratings and certain financial measures to assess an institution's ability to withstand asset-related stress and funding-related stress. The FDIC has the ability to make discretionary adjustments to the total score based upon significant risk factors that are not adequately captured in the calculations.

Under the FDIA, the FDIC may terminate deposit insurance upon a finding that the institution has engaged in unsafe and unsound practices, is in an unsafe or unsound condition to continue operations or has violated any applicable law, regulation, rule, order or condition imposed by the FDIC. In addition, the FDIC is authorized to conduct examinations of and require reporting by FDIC-insured institutions.

The Dodd-Frank Act permanently increased the maximum deposit insurance amount for banks, savings institutions and credit unions to $250 thousand per depositor. The Dodd-Frank Act also broadened the base for calculating FDIC insurance assessments. Assessments are now based on a financial institution's average consolidated total assets less tangible equity capital. The Dodd-Frank Act required the FDIC to increase the reserve ratio of the DIF to 1.35% of insured deposits and eliminated the requirement that the FDIC pay dividends to insured depository institutions when the reserve ratio exceeds certain thresholds.

On November 16, 2023, the FDIC finalized a rule that imposes special assessments to recover the losses to the deposit insurance fund ("DIF") resulting from the FDIC's use, in March 2023, of the systemic risk exception to the least-cost resolution test under the Federal Deposit Insurance Act in connection with the receiverships of Silicon Valley Bank and Signature Bank. The FDIC estimated in approving the rule that those assessed losses total approximately $16.3 billion. The rule provides that this loss estimate will be periodically adjusted, which will affect the amount of the special assessment. Under the rule, the assessment base is the estimated uninsured deposits that an insured depository institution reported in its December 31, 2022 Call Report, excluding the first $5 billion in estimated uninsured deposits. Because the Bank had $4.4 billion in estimated uninsured deposits at December 31, 2022, the special assessment will not affect the Bank.

Affiliate Transactions. The Company and Bank are separate and distinct legal entities, and the Company is an affiliate of the Bank. Federal laws strictly limit the ability of banks to engage in certain transactions with their affiliates. Transactions deemed to be a "covered transaction" under Section 23A of the Federal Reserve Act between a bank and an affiliate are limited to 10% of the bank's capital and surplus and, with respect to all affiliates, to an aggregate of 20% of the bank's capital and surplus. Further, covered transactions that are loans and extensions of credit generally are required to be secured by eligible collateral in specified amounts. Federal law also requires that covered transactions and certain other transactions listed in Section 23B of the Federal Reserve Act between a bank and its affiliates be on terms as favorable to the bank as transactions with non-affiliates.

Incentive Compensation. The Federal Reserve reviews, as part of the regular, risk-focused examination process, the incentive compensation arrangements of banking organizations, such as the Company, that are not "large, complex banking organizations." These reviews are tailored to each organization based on the scope and complexity of the organization's activities and the prevalence of incentive compensation arrangements. The findings of the supervisory initiatives are included in reports of examination. Deficiencies are incorporated into the organization's supervisory ratings, which can affect the organization's ability to make acquisitions and take other actions. Enforcement actions may be taken against a banking organization if its incentive compensation arrangements, or related risk management control or governance processes, pose a risk to the organization's safety and soundness and the organization is not taking prompt and effective measures to correct the deficiencies.

Under Federal Reserve guidance, which covers all employees that have the ability to materially affect the risk profile of an organization, either individually or as part of a group, a banking organization's incentive compensation arrangements should (i) provide incentives that appropriately balance risk and financial results in a manner that does not encourage employees to expose their organizations to imprudent risk, (ii) be compatible with effective internal controls and risk management and (iii) be supported by strong corporate governance, including active and effective oversight by the organization's board of directors.

In 2016, the U.S. financial regulators, including the FRB and the SEC, proposed revised rules on incentive-based payment arrangements at specified regulated entities having at least $1 billion in total assets (including the Company and the Bank), but these proposed rules have not been finalized.

In October 2022, the SEC adopted a final rule directing national securities exchanges and associations, including NASDAQ, to require policies mandating the recovery or "clawback" of excess incentive-based compensation earned by a current or former executive officer during the three fiscal years preceding a required accounting restatement, including to correct an error that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period. The excess compensation would be based on the amount the executive officer would have received had the incentive-based compensation been determined using the restated financials. NASDAQ's listing standards pursuant to the SEC's rule became effective October 2, 2023. The Company's clawback policy adopted in accordance with these listing standards is included as Exhibit 97.1.

Climate-Related and ESG Developments. In recent years, federal, state and international lawmakers and regulators have increased their focus on financial institutions' and other companies' risk oversight, disclosures and practices in connection with climate change and other environmental, social and governance ("ESG") matters. For example, in March 2024, the SEC issued a final rule on the enhancement and standardization of climate-related disclosures for investors. The final rule requires public issuers, including us, to provide certain climate-related disclosures in their SEC filings. In April 2024, the SEC issued an order staying the new rule pending judicial review of certain legal challenges to the rule. In addition, several states have enacted or proposed statutes or regulations addressing climate change and other ESG issues, including "anti-ESG" statutes or regulations. For example, California enacted climate-related disclosure laws requiring certain companies doing business in California to make certain climate-related disclosures, including but not limited to greenhouse gas emissions data and climate-related risks.

Future Legislation and Regulation

In addition to the discussion above, other new proposals for legislation continue to be introduced in the Congress that could further substantially increase regulation of the bank and non-bank financial services industries and impose restrictions on the operations and general ability of firms within the industry to conduct business consistent with historical practices. Federal and state regulatory agencies also frequently adopt changes to their regulations or change the manner in which existing regulations are applied. Certain aspects of current or proposed regulatory or legislative changes to laws applicable to the financial industry, if enacted or adopted, may impact the profitability of our business activities, require more oversight or change certain of our business practices, including the ability to offer new products, obtain financing, attract deposits, make loans and achieve satisfactory interest spreads and could expose the Company to additional costs, including increased compliance costs. These changes also may require significant management attention and resources to make any necessary changes to operations to comply and could have an adverse effect on our business, financial condition and results of operations.

ITEM 1A. RISK FACTORS

An investment in our securities involves risks. Before making an investment decision, you should carefully read and consider the risk factors described below as well as the other information included in this report and other documents we file with the SEC, as the same may be updated from time to time. Any of these risks, if they actually occur, could materially adversely affect our business, financial condition, and results of operations. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect us. In any such case, you could lose all or a portion of your original investment.

RISKS RELATED TO OUR BUSINESS AND ECONOMIC CONDITIONS

Our business and results of operations may be adversely affected by the financial markets, fiscal, monetary, and regulatory policies and economic conditions. These factors could have a material adverse effect on our earnings, net interest margin, financial condition, rate of growth, liquidity levels, and stock price.

General economic, political, social and health conditions affect financial markets, and therefore, our business. Fiscal and monetary policies have a direct and indirect impact on the level and volatility of interest rates, liquidity of financial markets, the availability and cost of capital, and market conditions of financing. For example, recently, interest rates have been elevated due to central banks' efforts to manage inflation through monetary policy.

Financial markets and the banking industry are affected by economic growth and its sustainability. Changes in economic growth may result in unexpected changes in gross domestic product ("GDP"), fluctuations or other significant changes in both debt and equity capital markets and currencies, liquidity of financial markets and the availability and cost of capital and credit. Changes in the size of the government workforce, actual or potential federal government shutdowns, and developments related to the U.S. federal debt ceiling may also have an economic impact or result in market volatility. Increased market volatility and changes in financial or capital market conditions may be further impacted by energy prices, commercial

property values, residential property values, consumer spending, bankruptcies, employment levels, labor shortages, changes in immigration policy, tariffs and changes in trade policy, wage inflation and supply chain disruptions.

A significant portion of our loan portfolio consists of loans secured by commercial properties, the adverse performance of which could impact the credit quality of the loan portfolio and result in a negative impact to our financial condition or results of operations.

Economic weaknesses, sustained elevated inflation, challenging business conditions, the implementation or persistence of hybrid work arrangements and other changes in business operating practices, market disruptions, adverse economic or market events, rising interest or capitalization rates, declining asset prices, greater volatility in areas where we have concentrated credit risk or deterioration in real estate values or household incomes may cause us to experience a decrease in cash flow and higher credit losses in our portfolios or cause us to write down the value of certain assets. Certain adverse consequences of the pandemic, including lower office occupancy rates, continue to materially affect the businesses of certain segments of our customer base and of their customers, which impacts their creditworthiness, their ability to pay amounts owed to us and our ability to collect those amounts.

We may also experience continued and long-term negative impacts to our commercial credit exposure and an increase in credit losses within those industries, such as commercial real estate, that may be impacted by changes in consumer preferences or office occupancy rates. A large portion of our loan portfolio is related to real estate, with 83% consisting of commercial real estate and real estate construction secured by commercial real estate. As a result of actual or expected credit losses, we may downgrade loans, increase our allowance for loan losses and write down or charge off credit relationships, any of which would negatively impact our results of operations. In addition, market upheavals are likely to affect the value of real estate and commercial assets. As a result, in the event of foreclosure, it is possible that we will be unable to sell the foreclosed property at a price that will allow us to recoup a significant portion of the delinquent loan.

A significant number of our commercial real estate loans are secured by office properties. The impact of the COVID-19 pandemic is still being felt due to the significant changes in working arrangements that have impacted and could continue to impact the performance of some of the office properties within our commercial real estate portfolio. Hybrid work arrangements, flexible work schedules, open workplaces and teleconferencing have become increasingly common. These practices enable businesses to reduce their office space requirements. A continuation of the movement towards these practices over time could continue to erode the overall demand for office space and, in turn, place downward pressure on occupancy, rental rates and property valuations, each of which could have an adverse effect on our borrowers, the office properties securing their loans, and our ability to collect the amounts owed to us.

Our calculation of our ACL relies on estimates and assumptions, resulting in the risk that our calculated ACL may not cover actual future credit losses, which could result in an adverse effect on our business, financial condition and results of operations.

We use a credit reserving methodology known as the CECL methodology. The provision for credit losses represents management's estimate of expected credit losses on our portfolio and is recorded in the ACL on our loan portfolio. Management utilizes a variety of inputs in the calculation of its estimate, including historical losses based on internal and peer data, economic conditions and trends, the value and adequacy of collateral, volume and mix of the portfolio, performance of the portfolio, and our internal loan processes. Our use of third-party service provider provided historical loss data in the calculation of our CECL provision may not approximate our own historical loss data.

Our ability to accurately forecast future losses under this methodology may be impaired by significant uncertainties:

- Uncertainties surrounding volatility in inflation and interest rates, which have disrupted financial markets and adversely affected commercial real estate and other sectors in the economy.
- Uncertainties related to the identification of the appropriate economic indicators.
- Uncertainties related to the data utilized to build models and draw assumptions.
- Uncertainties and limitations related to the different sources of data: internal data, peer data, market data, macroeconomic data, geopolitical data, etc.
- Uncertainties related to the need to make difficult and complex judgments that are often interrelated.

Additionally, the condition of our loan portfolio's credit quality is factored into the calculation of our CECL estimate. Our ability to accurately forecast and react to future losses may be impaired by significant uncertainties which could result in loan losses and other exposures which could exceed our allowance. Furthermore, if the models, estimates and assumptions we use to establish reserves or the judgments we make in extending credit to our borrowers prove inaccurate in predicting future events, the result may also be losses in excess of our CECL provision. As economic conditions change, we may have to increase our allowance, which could adversely affect our results of operations, earnings and financial condition.

We are subject to operational risks in connection with our employees and our technology that may adversely impact our business.

Risk to our operations is inherent in our business. We rely on business processes and branch activity that largely depend on people and technology, including access to information technology systems as well as information, applications, payment systems and other services provided by third parties. Operational risks that may have an adverse effect on our operations, include (i) risks related to our work productivity; (ii) increased spending on our business continuity efforts; (iii) increased strain on certain risk management practices, including, but not limited to, the effectiveness and accuracy of our models, given the potential lack of data inputs and comparable precedent; (iv) risks related to the effectiveness of our anti-money laundering and other compliance programs; (v) increased cybersecurity risk due to, among other things, the increased connectivity of third parties and electronic devices to our systems, hybrid work arrangements and new technologies, such as artificial intelligence; (vi) risks related to our efforts to provide banking services through digital channels; and (vii) operational disruptions at our third-party service providers. Increased cyber risks in this context may include greater phishing, malware and other cybersecurity attacks, vulnerability to disruptions of our information technology infrastructure and telecommunications systems for remote operations, increased risk of unauthorized dissemination of confidential information, limited ability to restore the systems in the event of a systems failure or interruption, greater risk of a security breach resulting in destruction or misuse of sensitive, confidential, personal or proprietary information and potential impairment of our ability to perform critical functions, including wiring funds, all of which could expose us to risks of data or financial loss, litigation and liability and could seriously disrupt our operations and the operations of any impacted customers.

Our reliance on external service providers exposes us to operational risk that could adversely impact our business.

We rely on many outside service providers that support our day-to-day operations including data processing and electronic communications, real estate appraisal, loan servicers and local and federal government agencies, offices and courthouses. Any actions by these entities to limit the availability of and access to their services may impact our business. For example, a loan origination could be delayed due to the limited availability of real estate appraisers to evaluate the collateral. Loan closings could be delayed related to reductions in available staff in recording offices or the closing of courthouses, which slows the process for title work and mortgage and UCC filings. In addition, unintended operational disruptions, including cybersecurity incidents and coding errors, at our third-party service providers may adversely affect our ability to provide our products and services as usual.

Our inability to generate liquidity in a timely manner may adversely impact our ability to satisfy obligations associated with our financing, our operations and other components of our business.

Timely access to liquidity is essential to our business, and being able to meet obligations as they come due and pay deposits when they are withdrawn is critical to ongoing operations. If we are unable to meet our payment obligations on a daily basis, we may be subject to being placed into receivership, regardless of our capital levels. Our primary sources of liquidity consist of cash and cash balances due from correspondent banks, excess reserves at the Federal Reserve, loan repayments, federal funds sold and other short-term investments, maturities and monetization of investment securities, cash provided by operating activities and new core deposits into the Bank. Our ability to obtain or liquidate these primary sources of liquidity may be impacted by adverse economic conditions resulting from dynamic, complex, and other foreseen and unforeseen inter-related factors and events in the economic environment. If we were to rely on sales proceeds from the sale of investment securities within our portfolio in order to satisfy our obligations, we may be adversely impacted by our ability to transact and settle such sales. Sales of investment securities in an unrealized loss position would negatively affect our earnings and regulatory capital. In addition, in order to monetize our “held-to-maturity” securities, we expect to rely on pledging those securities for secured funding, and our liquidity may be impaired if we are unable to timely pledge those or any other securities due to a lack of available funding, operational impediments or otherwise. Our industry is susceptible to the negative impact of limited access to short-term and/or long-term sources of funds, which could result in a liquidity shortfall and/or impact our liquidity coverage ratio and could have an adverse effect on our operations, financial condition and earnings.

Our inability to access sources of financing at terms that are favorable to us may result in an adverse effect on our business, financial condition and results of operations.

Our liquidity could be adversely affected by any inability to access the debt or equity capital markets, liquidity or volatility in those capital markets, the decrease in value of eligible collateral or increased collateral requirements (including as a result of credit concerns for short-term borrowing), changes to our relationships with our funding providers based on real or perceived changes in our risk profile, prolonged federal government shutdowns or changes in regulations. Additionally, our liquidity may be negatively impacted by the unwillingness or inability of the Federal Reserve to act as lender of last resort.

Our ability to raise additional financing depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions and governmental

activities and on our financial condition and performance. Accordingly, we may be unable to raise additional financing if needed or on acceptable terms.

We face competition in the deposit markets and have experienced, and in the future may experience, a significant outflow in our customer deposit accounts, the impact of which required us, and may in the future require us, to find alternative sources of financing, including brokered deposits and other borrowings, in order to fund our financing commitments and operating activities.

We compete with banks and other financial services companies for deposits. If our competitors raise the rates they pay on deposits our funding costs may increase, either because we raise our rates to avoid losing deposits or because we lose deposits, and must rely on more expensive sources of funding. Checking and savings account balances and other forms of customer deposits may decrease when customers perceive other investment opportunities, such as stocks, bonds, or money market mutual funds, as providing a better risk/return trade-off. When customers move money out of bank deposits and into other investments, we may lose a relatively low-cost source of funds, increasing our funding costs and negatively affecting our business, liquidity, funding mix, results of operations or financial condition. Adverse changes in the real estate market in our market area could also have an adverse effect on our cost of funds and net interest margin, as we have a significant amount of noninterest bearing deposits related to real estate sales and development.

During 2023 and 2024, as a result of increasing interest rates, we experienced a reduction in noninterest bearing deposits and increase in interest-bearing deposits, which increased our interest expense and had a negative impact on our results of operations. Such activity, if it were to occur again in the future, may have a further negative impact on our financial condition and our results of operations. Brokered deposits or other sources of financing, such as FHLB borrowings and repurchase agreements have historically been, and may in the future be, available only at higher financing costs. Generally, these alternative sources of financing may not be as stable as other types of deposits, or may be associated with higher levels of risk. An inability to maintain or replace customer and brokered deposits as they mature could negatively affect our liquidity, which could significantly reduce our future growth or materially adversely affect our business and our results of operations. If brokered deposits become more difficult to access, we may have to seek alternative funding sources, including accessing borrowings or selling loans or investment securities, in order to continue to fund our growth. There can be no assurance that brokered deposits will be available, or if available, sufficient to support our growth. The migration from one financing source to another financing source may negatively impact our ability to execute investment transactions. The lack of availability of sufficient brokered deposits may have a material adverse effect on our business, financial condition and results of operations.

Our outstanding deposits with balances in excess of maximum FDIC insurance coverage limits may be more likely to be withdrawn or transferred to other financing sources with a higher costs to us, which could adversely impact our business, our financial condition, our results of operations, our liquidity and our funding mix.

At December 31, 2024, we had approximately $2.2 billion of deposits, or 24% of our total deposits, in excess of the maximum FDIC insurance coverage limits. Deposits make up a significant source of financing for our investment strategy and funding for our operations. Customers who have uninsured deposits with us could present a heightened risk of withdrawal. Additionally, clients could elect to use other non-deposit funding products, such as repurchase agreements, that may require us to pay higher interest and to provide securities as collateral for our repurchase obligation. If a significant portion of our deposits were withdrawn, as happened in 2023, and could happen again, we may need to rely more heavily on more expensive borrowings and other sources of funding to fund our business and meet withdrawal demands, adversely affecting our net interest margin. The occurrence of any of these events could materially and adversely affect our business, liquidity, funding mix, results of operations or financial condition.

If we are unable to continue funding our assets through customer deposits or access capital markets on favorable terms or if we suffer an increase in our borrowing costs or otherwise fail to manage our liquidity effectively, our liquidity, net interest margin, financial results and condition may be materially adversely affected. In order to maintain appropriate levels of liquidity, we may need to, or be required to raise additional capital through the issuance of common stock, which could dilute the ownership of existing stockholders, or reduce or even eliminate our common stock dividend to preserve capital or to raise additional capital.

The 2023 failures of Silicon Valley Bank ("SVB"), Signature Bank and First Republic have resulted and may continue to result in increased regulatory and supervisory focus on liquidity risk management, including with respect to uninsured deposits. Meeting supervisory expectations or any new regulatory requirements relating to liquidity risk management generally or uninsured deposits in particular could require us to seek to change our funding sources or the size and composition of our balance sheet, to incur higher expenses or to make other changes that adversely affect our net interest income and net interest margin.

Our inability to comply with capital and other regulatory requirements would have an adverse impact on our business, financial condition and results of operations. This may result in an inability to provide returns to our shareholders.

The banking industry is highly regulated and supervised under federal and state laws and regulations that are intended primarily for the protection of depositors, customers, the public, the banking industry as a whole or the FDIC deposit insurance fund ("DIF"). The Company and Bank are subject to regulation and supervision by the Federal Reserve and the FDIC, as well as our state regulator. We are subject to U.S. regulatory capital rules, and banking regulators have broad authority to determine whether we are operating in a safe and sound manner, including with respect to liquidity risk management and asset quality. We may need to raise additional financing in the future to provide sufficient funding to meet regulatory requirements, supervisory expectations or business needs. In conjunction with any changes to our capital, we must meet certain regulatory capital requirements and maintain sufficient liquidity, including to maintain our status as a well-capitalized institution. Additionally, regulatory capital requirements could increase from current levels, which could require us to raise additional capital or change the size or composition of our balance sheet. If we fail to maintain capital to meet regulatory requirements, our regulators may place restrictions on our activities or impose penalties, which would adversely affect our liquidity, business, financial condition and results of operations. In addition, the need to meet supervisory expectations regarding capital planning, asset quality and liquidity risk management, among other areas, exposes us to risks relating to ratings downgrades, ongoing heightened supervisory scrutiny, expenses associated with remediation activities and enforcement actions.

Our ability to fund our operations, to continue growing and to return capital to our shareholders depends in part on our ability to maintain regulatory capital levels above minimum requirements plus buffers. If earnings do not meet our current estimates, if we incur unanticipated losses or expenses, if we grow faster than expected or if our capital position and capital planning do not meet supervisory expectations, we may need to obtain additional capital sooner than expected or we may be required to reduce our level of assets or reduce or suspend dividends or stock repurchases (if restarted) or refrain from pursuing growth opportunities we may otherwise consider attractive. Under those circumstances net income and our growth prospects may be adversely affected.

Our investment securities are subject to market risk and credit risk that may have an adverse impact on our financial condition and results of operations.

Our investment securities portfolio is classified as either "available-for-sale" securities, which are marked to market on a recurring basis and recorded at fair value with unrealized gains or losses reported in accumulated other comprehensive income (loss), or "held-to-maturity" securities, which are recorded at amortized cost less any associated ACL. In pricing the AFS securities portfolio, a variety of factors beyond our control may significantly influence the fair values of these securities. These factors include, but are not limited to, market conditions, instability in the credit markets, rating agency downgrades of the securities, lack of market pricing of the securities, defaults of the issuers of the securities and issuer impairments. Conditions within the market or with the security may result in unrealized losses that may have a negative impact on our financial condition. If such losses were realized in a sales transaction, that may have a negative impact on our results of operations and our regulatory capital ratios.

Our investment securities portfolio as a whole is exposed to credit risk associated with rating agency downgrades and defaults or impairments of the issuers of those securities. We measure expected credit losses on our investment securities portfolio through our CECL estimate. Increases to the provision for credit losses would have a negative impact on our results of operations and regulatory capital ratios. Additionally, an insufficient CECL provision may result in additional losses that would also have an adverse impact on our results of operations. The investment securities portfolio's performance, including the existence of unrealized and unrecognized losses in the portfolio, also may create reputational risk for us, particularly in conjunction with the conditions of the banking industry generally, that could result in deposit outflows or reduced access to funding, or negatively impact our ability to attract and retain prospective customers.

Damage to our reputation, including as a result of actual or alleged conduct or public opinion of the financial services industry generally could harm our operations, including our liquidity, competitive position and business prospects.

Reputation risk, or the risk to our business, liquidity, funding mix, earnings and financial capital from negative public opinion, adverse publicity or negative information is inherent in our business and has increased substantially due to the instant access and instantaneous transmission and communication of information, which may include misinformation, including regarding actual or alleged conduct related to any number of activities or circumstances by the Bank, our directors, our officers, our employees and/or third parties. Our reputation may be harmed by our actual or perceived practices and disclosures and those of our customers and third parties. The speed and pervasiveness with which information can be disseminated through digital channels, in particular social media, could magnify risks relating to negative publicity.

Risks related to our reputation and the banking industry's reputation have also increased due to increased volatility in the business environment and challenging economic conditions, as a result of fiscal and monetary policies, banking industry stresses and sudden events whether within our control or not. For example, in March 2023, SVB and Signature Bank, which had elevated concentrations of uninsured deposits, experienced large deposit outflows, resulting in the institutions being placed into

FDIC receiverships. The collapse of these banking institutions sparked a panic that resulted in many banks, including us, experiencing deposit outflows and changes in deposit composition. In addition, the rapid dissemination of negative information through social media, in part, is believed to have accelerated the collapse of SVB. SVB suffered a level of deposit withdrawals within a time period not previously experienced by a bank. We could also be subject to rapid deposit withdrawals or other outflows as a result of negative social media posts or other negative publicity.

Our ability to attract and retain customers is highly dependent upon the perceptions of current and prospective borrowers and deposit holders and other external perceptions of our products, services, trustworthiness, business practices, workplace culture, compliance practices or our financial health. Negative and adverse perceptions regarding our reputation and the banking industry’s reputation could lead to difficulties in generating and maintaining customers as well as in financing their needs, and difficulties maintaining appropriate liquidity levels and funding requirements.

Negative public opinion or damage to our brand could also result from actual or alleged conduct in any number of activities or circumstances, including lending practices, regulatory compliance (including compliance with anti-money laundering statutes and regulations), security breaches or other cybersecurity incidents (including the use and protection of customer data), corporate governance, resolution of conflicts of interest and ethical issues, sales and marketing and from actions taken by regulators or other persons in response to such conduct. Such conduct could fall short of our customers' and the public's heightened expectations of financial institutions with rigorous privacy, data protection, data security and compliance practices, and could further harm our reputation. In addition, there has been an increased focus by investors and other stakeholders on topics related to corporate policies and approaches regarding environmental, social and governance and diversity, equity and inclusion issues. Due to divergent stakeholder views on these matters, we are at increased risk that any action, or lack thereof, concerning these matters will be perceived negatively by some stakeholders, which could negatively affect our business and reputation and heighten the risk of litigation.

Negative perceptions regarding our ability to maintain the security of our technology systems and protect customer data or our compliance programs, could lead to decreases in the levels of deposits that customers and potential customers choose to maintain with us or significantly increase the costs of attracting and retaining customers. We also face an increased risk of litigation, governmental and regulatory scrutiny and/or actions governmental authorities may take in response to those conditions.

If we do not respond appropriately to the current economic environment, or if customers or other stakeholders do not perceive our response to be adequate, we could suffer damage to our reputation and our brand, which could materially adversely affect our business. All these factors may erode consumer and investor confidence levels, and/or increased volatility of financial markets, could impact and/or adversely affect our reputation and the banking industry’s reputation which could harm our operations, including our liquidity, competitive position and business prospects.

We may not be able to grow or manage competition.

We have grown in the past several years through organic growth. We intend to seek further growth in the level of our loans and deposits within our existing footprint in the Washington, D.C. metropolitan area. We cannot provide any assurance that we will be able to grow at acceptable risk levels and upon acceptable terms, or at all. Our ability to generate loan portfolio growth has been and may continue to be negatively impacted based on our ability to source deposit funding and lending opportunities, the adverse economic effects due to the levels of interest rates and inflation, banking industry stresses and the heightened competition in the Bank’s market area. Even if economic conditions continue to improve in future quarters, there can be no assurance that we will be able to increase our total net loans in the short-term or long-term.

We may not be able to achieve meaningful growth in asset levels, loans or earnings in future years. Moreover, as our asset size, and loan portfolio increase, it may become more difficult to maintain the levels of performance and earnings achieved and to continue to grow in the future. Additionally, it may become more difficult to maintain or achieve improvements in our expense levels and efficiency ratio. We may not be able to achieve or maintain the relatively low levels of nonperforming assets that we have generally experienced prior to 2024. The inability to maintain or achieve growth of income or assets or deposits and increases in improvements of operating expenses or nonperforming assets may have an adverse impact on our results of operations, financial condition and the value of the common stock.

Failure to maintain effective systems of internal and disclosure controls could have a material adverse effect on our results of operations, financial condition and stock price.

Effective internal and disclosure controls are necessary for us to provide reliable financial reports and effectively prevent fraud and to operate successfully as a public company. If we cannot provide reliable financial reports or prevent fraud, our reputation, operating results or stock price could be adversely impacted.

Any failure to maintain effective controls, to timely implement any necessary improvement to our internal and disclosure controls or to effect remediation of any material weakness or significant deficiency could, among other things, result

in losses from fraud or error, harm our reputation or cause investors to lose confidence in our reported financial information, all of which could have a material adverse effect on our results of operations, financial condition or stock price.

Management reviews and updates our systems of internal control and disclosure controls and procedures, as well as corporate governance policies and procedures, from time to time. Any system of controls is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures or failure to comply with regulations related to controls and procedures could have a material adverse effect on our business, financial condition and results of operations.

We may face risks with respect to future expansion or acquisition activity.

We are subject to comprehensive regulation under federal and state banking laws. These laws and regulations significantly affect and have the potential to restrict the scope of our existing businesses and limit our ability to pursue certain business opportunities, including the products and services we offer. We may seek to selectively expand our banking operations through limited de novo branching or opportunistic acquisition activities. We cannot be certain that any expansion activity, through de novo branching, acquisition of branches of another financial institution or a whole institution or the establishment or acquisition of nonbanking financial services companies, will prove profitable or will increase shareholder value.

The FRB's prior approval is required to acquire all or substantially all of the assets of any bank or savings association, to acquire direct or indirect ownership or control of more than 5% of any class of voting securities of any bank or savings association or to merge or consolidate with any other bank holding company or savings and loan holding company. The BHC Act and other federal law enumerates the factors the FRB must consider when reviewing the merger of bank holding companies, the acquisition of banks or the acquisition of voting securities of a bank or bank holding company. These factors include the competitive effects of the proposal in the relevant geographic markets; the financial and managerial resources and future prospects of the companies and banks involved in the transaction; the effect of the transaction on the financial stability of the United States; the organizations' compliance with anti-money laundering laws and regulations; the convenience and needs of the communities to be served; and the records of performance under the CRA of the insured depository institutions involved in the transaction. Such regulatory approvals may not be granted on terms that are acceptable to us, or at all. We may also be required to sell branches as a condition to receiving regulatory approval, a condition which may not be acceptable to us or, if acceptable to us, may reduce the benefit of any acquisition.

The success of any acquisition will depend, in part, on our ability to realize the estimated cost savings and revenue enhancements from combining the businesses of the Company and the target company. Our ability to realize increases in revenue will depend, in part, on our ability to retain customers and employees and to capitalize on existing relationships for the provision of additional products and services. If our estimates for such activities turn out to be incorrect or we are not able to successfully combine companies, the anticipated cost savings and increased revenues may not be realized fully or at all or may take longer to realize than expected. It is possible that the integration process could result in the loss of key employees, the disruption of each company’s ongoing business or inconsistencies in standards, controls, procedures and policies that adversely affect our ability to maintain relationships with clients and employees or to achieve the anticipated benefits of the merger. As with any combination of banking institutions, there also may be disruptions that cause us to lose customers or cause customers to withdraw their deposits from our bank. Customers may not readily accept changes to their banking arrangements that we make as part of or following an acquisition. Additionally, the value of an acquisition to the Company is dependent on our ability to successfully identify and estimate the magnitude of any asset quality issues of acquired companies.

Our concentrations of loans may create a greater risk of loan defaults and losses.

A substantial portion of our loans are secured by commercial real estate in the Washington, D.C. metropolitan area and substantially all of our loans are to borrowers in that area. We also have a significant amount of real estate construction loans and land related loans for commercial developments. At December 31, 2024, 85% of our loans were secured or partially secured by real estate, primarily commercial real estate. Of these loans, $1.3 billion, or 16% of portfolio loans, were land, land development and construction loans. An additional $1.2 billion, or 15% of portfolio loans, were commercial and industrial loans, which are generally not secured by real estate. At December 31, 2024, $871 million, or 11% of the total loan portfolio, comprised commercial real estate loans collateralized by office properties. The performance and repayment of these loans often depends on the successful operation of a business or the sale or development of the underlying property and, as a result, is more likely to be adversely affected by adverse conditions in the real estate market or the economy in general. While we believe that our loan portfolio is well diversified in terms of borrowers and industries, these concentrations expose us to the risk that adverse developments in the real estate market or in the general economic conditions in the Washington, D.C. metropolitan area, and in particular the area’s office property market, could increase the levels of nonperforming loans, which could have an adverse impact on our provision for credit losses, loan charge-offs and overall loan demand. In that event, we would likely experience higher losses or lower earnings. Additionally, if, for any reason, economic conditions in our market area deteriorate, commercial real estate values, in particular for offices, decline further, or there is significant volatility or weakness in the economy or any significant sector of the area’s economy, our ability to develop our business relationships may be diminished,

the quality and collectability of our loans may be adversely affected, the value of collateral may decline and loan demand may be reduced.

The loan portfolio contains a significant number of commercial and commercial real estate and construction loans with relatively large balances. The deterioration of one or a few of these loans may cause a significant increase in nonperforming assets. An increase in nonperforming loans could result in: a loss of earnings from these loans, an increase in the provision for loan losses, an increase in loan charge-offs and/or an increase in operating expenses which could have an adverse impact on our results of operations and financial condition.

Our concentration of large depositors may increase our liquidity risk and have an adverse effect on our results of operations.

While no single depositor represented more than 10% of total deposits at December 31, 2024, our ten largest depositors not associated with brokered pass-through relationships represented approximately 23% of total deposits. This high concentration of depositors presents a risk to our liquidity if one or more of these depositors decides to change its relationship with us and to withdraw all or a significant portion of its deposits. If such an event occurs, we may need to seek out alternative sources of funding that may not be on the same terms as the deposits being replaced, including at potentially higher rates, which could negatively impact our net interest margin and have a material adverse effect on our business, financial condition, results of operations and growth prospects. If we are unable to source alternative sources of funding at attractive rates or at all, we could be required to sell or otherwise monetize securities from our investment securities portfolio, which could have similar adverse consequences.

Our financial condition, earnings and asset quality could be adversely affected if our consumer facing operations do not operate in compliance with applicable regulations.

While all aspects of our operations are subject to detailed and complex compliance regimes, those portions of our lending operations which most directly deal with consumers pose particular risks given the potential financial, reputational and regulatory consequences of failing to satisfy consumer compliance requirements. As a result, despite the education, compliance training, supervision and oversight we exercise in these areas, these compliance efforts could be unsuccessful or individual employees could engage in misconduct, potentially resulting in the Bank being strictly liable for restitution or damages to individual borrowers and subject to regulatory enforcement activity or damage to its reputation.

Changes in interest rates and other factors beyond our control could have an adverse impact on our financial performance and results.

Our liquidity, funding mix, competitive position, business, results of operations and financial condition depend to a great extent on our net interest margin, i.e., the difference between the interest yields we receive on loans, securities and other interest bearing assets and the interest rates we pay on interest bearing deposits and other liabilities. Net interest margin is affected by changes in market interest rates, because different types of assets and liabilities may react differently, and at different times, to market interest rate changes. When interest bearing liabilities mature or re-price more quickly than interest earning assets in a period, an increase in market rates of interest could reduce net interest income, possibly materially. Similarly, when interest earning assets mature or re-price more quickly than interest bearing liabilities, falling interest rates could reduce net interest income, possibly materially. Fluctuations in interest rates have a direct impact on our credit spreads and the cost of our funding. Changes in our credit spreads and funding costs are market driven and may be influenced by market perceptions of our creditworthiness, including changes in our credit ratings or changes in broader financial market and macroeconomic conditions. Changes to interest rates, our credit spreads and funding costs occur continuously and may be unpredictable and highly volatile. Developments affecting other banking institutions or the banking sector generally can also have a significant effect on our funding costs. We may also experience net interest margin compression as a result of offering higher than expected deposit rates in order to attract and maintain deposits.

These rates are highly sensitive to many factors beyond our control, including competition, general economic conditions and monetary and fiscal policies of various governmental and regulatory authorities, including the FRB. We attempt to manage our risk from changes in market interest rates by adjusting the rates, maturity, re-pricing, and balances of the different types of interest earning assets and interest bearing liabilities, but interest rate risk management techniques are not exact. As a result, a rapid increase or decrease in interest rates could have an adverse effect on our net interest margin and results of operations.

The Company employs an earnings simulation model (immediate parallel shifts along the yield curve) on a quarterly basis to monitor its interest rate sensitivity and risk and to model its balance sheet, cash flows and the related statement of operations effects in different interest rate scenarios. As such, the Company's analysis, assuming a static balance sheet, projects decreases of approximately (0.7)% and (1.5)%, respectively, in projected net interest income and net income over a twelve month period resulting from an instantaneous 100 basis point increase in rates across the yield curve. Conversely, assuming a static balance sheet, we expect increases of approximately 0.9% and 2.0%, respectively, in projected net interest income and net

income over a twelve month period resulting from an instantaneous 100 basis point decrease in rates across the yield curve. In addition, if interest rates continue to stay elevated or start to rise again, we may continue to experience deposit outflows. The results of our interest rate sensitivity simulation model depend upon a number of assumptions, which may not prove to be accurate. There can be no assurance that we will be able to successfully manage our interest rate risk.

Fluctuations in inflation rates may also have a number of adverse effects on the Bank and the Company. For example, material increases in inflation rates would likely result in an increase in personnel and other operational costs and an increase in salary and wage expenses, which comprise the Bank's most significant non-interest expense category. Long periods of high inflation also result in higher interest rates, which will increase the Bank's deposit costs and overall cost of funds. Higher interest rates will also reduce the value of the Bank's investment portfolio holdings, and if such reductions are significant, they may materially limit our ability to meet future liquidity shortfalls by selling investments without realizing substantial losses. Higher interest rates can also adversely affect the creditworthiness of the Bank's borrowers, and the commercial real estate loan portfolio is particularly sensitive to a higher interest rate environment. These and other indirect impacts of inflation on the Bank and the Company could significantly adversely affect the Bank's and the Company's earnings and capital in both the short term and long term.

We may not be able to successfully compete with others for business.

We compete in a highly competitive market for loans and deposit dollars with numerous regional and national banks, online divisions of out-of-market banks and other community banking institutions, as well as other kinds of financial institutions and enterprises, such as securities firms, insurance companies, savings associations, credit unions, mortgage brokers, private lenders and nontraditional competitors such as fintech companies and internet-based lenders, depositories and payment systems. Our profitability depends upon our continued ability to successfully compete with traditional and new financial services providers, some of which maintain a physical presence in our market areas and others of which maintain only a virtual presence. Many competitors have substantially greater resources than us, and some operate under less stringent regulatory environments. The differences in resources and regulations may make it harder for us to compete profitably, reduce the rates that we can earn on loans and investments, increase the rates we must offer on deposits and other funds and adversely affect our overall financial condition and earnings.

The Bank has developed and aims to continue to develop new customer relationships. Going forward, should competitive pressures increase, we are subject to the risk that we may not be able to retain the loans and deposits produced by these new relationships. There can be no assurance that our relationship banking model will enable us to keep a significant percentage of new relationships or continue to develop new relationships, that we would be able to maintain appropriate levels in the pricing, margins and asset quality or that we will be able to continue to grow.

Our customers and businesses in the Washington, D.C. metropolitan area in general may be adversely impacted as a result of changes in government spending or a government shutdown.

The presidential administration and certain governmental agencies have announced plans to reduce government spending and the size of the federal government workforce. These announcements could have an adverse effect on the economy of the Washington, D.C. metropolitan area, which in turn could adversely affect the Company.

The Washington, D.C. metropolitan area is characterized by a significant number of businesses that are federal government contractors or subcontractors, or which depend on such businesses for a significant portion of their revenues. While the Company does not have a significant level of loans to federal government contractors or their subcontractors, which as of December 31, 2024 was $251.9 million, or 3.2% of our loan portfolio, the impact of a shutdown of federal government operations, a decline in federal government spending or workforce, a reallocation of government spending to different industries or different areas of the country or a delay in payments to such contractors, whether as a result of a government shutdown or otherwise, could have a ripple effect and adversely affect our results of operations and financial condition, including asset quality, financial capital and liquidity levels.

In addition, federal government employees make up a significant proportion of the population of the Washington, D.C. metropolitan area. Layoffs, staffing freezes, salary reductions or furloughs of government employees or government contractors and other impacts from declining government spending, lapses in appropriations, or changes in fiscal appropriations could have adverse impacts on other businesses in the Company's market and the general economy of the greater Washington, D.C. metropolitan area and may indirectly lead to a loss of revenues by the Company's customers, including vendors and lessors to the federal government and government contractors or to their employees, as well as a wide variety of commercial and retail businesses. Accordingly, such potential federal government actions could lead to increases in past due loans, nonperforming loans, credit loss reserves and charge-offs and a decline in liquidity.

We rely upon independent appraisals to determine the value of the real estate that secures a significant portion of our loans, and the values indicated by such appraisals may not be realizable if we are forced to foreclose upon such loans.

A significant portion of our loan portfolio consists of loans secured by real estate. We rely upon independent appraisers at the time of origination to estimate the value of such real estate. Appraisals are only estimates of value, and the soundness of those estimates may be affected by volatility in the real estate market or other changes in market conditions. In addition, the independent appraisers may make mistakes of fact or judgment, which adversely affect the reliability of their appraisals. In addition, events occurring after the initial appraisal may cause the value of the real estate to increase or decrease. For example, since 2020 and in light of the prevalence of hybrid work arrangements and associated lower occupancy rates, the value of commercial real estate secured by office properties has generally declined. As a result of these factors, the real estate securing some of our loans is less valuable than anticipated at the time the loans were made. If a default occurs on a loan secured by real estate that is less valuable than originally estimated, we may not be able to recover the outstanding balance of the loan and will suffer a loss.

We are exposed to risk of environmental liabilities with respect to properties to which we take title.

In the course of our business we lend against, and from time to time foreclose and take title to, real estate, potentially becoming subject to environmental liabilities associated with the properties. We may be held liable to a governmental entity or to third parties for property damage, personal injury, investigation and cleanup costs or we may be required to investigate or clean up hazardous or toxic substances or chemical releases at a property. Costs associated with investigation or remediation activities can be substantial. If the Bank is the lender to, or owner or former owner of, a contaminated site, it may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. These costs and claims could adversely affect our business.

Climate change or government action and societal responses to climate change could adversely affect our results of operations.

Climate change can increase the likelihood of the occurrence and severity of natural disasters and can also result in longer-term shifts in climate patterns such as extreme heat, sea level rise, more frequent and prolonged drought, stronger and more frequent storms and other instances of extreme weather. Such significant climate change effects may negatively impact the Company’s geographic markets, disrupting the operations of the Company, our customers or third parties on which we rely. Damages to real estate underlying mortgage loans or real estate collateral, declines in economic conditions in geographic markets in which the Company’s customers operate and increased premiums for and reduced availability of insurance may impact our customers’ ability to repay loans or maintain deposits due to climate change effects, which could increase our delinquency rates and average credit loss.

Moreover, as the effects of climate change continue to create a level of concern for the state of the global environment, companies are facing increasing scrutiny from customers, regulators, investors and other stakeholders related to their environmental, social and governance (“ESG”) practices and disclosure. New government regulations could result in more stringent forms of ESG oversight and reporting and diligence and disclosure requirements. Increased ESG related compliance costs, in turn, could result in increases to our overall operational costs. Conversely, there has been increasing anti-ESG sentiment in the U.S., which has led and is likely to continue to lead to new anti-ESG policies and legislative and regulatory requirements discouraging or preventing ESG-related initiatives. As a result, we may face heightened and potentially conflicting regulatory and legal requirements, as well as reputational scrutiny. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards, including with respect to the Company’s involvement in certain industries or projects associated with causing or exacerbating climate change, may negatively affect the Company’s reputation and commercial relationships, which could adversely affect our business.

Difficulty recruiting or retaining successful bankers, as well as the loss of any of our executive officers or other key personnel, could negatively impact the implementation of our business strategy, impair relationships with our customers and adversely affect our financial condition and results of operations.

In light of macroeconomic factors, human capital management risks are an important component of the Company’s assessment of risk and its enterprise risk management system. Our ability to retain and grow loans, deposits and fee income depends upon the business generation capabilities, reputation and relationship management skills of our bankers. If we are unable to recruit successful bankers, or lose the services of any of our bankers to a new or existing competitor or otherwise, we may be unable to establish and retain valuable relationships and some of our customers or potential customers could choose to use the services of a competitor instead

Moreover, the Company relies significantly on the expertise and experience of our executive officers and senior management, whose skills, years of industry experience and relationships with customers may be difficult for the Company to replace. The loss of service of one or more of these key personnel could reduce the Company’s ability to successfully implement its long-term business strategy, our business could suffer and the value of the Company’s common stock could be

materially adversely affected. Leadership changes may occur from time to time and the Company cannot predict whether significant resignations will occur or whether the Company will be able to recruit additional qualified personnel. There can be no assurance that the Company can adequately prepare for these risks prior to their occurrence or that they will not have a material impact on our financial condition and results of operations.

RISKS RELATED TO INVESTING IN OUR STOCK

Our ability to make distributions in respect of our securities may be limited.

Our ability to pay a cash dividend on our common stock, to repurchase shares of our common stock or to pay interest on our debt will depend largely upon the ability of the Bank, the Company's principal operating business, to declare and pay dividends to the Company. Payment of distributions on our securities will also depend upon the Bank's earnings, financial condition and need for funds, as well as laws, regulations and governmental policies applicable to the Company and the Bank, which limit the amount of distributions that may be made. In addition to the minimum CET1, Tier 1, leverage ratio and total capital ratios, the Company and the Bank each must maintain a capital conservation buffer consisting of additional CET1 capital greater than 2.5% of risk-weighted assets above the required minimum risk-based capital levels in order to avoid limitations on paying dividends and repurchasing shares. The payment of dividends in any period and the adoption or implementation of a share repurchase program do not mean that the Company will continue to pay dividends at the current level, or at all, or that it will repurchase any shares of common stock. Refer to "Regulation" under Item 1 and to "Market for Common Stock" under Item 5 for additional information.

We may issue additional equity securities or engage in other transactions that could affect the priority of our common stock, which may adversely affect the market price of our common stock.

In accordance with our Amended Articles of Incorporation, our Board may determine from time to time that we need to raise additional capital by issuing additional shares of our common stock or other securities. We are not restricted from issuing additional shares of common stock, including securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. Because our decision to issue securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of any future offerings or the prices at which such offerings may be effected. Such offerings could be dilutive to common shareholders. Pursuant to our Amended Articles of Incorporation, the Company's Board is authorized to issue up to one million shares of preferred stock, on such terms and with such powers, preferences, rights and provisions as it may determine and to divide the preferred stock into one or more classes or series. New investors, and particularly investors in any preferred stock the Company may issue from time to time, will therefore have rights, preferences and privileges that are senior to, and that adversely affect, our then current common shareholders. Additionally, if we raise additional capital by making additional offerings of debt or preferred equity securities, upon liquidation of the Company, holders of our debt securities and shares of preferred stock and lenders with respect to other borrowings will receive distributions of our available assets prior to the holders of our common stock. Also, additional equity offerings may dilute the holdings of our existing shareholders or reduce the market price of our common stock, or both. Holders of our common stock are not entitled to preemptive rights or other protections against dilution.

Substantial regulatory limitations on changes of control and anti-takeover provisions of Maryland law may make it more difficult for shareholders to receive a change in control premium.

With certain limited exceptions, federal regulations prohibit a person or company or a group of persons deemed to be "acting in concert" from, directly or indirectly, acquiring more than 10% (5% if the acquirer is a bank holding company) of any class of the Company's voting stock or obtaining the ability to control in any manner the election of a majority of its directors or otherwise direct the management or policies of the Company without prior notice or application to and the approval of the Federal Reserve. There are comparable prior approval requirements for changes in control under Maryland law. Also, the Maryland General Corporation Law, as amended, contains several provisions that may make it more difficult for a third party to acquire control of the Company without the approval of its Board and may make it more difficult or expensive for a third party to acquire a majority of its outstanding common stock.

RISKS RELATED TO OUR LEGAL AND REGULATORY ENVIRONMENT

Our concentrations of loans may require us to maintain higher levels of capital.

Under guidance adopted by the federal banking agencies, banks that have concentrations in construction, land development or commercial real estate loans (other than loans for majority owner occupied properties) are expected to maintain higher levels of risk management policies and processes and, potentially, higher levels of capital. We may be required to maintain higher levels of capital than the minimums and buffers required under the capital regulations applicable to us, including as a result of our levels of construction, development and commercial real estate loans.

Litigation and regulatory actions, possibly including enforcement actions, could subject us to significant fines, penalties, judgments or other requirements resulting in increased expenses or restrictions on our business activities.

In the normal course of our business, we are named as a defendant in various legal actions arising in connection with our current and/or prior business activities or public disclosures. Legal actions could include claims for substantial compensatory or punitive damages or claims for indeterminate amounts of damages. Further, we may be subject to regulatory enforcement actions. We are also continually the subject of exams, subpoenas, requests for information, reviews, investigations and proceedings (both formal and informal) by various agencies and other bodies regarding our current and/or prior business activities. Additionally, from time to time we receive demand letters from shareholders, and such letters may lead to these shareholders filing claims or derivative suits against us if our engagement with such shareholders ends in a failure to successfully negotiate a settlement. Any such legal or regulatory actions or investigations may subject us to substantial compensatory or punitive damages, significant fines, penalties, obligations to change our business practices, required changes in our senior officers or other requirements resulting in increased expenses, diminished income and damage to our business. Our involvement in any such matters, whether tangential or otherwise, and even if the matters are ultimately determined in our favor, could also cause significant harm to our reputation and divert management attention from the operation of our business. Further, any settlement, regulatory order or agreement, informal enforcement action or adverse judgment in connection with any formal or informal proceeding or investigation by government agencies may result in adverse audit findings or additional litigation, investigations or proceedings as other parties, including other litigants and/or government agencies begin independent reviews of the same activities. As a result, the outcome of legal and regulatory actions could have a material adverse effect on our business, results of operations, financial condition and stock price, including in any particular reporting period.

Further, in litigation and regulatory matters, it is inherently difficult to determine whether any loss is probable or whether it is possible to estimate the amount of any reasonably possible loss. We cannot predict with certainty if, how or when such proceedings will be resolved or what the eventual fine, penalty or other relief, conditions or restrictions, if any, may be, particularly for actions that are in their early stages of investigation. We may be required to pay fines or civil money penalties or make other payments in connection with certain of these issues. This uncertainty makes it difficult to estimate probable losses, which, in turn, can lead to substantial disparities between the reserves we may establish for such proceedings and the eventual settlements, fines or penalties. While the Company and Bank carry insurance to protect us from material outlays (excluding regulatory fees and penalties), such insurance may not always fully or even substantially cover such outlays. The Company maintains director and officer insurance policies ("D&O Insurance Policies") that provide coverage for legal defense costs. When the D&O Insurance Policies are exhausted, the Company is responsible for paying the defense costs associated with those investigations and litigations (to include unpaid receivables from the insurance carriers) for itself and on behalf of any current and former officers and directors entitled to indemnification from the Company. The Company has incurred and may incur in the future legal costs in connection with current ongoing and any potential future investigations and legal proceedings, as they are dependent on various factors, many of which are outside of the Company's control. In the event such costs are significant, they could have a material adverse effect on our business, financial condition, results of operations and stock price.

Our operation in our regulatory environment, both current or updated as a result of new or updated laws or rules, may have an adverse impact on our business, our financial condition and our results of operations.

The banking industry is highly regulated and supervised under federal and state laws and regulations that are intended primarily for the protection of depositors, customers, the public, the banking system as a whole or the FDIC DIF. The Company and Bank are subject to regulation and supervision by the Federal Reserve and the FDIC, as well as our state regulator. Compliance with these laws and regulations can be difficult and costly, and we may incur significant expenses to meet supervisory expenses or remediate supervisory findings. In addition, changes to laws and regulations can impose additional compliance costs. The laws and regulations applicable to the Company and Bank govern a variety of matters, including permissible types, amounts and terms of loans and investments they may make, the maximum interest rate that may be charged, the types of deposits that may be accepted and the rates that may be paid on such deposits, maintenance of adequate capital and liquidity, changes in control of the Company and Bank, transactions between the Bank and its affiliates, handling of nonpublic information, restrictions on distributions to shareholders through dividends or share repurchases, dividends and establishment of new offices. The Company's and the Bank's regulators have also provided guidance on supervisory expectations relating to risk management and numerous other aspects of our activities. We must obtain approval from our regulators before engaging in certain activities, and there is risk that such approvals may not be granted, either in a timely manner or at all. These requirements may constrain our operations, and the adoption of new laws and changes to or repeal of existing laws may have a further impact on our business, financial condition and results of operations. Also, the burden imposed by those laws and regulations may place banks in general, including the Bank in particular, at a competitive disadvantage compared to our non-bank competitors. Our failure to comply with any applicable laws or regulations or regulatory policies and interpretations of such laws and regulations, or our failure to meet supervisory expectations, could result in sanctions by

regulatory agencies, civil money penalties or damage to our reputation, all of which could have a material adverse effect on our business, financial condition and results of operations.

Applicable federal and state laws, regulations, regulatory guidance, interpretations, enforcement policies and accounting principles have been subject to significant changes in recent years and may be subject to significant future changes. Future changes may have a material adverse effect on our business, financial condition and results of operations. Federal regulatory agencies may adopt changes to their regulations, change the manner in which existing regulations are applied or develop more stringent expectations for the banks they supervise. We cannot predict the substance or effect of future legislation or regulation or the application of laws and regulations to us. Compliance with current and potential regulation, as well as regulatory scrutiny, may significantly increase our costs, impede the efficiency of our internal business processes, require us to increase regulatory capital, to change the size or composition of our funding, loan portfolio or investment securities portfolio, or to limit our ability to pursue business opportunities.

In addition, regulators may elect to alter standards or the interpretation of the standards used to measure regulatory compliance or to determine the adequacy of liquidity, risk management or other operational practices for financial service companies in a manner that impacts our ability to implement our strategy and could affect us in substantial and unpredictable ways and could have a material adverse effect on our business, financial condition and results of operations. Furthermore, the regulatory agencies have extremely broad discretion in their interpretation of laws and regulations and their assessment of the quality of our loan portfolio, securities portfolio and other assets. If any regulatory agency's assessment of the quality of our assets, operations, lending practices, investment practices, capital structure or other aspects of our business differs from our assessment, we may be required to take additional charges or undertake, or refrain from taking, actions that could have a material adverse effect on our business, financial condition and results of operations.

Increases in FDIC insurance premiums could adversely affect our earnings and results of operations.

The deposits of our bank are insured by the FDIC up to legal limits and, accordingly, subject it to the payment of FDIC deposit insurance assessments, determined in accordance with a defined calculation. The FDIC has imposed a special assessment to recover the losses to the DIF resulting from the FDIC's use, in March 2023, of the systemic risk exception to the least-cost resolution test under the Federal Deposit Insurance Act in connection with the receiverships of Silicon Valley Bank and Signature Bank. Increases in assessment rates or further special assessments may occur in the future, especially if there are significant additional financial institution failures. Any future special assessments, increases in assessment rates or required prepayments in FDIC insurance premiums could reduce our profitability or limit our ability to pursue certain business opportunities, which could have a material adverse effect on our business, financial condition and results of operations.

We are subject to laws regarding the privacy, information security and protection of personal information, and any violation of these laws or another incident involving personal, confidential or proprietary information of individuals could damage our reputation and otherwise adversely affect our business.

Our business requires the collection and retention of large volumes of customer data, including personally identifiable information ("PII") in various information systems that we maintain and in those maintained by third party service providers. We also maintain important internal company data such as PII about our employees and information relating to our operations. We are subject to complex and evolving laws and regulations governing the privacy and protection of PII of individuals (including customers, employees and other third parties), as well as planning for responding to data security breaches. Various federal and state banking regulators and states have also enacted data breach notification requirements with varying levels of individual, consumer, regulatory or law enforcement notification in the event of a security breach. We have incurred and expect to continue to incur costs in connection with our policies and procedures designed to ensure that our collection, use, transfer, storage and disposal of PII complies with all applicable laws and regulations. Furthermore, customers and other third parties may not have appropriate controls in place to protect the confidentiality of the information that they exchange with us, particularly where such information is transmitted by electronic means, which can expose us to risks and potential costs and liabilities. If personal, confidential or proprietary information of customers or others were to be mishandled or misused (in situations where, for example, such information was erroneously provided to parties who are not permitted to have the information or where such information was intercepted or otherwise compromised by third parties), we could be exposed to litigation or regulatory sanctions under privacy and data protection laws and regulations. Concerns regarding the effectiveness of our measures to safeguard PII, or even the perception that such measures are inadequate, could cause us to lose customers or potential customers and thereby reduce our revenues. Accordingly, any failure, or perceived failure, to comply with applicable privacy or data protection laws and regulations may subject us to inquiries, examinations and investigations that could result in requirements to modify or cease certain operations or practices or in significant liabilities, fines or penalties and could damage our reputation and otherwise adversely affect our operations, financial condition and results of operations.

RISKS RELATED TO ACCOUNTING AND TAXATION

Changes in tax laws could have an adverse effect on us, the banking industry, our customers, the value of collateral securing our loans and demand for loans.

We are subject to the effect of changes in tax laws which could increase the effective tax rate payable by us to federal, state and municipal governments, reduce the value of our beneficial tax attributes or otherwise adversely affect our business, results of operations or financial condition. Additionally, changes in tax laws could have a negative impact on the banking industry, borrowers, the market for single family residential or commercial real estate or business borrowing. To the extent that changes in law discourage borrowing, ownership of real property or business investment, such changes may have an adverse effect on the demand for our loans. Further, the value of the properties securing loans in our portfolio may be adversely impacted as a result of the changing economics of real estate ownership and borrowing, which could require an increase in our ACL, which would reduce our profitability and could materially adversely affect our business, financial condition and results of operations. Additionally, certain borrowers could become less able to service their debts as a result of changes in taxation. Any such changes could adversely affect our business, financial condition and results of operations.

Changes in accounting standards could impact our financial condition and results of operations.

From time to time there are changes in the financial accounting and reporting standards that govern the preparation of our financial statements. These changes can be operationally complex to implement and can materially impact how we record and report our financial condition and results of operations. In some instances, we could be required to apply a new or revised standard retroactively, resulting in the restatement of prior period financial statements. Any such changes could adversely affect the Company’s and Bank’s capital, regulatory capital ratios, ability to make larger loans, earnings and performance metrics.

RISKS RELATED TO THE USE OF TECHNOLOGY

Our operations, including our transactions with customers and the services we receive from third parties, are increasingly conducted via electronic means, and this has increased risks related to cybersecurity.

We are exposed to the risk of cyber-attacks in the normal course of business. In addition, we are exposed to cyber-attacks on vendors and merchants that affect us and our customers. In general, cyber incidents can result from deliberate attacks or unintentional events. The financial services industry has been affected by, and will in the future continue to be affected by, cyber-attacks that include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. Despite our efforts to develop and implement policies and procedures to identify, protect, detect, respond and recover from the possible security breach of our information systems and cyber-fraud, we may not be able to anticipate, detect or implement effective protective measures against all cyber-attacks, including because the techniques used are increasingly sophisticated, change frequently and are often not recognized until launched. Cyber-attacks can originate from a variety of sources, including third parties affiliated with or sponsored by foreign governments or involved with organized crime or terrorist organizations. While we maintain insurance coverage that may, subject to policy terms and conditions including significant self-insured deductibles, cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. While we have not incurred any material losses related to cyber-attacks, we may incur substantial costs and suffer other negative consequences as a result of successful cyber-attacks. Such negative consequences could include remediation costs that may include liability for stolen assets or information and repairing system damage that may have been caused; deploying additional personnel and protection technologies, training employees and engaging third-party experts and consultants; lost revenues resulting from unauthorized use of proprietary information or the failure to retain or attract customers following an attack; disruption or failures of physical infrastructure, operating systems or networks that support our business and customers resulting in the loss of customers and business opportunities; additional regulatory scrutiny and possible regulatory penalties; litigation; and reputational damage adversely affecting customer or investor confidence.

We rely heavily on communications and information systems to conduct our business. Any failure, interruption or breach in security of these systems could result in failures or disruptions in our customer relationship management, general ledger, deposit, loan and other systems. While we have policies and procedures designed to prevent or limit the effect of the failure, interruption or security breach of our information systems, there can be no assurance that any such failures, interruptions or security breaches will not occur or, if they do occur, that they will be adequately addressed. Although we maintain insurance coverage that may, subject to policy terms and conditions including significant self-insured deductibles, cover certain aspects of cyber risks, such insurance coverage may be insufficient to cover all losses. The occurrence of any failures, interruptions or security breaches of our information systems could damage our reputation, adversely affect customer or investor confidence, result in a loss of customer business, subject us to additional regulatory scrutiny and possible regulatory penalties or expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on our financial condition and results of operations.

Failure to keep up with the rapid technological changes in the financial services industry could have a material adverse effect on our competitive position and profitability.

The financial services industry is undergoing rapid technological changes, with frequent introductions of new technology-driven products and services, including those based on artificial intelligence technologies. The effective use of technology increases efficiency and enables financial institutions to better serve customers and reduce costs. Our future success will depend, in part, upon our ability to address the needs of customers by using technology to provide products and services that will satisfy customer demands for convenience, as well as to create additional efficiencies in our operations. Many of our competitors have substantially greater resources to invest in technological improvements. We may not be able to implement new technology-driven products and services effectively or be successful in marketing these products and services to customers. Failure to successfully keep pace with technological change affecting the financial services industry could harm our ability to compete effectively and could have a material adverse effect on our business, financial condition or results of operations. As these technologies are improved in the future, we may be required to make significant capital expenditures in order to remain competitive, which may increase our overall expenses and have a material adverse effect on our business, financial condition and results of operations.

We depend on the use of data and modeling in both management's decision-making, generally, and in meeting regulatory expectations, in particular.

The use of statistical and quantitative models and other quantitatively-based analyses is endemic to bank decision-making and regulatory compliance processes and the employment of such analyses is common in our operations. Liquidity stress testing, interest rate sensitivity analysis, allowance for credit loss measurement, portfolio stress testing, assessing capital adequacy and the identification of possible violations of anti-money laundering regulations are examples of areas in which we are dependent on models and the data that underlies them. We anticipate that model-derived insights will be used more widely in decision-making in the future, including as the use of artificial intelligence increases. While these quantitative techniques and approaches are intended to improve our decision-making, they also create the possibility that faulty data, flawed quantitative approaches or poorly designed or implemented models could yield adverse or faulty outcomes and decisions, and could result in regulatory scrutiny. In addition, because of the complexity inherent in these approaches, especially those based on artificial intelligence, misunderstanding or misuse of their outputs could similarly result in suboptimal decision-making, which could have a material adverse effect on our business, financial condition, results of operations and share price.

GENERAL RISKS

The price of our common stock may fluctuate significantly, which may make it difficult for investors to resell shares of common stock at a time or price they find attractive.

Our stock price may fluctuate significantly as a result of a variety of factors, many of which are beyond our control. In addition to those described in "Caution About Forward Looking Statements," these factors include:

- Actual or anticipated quarterly fluctuations in our operating results and financial condition;
- Changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to us or other financial institutions;
- Reports in the press, internet or investment community generally or relating to our reputation or the financial services industry, whether or not those reports are based on accurate, complete or transparent information;
- Uncertainties related to our regulatory relationships or status;
- Strategic actions by us or our competitors, such as acquisitions, restructurings, dispositions or financings;
- Fluctuations in the stock price and operating results of our competitors, or the financial services industry;
- Future sales of our equity or equity-related securities;
- Proposed or adopted regulatory changes or developments;
- Domestic and international economic and political factors unrelated to our performance, including political uncertainty in the United States and its effect on the economy of the Washington, D.C. metropolitan area;
- Actions of one or more investors in selling our common stock short; and
- General market conditions and, in particular, developments related to market conditions for the financial services industry, inclusive of the potential adverse impact from:
    - Terrorism, and current or anticipated military conflicts and other geopolitical events;
    - Catastrophic events, including natural disasters, and public health crises.

In addition, the stock market in general has experienced price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies, including for reasons unrelated to their operating performance. These broad market fluctuations may adversely affect our stock price, notwithstanding our operating results. We expect that the market price of our common stock will continue to fluctuate and there can be no assurances about the levels of the market prices for our common stock.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 1C. CYBERSECURITY

As a publicly-traded financial institution, we are subject to various cybersecurity risks that could adversely affect our business, financial condition, results of operations and reputation, including, but not limited to, cyber-attacks against us or our service providers focused on gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data or causing operational disruption. As described below, we have risk management and governance practices and processes designed to address these risks.

The Company has established an enterprise risk management framework that outlines the processes and procedures the Company uses to identify, assess, mitigate and monitor the risks faced by the Company, including cybersecurity risk.

Within the overarching enterprise risk management framework, we have an information security program designed to preserve the confidentiality, integrity, and availability of information or data on our systems and those of our service providers, as documented in our information security policy.

Our information security program takes a risk-based approach to identifying and assessing the cybersecurity risks that exist within our business and information technology systems. The program addresses the roles and responsibilities of the Board, its committees and management.

The Board is responsible for the oversight of cybersecurity risk management, as well as the selection of a Chief Information Security Officer (“CISO”), the management official responsible for administering and executing the information security program. The Board’s Technology Oversight Committee (the “TOC”) assists the Board in its oversight of the information security program. The TOC reviews information security metrics, oversees significant instances of non-compliance with the information security policy and monitors remediation of those instances, and reviews the appointment of the CISO for recommendation to the Board.

At the management level, the Enterprise Risk Management Committee (the “ERMC”) is primarily responsible for cybersecurity risk management. As it pertains to the information security program, the ERMC assesses and monitors information security risks and approves the information security policy on at least an annual basis. Certain instances of non-compliance with the information security policy are escalated to the EMRC, which may further escalate to the TOC as appropriate. Once escalated to a committee, the committee is responsible for overseeing related remediation.

Our CISO is responsible for the overall administration and execution of the information security program and reports to our Chief Risk Officer (“CRO”). Our CISO has over fifteen years of experience working in information security and risk for a variety of companies and organizations, including multiple financial institutions. The CISO monitors the security of, among other things, systems, applications, tools, databases, computers, websites, cloud infrastructure, vendor tools, and user access systems. The CISO performs an annual information security risk assessment, which, among other things, documents inherent risk levels and controls in place to manage those risks. The information security risk assessment is presented to the Board annually.

We strive to minimize the occurrence of cybersecurity incidents and the risks resulting from such incidents. However, when a cybersecurity incident does occur, the Company has in place an incident response program to guide our assessment of and response to the incident. The CISO coordinates the Company’s response to a cybersecurity incident, including investigating, recording and evaluating any potential, suspected or confirmed incidents involving non-public customer information or Company confidential information.

On a regular basis, the CISO discusses with the CRO information security risk issues, risk mitigation progress and developments and information security enhancement initiatives. The CISO reports to the TOC quarterly on information security developments and emerging risks, both in the industry and specific to the Company. The CISO and CRO report on the information security program, including the status of information security-related key risk indicators, to the TOC and the ERMC. The Information Security Policy is also approved by the TOC on an annual basis.

The Company employs third parties in certain aspects of its information security and cybersecurity risk management. For example, we utilize third parties to conduct certain security operations and maintain certain information security infrastructure. We have adopted a Third Party Risk Management Policy, which addresses the identification, measurement, monitoring, and management of our third-party service provider relationships, including those related to information security. The Director of Third-Party Risk Management, along with the CISO, assess and monitor information risks posed by third parties and any non-compliance with the controls created to address such risks. With respect to cybersecurity incidents affecting our third-party service providers, the Director of Third-Party Risk Management works with our service providers to understand and document any incidents, along with managing the impact to us and reporting such incidents to the CRO, ERMC, TOC, and, if applicable, the Board.

To date, we have not incurred any material losses related to cybersecurity incidents. However, the risk management and governance processes described above may not be sufficient to prevent cybersecurity incidents, and we could incur substantial costs and suffer other negative consequences from cybersecurity incidents. See “Part 1, Item IA. – Risk Factors” for more information on the cybersecurity risks facing the Company.

ITEM 2. PROPERTIES

Our principal office is located in Bethesda, Maryland. All properties out of which the Company operates are leased properties. As of December 31, 2024, the Company and its subsidiaries operated out of 17 different locations (some of which have multiple leases); which include our principal corporate office, branch offices, lending centers and an operations center in Washington, D.C., Suburban Maryland and Northern Virginia metropolitan areas. Additional information with respect to premises and equipment and leases is presented in Notes 5 and 6 to the Consolidated Financial Statements.

ITEM 3. LEGAL PROCEEDINGS

As disclosed in Note 20 to the Consolidated Financial Statements, the Company and its subsidiaries are involved in various legal proceedings incidental to their business in the ordinary course, and the disclosure set forth in Note 20 relating to certain legal matters is incorporated herein by reference.

Based on information currently available, the Company does not believe that the liabilities (if any) resulting from such legal proceedings will have a material effect on the financial position of the Company. However, in light of the inherent uncertainties involved in such matters, ongoing legal expenses or an adverse outcome in one or more of these matters could materially and adversely affect the Company’s financial condition and results of operations or cash flows in any particular reporting period, as well as its reputation.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF COMMON EQUITY

Market for Common Stock. The Company’s common stock is listed for trading on the Nasdaq Capital Market under the symbol “EGBN.” During the year ended December 31, 2024, the average daily trading volume amounted to approximately 310,723 shares, an increase from approximately 302,118 shares during the year ended December 31, 2023. No assurance can be given that a more active trading market will develop or can be maintained. As of February 10, 2025, there were 30,204,202 shares of common stock outstanding, held by approximately 469 shareholders of record. Based on the most recent analysis, the Company believes beneficial shareholders number approximately 18,612. As of February 10, 2025, our directors and executive officers own approximately 3% of our outstanding shares of common stock.

Dividends. The Company pays a regular quarterly cash dividend. In 2024, the Company declared three cash dividends with an aggregate value of $1.07 per share, or $32.1 million. The quarterly cash dividend amount was recalibrated to $0.165 in the third quarter of 2024 to reflect the company’s growth plans. Beginning in January 2025, the Company commenced declaring dividends at the time of the quarterly earnings release; previously, it declared dividends at the end of the quarter.

The payment of a cash dividend on common stock will depend largely upon the ability of the Bank, the Company’s principal operating business, to declare and pay dividends to the Company. Payment of dividends on the common stock will also depend upon the Bank’s earnings, financial condition and need for funds, as well as governmental policies and regulations applicable to the Company and the Bank. The payment of dividends in any period does not mean that the Company will continue to pay dividends at the current level, or at any other level.

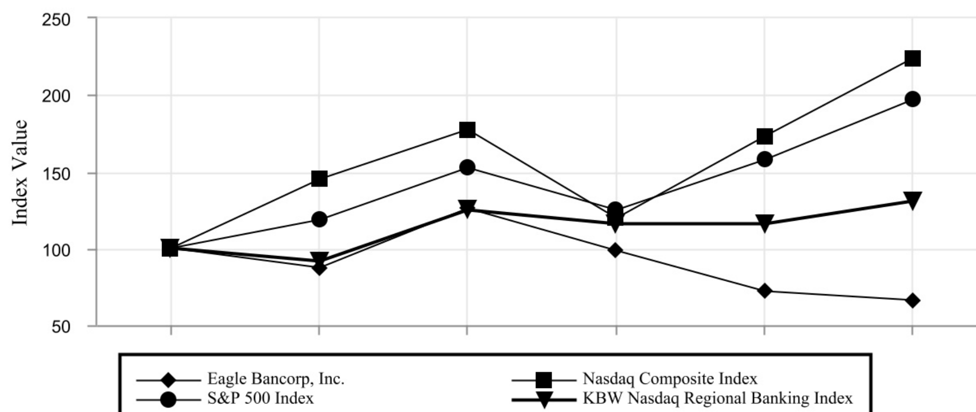
Regulations of the Board of Governors of the Federal Reserve System (the "Federal Reserve Board" or "Federal Reserve") and Maryland law place limits on the amount of dividends the Bank may pay to the Company without prior approval. Prior regulatory approval is required to pay dividends which exceed the Bank’s net profits for the current year plus its retained net profits for the preceding two calendar years, less required transfers to surplus. Under Maryland law, dividends may only be paid out of retained earnings. State and federal bank regulatory agencies also have authority to prohibit a bank from paying dividends if such payment is deemed to be an unsafe or unsound practice, and the Federal Reserve Board has the same authority over bank holding companies. At December 31, 2024, the Bank could pay dividends to the Company to the extent of its earnings so long as it maintained required capital ratios.

The FRB has established requirements with respect to the maintenance of appropriate levels of capital by registered bank holding companies. Compliance with such standards, as presently in effect, or as they may be amended from time to time, could possibly limit the amount of dividends that the Company may pay in the future. The FRB has issued guidance regarding the situations in which a bank holding company should consider eliminating, reducing, or deferring its dividends, including if the net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends; the prospective rate of earnings retention is not consistent with capital needs and the bank holding company’s overall current and prospective financial condition; or the bank holding company will not meet, or is in danger of not meeting, its minimum regulatory capital adequacy ratios. As a depository institution, the deposits of which are insured by the FDIC, the Bank may not pay dividends or distribute any of its capital assets while it remains in default on any assessment due the FDIC. The Bank currently is not in default under any of its obligations to the FDIC.

Issuer Repurchase of Common Stock. The Company did not repurchase any shares of its common stock during the year ended December 31, 2024.

See Item 12 - Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters for “Securities Authorized for Issuance Under Equity Compensation Plans.”

Stock Price Performance. The following table compares the cumulative total return on a hypothetical investment of $100 in the Company’s common stock from December 31, 2019 through December 31, 2024, with the hypothetical cumulative total return on the Nasdaq Stock Market Index (U.S. Companies), S&P 500 Index and the KBW Regional Banking Index for the comparable period, including reinvestment of dividends. The KBW Regional Banking Index seeks to reflect the performance of publicly traded companies that do business as regional banks or thrifts listed on all U.S. stock markets.



	Years Ended December 31,					
	2019	2020	2021	2022	2023	2024
Eagle Bancorp, Inc.	$100.00	$87.21	$126.02	$98.41	$71.86	$66.17
Nasdaq Composite Index	100.00	144.92	177.06	119.45	172.77	223.866
S&P 500 Index	100.00	118.40	152.39	124.79	157.59	197.02
KBW Nasdaq Regional Banking Index	100.00	91.29	124.74	116.10	115.64	130.904

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion provides information about the results of operations, financial condition, liquidity, and capital resources of the Company as of the dates and periods indicated. The Company's primary subsidiary is the Bank, and the Company's other direct and indirect active subsidiaries are Bethesda Leasing, LLC, Eagle Insurance Services, LLC and Landroval Municipal Finance, Inc.

This discussion and analysis should be read in conjunction with the audited Consolidated Financial Statements and Notes thereto, appearing elsewhere in this report.

We have omitted discussion of the earliest of the three years covered by our consolidated financial statements presented in this report as that disclosure is included in our Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission ("SEC") on February 29, 2024. You can reference the discussion and analysis of our results of operations for the year ended December 31, 2022 compared to the year ended December 31, 2023 in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations" within that report.

Caution About Forward Looking Statements. This report contains forward looking statements. These forward looking statements represent plans, estimates, objectives, goals, guidelines, expectations, intentions, projections and statements of our beliefs concerning future events, business plans, objectives, expected operating results and the assumptions upon which those statements are based. Forward looking statements include, without limitation, any statement that may predict, forecast, indicate or imply future results, performance or achievements and are typically identified with words such as "may," "will," "can," "anticipates," "believes," "expects," "plans," "outlook," "estimates," "potential," "assume," "probable," "possible," "continue," "should," "could," "would," "strive," "seeks," "deem," "projections," "forecast," "consider," "indicative," "uncertainty," "likely," "unlikely," "likelihood," "unknown," "attributable," "depends," "intends," "generally," "feel," "typically," "judgment," "subjective" and similar words or phrases. These forward looking statements are based largely on our expectations and are subject to a number of known and unknown risks and uncertainties that are subject to change based on factors which are, in many instances, beyond our control. Actual results, performance or achievements could differ materially from those contemplated, expressed or implied by the forward looking statements.

The following factors, among others, could cause our financial performance to differ materially from that expressed in such forward looking statements:

- Changes in the general economic, political, social and health conditions, including the macroeconomic and other challenges and uncertainties resulting from the effects of pandemics and natural disasters;
- The timely development of competitive new products and services and the acceptance of these products and services by new and existing customers;
- The willingness of customers to substitute competitors' products and services for our products and services;
- Our management of liquidity risks in our operations, including, but not limited to, risks related to customer deposits, deposits in excess of the Federal Deposit Insurance Corporation ("FDIC") insurance coverage limits, access to capital markets and securities and market values;
- The effect of acquisitions we may make, including, without limitation, the failure to achieve the expected revenue growth and/or expense savings from such acquisitions;
- Our management of risks inherent in our real estate loan portfolio, and the risk of a prolonged downturn in the real estate market, which could impair the value of, and our ability to sell, properties which stand as collateral for loans we make;
- The growth and profitability of noninterest or fee income being less than expected;
- Changes in the level of our nonperforming assets and charge-offs;
- Changes in consumer spending and savings habits;
- The impact of climate change or government action and societal responses to climate change;
- Difficulty recruiting or retaining successful bankers, executive officers or other key personnel;
- Changing bank regulatory conditions, policies or programs, whether arising as new legislation or regulatory initiatives, that could lead to restrictions on activities of banks generally, or our subsidiary bank in particular, more restrictive regulatory capital requirements, increased costs, including deposit insurance premiums, regulation or prohibition of certain income producing activities or changes in the secondary market for loans and other products;

- The impact of changes in financial services policies, laws and regulations, including laws, regulations and policies concerning taxes, banking, securities and insurance and the application thereof by regulatory bodies;
- The effects of, and changes in, trade, monetary and fiscal policies and laws, including interest rate policies of the Board of Governors of the Federal Reserve System ("Federal Reserve Board," "Federal Reserve" or "FRB"), inflation, interest rate, market and monetary fluctuations;
- Results of examinations of us by our regulators, including the possibility that our regulators may, among other things, require us to increase our allowance for credit losses, to write-down assets, to hold more capital or to incur costs to remediate supervisory findings;
- The effects or impact of any litigation, governmental investigations and proceedings, including enforcement proceedings and any possibly resulting fines, judgments, expenses or restrictions on our business activities;
- Unanticipated regulatory or judicial proceedings;
- The effect of changes in accounting policies and practices, as may be adopted from time-to-time by bank regulatory agencies, the SEC, the Public Company Accounting Oversight Board ("PCAOB") or the Financial Accounting Standards Board ("FASB");
- Cybersecurity breaches, threats, and cyber-fraud that cause the Bank to sustain financial losses;
- Technological and social media changes;
- Our management of risks inherent in the use of statistical and quantitative data and modeling;
- The strength of the United States economy, in general, and the strength of the local economies in which we conduct operations;
- Changes in trade, immigration, fiscal and monetary policies;
- Political uncertainty in the United States and its effects on the economy of the Washington, D.C. metropolitan area;
- Geopolitical conditions, including acts or threats of terrorism, actions taken by the United States or other governments in response to acts or threats of terrorism and/or military conflicts, which could impact business and economic conditions in the United States and abroad; and
- The factors discussed under the caption “Risk Factors” in this report.

If one or more of the factors affecting our forward looking information and statements proves incorrect, then our actual results, performance or achievements could differ materially from those expressed in, or implied by, forward looking information and statements contained in this report. No undue reliance should be placed on our forward looking information and statements. We will not update the forward looking statements to reflect actual results or changes in the factors affecting the forward looking statements.

GENERAL

The Company provides general commercial and consumer banking services through the Bank, its wholly owned banking subsidiary, a Maryland chartered bank which is a member of the Federal Reserve. The Company was organized in October 1997 and to be the holding company for the Bank. The Bank was organized in 1998 as an independent, community oriented, full service banking alternative to the super regional financial institutions, which dominate the Company’s primary market area. The Company’s philosophy is to provide superior, personalized service to its customers. The Company focuses on relationship banking, providing each customer with a number of services and becoming familiar with and addressing customer needs in a proactive, personalized fashion. The Bank currently has a total of twelve branch offices (six in Suburban Maryland, three in Washington, D.C. and three in Northern Virginia), a principal corporate office, four lending centers (two are co-located with branches and one co-located in the principal corporate office) and one operations center. Refer to the Business Section above, which describes in detail the various banking services offered.

General economic, political, social and health conditions affect financial markets, and therefore, our business. As the economy experienced higher levels of inflation in the recent past, interest rates increased in 2023, however as inflationary pressure during 2024 subsided, the Federal Reserve decreased interest rates three times for a total of 100 basis points. Fiscal and monetary policies have a direct and indirect impact on the level and volatility of interest rates, liquidity of financial markets, the availability and cost of capital, and market conditions of financing. Actual real U.S. GDP growth for 2024 was 3.1%, compared to 3.3% growth in 2023, as the economy continues to grow despite continuing to experience the effects of inflationary pressures and higher interest rates which were raised in 2022 and 2023. Unemployment slightly increased through 2024 as the U.S. unemployment rate ended the year at 4.0%, up from 3.7% at the end of 2023.

Longer-term U.S. interest rates increased in 2024, with the ten year U.S. Treasury rate averaging 4.21% in 2024 as compared to 3.96% in 2023. The yield curve steepened in 2024 as short-term rates decreased due to Federal Reserve rate cuts while long-term rates increased compared to 2023.

We believe the Company's primary market, the Washington, D.C. metropolitan area, continues to exhibit resilience relative to other parts of the country despite the volatility in the current economic environment. The Washington, D.C. metropolitan area maintains a diverse economy which includes the public sector, a large healthcare component, substantial business services and a highly educated work force. The private sector, in particular, the Leisure and Hospitality sector has seen some recovery in recent years following the adverse effects of the pandemic. The multi-family commercial real estate leasing sector, notwithstanding increased supply of units in the Bank's market area, has held up relatively well, particularly for well-located close-in projects. While commercial real estate office properties continue to experience challenges, the Company has remained focused on monitoring this sector and working with borrowers in order to mitigate credit losses within our loan portfolio. Overall, we believe commercial real estate values have generally decreased and we continue to be cautious of the cap rates at which such assets are trading, resulting in conservative valuations.

At December 31, 2024, the Company had total assets of approximately $11.1 billion, total loans of $7.9 billion, total deposits of $9.1 billion and twelve branches in the Washington, D.C. metropolitan area. We have remained cognizant of the volatility in our industry, capital markets and interest rate markets. While we remain cautious with regard to commercial real estate ("CRE") market conditions, principally office, the strength of the Washington D.C. metro area in certain sectors, particularly multi-family commercial real estate and the housing market, continue to drive premiums for well-located properties.

The Company has the financial resources to meet, and remains committed to meeting, the credit needs of its community. Loan balances increased in the CRE segments in 2024 which, combined with the higher levels of interest rates, resulted in changes in our liquidity mix as increases in interest-bearing deposits offset a decrease in non-interest bearing deposits. The yield on earning assets continued to increase in 2024. During the year ended December 31, 2024, the yield on earning assets increased by 20 basis points (from 5.45% to 5.65%) while cost of funds increased 42 basis points (from 3.17% to 3.59%) which resulted in a decrease of 16 basis points in the net interest margin.

The Company's capital position remained strong in 2024 as a result of its strong retained earnings position, despite the impact of the goodwill impairment on 2024 net loss. As a result of the Company's strong capital position, we were able to continue our quarterly dividend in 2024. The quarterly cash dividend amount was recalibrated to $0.165 in the third quarter of 2024 to reflect the company's growth plans.

The Company believes its strategy of remaining growth-oriented, retaining talented staff and maintaining focus on seeking quality lending and deposit relationships has proven successful. Additionally, the Company believes this strategy of relationship building has fostered future growth opportunities, as the Company's reputation in the marketplace remains strong.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The Company's Consolidated Financial Statements are prepared in accordance with GAAP and follow general practices within the banking industry. Application of these principles requires management to make estimates, assumptions and judgments that affect the amounts reported in the financial statements and accompanying notes. These estimates, assumptions and judgments are based on information available as of the date of the Consolidated Financial Statements; accordingly, as this information changes, the Consolidated Financial Statements could reflect different estimates, assumptions and judgments. Certain policies, including those identified below for the year ended December 31, 2024, inherently have a greater reliance on the use of estimates, assumptions and judgments and, as such, have a greater possibility of producing results that could be materially different than originally reported. Estimates, assumptions and judgments are necessary when assets and liabilities are required to be recorded at fair value, when a decline in the value of an asset not carried on the financial statements at fair value warrants an impairment write-down or a valuation reserve to be established or when an asset or liability needs to be recorded contingent upon a future event. Carrying assets and liabilities at fair value inherently results in more financial statement volatility.

Allowance for Credit Losses and Provision for Unfunded Commitments

A consequence of lending activities is that we may incur credit losses, so we record an allowance for credit losses ("ACL") with respect to loan receivables and a reserve for unfunded commitments ("RUC") as estimates of those losses. The amount of the ACL on loans is based on management's assessment of current expected credit losses in the portfolio.

The amount of such losses will vary depending upon the risk characteristics of the loan portfolio as affected by economic conditions such as changes in interest rates, the financial performance of borrowers and regional unemployment rates, which management estimates by using a national forecast and estimating a regional adjustment based on historical differences between the two.

Management has significant discretion in making the judgments inherent in the determination of the provisions for credit loss, ACL and the RUC. Our determination of these amounts requires significant reliance on estimates and significant judgment as to the amount and timing of expected future cash flows on loans, significant reliance on historical loss rates on homogenous portfolios, consideration of our quantitative and qualitative evaluation of economic factors and the reliance on our reasonable and supportable forecasts.

We estimate the ACL on loans using a quantitative model that uses a probability of default ("PD") / loss given default ("LGD") cash flow method with an exposure at default ("EAD") model to estimate expected credit losses for our loan segments. The modeling of expected prepayment speeds is based on historical internal data and adjustments to account for loan-specific risk characteristics after pooling our loan portfolio based on similar risk characteristics.

The Company uses regression analysis of historical internal and peer data provided by a third-party service provider (as Company loss data is insufficient) to determine suitable loss drivers to utilize when modeling lifetime PD and LGD. This analysis also determines how expected PD will react to forecasted levels of the loss drivers. During the three months ended March 31, 2024, management enhanced the cash flow model to incorporate three additional macroeconomic variables. The four economic variables selected, national unemployment (original variable used), Commercial Real Estate ("CRE") Price Index, House Price Index and Gross Domestic Product ("GDP"), are incorporated by utilizing a Loss Driver Analysis approach that factors in historical losses, including during the Great Recession, of regional peer banks and the Bank. The updated model incorporates a weighting of three economic scenarios; baseline, upside and downside. The scenarios cover the four economic forecast variables, with each segment of the portfolio linked to two of these variables, depending on the segment. The loss driver analysis is spread over a reasonable and supportable period of 18 months and reverts back to a historical loss rate over twelve months on a straight-line basis over the loan's remaining maturity. Management leverages economic projections from reputable and independent third parties to inform its loss driver forecasts over the forecast period.

Loans that have evidence of credit deterioration are excluded from the loan segments subject to the quantitative model described above and are individually assessed.

The ACL also includes an amount for inherent risks not reflected in the historical analyses. Relevant factors reflected in the qualitative component of the reserve include, but are not limited to, concentrations of credit risk, changes in underwriting standards, experience and depth of lending staff and trends in delinquencies.

Management has developed an analytical process to monitor the adequacy of the ACL. Our methodology for determining our ACL was developed utilizing, among other factors, the guidance from federal banking regulatory agencies and relevant available information from internal and external sources and relating to past events, current conditions and reasonable and supportable forecasts. The process is being continually enhanced and refined based on periodic reviews. Material changes to these and other relevant factors may result in greater volatility to the reserve for credit losses, and therefore, greater volatility to our reported earnings. For example, the effects of the COVID-19 pandemic and related hybrid or fully remote working environment has negatively impacted the performance outlook in the central business district office CRE segment of our loan portfolio, which informed our CECL economic forecast and continued to adversely impact our loss reserve as of December 31, 2024. See Notes 1, 3 and 4 to the Consolidated Financial Statements, the “Provision for Credit Losses” and "Allowance for Credit Losses" section in Management’s Discussion and Analysis of Financial Condition and Results of Operations and the risk factors related to our business and economic conditions in Item 1A for more information on the provision for credit losses and ACL for the loan portfolio.

The RUC represents the expected credit losses on off-balance sheet commitments such as unfunded commitments to extend credit and standby letters of credit. The RUC is determined by estimating future draws and applying the expected loss rates on those draws.

While our methodology in establishing the reserve for credit losses attributes portions of the ACL and RUC to the commercial and consumer portfolio segments, the entire ACL and RUC is available to absorb credit losses expected in the total loan portfolio and total amount of unfunded credit commitments, respectively. Our model may reflect assumptions by management that are not covered by the qualitative and environmental factors, and we reevaluate all of its factors quarterly.

SELECTED FINANCIAL DATA

The following discussion is intended to assist in understanding the financial condition and results of operations of the Company as of and for the year ended December 31, 2024. The information contained in this section should be read together with the December 31, 2024 audited Consolidated Financial Statements and the accompanying Notes included in Item 8 Financial Statements And Supplementary Data of this Form 10-K.

This section of this Form 10-K generally discusses 2024 items and year-to-year comparisons between 2024 and 2023. Discussions of 2022 items and year-to-year comparisons between 2023 and 2022 that are not included in this Form 10-K can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Form 10-K for the fiscal year ended December 31, 2023.

(dollars in thousands)	December 31, 2024	December 31, 2023
Consolidated Balance Sheets:		
Securities - available for sale	$ 1,267,404	$ 1,506,388
Securities - held to maturity	938,647	1,015,737
Loans	7,934,888	7,968,695
Allowance for credit losses	(114,390)	(85,940)
Goodwill and intangible assets, net	16	104,925
Total assets	11,129,508	11,664,538
Deposits	9,131,078	8,808,039
Other short-term borrowings	490,000	1,369,918
Long-term borrowings	76,108	—
Total liabilities	9,903,447	10,390,255
Total shareholders' equity	1,226,061	1,274,283
Tangible common equity [1]	1,226,045	1,169,358

	Years Ended December 31,		
(dollars in thousands except per share data)	2024	2023	2022
Consolidated Statements of Operations:			
Interest income	$ 687,563	$ 625,327	$ 424,613
Interest expense	398,875	334,781	91,746
Provision for credit losses	66,360	31,536	266
Noninterest income	19,939	21,536	23,654
Goodwill impairment	104,168	—	—
Noninterest expense (including goodwill impairment)	274,634	153,293	165,098
Income (loss) before income tax expense	(30,240)	127,520	189,680
Income tax expense	16,795	26,986	48,750
Net income (loss)	(47,035)	100,534	140,930
Cash dividends declared	32,117	54,293	55,776
Total net revenue [2]	308,627	312,082	356,521
Per Common Share Data:			
Net income (loss), basic	$ (1.56)	$ 3.31	$ 4.40
Net income (loss), diluted	(1.56)	3.31	4.39
Dividends declared	1.07	1.80	1.75
Book value	40.60	42.58	39.18
Tangible book value [3]	40.59	39.08	35.86
Common shares outstanding	30,202,003	29,925,612	31,346,903
Weighted average common shares outstanding, basic	30,157,051	30,345,504	32,004,251
Weighted average common shares outstanding, diluted	30,157,051	30,393,100	32,078,070

	Years Ended December 31,		
	2024	2023	2022
Ratios:			
Net interest margin	2.37 %	2.53 %	2.93 %
Efficiency ratio [4]	88.99 %	49.12 %	46.31 %
Return on average assets	(0.38)%	0.84 %	1.20 %
Return on average common equity	(3.77)%	8.11 %	10.99 %
Return on average tangible common equity [1]	(3.93)%	8.85 %	11.97 %
CET1 capital (to risk weighted assets)	14.63 %	13.90 %	14.03 %
Total capital (to risk weighted assets)	15.86 %	14.79 %	14.94 %
Tier 1 capital (to risk weighted assets)	14.63 %	13.90 %	14.03 %
Tier 1 capital (to average assets)	10.74 %	10.73 %	11.63 %
Tangible common equity ratio	11.02 %	10.12 %	10.18 %
Dividend payout ratio	(68.28)%	54.00 %	39.58 %

(dollars in thousands)	December 31, 2024	December 31, 2023
Asset Quality:		
Nonperforming assets and loans 90+ past due	$ 211,449	$ 66,632
Nonperforming assets and loans 90+ past due to total assets	1.90 %	0.57 %
Nonperforming loans to total loans	2.63 %	0.82 %
Allowance for credit losses to loans	1.44 %	1.08 %
Allowance for credit losses to nonperforming loans	54.81 %	131.16 %

	Years Ended December 31,		
(dollars in thousands)	2024	2023	2022
Asset Quality Activity:			
Net charge-offs	$ 38,555	$ 18,850	$ 624
Net charge-offs to average loans	0.48 %	0.24 %	0.01 %

(1) Tangible common equity and return on average tangible common equity are non-GAAP financial measures. Tangible common equity is defined as total common shareholders' equity reduced by goodwill and other intangible assets.

(2) Total net revenue calculated as net interest income plus noninterest income.

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

(4) Computed by dividing noninterest expense by total net revenue.

Use of Non-GAAP Financial Measures

Management uses non-GAAP measures because they provide information to investors about the underlying operational performance and trends of the Company. Additionally, certain non-GAAP measures are monitored by regulators. These disclosures should not be considered in isolation or as a substitute for results determined in accordance with GAAP and are not necessarily comparable to non-GAAP performance measures which may be presented by other bank holding companies. Management compensates for these limitations by providing detailed reconciliations between GAAP information and the non-GAAP financial measures.

The following tables reconcile the GAAP financial measures to the associated non-GAAP financial measures:

(dollars in thousands except per share data)	December 31, 2024	December 31, 2023
Tangible common equity		
Common shareholders' equity	$ 1,226,061	$ 1,274,283
Less: Intangible assets	(16)	(104,925)
Tangible common equity (Non-GAAP)	$ 1,226,045	$ 1,169,358
Tangible common equity ratio		
Total assets	$ 11,129,508	$ 11,664,538
Less: Intangible assets	(16)	(104,925)
Tangible assets	$ 11,129,492	$ 11,559,613
Tangible common equity ratio (Non-GAAP)	11.02 %	10.12 %
Tangible book value per share calculations		
Book value per common share	$ 40.60	$ 42.58
Less: Intangible book value per common share	(0.01)	(3.50)
Tangible book value per common share (Non-GAAP)	$ 40.59	$ 39.08

(dollars in thousands)	Years Ended December 31, 2024	2023	2022
Average tangible common equity			
Average common shareholders' equity	$ 1,246,168	$ 1,240,118	$ 1,281,921
Less: Average intangible assets	(50,868)	(104,534)	(104,248)
Average tangible common equity (Non-GAAP)	$ 1,195,300	$ 1,135,584	$ 1,177,673
Return on average tangible common equity			
Net income (loss) available to common shareholders	$ (47,035)	$ 100,534	$ 140,930
Average tangible common equity	$ 1,195,300	1,135,584	1,177,673
Return on average tangible common equity (Non-GAAP)	(3.93)%	8.85%	11.97%
Operating return on average tangible common equity			
Net income (loss) available to common shareholders	$ (47,035)	$ 100,534	$ 140,930
Add back of goodwill impairment	104,168	—	—
Operating net income (Non-GAAP)	$ 57,133	$ 100,534	$ 140,930
Average tangible common equity	$ 1,195,300	1,135,584	1,177,673
Operating return on average tangible common equity (Non-GAAP)	4.78 %	8.85 %	11.97 %

(dollars in thousands)	Years Ended December 31, 2024		2023	2022
Efficiency ratio				
Net interest income	$ 288,688		$ 290,546	$ 332,867
Noninterest income	19,939		21,536	23,654
Total net revenue	308,627		312,082	356,521
Noninterest expense	274,634		153,293	165,098
Exclude goodwill impairment	(104,168)		—	—
Operating noninterest expense (Non-GAAP)	170,466		153,293	165,098
Efficiency ratio (Non-GAAP)	88.99 %		49.12 %	46.31 %
Operating efficiency ratio (Non-GAAP)	55.23 %		49.12 %	46.31 %
Operating net income				
Net income (loss)	$ (47,035)		$ 100,534	$ 140,930
Add back of goodwill impairment	104,168		—	—
Operating net income (Non-GAAP)	$ 57,133	$57,133	$ 100,534	$ 140,930
Operating earnings per share (diluted)				
Earnings (loss) per share (diluted) [(1)]	$(1.56)		$3.31	$4.39
Add back of goodwill impairment per share (diluted)	3.45		—	—
Operating earnings per share (diluted) (Non-GAAP)	$1.89		$3.31	$4.39

[(1)] For periods ended with a net loss, anti-dilutive financial instruments have been excluded from the calculation of earnings per share (diluted). Operating earnings per share (diluted) calculations include the impact of outstanding equity-based awards for all periods.

RESULTS OF OPERATIONS

Year Ended December 31, 2024 Compared with Year Ended December 31, 2023

Overview

Net loss for the year ended December 31, 2024 was $47.0 million, as compared to net income of $100.5 million, for the same period in 2023. This decrease was primarily attributable to the recognition of goodwill impairment of $104.2 million in the second quarter of 2024 and an increase in provision for credit losses of $34.8 million, partially offset by a reduction of income tax expense of $10.2 million. For more information on the drivers and the components of these changes, see the "Provision for Credit Losses" and "Income Tax Expenses" sections below. Refer to the "Intangible Assets" section below for additional details on goodwill impairment..

Net interest income decreased to $288.7 million for 2024 compared to $290.5 million for 2023. Net interest income decreased primarily due to increased interest expense due to higher rates on deposits and borrowings, which was partially offset by an increase in interest income on loans. Total noninterest income in 2024 was $19.9 million, as compared to $21.5 million in 2023, a 7% decrease. For further information on the components and drivers of these changes, see the "Net Interest Income and Net Interest Margin" and "Noninterest Income" sections below. Operating net revenue (non-GAAP) was $308.6 million for the year ended December 31, 2024, as compared to $312.1 million for the same period in 2023.

The net interest margin, which measures the difference between interest income and interest expense as a percentage of earning assets, was 2.37% for 2024 and 2.53% for 2023, a decrease of 16 basis points. The drivers of the change are detailed in the "Net Interest Income and Net Interest Margin" section below.

The provision for credit losses in 2024 was $66.4 million as compared to $31.5 million in 2023. For information on the components and drivers of these changes see "Provision for Credit Losses" section below.

Noninterest expenses in 2024 totaled $274.6 million, as compared to $153.3 million in 2023, a 79% increase. The increase was primarily attributable to the recognition of goodwill impairment of $104.2 million in the second quarter of 2024 and higher FDIC insurance assessments during the year. Additional details on these expenses and other noninterest expenses are provided in "Noninterest Expense" section below.

The efficiency ratio, inclusive of the goodwill impairment charge, which measures the ratio of noninterest expense to total revenue, was 88.99% for 2024 as compared to 49.12% for 2023. Excluding the goodwill impairment charge, the operating efficiency ratio (non-GAAP) was 55.23%.

At December 31, 2024, total loan balances were $7.9 billion, and remained flat as compared to December 31, 2023, and average loans were 2% higher in 2024 as compared to 2023, driven by originations and advances which outpaced payoffs and paydowns.

Total deposits at December 31, 2024 increased by $323.0 million as compared to December 31, 2023. The increase consists of $1.0 billion in interest bearing deposits which was partially offset by a decrease of $0.7 billion in noninterest bearing deposits. This was primarily driven by a significant increase in short term interest rates and related migration to interest-bearing deposit accounts.

In terms of the average asset composition or mix, loans, which generally have higher yields than securities and other earning assets, represented 66% and 68% of average earning assets for 2024 and 2023, respectively. For 2024, as compared to 2023, average loans, excluding loans held for sale, increased by $181.8 million, or 2%, driven by originations and advances that outpaced payoffs and paydowns.

Average investment securities for 2024 were 20% of average earning assets compared to 23% for 2023. The combination of federal funds sold and interest bearing deposits with other banks represented 14% and 9% of average earning assets for 2024 and 2023, respectively.

The ratio of common equity to total assets increased to 11.02% at December 31, 2024 from 10.92% at December 31, 2023, due primarily to a decrease in total assets, in connection with decreases in loans and interest-bearing deposits with banks and other short-term investments. For the year ended December 31, 2024 and 2023, the Company had average tangible common equity, a non-GAAP measure, of $1.2 billion and $1.1 billion, respectively. For 2024, the return on average assets ("ROAA"), inclusive of the goodwill impairment charge, was (0.38)%, as compared to 0.84% for 2023. Total shareholders' equity was $1.23 billion at December 31, 2024 as compared to $1.27 billion at December 31, 2023, a decrease of 4%. The return on average common equity ("ROACE") for 2024 was (3.77)% as compared to 8.11% for 2023. The ROATCE for 2024, a non-GAAP financial measure, was (3.93)% as compared to 8.85% for 2023. The adverse change in returns was primarily attributable to the recognition of goodwill impairment of $104.2 million in 2024. Excluding the goodwill impairment charge, operating return on average tangible common equity (non-GAAP) was 4.78%. Refer to the "Use of Non-GAAP Financial Measures" section for additional detail and a reconciliation of GAAP to non-GAAP financial measures.

Net Interest Income and Net Interest Margin

Net interest income is the difference between interest income on earning assets and the cost of funds supporting those assets. Earning assets are composed primarily of loans, investment securities and interest bearing deposits with other banks and other short term investments. The cost of funds represents interest expense on deposits, customer repurchase agreements and other borrowings, which consist primarily of federal funds purchased, advances from secured financing arrangements, including the Federal Home Loan Bank of Atlanta ("FHLB") and Discount Window, and senior notes. Noninterest bearing deposits and capital are other components representing funding sources. Changes in the volume and mix of assets and funding sources, along with the changes in yields earned and rates paid, determine changes in net interest income.

Net interest income in 2024 was $288.7 million compared to $290.5 million in 2023. The 1% decrease for the year ended December 31, 2024 as compared to the year ended December 31, 2023 was primarily due to increases in average deposit rates (4.25% compared to 4.02%, respectively) and other short-term borrowings (4.90% compared to 4.82%, respectively), which were partially offset by higher average loan balances and yields (6.86% compared to 6.63%, respectively). Net interest income represented 94% and 93% of the Company’s total net revenue for the years ended December 31, 2024 and December 31, 2023, respectively,

Net interest margin decreased by 16 basis points to 2.37% in 2024 from 2.53% in 2023. The decrease reflects the increase in the cost of funds on deposits, primarily in connection with an increase in rates, and borrowings, in connection with both an increase in volume and rates, offset by an increase in the yield on loans. The cost of funds on interest-bearing liabilities increased 42 basis points from 3.17% in 2023 to 3.59% in 2024, while the yield on interest-earning assets increased by 20 basis points from 5.45% in 2023 to 5.65% in 2024.

Average loans held for investment were $8.0 billion for the year ended December 31, 2024, compared to $7.8 billion for the same period in 2023. Average investment securities were $2.5 billion for the year ended December 31, 2024, compared to $2.6 billion for the same period in 2023. Average interest-bearing deposits with other banks and other short term investments were $1.7 billion for 2024 compared to $1.0 billion for 2023. Interest income on loans, the largest component of interest income on earning assets, had a yield of 6.86% in 2024, compared to 6.63% in 2023, an increase of 23 basis points.

Average interest-bearing deposits increased from $6.4 billion in the year ended December 31, 2023 to $7.5 billion in the year ended December 31, 2024, while average noninterest bearing demand deposits decreased to $2.0 billion for the year ended December 31, 2024 from $2.5 billion for the year ended December 31, 2023.

Average borrowings decreased from $1.6 billion in the year ended December 31, 2023 to $1.5 billion in the year ended December 31, 2024. Refer to the "Deposits and Other Borrowings" section below for further discussion of deposits and borrowings.

The table below presents the average balances and rates of the major categories of the Company's assets and liabilities for the years ended December 31, 2024, 2023 and 2022. Included in the table are measurements of interest rate spread and margin. Interest rate spread is the difference (expressed as a percentage) between the interest rate earned on earning assets less the interest rate paid on interest bearing liabilities. While the interest rate spread provides a quick comparison of earnings rates versus cost of funds, management believes that margin, together with net interest income, provides a better measurement of performance. The net interest margin (as compared to net interest spread) includes the effect of noninterest bearing sources in its calculation. Net interest margin is net interest income expressed as a percentage of average earning assets.

Eagle Bancorp, Inc.
Consolidated Average Balances, Interest Yields And Rates (Unaudited)
(dollars in thousands)

	Years Ended December 31,								
	2024			2023			2022		
	Average Balance	Interest	Average Yield / Rate	Average Balance	Interest	Average Yield / Rate	Average Balance	Interest	Average Yield / Rate
Assets									
Interest earning assets:									
Interest bearing deposits with other banks and other short-term investments	$ 1,706,439	$ 88,770	5.20 %	$ 1,015,199	$ 52,300	5.15 %	$ 1,235,768	$ 13,304	1.08 %
Loans held for sale	3,241	101	3.12 %	1,212	73	6.02 %	15,356	650	4.23 %
Loans (1) (2)	7,997,653	548,288	6.86 %	7,815,832	518,007	6.63 %	7,206,158	358,317	4.97 %
Investment securities available-for-sale (2)	1,473,095	28,774	1.95 %	1,584,239	32,074	2.02 %	2,003,475	33,641	1.68 %
Investment securities held-to-maturity	983,309	21,197	2.16 %	1,057,445	22,586	2.14 %	857,584	17,840	2.08 %
Federal funds sold	10,741	433	4.03 %	9,120	287	3.15 %	48,402	861	1.78 %
Total interest earning assets	12,174,478	687,563	5.65 %	11,483,047	625,327	5.45 %	11,366,743	424,613	3.74 %
Noninterest earning assets	449,904			501,722			475,563		
Less: allowance for credit losses	104,020			79,218			74,726		
Total noninterest earning assets	345,884			422,504			400,837		
Total Assets	$ 12,520,362			$ 11,905,551			$ 11,767,580		
Liabilities and Shareholders' Equity									
Interest bearing liabilities:									
Interest bearing transaction	$ 1,700,301	$ 60,573	3.56 %	$ 1,459,795	$ 46,140	3.16 %	$ 893,137	$ 6,721	0.75 %
Savings and money market	3,411,971	139,539	4.09 %	3,176,203	132,374	4.17 %	4,683,850	65,777	1.40 %
Time deposits	2,432,713	120,309	4.95 %	1,774,184	79,030	4.45 %	669,824	10,763	1.61 %
Total interest bearing deposits	7,544,985	320,421	4.25 %	6,410,182	257,544	4.02 %	6,246,811	83,261	1.33 %
Customer repurchase agreements and federal funds purchased	37,872	1,271	3.36 %	36,663	1,218	3.32 %	30,745	356	1.16 %
Other short-term borrowings	1,476,550	72,386	4.90 %	1,521,160	73,253	4.82 %	172,717	3,980	2.30 %
Long-term borrowings	66,321	4,797	7.23 %	69,861	2,766	3.96 %	69,737	4,149	5.95 %
Total interest bearing liabilities	9,125,728	398,875	4.37 %	8,037,866	334,781	4.17 %	6,520,010	91,746	1.41 %
Noninterest bearing liabilities:									
Noninterest bearing demand	1,987,886			2,508,687			3,871,773		
Other liabilities	160,580			118,880			93,876		
Total noninterest bearing liabilities	2,148,466			2,627,567			3,965,649		
Shareholders' equity	1,246,168			1,240,118			1,281,921		
Total Liabilities and Shareholders' Equity	$ 12,520,362			$ 11,905,551			$ 11,767,580		
Net interest income		$ 288,688			$ 290,546			$ 332,867	
Net interest spread			1.28 %			1.28 %			2.33 %
Net interest margin			2.37 %			2.53 %			2.93 %
Cost of funds (3)			3.59 %			3.17 %			0.88 %

(1) Loans placed on nonaccrual status are included in average balances. Net loan fees and late charges included in interest income on loans totaled $17.2 million, $16.7 million and $15.3 million, for the years ended December 31, 2024, 2023 and 2022, respectively.

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

Rate/Volume Analysis of Net Interest Income

The rate/volume table below presents the composition of the change in net interest income for the periods indicated, as allocated between the change in net interest income due to changes in the volume of average earning assets and interest bearing liabilities and the changes in net interest income due to changes in interest rates. As the table shows, the decrease in net interest income in 2024 as compared to 2023 was primarily due to increase in interest bearing liabilities replacing non-interest bearing deposits.

	Year Ended December 31, 2024 Compared with Year Ended December 31, 2023			Year Ended December 31, 2023 Compared with Year Ended December 31, 2022		
(dollars in thousands)	Change Due to Volume	Change Due to Rate	Total Increase (Decrease)	Change Due to Volume	Change Due to Rate	Total Increase (Decrease)
Interest earned on:						
Loans	$ 12,049	$ 18,232	$ 30,281	$ 30,315	$ 129,375	$ 159,690
Loans held for sale	122	(94)	28	(599)	22	(577)
Investment securities available-for sale	(2,250)	(1,050)	(3,300)	(7,040)	5,473	(1,567)
Investment securities held-to-maturity	(1,583)	194	(1,389)	4,158	588	4,746
Interest bearing bank deposits	35,611	859	36,470	(2,375)	41,371	38,996
Federal funds sold	51	95	146	(699)	125	(574)
Total interest income	44,000	18,236	62,236	23,760	176,954	200,714
Interest paid on:						
Interest bearing transaction	7,602	6,831	14,433	4,264	35,155	39,419
Savings and money market	9,826	(2,661)	7,165	(21,172)	87,769	66,597
Time deposits	29,334	11,945	41,279	17,745	50,522	68,267
Customer repurchase agreements	40	13	53	69	793	862
Borrowings	(2,288)	3,452	1,164	45,216	22,674	67,890
Total interest expense	44,514	19,580	64,094	46,122	196,913	243,035
Net interest income	$ (514)	$ (1,344)	$ (1,858)	$ (22,362)	$ (19,959)	$ (42,321)

Provision for Credit Losses

The provision for credit losses represents the amount of expense charged to current earnings to record the ACL on loans and the ACL on HTM investment securities. The amount of the ACL on loans is based on management's assessment of current expected credit losses in the portfolio. Those factors include historical losses based on internal and peer data, economic conditions and trends, the value and adequacy of collateral, volume and mix of the portfolio, performance of the portfolio, and internal loan processes of the Company.

Refer to the discussion under “Critical Accounting Policies and Estimates” in Management's Discussion and Analysis of Financial Condition and Results of Operations above and in Note 1 to the Consolidated Financial Statements for an overview of the methodology management employs on a quarterly basis to assess the adequacy of the allowance and the provisions charged to expense. Also, refer to the table in the "Allowance for Credit Losses" section which reflects activity in the ACL.

The total provision for credit losses was $66.4 million during the year ended December 31, 2024, as compared to $31.5 million during the year ended December 31, 2023. During the year ended December 31, 2024, the Company's provision for credit losses included a provision of $67.0 million on loans and net charge-offs of $38.6 million on loans. The provision for credit losses on loans for the same period in 2023 was $30.3 million and included $18.9 million of net charge offs.

The change in the provision for credit losses for the year ended December 31, 2024, was primarily attributable to the following factors: 1) specific reserves on individually evaluated non-performing loans; 2) changes in the qualitative component of the model relating to CRE office properties; and, 3) enhancements to the quantitative model during Q1 to include additional economic factors. Additionally, the change in provision for credit losses during the year ended December 31, 2024 was also impacted by the partial charge off of a CRE office loan after an updated valuation was received in the first quarter of 2025.

The provision for loan credit losses for the year ended December 31, 2023 was driven by adjustments to the qualitative components of the CECL model combined with smaller increases in the quantitative components. The changes in qualitative components were due to perceived weakness in the commercial real estate market, in addition to high inflationary environment offset by a reduction in the quantitative reserves based on a decline in individually evaluated loans. The changes in quantitative components were related to changes in the nature and volume of the portfolio, changes in delinquencies and loss experience.

The provision for credit losses for the held-to-maturity securities portfolio was recorded primarily on several corporate bonds. During the year ended December 31, 2024, there was a reversal of provision for credit losses of $645 thousand for the held-to-maturity securities portfolios, compared to a provision expense of $1.2 million for the year ended December 31, 2023.

The provision for credit losses for unfunded commitments is presented separately on the Statement of Operations. This provision considers the probability that unfunded commitments will fund among other factors. There was a reversal of $2.1 million in 2024, compared to $0.3 million reversal in 2023.

Noninterest Income

Noninterest income includes service charges on deposits, gain on sale of loans, gain on sale of investment securities, income from bank owned life insurance (“BOLI”) and other income. The following table summarizes the comparative noninterest income for the years ended December 31, 2024 and 2023:

	Years Ended December 31,			
(dollars in thousands)	2024	2023	Dollar Change	Percent Change
Service charges on deposits	$ 6,843	$ 6,455	$ 388	6 %
Gain on sale of loans	57	418	(361)	(86)%
Net loss on sale of investment securities	14	(11)	25	(227)%
Increase in the cash surrender value of bank-owned life insurance	2,885	2,659	226	8 %
Other income	10,140	12,015	(1,875)	(16)%
Total	$ 19,939	$ 21,536	$ (1,597)	(7)%

Total noninterest income for the year ended December 31, 2024 was $19.9 million as compared to $21.5 million for the year ended December 31, 2023. The 7% decrease was primarily based on the prior year nonrecurring items including income from Small Business Investment Companies ("SBIC") fund and lower swap fees income during the current year.

Noninterest Expense

Total noninterest expense includes salaries and employee benefits, premises and equipment expenses, marketing and advertising, data processing, legal, accounting and professional fees, FDIC insurance assessments and other expenses. The following table summarizes the comparative noninterest expense for the years ended December 31, 2024 and 2023:

	Years Ended December 31,			
(dollars in thousands)	2024	2023	Dollar Change	Percent Change
Salaries and employee benefits	$ 87,768	$ 86,096	$ 1,672	2 %
Premises and equipment expenses	11,382	12,606	(1,224)	(10)%
Marketing and advertising	5,449	3,359	2,090	62 %
Data processing	14,093	13,083	1,010	8 %
Legal, accounting and professional fees	9,286	10,787	(1,501)	(14)%
FDIC insurance	29,009	11,853	17,156	145 %
Goodwill impairment	104,168	—	104,168	100 %
Other expenses	13,479	15,509	(2,030)	(13)%
Total	$ 274,634	$ 153,293	$ 121,341	79 %

Total noninterest expense was $274.6 million for 2024, as compared to $153.3 million for 2023, a 79% increase. The increase for the year ended December 31, 2024 was primarily due to the goodwill impairment charge of $104.2 million to reduce fully the carrying value of the Company's goodwill. Refer to the "Intangible Assets" section below for additional details. Excluding the goodwill impairment charge, total operating noninterest expense (non-GAAP) was $170.5 million for the year ended December 31, 2024. Refer to the "Use of Non-GAAP Financial Measures" section for additional details and a reconciliation of GAAP to non-GAAP financial measures.

Marketing expenses were $5.4 million and $3.4 million, respectively, for the year ended December 31, 2024 and 2023, a 62% increase. The increase in marketing expenses was primarily due to higher marketing expenses related to our digital banking channel.

FDIC insurance expense was $29.0 million for 2024 as compared to $11.9 million for 2023, an increase of $17.1 million, or 145%. The increases in 2024 compared to 2023 were due to increases in FDIC deposit insurance assessments.

The major components of other expenses include broker fees, franchise taxes, insurance expenses and director compensation. Other expenses were $13.5 million for 2024 as compared to $15.5 million for 2023, a decrease of 13%. The decrease in 2024, as compared to 2023, was primarily due to a reduction in director fees and real estate taxes.

The efficiency ratio, which measures the ratio of noninterest expense to total revenue, was 88.99% for the year ended December 31, 2024, as compared to 49.12% for the same period in 2023. The adverse change in the efficiency ratio for the year ended December 31, 2024 was primarily driven by the recognition of goodwill impairment of $104.2 million. Excluding the goodwill impairment charge, the operating efficiency ratio (non-GAAP) was 55.23% for the year ended December 31, 2024. Refer to the "Use of Non-GAAP Financial Measures" section for additional detail and a reconciliation of GAAP to non-GAAP financial measures.

As a percentage of average assets, total noninterest expense (annualized) was 2.19% for the year ended December 31, 2024 as compared to 1.29% for the same period in 2023. The higher ratio for the current year is attributable to the goodwill impairment discussed above.

Income Tax Expense

Income tax expense was $16.8 million for 2024 as compared to $27.0 million for 2023. The decrease in the tax provisions over the comparative years ended December 31, 2024 and 2023 was primarily driven by the decreases in pre-tax income period over period. The impact of the change in mix of the components noted above can be seen in the reconciliation of statutory federal income tax rate table in Note 13 to the Consolidated Financial Statements.

The Inflation Reduction Act of 2022 was signed into law by President Biden on August 16, 2022 which made significant changes to the U.S. tax law, including the introduction of a corporate alternative minimum tax of 15% of the “adjusted financial statement income” of certain domestic corporations as well as a 1% excise tax on the fair market value of stock repurchases by certain domestic corporations, effective for tax years beginning in 2023. Effective January 1, 2023, the Company became subject to the tax laws under the Inflation Reduction Act. The Company has not experienced and currently does not expect the tax-related provisions of the Inflation Reduction Act to have a material impact on our financial results.

BALANCE SHEET ANALYSIS

Overview

Total assets at December 31, 2024 were $11.1 billion as compared to $11.7 billion at December 31, 2023, a 5% decrease. The decrease in total assets in 2024 was primarily due to decreases in investment securities and interest-bearing deposits with other banks, and the impairment charge of goodwill related to a 2014 acquisition.

The largest component of assets, total loans with an amortized cost basis, were approximately $7.9 billion at December 31, 2024, and remained relatively flat as compared to $8.0 billion at December 31, 2023. There were no loans held for sale at December 31, 2024 and 2023. Refer to the "Loan Portfolio" section below for further discussion on loans.

Investment securities, at amortized cost net of the allowance for credit losses, were $2.3 billion at December 31, 2024 as compared to $2.7 billion at December 31, 2023, a $336.5 million decrease, or 13%. The components and drivers of the change are discussed in the "Investment Securities and Short-Term Investments" section below.

In terms of funding, total deposits at December 31, 2024 were $9.1 billion as compared to $8.8 billion at December 31, 2023, an increase of 4%. Total borrowed funds (excluding customer repurchase agreements) were $566.1 million and $1.4 billion at December 31, 2024 and 2023, respectively. The components and drivers of the change are discussed in the "Deposits and Other Borrowings" section below.

Total shareholders’ equity at December 31, 2024 was $1.2 billion as compared to $1.3 billion at December 31, 2023, a 4% decrease. The decrease in shareholders’ equity in 2024 was primarily from the net loss from operations and payment of cash dividends, partially offset by an increase in other comprehensive income and share-based compensation.

In order to be considered well-capitalized, the Bank must have a CET1 risk based capital ratio of 6.5%, a Tier 1 risk-based ratio of 8.0%, a total risk-based capital ratio of 10.0% and a leverage ratio of 5.0%. The Company and the Bank exceed all these requirements and satisfy the capital conservation buffer of 2.5% of CET1 capital. Failure to maintain the required

capital conservation buffer would limit the ability of the Company and the Bank to pay dividends, repurchase shares or pay discretionary bonuses.

The Company's capital ratios remain substantially in excess of regulatory minimums and buffer requirements. The total risk based capital ratio was 15.86% at December 31, 2024, as compared to 14.79% at December 31, 2023. The common equity tier one capital ("CET1") risk based capital ratio was 14.63% at December 31, 2024, as compared to 13.90% at December 31, 2023. The tier 1 risk based capital ratio was 14.63% at December 31, 2024, as compared to 13.90% at December 31, 2023. The tier 1 leverage ratio was 10.74% at December 31, 2024, as compared to 10.73% at December 31, 2023.

The ratio of common equity to total assets was 11.02% at December 31, 2024 as compared to 10.92% at December 31, 2023, as common equity levels declined 4% over the year ended December 31, 2024. Book value per share was $40.60 at December 31, 2024, a 4.7% decrease over $42.58 at December 31, 2023. These declines were primarily due to the goodwill impairment charge of $104.2 million.

In addition, the tangible common equity ratio was 11.02% at December 31, 2024, compared to 10.12% at December 31, 2023. Tangible book value per share was $40.59 at December 31, 2024, a 3.9% increase from $39.08 at December 31, 2023. Refer to the "Use of Non-GAAP Financial Measures" section for additional detail and a reconciliation of GAAP to non-GAAP financial measures.

Investment Securities and Short-Term Investments

The tables below and Note 3 to the Consolidated Financial Statements provide additional information regarding the Company’s investment securities categorized as “available-for-sale” or AFS and as "held-to-maturity" or HTM. The Company classifies its investment securities as either AFS or HTM. The AFS classification requires that investment securities be recorded at fair value with any difference between the fair value and amortized cost (the purchase price adjusted by any discount accretion or premium amortization) reported as a component of shareholders’ equity (accumulated other comprehensive income (loss)), net of deferred income taxes, while securities classified as HTM are recorded and presented at their amortized cost. At December 31, 2024, the Company had a net unrealized loss in AFS securities of $141.5 million with a deferred tax asset of $34.8 million, as compared to a net unrealized loss in AFS securities of $161.9 million with a deferred tax asset of $39.8 million at December 31, 2023.

The AFS portfolio comprises U.S. treasury bonds (2.0% of AFS securities), U.S. agency securities (44.1% of AFS securities) with an average duration of 2.5 years, seasoned MBS that are 100% agency issued (49.3% of AFS securities for residential mortgage-backed and 3.9% for commercial mortgage-backed), which have an average duration of 4 years with contractual maturities of the underlying mortgages of up to thirty years, municipal bonds (0.6% of AFS securities), which have an average duration of 6 years, and corporate bonds (0.1% of AFS securities), which have an average duration of 5.6 years.

The HTM portfolio comprises seasoned MBS that are 100% agency issued (64.5% of HTM securities for residential mortgage-backed and 9.4% for commercial mortgage-backed), which have an average duration of 5.4 years with contractual maturities of the underlying mortgages of up to thirty years, municipal bonds (12.1% of HTM securities), which have an average duration of 6.7 years, and corporate bonds (14.0% of HTM securities), which have an average duration of 4.3 years.

At December 31, 2024, the AFS investment portfolio was $1.3 billion as compared to $1.5 billion at December 31, 2023, a decrease of 16%. At December 31, 2024, the HTM investment portfolio was $0.9 billion as compared to $1.0 billion at December 31, 2023, a decrease of 8%. The investment portfolio is managed to achieve goals related to liquidity, income, interest rate risk management and to provide collateral for customer repurchase agreements and other borrowing relationships.

During the first quarter of 2022, we evaluated our securities portfolio and determined that certain securities will be maintained for the life of the instrument and made a decision to transfer $1.1 billion of securities designated as AFS to HTM, including $237.0 million of securities acquired in the first quarter of 2022 for which the intention to hold to maturity was finalized. The transferred securities had unrealized losses of $66.2 million, and, as of December 31, 2024, $44.8 million remains in accumulated other comprehensive loss and will be amortized ratably over the remaining lives of the securities through accumulated other comprehensive loss. The securities transferred were generally municipal bonds, corporate bonds, bonds that qualify for Community Reinvestment Act credit and MBS with longer final maturity dates.

The following table provides information regarding the composition of the investment securities portfolio at the dates indicated. AFS securities are reported at estimated fair value and HTM securities are reported at amortized cost. At December 31, 2024, the investment portfolio balances for both AFS securities at fair value and HTM securities at amortized cost basis decreased as compared to December 31, 2023, and the composition of portfolio changed, as follows:

	December 31,			
	2024		2023	
(dollars in thousands)	Fair Value	Percent of Total	Fair Value	Percent of Total
Investment securities available-for-sale:				
U.S. treasury bonds	$ 24,776	2 %	$ 47,901	3 %
U.S. agency securities	558,535	44 %	671,397	45 %
Residential mortgage-backed securities	625,316	49 %	727,353	48 %
Commercial mortgage-backed securities	48,945	4 %	49,564	3 %
Municipal bonds	8,014	1 %	8,490	1 %
Corporate bonds	1,818	— %	1,683	— %
Total	$ 1,267,404	100 %	$ 1,506,388	100 %

	December 31,			
	2024		2023	
(dollars in thousands)	Amortized Cost	Percent of Total	Amortized Cost	Percent of Total
Investment securities held-to-maturity:				
Residential mortgage-backed securities	$ 605,904	65 %	$ 670,043	66 %
Commercial mortgage-backed securities	88,575	9 %	90,227	9 %
Municipal bonds	114,060	12 %	125,114	12 %
Corporate bonds	131,414	14 %	132,309	13 %
Total	939,953	100 %	1,017,693	100 %
Allowance for credit losses	(1,306)		(1,956)	
Total held-to-maturity securities, net of ACL	$ 938,647		$ 1,015,737	

At December 31, 2024, there were no issuers, other than the U.S. Government, U.S. agencies and U.S. Government-sponsored enterprises, whose securities owned by the Company had a book or fair value exceeding 10% of the Company's shareholders' equity.

The following tables provide information, on an amortized cost basis, for AFS and HTM portfolios regarding the expected maturity and weighted-average yield of the investment portfolio at December 31, 2024. Expected maturities will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties. Yields on tax exempt securities have not been calculated on a tax equivalent basis.

	One Year or Less		After One Year Through Five Years		After Five Years Through Ten Years		After Ten Years		Total	
(dollars in thousands)	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
Available-for-sale:										
U.S. treasury bonds	$ 24,988	0.69 %	$ —	— %	$ —	— %	$ —		$ 24,988	0.69 %
U.S. agency securities	163,511	1.18 %	359,242	1.57 %	66,580	1.92 %	10,944	1.25 %	600,277	1.50 %
Residential mortgage-backed securities	—	— %	4,917	1.83 %	143,010	1.46 %	571,888	1.92 %	719,815	1.83 %
Commercial mortgage-backed securities	5,002	3.33 %	23,220	2.04 %	15,053	2.26 %	9,973	3.58 %	53,248	2.51 %
Municipal bonds	—	— %	—	— %	—	— %	8,607	2.67 %	8,607	2.67 %
Corporate bonds	—	— %	—	— %	2,000	5.50 %	—	—	2,000	5.50 %
Total	$ 193,501	1.17 %	$ 387,379	1.60 %	$ 226,643	1.68 %	$ 601,412	1.95 %	$ 1,408,935	1.70 %

(dollars in thousands)	One Year or Less		After One Year Through Five Years		After Five Years Through Ten Years		After Ten Years		Total	
	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield	Amortized Cost	Weighted Average Yield
Held-to-maturity:										
Residential mortgage-backed securities	$ —	— %	$ 691	2.70 %	$ 16,867	2.28 %	$ 588,346	2.63 %	$ 605,904	2.62 %
Commercial mortgage-backed securities	—	— %	11,602	2.76 %	25,337	2.57 %	51,636	2.64 %	88,575	2.64 %
Municipal bonds	6,946	2.86 %	12,605	2.97 %	26,018	3.00 %	68,491	3.46 %	114,060	3.26 %
Corporate bonds	—	— %	51,456	4.47 %	79,958	3.84 %	—	— %	131,414	4.09 %
Total	$ 6,946	2.86 %	$ 76,354	3.95 %	$ 148,180	3.30 %	$ 708,473	2.71 %	939,953	2.90 %
Allowance for credit losses									(1,306)	
Total held-to-maturity securities, net of ACL									$ 938,647	

Federal funds sold were $2.6 million at December 31, 2024, as compared to $3.7 million at December 31, 2023. These funds represent excess daily liquidity which is invested on an unsecured basis with well capitalized banks, in amounts generally limited both in the aggregate and to any one bank.

Interest bearing deposits with banks and other short-term investments primarily consist of liquid assets held at the Federal Reserve to meet general liquidity needs of the Company, such as future loan demand and future increases in investment securities, among others. Interest bearing deposits with banks and other short-term investments were $619.0 million at December 31, 2024, as compared to $709.9 million at December 31, 2023, a decrease of $90.9 million or 13%, primarily due to decrease in deposits at the Federal Reserve. Refer to the "Deposits and Other Borrowings" section below for further discussion.

The Bank did not hold any time deposits at December 31, 2024 or December 31, 2023.

Loan Portfolio

In its lending activities, the Company seeks to develop and expand relationships with clients whose businesses and individual banking needs will grow with the Bank. We believe superior customer service, local decision making and accelerated turnaround time from application to closing have been significant factors in growing the loan portfolio and meeting the lending needs in the markets served, while maintaining sound asset quality.

Total loan balances remained relatively flat over the past year as loans outstanding were $7.9 billion at December 31, 2024, as compared to $8.0 billion at December 31, 2023, a decrease of $33.8 million or 0.4%. The loan portfolio mix continues to evolve as the Bank has experienced a reduction in commercial loans, offset by an increase in fundings of ongoing construction projects for commercial and residential properties. Market rates year to date in 2024 for our new loan originations on average have been fairly consistent with the market rates at the end of 2023, since short-term interest rates remained unchanged for most of 2024. In September 2024 and the fourth quarter of 2024, the Federal Reserve adjusted short-term interest rates downwards three times for a total decrease of 100 basis points. We continue to see opportunities for growth in the commercial lending market in our focused sectors; our processes for evaluating these opportunities are designed to ensure they are subject to reasonable underwriting standards, including appropriate collateral and cash flow necessary to support debt service. Following origination, we continue to monitor our borrowers' business plans and assess primary and alternative sources for loan repayment and, if necessary, obtain collateral to mitigate credit loss in the event of default.

The Bank has a large portion of its loan portfolio related to real estate, with 83% consisting of commercial real estate and real estate construction loans as of December 31, 2024. Non-owner occupied commercial real estate represented 66% of the loan portfolio while the remaining 17% is represented by the "owner occupied-commercial real estate" and "construction–C&I (owner occupied)" loans.

The following table shows the trends in the composition of the loan portfolio over the past two years. The table reflects loan balances, net of amortized deferred fees and costs, at December 31, 2024 and 2023 by major category.

	December 31,			
	2024		2023	
(dollars in thousands)	Amount	%	Amount	%
Commercial	$ 1,183,341	15 %	$ 1,473,766	18 %
PPP loans	287	— %	528	— %
Income producing - commercial real estate	4,064,846	51 %	4,094,614	51 %
Owner occupied - commercial real estate	1,269,669	16 %	1,172,239	15 %
Real estate mortgage - residential	50,535	1 %	73,396	1 %
Construction - commercial and residential	1,210,763	15 %	969,766	12 %
Construction - C&I (owner occupied)	103,259	1 %	132,021	2 %
Home equity	51,130	1 %	51,964	1 %
Other consumer	1,058	— %	401	— %
Total loans	7,934,888	100 %	7,968,695	100 %
Less: allowance for credit losses	(114,390)		(85,940)	
Loans, net[(1)]	$ 7,820,498		$ 7,882,755	

(1) Excludes accrued interest receivable of $42.9 million and $45.3 million at December 31, 2024 and 2023, respectively, which is recorded in other assets.

As noted above, a significant portion of the loan portfolio consists of commercial, construction and commercial real estate loans, primarily made in the Washington, D.C. metropolitan area and is secured by real estate or other collateral in that market. While our basic market is the Washington, D.C. metropolitan area, the Bank has made loans outside that market where the borrower or its key decision makers have a meaningful relationship with the Bank and generally operate in or are based in our market. Although all of these loans are made to a diversified pool of unrelated borrowers across numerous businesses, adverse developments in the real estate market could continue to have an adverse impact on this portfolio of loans and the Company’s earnings and financial position. Management believes that the commercial real estate concentration risk is mitigated by diversification among the types and characteristics of real estate collateral properties, sound underwriting practices and ongoing portfolio monitoring and market analysis.

The Company's concentration in the Washington, D.C. metro area, includes "Washington's Maryland Suburbs," which comprise Frederick, Prince George's and Montgomery counties and "Northern Virginia," which comprises Alexandria, Arlington, Falls Church, Fairfax, Loudoun and Prince William counties. At December 31, 2024, 31.3%, 27.4%, 23.9%, 5.8%, and 11.6% of the loan portfolio, as a percentage of total amortized cost, was concentrated in Washington D.C., Washington's Maryland Suburbs, Northern Virginia, other counties in Maryland and other locations in the United States, respectively. At December 31, 2023, 31.5%, 26.4%, 25.1%, 5.5% and 11.5% of the loan portfolio, as a percentage of total amortized cost, was concentrated in Washington D.C., Washington's Maryland Suburbs, Northern Virginia, other counties in Maryland and other locations in the United States, respectively. While we remain cautious with regard to CRE market conditions, principally office, the strength of the Washington D.C. metro area in certain sectors, particularly multi-family commercial real estate and the housing market, continue to drive premiums for well-located properties.

As part of its lending strategy, the Company maintains a substantial portfolio of CRE loans, with $6.5 billion and $6.1 billion, or 81.5% and 77.0% of total loans, of amortized cost outstanding at December 31, 2024 and December 31, 2023, respectively. Management meets regularly in order to monitor its existing CRE loan portfolio and to evaluate the pipeline for CRE loan investment. Income producing CRE loans collateralized by office properties comprised approximately $862.2 million and $949.0 million, or 10.9% and 11.9% of total loans, at December 31, 2024 and December 31, 2023, respectively.

Office loans within Washington D.C., Washington's Maryland Suburbs and Northern Virginia were $795.0 million and $879.0 million, or 10.0% and 11.0% of total loans, at December 31, 2024 and December 31, 2023, respectively. As a percentage of total principal balance of income producing - CRE office loans, 39.0%, 35.7%, 15.0%, and 10.3% were located in Washington's Maryland Suburbs, Northern Virginia, the central business district of Washington D.C., and Washington, D.C. (outside the central business district), respectively, at December 31, 2024.

The following table summarizes the Company's income producing - commercial real estate loans, at principal, by collateral location and type, at December 31, 2024:

December 31, 2024		Maryland		Virginia				
(dollars in thousands)	Washington D.C.	Washington Suburbs	Other	Northern Virginia	Other	Other	Total	Percent of Total
Collateral Type:								
Hotel & motel	$136,553	$80,445	$82,634	$60,223	$ —	$21,545	$ 381,400	10%
Industrial	874	72,209	40,370	17,731	11,258	—	142,442	4%
Mixed use	323,391	44,175	371	54,497	25,687	4,970	453,091	11%
Multifamily	372,756	192,117	313	120,330	84,975	48,173	818,664	20%
Office	220,632	327,187	4,254	248,855	63,023	—	863,951	21%
Retail	78,818	99,962	60,770	74,167	65,162	1,509	380,388	9%
Single / 1-4 Family & Res. Condo	68,968	2,573	2,111	10,239	6,460	4,043	94,394	2%
Other	179,784	181,378	30,435	441,885	8,572	97,168	939,222	23%
Total	$1,381,776	$1,000,046	$221,258	$1,027,927	$265,137	$177,408	$4,073,552	100%
Percent of total	34 %	25 %	5 %	25 %	7 %	4 %	100 %	
Percent of Principal by Loan Size:								
Less than $1 million	2 %	2 %	3 %	1 %	2 %	1 %		
$1 million to $5 million	9 %	10 %	20 %	7 %	11 %	11 %		
$5 million to $10 million	7 %	7 %	25 %	5 %	12 %	31 %		
$10 million to $25 million	19 %	13 %	32 %	34 %	41 %	8 %		
$25 million to $50 million	47 %	28 %	20 %	41 %	34 %	21 %		
Greater than $50 million	16 %	40 %	— %	12 %	— %	28 %		
Total	100 %	100 %	100 %	100 %	100 %	100 %		

At December 31, 2024 and 2023, $287.0 million and $240.7 million, respectively, of principal of CRE loans collateralized by office properties were criticized or classified.

The federal banking regulators have issued guidance for those institutions which are deemed to have concentrations in commercial real estate lending. Pursuant to the supervisory criteria contained in the guidance for identifying institutions with a potential commercial real estate concentration risk, institutions which have (1) total reported loans for construction, land development and other land acquisitions which represent 100% or more of an institution’s total risk-based capital; or (2) total commercial real estate loans representing 300% or more of the institution’s total risk-based capital and the institution’s commercial real estate loan portfolio has increased 50% or more during the prior 36 months are identified as having potential commercial real estate concentration risk. Institutions which are deemed to have concentrations in commercial real estate lending are expected to employ heightened levels of risk management with respect to their commercial real estate portfolios and may be required to hold higher levels of capital.

The Company, like many community banks, has a concentration in commercial real estate loans, and the Company has experienced growth in its commercial real estate portfolio in recent years. As of December 31, 2024, non-owner occupied commercial real estate loans (including construction, land and land development loans) represented 372.6% of consolidated risk based capital. Although growth in that segment over the past 36 months at 26.8% did not exceed the 50% threshold laid out in the regulatory guidance, we expect the heightened supervisory expectations to continue to apply to us given the federal banking regulators' general focus on commercial real estate exposures at banks. Construction, land and land development loans represented 122.6% of consolidated risk based capital. Management has extensive experience in commercial real estate lending and has implemented and continues to maintain risk management procedures and underwriting criteria with respect to its commercial real estate portfolio designed to address the risks inherent in that asset class. Loan monitoring practices include but are not limited to periodic stress testing analysis to evaluate changes to cash flows, owing to interest rate increases and declines in net operating income. Nevertheless, we may be required to maintain higher levels of capital as a result of our commercial real estate concentrations, which could require us to raise additional capital, increasing our funding costs or diluting our shareholders, or take other action to retain capital, adversely affecting shareholder returns. The Company seeks to manage the risks relating to commercial real estate and its capital adequacy through the development and implementation of its Capital Policy and Capital Plan, the preparation of pro-forma projections including stress testing and the development of internal minimum targets for regulatory capital ratios that are subject to approval by the Board of Directors (the "Board") and in excess of well capitalized ratio requirements.

The Company monitors industry and collateral concentrations to avoid loan exposures to a large group of similar industries or similar collateral. An industry for this purpose is defined as a group of businesses that are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions.

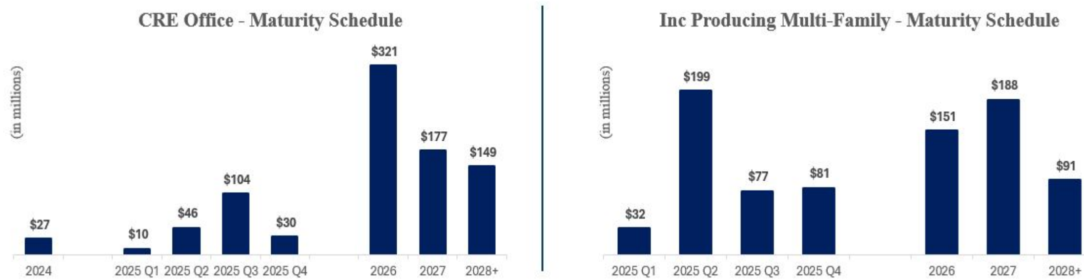
Certain directors and executive officers have had loan transactions with the Company. Such loans were made in the ordinary course of the Company's lending business; were made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable loans with third parties; and, in the opinion of management, did not involve more than the normal risk of collectability or present other unfavorable features. Refer to Note 4 to the Consolidated Financial Statements for further detail regarding related party loans.

Loan Maturity

The following table sets forth the time to contractual maturity of the loan portfolio as of December 31, 2024. Loans are shown in the period based on final contractual maturity. Demand loans, having no contractual maturity, and overdrafts are reported as due in one year or less.

		Due In			
(dollars in thousands)	Total	One Year or Less	Over One to Five Years	Over Five to Fifteen Years	Over Fifteen Years
Commercial	$ 1,183,341	$ 427,540	$ 636,875	$ 115,432	$ 3,494
PPP loans	287	—	287	—	—
Income producing - commercial real estate [1]	4,064,846	1,754,660	2,076,013	234,173	—
Owner occupied - commercial real estate	1,269,669	244,067	463,328	322,976	239,298
Real estate mortgage - residential	50,535	12,566	28,716	376	8,877
Construction - commercial and residential	1,210,763	633,672	543,766	3,584	29,741
Construction - C&I (owner occupied)	103,259	27,561	2,714	9,796	63,188
Home equity	51,130	2,570	740	1,281	46,539
Other consumer	1,058	719	15	—	324
Total	$ 7,934,888	$ 3,103,355	$ 3,752,454	$ 687,618	$ 391,461
Loans with:					
Predetermined fixed interest rate					
Commercial	$ 320,770	$ 92,282	$ 152,054	$ 76,434	$ —
PPP loans	287	—	287	—	—
Income producing - commercial real estate	1,930,656	702,661	1,077,264	150,731	—
Owner occupied - commercial real estate	663,483	194,330	251,802	159,625	57,726
Real estate mortgage - residential	46,761	11,571	27,572	43	7,575
Construction - commercial and residential	53,573	19,655	33,918	—	—
Construction - C&I (owner occupied)	10,283	3,415	1,748	5,120	—
Home equity	404	207	—	197	—
Other consumer	74	44	15	—	15
Total	$ 3,026,291	$ 1,024,165	$ 1,544,660	$ 392,150	$ 65,316
Floating or adjustable interest rate					
Commercial	$ 862,571	$ 335,257	$ 484,821	$ 38,999	$ 3,494
Income producing - commercial real estate	2,134,190	1,052,000	998,748	83,442	—
Owner occupied - commercial real estate	606,186	49,738	211,526	163,350	181,572
Real estate mortgage - residential	3,774	994	1,144	334	1,302
Construction - commercial and residential	1,157,190	614,018	509,848	3,583	29,741
Construction - C&I (owner occupied)	92,976	24,146	966	4,676	63,188
Home equity	50,726	2,362	741	1,084	46,539
Other consumer	984	675	—	—	309
Total	$ 4,908,597	$ 2,079,190	$ 2,207,794	$ 295,468	$ 326,145

(1) Income producing CRE office loans with total principal of $864.0 million and multifamily loans with total principal of $818.7 million at December 31, 2024 are included within income producing - commercial real estate. The charts below represent their maturities schedules.



Allowance for Credit Losses

The ACL is an estimate based on many factors which reflect management's assessment of the risk in the loan portfolio. Those factors include economic conditions and trends, the value and adequacy of collateral, volume and mix of the portfolio, performance of the portfolio and internal loan processes of the Company and Bank. A full discussion of the accounting for ACL is contained in Note 1 to the Consolidated Financial Statements and activity in the ACL is contained in Note 4 to the Consolidated Financial Statements. Also, please refer to the discussion under the caption "Critical Accounting Policies and Estimates" within Management's Discussion and Analysis of Financial Condition and Results of Operation for further discussion of the methodology which management employs to maintain an adequate ACL, as well as the discussion under the caption "Provision for Credit Losses" for a discussion of the Company's calculation of the provision for credit losses during the years ended December 31, 2024 and 2023.

The ACL for loans at December 31, 2024 was $114.4 million, which reflected a $28.5 million increase from $85.9 million at December 31, 2023, reflecting a provision for credit losses of $67.0 million and $38.6 million in net charge-offs during the year ended December 31, 2024. Net charge-offs of $38.6 million during 2024 represented 0.48% of average loans held for investment, an increase from net charge-offs of $18.9 million during 2023, which represented 0.24% of average loans held for investment. Net charge-offs during the year ended December 31, 2024, included $29.0 million of charge offs on two CRE office lending relationships. The ACL represented 1.44% of total loans at December 31, 2024 as compared to 1.08% at December 31, 2023. At December 31, 2024, the allowance represented 55% of nonperforming loans as compared to 131% at December 31, 2023.

As part of its comprehensive loan review process, the Bank's Risk Committee evaluates loans which are past due 30 days or more. The Committee makes an assessment of the conditions and circumstances surrounding delinquent and potential problem loans. The Bank's loan policy requires that loans be placed on nonaccrual if they are 90 days past due or if their collection is deemed to be doubtful, unless they are well secured and in the process of collection. The Credit Administration department analyzes the status of development and construction projects, including sales activities and utilization of interest reserves in order to assess potential increased levels of risk which may require additional reserves.

As the loan portfolio and ACL review processes continue to evolve there may be changes to elements of the allowance and this may have an effect on the overall level of the allowance maintained. Management did conduct sensitivity analysis on the CECL model by using Moody's upside and downside scenarios across the forecast period.

At December 31, 2024 and 2023, the Company had $208.7 million and $65.5 million, respectively, of loans classified as nonperforming. Please refer to Note 1 to the Consolidated Financial Statements under the caption "Loans" for a discussion of the Company's policy regarding individual evaluation of loans to record a provision for expected credit losses. Please refer to the "Nonperforming Assets" section for a discussion of problem and potential problem assets.

As of December 31, 2024 and 2023, loans rated special mention had an amortized cost of $244.8 million and $207.1 million, respectively, and loans rated substandard had an amortized cost of $426.4 million and $335.8 million, respectively. The increases in special mention and substandard loans were primarily attributable to additions in CRE loans in the Washington, D.C. metropolitan area, particularly in income producing - commercial real estate and commercial loans. The increases in substandard loans were primarily attributable to certain CRE loans in the Washington, D.C. metropolitan area. At December 31, 2024, 100% and 46% of special mention and substandard loans, respectively, were current. Based upon their status as potential problem loans, loans risk rated special mention or substandard receive heightened scrutiny and ongoing intensive risk

management. Additionally, the Company's loan loss allowance methodology incorporates increased reserve factors for certain loans considered potential problem loans as compared to the general portfolio.

At December 31, 2024 and 2023, the Company's performing office coverage ratio, which calculates the ACL attributable to loans collateralized by performing office properties as a percentage of total loans, was 3.81% and 1.91%, respectively.

Portfolio management and the risk rating process are core parts of the Company’s credit risk management, including for commercial real estate loans. The Bank conducts analysis of credit requests and the management of problem credits. The Bank has developed and implemented analytical procedures for evaluating credit requests, has refined the Company’s risk rating system and has adopted enhanced monitoring of the loan portfolio and the adequacy of the ACL, in particular on its commercial real estate and construction loans (including those collateralized by office properties). These analyses include stress testing. The loan portfolio analysis process is ongoing and proactive to support the Company's objective of maintaining a portfolio of quality credits and quickly identifying weaknesses before they become more severe.

The following table sets forth activity in the allowance for credit losses:

	Years Ended December 31,		
(dollars in thousands)	**2024**	**2023**	**2022**
Balance at beginning of year	$ 85,940	$ 74,444	$ 74,965
Charge-offs:			
Commercial	(4,906)	(2,020)	(1,561)
Income producing - commercial real estate	(30,284)	(11,817)	—
Owner occupied - commercial real estate	(3,800)	—	(1,355)
Construction - commercial and residential	(129)	(5,636)	—
Other consumer	(88)	(50)	(79)
Total charge-offs	(39,207)	(19,523)	(2,995)
Recoveries:			
Commercial	373	576	713
Income producing - commercial real estate	185	—	—
Owner occupied - commercial real estate	94	55	25
Construction - commercial and residential	—	36	1,627
Other consumer	—	6	6
Total recoveries	652	673	2,371
Net charge-offs	(38,555)	(18,850)	(624)
Provision for credit losses - loans	67,005	30,346	103
Balance at end of year	$ 114,390	$ 85,940	$ 74,444
Ratio of allowance for credit losses to total loans outstanding at year end	1.44 %	1.08 %	0.97 %
Ratio of net charge-offs during the year to average loans outstanding during the year	0.48 %	0.24 %	0.01 %

The following table reflects the allocation of the ACL at December 31, 2024 and 2023 by loan category and the percentage of allowance in each category. The allocation of the allowance at December 31, 2024 includes allowance for credit losses of $17.1 million against individually assessed loans of $208.7 million, as compared to allowance for credit losses of $0.6 million against individually assessed loans of $66.1 million at December 31, 2023. The allocation of the allowance to each category is not necessarily indicative of future losses or charge-offs and does not restrict the usage of the allowance to absorb losses in any category.

	December 31,					
	2024			2023		
(dollars in thousands)	Amount	% of Total ACL	% of Total Loans	Amount	% of Total ACL	% of Total Loans
Commercial	$ 19,390	17 %	15 %	$ 17,824	21 %	18 %
Income producing - commercial real estate	55,185	48 %	51 %	40,050	47 %	51 %
Owner occupied - commercial real estate	22,654	19 %	16 %	14,333	16 %	15 %
Real estate mortgage - residential	610	1 %	1 %	861	1 %	1 %
Construction - commercial and residential	14,585	13 %	15 %	10,198	12 %	12 %
Construction - C&I (owner occupied)	1,282	1 %	1 %	1,992	2 %	2 %
Home equity	653	1 %	1 %	657	1 %	1 %
Other consumer	31	— %	— %	25	— %	— %
Total	$ 114,390	100 %	100 %	$ 85,940	100 %	100 %

Nonperforming Assets

The Company's level of nonperforming assets, which is comprised of the amortized cost of loans delinquent 90 days or more, and nonaccrual loans, which includes the nonperforming portion of loan modifications, and the carrying value of other real estate owned ("OREO") totaled $211.4 million at December 31, 2024, representing 1.90% of total assets, as compared to $66.6 million at December 31, 2023, representing 0.57% of total assets. The increase is primarily due to the increase in nonperforming loans discussed below.

The Company had no accruing loans that were 90 days or more past due at December 31, 2024 or December 31, 2023. Management prioritizes remaining attentive to early signs of deterioration in borrowers' financial conditions and to taking action designed to mitigate risk. The Company places loans on nonaccrual status if it deems collection to be doubtful. The Company believes, based on its loan portfolio risk analysis that its ACL at 1.44% of total loans at December 31, 2024, is adequate to absorb expected credit losses within the loan portfolio at that date.

Total nonperforming loans had an amortized cost of $208.7 million at December 31, 2024, representing 2.63% of total loans, compared to $65.5 million at December 31, 2023, representing 0.82% of total loans. The increase was primarily from the addition of four income-producing commercial real estate loans and one owner-occupied commercial real estate loan.

The CECL standard allows for institutions to evaluate individual loans in the event that the asset does not share similar risk characteristics with its original segmentation. This can occur due to credit deterioration, increased collateral dependency or other factors leading to impairment. In particular, the Company individually evaluates loans on nonaccrual, though it may individually evaluate other loans or groups of loans as well if it determines they no longer share similar risk with their assigned segment. Reserves on individually assessed loans are determined by one of two methods: the fair value of collateral or the discounted cash flow. Fair value of collateral is used for loans determined to be collateral dependent, and the fair value represents the net realizable value of the collateral, adjusted for sales costs, commissions, senior liens, etc. Discounted cash flow is used on loans that are not collateral dependent where structural concessions have been made and continuing payments are expected. The continuing payments are discounted over the expected life at the loan's original contract rate and include adjustments for risk of default.

Nonperforming assets include loans that the Company considers to be individually assessed. Individually assessed loans are defined as those as to which we believe it is probable that we will not collect all amounts due according to the contractual terms of the loan agreement. Loans that do not share risk characteristics consistent with similar loans are evaluated on an individual basis. For collateral dependent financial assets where the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the financial asset to be provided substantially through the sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the NPV from the operation of the collateral. When repayment is expected to be from

the sale of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell. The ACL may be zero if the fair value of the collateral at the measurement date exceeds the amortized cost basis of the financial asset. Generally, all appraisals associated with individually assessed loans are updated on a not less than annual basis.

The Company evaluates all loan modifications according to the accounting guidance to determine if the modification results in a new loan or a continuation of the existing loan. Loan modifications to borrowers experiencing financial difficulties that result in a direct change in the timing or amount of contractual cash flows include situations where there is principal forgiveness, interest rate reductions, other-than-insignificant payment delays, term extensions, and combinations of the listed modifications. Modifications with terms not as favorable to the Company as the terms for comparable loans to other customers with similar collection risk who are not refinancing or restructuring a loan with the Company and which have a direct impact on cash flows are considered modified loans to borrowers experiencing financial difficulty. A loan that is considered a modified loan may be evaluated for disclosure if the commitment is $500 thousand or greater. Management strives to identify borrowers in financial difficulty early and work with them to modify their loan to more affordable terms before their loan reaches nonaccrual status, foreclosure or repossession of the collateral to minimize economic loss to the Company.

Commercial and consumer loans modified are closely monitored for delinquency as an early indicator of possible future default. If loans modified in a loan restructuring subsequently default, the Company evaluates the loan for possible further impairment. The allowance may be increased, adjustments may be made in the allocation of the allowance, or partial charge-offs may be taken to further write-down the carrying value of the loan.

During the year ended December 31, 2024, the Bank modified 41 loans with a total amortized cost of $401.8 million at December 31, 2024 (5.1% of the loan portfolio). These loans received extended loan terms of between approximately one to 36 months.

As of December 31, 2024, the payment status of six loans that were modified in the preceding twelve months, which totaled $137.1 million of amortized cost basis, including two loans with an amortized cost basis of $5.4 million were 30 to 89 days past due, and the other four loans with a total amortized cost basis of $131.7 million were on nonaccrual status. As of December 31, 2024, additional loans that were modified in the preceding twelve months which were performing under their modified terms totaled $264.7 million of amortized cost basis.

Management, from time-to-time and in the ordinary course of business, implements renewals, modifications, extensions and/or changes in terms of loans to borrowers who have the ability to repay on reasonable market-based terms, as circumstances may warrant, and therefore, such modifications are not considered to be loan restructurings to a borrower experiencing financial difficulty, as the accommodation of a borrower's request does not rise to the level of a concession if the modified transaction is at market rates and terms and/or the borrower is not experiencing financial difficulty. For example: (1) adverse weather conditions may create a short term cash flow issue for an otherwise profitable retail business which suggests a temporary interest only period on an amortizing loan; (2) there may be delays in absorption on a real estate project which reasonably suggests extension of the loan maturity at market terms; or (3) there may be maturing loans to borrowers with demonstrated repayment ability who are not in a position at the time of maturity to obtain alternate long-term financing.

Included in nonperforming assets at December 31, 2024 is OREO of $2.7 million, consisting of five foreclosed properties, compared to OREO of $1.1 million, consisting of three foreclosed properties at December 31, 2023. OREO properties are carried at the lower of cost or at fair value less estimated costs to sell.

It is the Company's policy to generally obtain third party appraisals prior to foreclosure and to obtain updated third party appraisals on OREO properties generally not less frequently than annually. Generally, the Company would obtain updated appraisals or evaluations where it has reason to believe, based upon market indications (such as comparable sales, a scenario in which the Company is considering legitimate offers below carrying value, broker indications and similar factors), that the current appraisal does not accurately reflect current value. There were two OREO sales in 2024 and two in 2023, generating proceeds of $656 thousand and $987 thousand, respectively.

The following table shows the amounts of nonperforming assets, including loans at amortized cost and OREO at the lower of cost or fair value less estimated costs to sell, at the dates indicated:

(dollars in thousands)	December 31, 2024	December 31, 2023
Nonaccrual Loans:		
Commercial	$ 2,048	$ 2,049
Income producing - commercial real estate	168,454	40,926
Owner occupied - commercial real estate	37,744	19,836
Real estate mortgage - residential	157	1,946
Construction - commercial and residential	—	525
Home equity	303	242
Total nonperforming loans [(1)]	208,706	65,524
Other real estate owned	2,743	1,108
Total nonperforming assets	$ 211,449	$ 66,632
Coverage ratio, allowance for credit losses to total nonperforming loans	55 %	131 %
Ratio of nonperforming loans to total loans	2.63 %	0.82 %
Ratio of nonperforming assets to total assets	1.90 %	0.57 %

(1) Gross interest income of $8.8 million, and $4.2 million would have been recorded for 2024, and 2023, respectively, if nonaccrual loans shown above had been current and in accordance with their original terms, while interest actually recorded on such loans was $4.1 million, and $1.5 million at December 31, 2024 and 2023, respectively. See Note 1 to the Consolidated Financial Statements for a description of the Company's policy for placing loans on nonaccrual status.

Significant variation in the amount of nonperforming loans may occur from period to period because the amount of nonperforming loans depends largely on the condition of a relatively small number of individual credits and borrowers relative to the total loan portfolio.

At December 31, 2024, there were $426.4 million of Substandard loans. Based upon their status as potential problem loans, loans risk rated special mention or substandard receive heightened scrutiny and ongoing intensive risk management. Additionally, the Company's loan loss allowance methodology incorporates increased reserve factors for certain loans considered potential problem loans as compared to the general portfolio.

Other Earning Assets

Bank owned life insurance at December 31, 2024 amounted to $115.8 million, as compared to $112.9 million at December 31, 2023. Refer to Note 18 to Consolidated Financial Statements for further detail.

Intangible Assets

The Company recognized a servicing asset for the computed value of servicing fees on the sales of multifamily FHA loans prior to selling those in 2024. The Company currently recognizes a servicing asset for the guaranteed portion of Small Business Administration ("SBA") loans and other loans sold with retained servicing which is in excess of the normal servicing fees. Assumptions related to loan term and amortization are made to arrive at the initial recorded value, which is included in intangible assets, net, on the Consolidated Balance Sheets. At December 31, 2024 and 2023, the balance of excess servicing fees was $16 thousand and $37 thousand, respectively, and were amortized as a reduction of actual service fees collected, which is a component of other income.

In 2008, the Company recorded an unidentified intangible asset (goodwill) incident to the acquisition of Fidelity of $2.2 million. In 2014, the Company recorded an initial amount of unidentified intangible (goodwill) incident to the acquisition of Virginia Heritage of approximately $102 million.

During the second quarter ended June 30, 2024, Management determined that a triggering event had occurred as a result of the share price trading under book value for more than four quarters due to changes in macroeconomic conditions and market volatility in the financial markets and the banking industry due to the impact from rising interest rates. As a result of the triggering event, the Company engaged a third-party service provider to assist Management with the determination of the fair value of the Company in the second quarter of 2024. The resulting calculations indicated that the fair value did not exceed the carrying amount of the Company's sole reporting unit as of May 31, 2024 which resulted in a determination that goodwill had become fully impaired. The goodwill impairment charge of $104.2 million reduced fully the carrying value of the Company's

goodwill as of May 31, 2024. The impaired goodwill is primarily related to the acquisition of the Virginia Heritage Bank in October 2014. The impairment charge did not impact our cash flows, liquidity ratios, core operating performance, or regulatory capital ratios.

The method employed to determine the fair value of the reporting unit was a combination of a risk-weighted income and market valuation methodologies, comprised of the discounted cash flow method, the guideline public company method and the guideline transaction method. Significant judgment is necessary in the determination of the fair value of a reporting unit. Refer to "Critical Accounting Policies" for additional details.

Refer to Note 7 to the Consolidated Financial Statements for information on the initial and current carrying values as well as additions and amortization.

Deposits and Other Borrowings

The principal sources of funds for the Bank are core deposits, consisting of demand deposits, money market accounts, Negotiable Order of Withdrawal ("NOW") accounts, savings accounts, and certificates of deposits. The deposit base includes transaction accounts, time and savings accounts and accounts which customers use for cash management and which provide the Bank with a source of fee income and cross-marketing opportunities, as well as an attractive source of lower cost funds. To meet funding needs during periods of high loan demand and seasonal variations in core deposits, the Bank regularly utilizes alternative funding sources such as secured borrowings from the FHLB, federal funds purchased lines of credit from correspondent banks and brokered deposits from regional and national brokerage firms. Additionally, the Bank participated in the BTFP established by Federal Reserve Bank in March 2023. The Federal Reserve announced in January 2024 that the BTFP will stop originating new loans on March 11, 2024, as scheduled. In January 2024, the Company borrowed an additional $500.0 million through the BTFP and refinanced $500.0 million under the program, each at an interest rate of 4.76% and a maturity date in January 2025. These loans were repaid in the fourth quarter of 2024.

For the year ended December 31, 2024, deposits were $9.1 billion as compared to $8.8 billion at December 31, 2023, an increase of 4%. The increase was primarily attributable to a $558.2 million increase in interest bearing time deposits and a $285.2 million increase in savings and money market accounts, offset by a $734.7 million reduction in noninterest bearing deposits. These deposit changes were the result of growth in time deposits from the company's digital acquisition channel, partially offset by a decline in deposits from a third party payment processor related to the fluctuations in deposit levels resulting from its business, as well as declines in some public and brokered fundings.

Noninterest bearing deposits decreased $734.7 million or 32% to $1.5 billion at December 31, 2024 as compared to $2.3 billion at December 31, 2023, while interest bearing deposits increased by $499.5 million, or 12%. Within interest bearing deposits, money market and savings accounts collectively amounted to $3.6 billion at December 31, 2024, or 39% of total deposits, as compared to $3.3 billion, or 38% of total deposits, at December 31, 2023, an increase of $285.2 million, or 9%.

No single depositor represented more than 10% of total deposits as of December 31, 2024. The ten largest depositors not associated with brokered pass-through relationships represented approximately 23% of total deposits in the aggregate as of December 31, 2024. The Company maintains a significant deposit relationship with a third-party payments processor, whose business results in deposit inflows and outflows on an ongoing basis, which contributes to variations in period end compared to average deposit balances.

Average total deposits for the year ended December 31, 2024 were $9.5 billion, as compared to $8.9 billion for the same period in 2023, a 7% increase.

Time deposits were $2.8 billion at December 31, 2024, which was 30% of deposits. This was an increase from $2.2 billion at December 31, 2023, which was 25% of deposits. The increase in time deposits was driven by growth in the Company's digital acquisition channel.

The following table summarizes time deposits in excess of $250 thousand by maturity:

(dollars in thousands)	December 31, 2024	December 31, 2023
Three months or less	$ 189,817	$ 119,880
More than three months through six months	387,849	318,353
More than three months through twelve months	710,021	368,103
Over twelve months	421,530	726,758
Total	$ 1,709,217	$ 1,533,094

Maturities of time deposits with balances of $250 thousand or more represented 19% and 17% of total deposits as of December 31, 2024 and 2023, respectively. See Note 10 to the Consolidated Financial Statements for additional information

regarding the maturities of time deposits and the Average Balances Table in the “Net Interest Income and Net Interest Margin” section for the average rates paid on interest-bearing deposits. Time deposits of $250 thousand or more can be more volatile and more expensive than time deposits of less than $250 thousand. However, because the Bank focuses on relationship banking, and its marketplace demographics are favorable, its historical experience has been that large time deposits have not been more volatile or significantly more expensive than smaller denomination certificates.

From time to time, when appropriate in order to fund strong loan demand or account for increased deposit outflow, the Bank accepts brokered time deposits, generally in denominations of less than $250 thousand, from a regional brokerage firm and other national brokerage networks, including IntraFi Network, LLC ("IntraFi"). Additionally, the Bank participates in the CDARS and the ICS products, which provide for reciprocal (“two-way”) transactions among banks facilitated by IntraFi for the purpose of maximizing FDIC insurance. ICS also allows for the sale of deposits into the IntraFI Network (“One-Way Sale”) which provides FDIC insurance for the depositor without reciprocal deposits returned to the Bank. Deposits sold through the IntraFi One-Way Sale process are not included in the Bank’s deposit totals.The sale of ICS deposits allows the Bank to moderate the fluctuation of deposit balances. As of December 31, 2024, the Bank sold $115.3 million through the IntraFi One-Way Sale network. The total of reciprocal deposits at December 31, 2024 was $1.4 billion (16% of total deposits) as compared to $1.7 billion (19% of total deposits) at December 31, 2023. These sources are believed by the Company to represent a reliable and cost efficient alternative funding source for the Bank, but there can be no assurance that they will continue to be adequate or appropriate to meet our liquidity needs. The Bank also is able to obtain one way CDARS deposits and participates in IntraFi’s Insured Network Deposit Program, (“IND”). The Bank had $894.7 million and $786.5 million of IND brokered deposits as of December 31, 2024 and 2023, respectively. However, to the extent that the condition or reputation of the Company or Bank deteriorates, or to the extent that there are significant changes in market interest rates which the Company and Bank do not elect to match, or if aggregate funding available to banks change due to changes in the marketplace, we may experience an outflow of brokered deposits or difficulty with obtaining them in the future. In that event we would be required to obtain alternate sources for funding, which may increase our cost of funds and negatively impact our net interest margin.

We have used brokered deposits and intend to continue to use brokered deposits as one of our funding sources to support future growth. At December 31, 2024, total brokered deposits were $4.0 billion, or 43.61% of total deposits, of which $1.4 billion were attributable to CDARS and ICS two-way accounts. At December 31, 2023, total brokered deposits (which did not include the CDARS and ICS two-way) were $2.5 billion, or 28.8% of total deposits. These brokered deposits were comprised of savings, money market and other interest-bearing transaction accounts of $2.7 billion and $1.1 billion, and time deposits of $1.3 billion and $1.5 billion at December 31, 2024 and 2023, respectively. The increase in the proportion of total deposits classified as brokered deposits reflected that CDARS and ICS two-way were included in brokered deposits at December 31, 2024. The Company uses the Call Report definitions for regulatory reporting by the Bank to classify its deposits as brokered deposits.

At December 31, 2024 and 2023, total deposits included estimated totals of $2.2 billion and $2.8 billion of uninsured deposits, which represented 24% and 31% of total deposits, respectively. The decrease in the percentage of the Bank's deposits that are uninsured was in part due to customers' increased use of the products facilitated by IntraFi that enable customers to maximize FDIC deposit insurance coverage for their deposits.

At December 31, 2024, the Company had $1.5 billion in noninterest bearing demand deposits, representing 17% of total deposits compared to $2.3 billion of noninterest bearing demand deposits at December 31, 2023, or 26% of total deposits. The decrease in noninterest bearing demand deposits was offset by the increase in time deposits during the year ended December 31, 2024, due to continued elevated interest rates in 2024. Average noninterest bearing deposits over total deposits for years ended December 31, 2024 and 2023 were 21% and 28%, respectively. The Bank also offers business NOW accounts and business savings accounts to accommodate those customers who may have excess short term cash to deploy in interest earning assets.

As an enhancement to the basic noninterest bearing demand deposit account, the Company offers a sweep account, or “customer repurchase agreement,” allowing qualifying businesses to earn interest on short-term excess funds, which are not suited for either a certificate of deposit or a money market account. The balances in these accounts were $33.2 million at December 31, 2024 compared to $30.6 million at December 31, 2023. Customer repurchase agreements are not deposits and are not insured by the FDIC, but are collateralized by U.S. agency securities and/or U.S. agency backed MBS. These accounts are particularly suitable to businesses with significant fluctuation in the levels of cash flows. Attorney and title company escrow accounts are examples of accounts which can benefit from this product, as are customers who may require collateral for deposits in excess of FDIC insurance limits but do not qualify for other pledging arrangements. This program requires the Company to maintain a sufficient investment securities level to accommodate the fluctuations in balances which may occur in these accounts.

At December 31, 2024, the Company had $2.8 billion in time deposits, an increase of $0.6 billion from year end December 31, 2023. The Bank raises and renews time deposits through its branch network, for its public funds customers, and through brokered certificates of deposits ("CDs") to meet the needs of its community of savers and as part of its interest rate

risk management and liquidity planning. Throughout the year, the Bank raised rates in most of its time deposit accounts in response to the continued elevated interest rate environment.

The following tables summarize the Company's borrowings at December 31, 2024 and 2023 and activities on borrowings for the years ended December 31, 2024 and 2023:

(dollars in thousands)	Borrowings - Principal	Unamortized Deferred Issuance Costs	Net Borrowings Outstanding	Interest Rates [(1)]
December 31, 2024				
Customer repurchase agreements	$ 33,157	$ —	$ 33,157	2.67 %
Short-term borrowings:				
FHLB	490,000	—	490,000	4.81 %
Long-term borrowings:				
Senior notes	77,665	(1,557)	76,108	10.00 %
Total	$ 600,822	$ (1,557)	$ 599,265	
December 31, 2023				
Customer repurchase agreements	$ 30,587	$ —	$ 30,587	3.42 %
Short-term borrowings:				
FRB BTFP secured borrowings	1,300,000	—	1,300,000	4.53 %
Subordinated notes	70,000	(82)	69,918	5.75 %
Total	$ 1,400,587	$ (82)	$ 1,400,505	

	Years Ended December 31,			
	2024		2023	
(dollars in thousands)	Average Daily Balance [(2)]	Maximum Month-End Balance [(2)]	Average Daily Balance [(2)]	Maximum Month-End Balance [(2)]
Customer repurchase agreements and federal funds purchased	$ 37,872	$ 44,454	$ 36,663	$ 54,851
Short-term borrowings:				
FHLB secured borrowings	$ 373,544	$ 601,100	$ 549,522	$ 1,770,156
FRB: BTFP secured borrowings	$ 1,103,005	$ 1,800,000	$ 971,507	$ 1,300,000
Subordinated notes, 5.75%	$ 47,049	$ 70,000	$ 70,000	$ 70,000
Long-term borrowings:				
Senior notes	$ 19,735	$ 77,665	$ —	$ —

(1) Represent the weighted average interest rate on customer repurchase agreements, borrowings outstanding and the coupon interest rate on the subordinated notes, which approximates the effective interest rate.

(2) The average daily balance and maximum month-end balance are calculated on the principal balance on the borrowings.

Outstanding short-term advances and borrowings are part of the overall asset liability strategy to support loan growth.

The Company had no outstanding balances under its federal funds lines of credit provided by correspondent banks (which are unsecured) at December 31, 2024 and 2023.

At December 31, 2024 and 2023, the Company had outstanding balances of $490.0 million and $0.0 million, respectively, of FHLB advances borrowed as part of the overall asset liability strategy. Outstanding FHLB advances are secured by collateral consisting of specifically pledged marketable investment securities, a blanket lien on qualifying loans in the Bank’s commercial mortgage, residential mortgage and home equity loan portfolios.

Additionally, at December 31, 2024, the Company had no advances outstanding under the BTFP, and $1.3 billion, outstanding at December 31, 2023. In March, 2023, the Federal Reserve announced that it would make available additional funding to eligible depository institutions through the creation of a new BTFP, which provided eligible depository institutions, including the Company's subsidiary bank, EagleBank, an additional source of liquidity. This program has ended as scheduled.

The subordinated notes outstanding at December 31, 2023 comprised the Company's August 5, 2014 issuance of $70.0 million of subordinated notes, which matured and were repaid in September 2024.

On September 30, 2024, the Company closed a private placement of its 10.00% senior unsecured debt totaling $77.7 million maturing on September 30, 2029 (the "2029 Senior Notes" or "Original Notes"). At December 31, 2024, the carrying value of these 2029 Senior Notes was $76.1 million which reflected $1.6 million in unamortized deferred financing costs that are being amortized over the life of the 2029 Senior Notes.

In connection with the issuance of the 2029 Senior Notes, the Company also entered into a registration rights agreement dated September 30, 2024 with the purchasers of the 2029 Senior Notes (the “Registration Rights Agreement”). Pursuant to the Registration Rights Agreement, the Company filed an exchange offer registration statement with the SEC to exchange the Senior Notes for substantially identical notes registered under the Securities Act (the "Exchange Notes"). The terms of the Exchange Notes are identical to the terms of the Original Notes, except that the transfer restrictions and registration rights applicable to the Original Notes do not apply to the Exchange Notes. The Company completed the exchange offer on January 16, 2025.

CONTRACTUAL OBLIGATIONS

The Company has various financial obligations, including contractual obligations and commitments that may require future cash payments. The following table shows details on these fixed and determinable obligations as of December 31, 2024, in the time period indicated.

(dollars in thousands)	Within One Year	One to Three Years	Three to Five Years	Over Five Years	Total
Deposits without a stated maturity [(1)]	$ 6,355,415	$ —	$ —	$ —	$ 6,355,415
Time deposits [(1)]	2,210,348	522,376	42,939	—	2,775,663
Borrowed funds [(2)]	523,157	—	76,108	—	599,265
Operating lease obligations	5,060	6,105	5,046	7,604	23,815
Outside data processing [(3)]	5,857	13,059	7,258	—	26,174
George Mason sponsorship [(4)]	688	1,400	1,400	3,975	7,463
LIHTC investments [(5)]	15,110	4,769	665	429	20,973
Total	$ 9,115,635	$ 547,709	$ 133,416	$ 12,008	$ 9,808,768

(1) Excludes accrued interest payable at December 31, 2024.

(2) Borrowed funds include customer repurchase agreements and other short-term and long-term borrowings.

(3) The Bank has outstanding obligations under its current core data processing contract that expires in June 2029.

(4) The Bank has the option of terminating the George Mason University ("George Mason") agreement at the end of contract year 15 (that is, effective June 30, 2030). Should the Bank elect to exercise its right to terminate the George Mason contract, its contractual obligation would decrease by $3.6 million for the option period (years 16-20).

(5) Low Income Housing Tax Credits (“LIHTC”) expected payments for unfunded affordable housing commitments.

The Company is party to financial instruments with off-balance-sheet risk in the normal course of business to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments include commitments to extend credit and standby letters of credit. They involve, to varying degrees, elements of credit risk in excess of the amount recognized in the balance sheets. The contract or notional amounts of those instruments reflect the extent of involvement the Company has in particular classes of financial instruments.

Various commitments to extend credit are made in the normal course of banking business. Letters of credit are also issued for the benefit of customers. These commitments are subject to loan underwriting standards and geographic boundaries consistent with the Company’s loans outstanding.

Unfunded loan commitments are agreements whereby the Bank has made a commitment to lend to a customer as long as there is satisfaction of the terms or conditions established in the contract, and the borrower has accepted the commitment in writing. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee before the commitment period is extended. In many instances, borrowers are required to meet performance milestones in order to draw on a commitment as is the case in construction loans, or to have a required level of collateral in order to draw on a commitment as is the case in asset based lending credit facilities. Collateral obtained varies and may include certificates of deposit, accounts receivable, inventory, property and equipment, residential and CRE. Since commitments may expire without being drawn, the total commitment amount does not necessarily represent future cash requirements.

Unfunded lines of credit are agreements to lend to a customer as long as there is no violation of the terms or conditions established in the contract. Lines of credit generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since lines of credit may expire without being drawn, the total unfunded line of credit amount does not necessarily represent future cash requirements.

Letters of credit include standby and commercial letters of credit. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loan facilities to customers. Letters of credit are conditional commitments issued by the Bank to guarantee the performance by the Bank's customer to a third party. Standby letters of credit generally become payable upon the failure of the customer to perform according to the terms of the underlying contract with the third party. Standby letters of credit are generally not drawn. Commercial letters of credit are issued specifically to facilitate commerce and typically result in the commitment being drawn when the underlying transaction is consummated between the customer and a third party. The contractual amount of these letters of credit represents the maximum potential future payments guaranteed by the Bank. The Bank has recourse against the customer for any amount it is required to pay to a third party under a letter of credit, and holds cash and or other collateral on those standby letters of credit for which collateral is deemed necessary. At December 31, 2024, approximately 71% of the dollar amount of standby letters of credit was collateralized.

Loan commitments outstanding and lines and letters of credit at December 31, 2024 and 2023 were as follows:

(dollars in thousands)	2024	2023
Unfunded loan commitments	$ 1,318,133	$ 1,981,334
Unfunded lines of credit	88,305	98,614
Letters of credit	69,051	87,146
Total	$ 1,475,489	$ 2,167,094

Unfunded loan commitments declined in 2024 by $663.2 million, as compared to 2023, as previously committed construction projects advanced toward completion, while new construction loan commitments during the year were limited as the Bank advanced its strategic goals.

The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. See Note 19 to the Consolidated Financial Statements for a summary list of loan commitments at December 31, 2024 and 2023.

In connection with deposit guarantees, the Bank collateralizes certain public funds using qualified investment securities.

With the exception of these off-balance sheet arrangements, the Company has no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on the Company's financial condition, changes in financial condition, revenues or expenses, results of operations, capital expenditures or capital resources, that is material to investors.

LIQUIDITY MANAGEMENT

Liquidity is a measure of the Company's and Bank's ability to meet loan demand and to satisfy depositor withdrawal requirements in an orderly manner. The Bank's primary sources of liquidity consist of cash and cash balances due from correspondent banks, excess reserves at the Federal Reserve, loan repayments, federal funds sold and other short-term investments, maturities and sales of investment securities, income from operations and new core deposits into the Bank. Approximately 57% of the Company's investment portfolio of debt securities is held in an available-for-sale status which allows for flexibility, subject to holdings held as collateral for customer repurchase agreements and public funds, to generate cash from sales as needed to meet ongoing loan demand. As of December 31, 2024, the unrealized losses recorded on the available-for-sale securities were acting as a deterrent to any sale of those securities to raise liquidity. However, these securities can be utilized as pledged assets that provide secondary liquidity through the form of additional available borrowings. Investment securities that are classified as held-to-maturity can also be used as collateral to pledge against additional borrowings. These sources of liquidity are considered primary and are supplemented by the ability of the Company and Bank to borrow funds or issue brokered deposits, which are termed secondary sources of liquidity and which are substantial.

The following table summarizes the Company's secondary sources of liquidity in use and available at December 31, 2024:

(dollars in thousands)	Secondary Sources of Liquidity in Use	Secondary Sources of Remaining Liquidity Available
Unsecured brokered deposits [(1)]	$ 1,099,075	$ 1,308,598
FHLB secured borrowings	490,000	874,270
FRB:		
Discount window secured borrowings	—	1,800,646
Federal funds lines	—	145,000
Customer repurchase agreements	33,151	—
Unpledged assets: [(2)]		
Interest-bearing deposits with banks	N/A	21,406
Investment securities	N/A	1,280,156
Total	$ 1,622,226	$ 5,430,076

(1) The available liquidity from the unsecured brokered deposits represents unsecured funds under one-way CDARS and ICS brokered deposits that would require then current market rates and be dependent on the availability of funds in those networks.

(2) Comprise unencumbered assets that could be liquidated or used as collateral to obtain additional liquidity through debt financing.

The funding mix has continued to change throughout the year ended December 31, 2024. Deposits at year end were $9.1 billion and $8.8 billion at December 31, 2024 and 2023, respectively. The increase was primarily attributable to a $558.2 million increase in interest bearing time deposits, offset by a $734.7 million reduction in noninterest bearing deposits and a $285.2 million reduction in savings and money market accounts. The growth in interest bearing deposits was driven by the increase in time deposit through the digital acquisition channel during the year ended December 31, 2024, as discussed in "Deposits and Other Borrowings" above. Short-term borrowings were $0.5 billion and $1.4 billion at December 31, 2024 and December 31, 2023, respectively. The decrease in short-term borrowings was due to the early retirement of BTFP borrowings during the fourth quarter of the year ended December 31, 2024 partially offset by an increase in FHLB borrowings.

Additionally, the Bank can purchase up to $145.0 million in federal funds on an unsecured basis from its correspondents, against which there were no amounts outstanding at December 31, 2024 and can borrow unsecured funds under one-way CDARS and ICS brokered deposits in the amount of $1.1 billion, against which there was $73 million outstanding at December 31, 2024. At December 31, 2024, the Bank also has custodial agreements with various broker-dealers through IntraFi's IND program which provided $894.7 million of brokered deposits.

At December 31, 2024, the Bank was also eligible to draw advances from the FHLB up to $1.4 billion based on assets pledged as collateral to the FHLB, against which the Bank borrowed $490.0 million as of December 31, 2024. The Bank posted additional collateral to the FHLB during the year ended December 31, 2024 to increase its availability to meet its ongoing liquidity needs and expects to continue utilizing this source of funding in the future.

In March 2023, the Federal Reserve Board announced that it would make available additional funding to eligible depository institutions through the creation of the BTFP. The BTFP provided eligible depository institutions, including the Bank, an additional source of liquidity. In January 2024, the Company borrowed an additional $500.0 million through the BTFP and refinanced $500.0 million under the program at an interest rate of 4.76% and a maturity in January 2025. The Federal Reserve discontinued the origination of new loans on March 11, 2024, as scheduled. During the year ended December 31, 2024, this alternative source of liquidity was being utilized for balance sheet optimization. The Company repaid $500.0 million in November 2024, and the remaining $500.0 million was repaid in December 2024.

The Bank may enter into repurchase agreements as well as obtain additional borrowing capabilities from the FHLB provided adequate collateral exists to secure these lending relationships. The Bank also has a back-up borrowing facility through the Discount Window at the Federal Reserve Bank of Richmond (“Federal Reserve Bank”). This facility, which can be used to borrow up to $1.8 billion, is collateralized with specific loan assets identified to the Federal Reserve Bank. During the third quarter, additional collateral in the form of acceptable loans was pledged to the Discount Window increasing available contingent capacity. It is anticipated that, except for periodic testing, this facility would be utilized for contingency funding

only. There can be no assurance, however, that these alternative sources of liquidity will continue to be available or will be sufficient to meet our ongoing liquidity needs.

In total, the Bank's aggregate borrowing capacity at December 31, 2024 was $4.0 billion, which consists of $0.9 billion and $1.8 billion additional aggregate capacity to borrow from the FHLB and the Federal Reserve's Discount Window, respectively, on assets that have been pledged. The Bank's aggregate borrowing capacity also includes unencumbered securities totaling approximately $1.3 billion available for pledging to the FHLB or Federal Reserve for additional borrowing capacity.

The loss of deposits, including through disintermediation, is one of the greater risks to liquidity. Disintermediation occurs most commonly when rates rise and depositors withdraw deposits seeking higher rates in alternative savings and investment sources than the Bank may offer. The Bank makes competitive deposit interest rate comparisons weekly and makes adjustments from time to time to ensure its interest rate offerings are competitive.

There is, however, a risk that the cost of funds will increase significantly as the Bank competes for deposits or that some deposits would be lost if rates were to increase and the Bank elected not to remain competitive with its deposit rates. Under those conditions, the Bank believes that it is well positioned to use other sources of funds such as FHLB borrowings, brokered deposits, repurchase agreements and correspondent banks' lines of credit to offset a decline in deposits in the short run, but the use of such sources may negatively impact our net interest margin and our earnings. The continuing elevated cost of funding negatively impacted our net interest margin. In September 2024 and the fourth quarter of 2024, the Federal Reserve decreased interest rates by a total of 100 basis points, which had minimal impact on net interest margin for most of the year ended December 31, 2024.

There can be no assurance that the mix of sources of funds available to us at any particular time in the future will be adequate to meet our future liquidity needs. However, the market for customer and brokered deposits is highly competitive and the risk of disintermediation is high, particularly in a high interest rate environment. Most of our noninterest bearing deposits are operating deposits or compensating balances that are held in connection with lending relationships. The potential outflow of such deposits is a risk unless we pay a more competitive rate of interest on them, which could significantly and negatively impact the Bank's interest expense and net interest margin, as the transfer of some noninterest-bearing deposits to interest-bearing deposits did in 2024. Over the long-term, an adjustment in assets and change in business emphasis could compensate for a potential loss of deposits. The Bank also maintains a marketable investment portfolio to provide flexibility in the event of significant liquidity needs. The Asset Liability Committee ("ALCO") has adopted policy guidelines, which emphasize the importance of core deposits, adequate asset liquidity and a contingency funding plan.

The Company believes it maintains sufficient primary and secondary sources of liquidity to fund its operations. During the year ended December 31, 2024, average short term liquidity was $3.2 billion comprising interest bearing deposits with other banks and other short-term investments and AFS securities, which is above the Bank's average needs. Secondary sources of liquidity at December 31, 2024 were $5.4 billion, which include the FHLB, other insured brokered deposit sweep programs, unpledged securities, Fed funds lines, and the FRB Discount Window. At December 31, 2024, the Company held total securities available to be pledged with an estimated fair value of $1.3 billion. At December 31, 2024, under the Bank's liquidity formula, it had $6.8 billion of primary and secondary liquidity sources. Management believes the amount is adequate to meet current and projected funding needs.

CAPITAL RESOURCES AND ADEQUACY

The assessment of capital adequacy depends on a number of factors such as asset quality and mix, liquidity, earnings performance, changing competitive conditions and economic forces, stress testing, regulatory measures and policy, as well as the overall level of growth and complexity of the balance sheet. The adequacy of the Company's current and future capital needs is monitored by management on an ongoing basis. Management seeks to maintain a capital structure that will assure an adequate level of capital to support anticipated asset growth and to absorb potential losses.

The federal banking regulators have issued guidance for those institutions, which are deemed to have concentrations in commercial real estate lending. Pursuant to the supervisory criteria contained in the guidance for identifying institutions with a potential commercial real estate concentration risk, institutions which have (1) total reported loans for construction, land development and other land acquisitions which represent 100% or more of an institution's total risk-based capital; or (2) total commercial real estate loans representing 300% or more of the institution's total risk-based capital and the institution's commercial real estate loan portfolio has increased 50% or more during the prior 36 months are identified as having potential commercial real estate concentration risk. Institutions which are deemed to have concentrations in commercial real estate lending are expected to employ heightened levels of risk management with respect to their commercial real estate portfolios and may be required to hold higher levels of capital. The Company, like many community banks, has commercial real estate loans, and the Company has experienced growth in its commercial real estate portfolio in recent years. Although growth in that segment over the past 36 months at 26.8% did not exceed the 50% threshold laid out in the regulatory guidance, we expect the

heightened supervisory expectations to continue to apply to us given the federal banking regulators' general focus on commercial real estate exposures at banks.

At December 31, 2024, we did exceed the construction, land development, and other land acquisitions regulatory concentration threshold, and we continue to monitor our concentration in commercial real estate lending and remain in compliance with the guidance issued by the federal banking regulators. Construction, land and land development loans represent 122.60% of consolidated risk based capital. Management has extensive experience in commercial real estate lending, and has implemented and continues to maintain heightened risk management procedures and strong underwriting criteria with respect to its commercial real estate portfolio.

Loan monitoring practices include but are not limited to periodic stress testing analysis to evaluate changes to cash flows, owing to interest rate increases and declines in net operating income. Nevertheless, as our commercial real estate concentration fluctuates each quarter, we may be required to maintain higher levels of capital as a result of our commercial real estate concentrations, which could require us to obtain additional capital and may adversely affect shareholder returns. The Company seeks to manage the risks relating to commercial real estate and its capital adequacy through the development and implementation of its Capital Policy and Capital Plan, the preparation of pro-forma projections including stress testing and the development of internal minimum targets for regulatory capital ratios that are subject to approval by the Board and in excess of well capitalized ratios (as defined in the section “Regulation” above).

The Company and the Bank are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and prompt corrective action regulations involve quantitative measures of assets, liabilities and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators about components, risk weightings and other factors and the regulators can lower classifications in certain cases. Failure to meet various capital requirements can initiate regulatory action that could have a direct material effect on the financial statements.

At December 31, 2024, the capital position of the Company and its wholly owned subsidiary, the Bank, continue to exceed regulatory requirements and well-capitalized guidelines. The primary indicators relied on by bank regulators in measuring the capital position are four ratios as follows: Tier 1 risk-based capital ratio, Total risk-based capital ratio, the Leverage ratio and the CET1 ratio. Tier 1 capital consists of common and qualifying preferred shareholders' equity less goodwill and other intangibles. Total risk-based capital consists of Tier 1 capital, plus qualifying subordinated debt and the qualifying portion of the ACL. Risk-based capital ratios are calculated with reference to risk-weighted assets, which are prescribed by regulation. The measure of Tier 1 capital to average assets for the prior quarter is often referred to as the leverage ratio. The CET1 ratio is the Tier 1 capital ratio but excluding preferred stock.

The prompt corrective action regulations provide five categories, including well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized and critically undercapitalized, although these terms are not used to represent overall financial condition. If a bank is adequately capitalized, regulatory approval is required to, among other things, accept, renew or roll-over brokered deposits. If a bank is undercapitalized, capital distributions and growth and expansion are limited, and plans for capital restoration are required. If a bank is not well-capitalized, interest rate restrictions apply.

The FRB and the FDIC have adopted the Basel III Rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. banks. Under the Basel III Rules, the Company and Bank are required to maintain a CET1 ratio of 4.5% and a capital conservation buffer of 2.5% of risk-weighted assets, effectively resulting in a minimum CET1 ratio of 7.0%; a minimum ratio of Tier 1 capital to risk-weighted assets of 6.0%, or 8.5% with the fully phased in capital conservation buffer; a minimum total capital to risk-weighted assets ratio of 10.5% with the fully phased-in capital conservation buffer; and a minimum leverage ratio of 4.0%. The Basel III Rules also increased risk weights for certain assets and off-balance-sheet exposures. See the “Regulation” section for additional information regarding regulatory capital requirements. At December 31, 2024, the Company and the Bank met all these requirements.

The Company announced a regular quarterly cash dividend on January 22, 2025 of $0.165 per share to shareholders of record on February 7, 2025 and it was paid on February 21, 2025. Bank and holding company regulations, as well as Maryland law, impose certain restrictions on dividend payments by the Bank, as well as restricting extensions of credit and transfers of assets between the Bank and the Company. See further detail In "Item 5 - Market for Registrant's Common Equity" section.

The ability of the Company to continue to grow is dependent on its earnings and those of the Bank, the ability to obtain additional funds for contribution to the Bank's capital, through additional borrowings, through the sale of additional common stock or preferred stock or through the issuance of additional qualifying capital instruments, such as subordinated debt. The capital levels required to be maintained by the Company and Bank may be impacted as a result of the Bank's concentrations in commercial real estate loans. See further detail at the “Regulation” and “Risk Factors” sections.

The Company's capital ratios were all well in excess of requirements established by the Federal Reserve Board and the Bank's capital ratios were in excess of those required to be classified as a “well capitalized” institution under the prompt

corrective action provisions of the Federal Deposit Insurance Act. The actual capital amounts and ratios for the Company and Bank as of December 31, 2024 and 2023 are presented in the table below:

(dollars in thousands)	Company		Bank		Minimum Required For Capital Adequacy Purposes (1)	To Be Well Capitalized Under Prompt Corrective Action Regulations (2)
	Actual Amount	Ratio	Actual Amount	Ratio		
As of December 31, 2024						
CET1 capital (to risk weighted assets)	$ 1,369,643	14.63 %	$ 1,373,857	14.76 %	7.00 %	6.50 %
Total capital (to risk weighted assets)	1,484,420	15.86 %	1,488,635	16.00 %	10.50 %	10.00 %
Tier 1 capital (to risk weighted assets)	1,369,643	14.63 %	1,373,857	14.76 %	8.50 %	8.00 %
Tier 1 capital (to average assets)	1,369,643	10.74 %	1,373,857	10.82 %	4.00 %	5.00 %
As of December 31, 2023						
CET1 capital (to risk weighted assets)	$ 1,335,967	13.90 %	$ 1,330,001	13.92 %	7.00 %	6.50 %
Total capital (to risk weighted assets)	1,421,347	14.79 %	1,415,381	14.81 %	10.50 %	10.00 %
Tier 1 capital (to risk weighted assets)	1,335,967	13.90 %	1,330,001	13.92 %	8.50 %	8.00 %
Tier 1 capital (to average assets)	1,335,967	10.73 %	1,330,001	10.72 %	4.00 %	5.00 %

(1) The risk-based ratios reflect the minimum requirement plus the capital conservation buffer of 2.50%.

(2) Applies to Bank only

In December 2018, federal banking regulators issued a final rule that provides an optional three-year phase-in period for the adverse regulatory capital effects of adopting the CECL methodology pursuant to new accounting guidance for the recognition of credit losses on certain financial instruments, effective January 1, 2020. In March 2020, the federal banking regulators issued an interim final rule that provides banking organizations with an alternative option to temporarily delay for two years the estimated impact of the adoption of the CECL methodology on regulatory capital, followed by the three-year phase-in period. The cumulative amount that is not recognized in regulatory capital will be phased in at 25 percent per year beginning January 1, 2022. We have elected to adopt the option provided by the March 2020 interim final rule.

IMPACT OF INFLATION AND CHANGING PRICES

The Consolidated Financial Statements and Notes thereto have been prepared in accordance with GAAP in the United States of America, which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in the relative purchasing power of money over time due to inflation. The impact of inflation is reflected in the increased cost of operations. Unlike most industrial companies, nearly all of our assets and liabilities are monetary in nature. As a result, interest rates have a greater impact on our performance than do the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the price of goods or services.

NEW AUTHORITATIVE ACCOUNTING GUIDANCE

Refer to Note 1 to the Consolidated Financial Statements for New Authoritative Accounting Guidance and their expected impact on the Company’s Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Asset/Liability Management of Interest Rate Risk

A fundamental risk in banking is exposure to market risk, specifically interest rate risk, since a bank's earnings are largely dependent on net interest income. The Bank's ALCO formulates and monitors the management of interest rate risk through policies and guidelines established by it and overseen by the Audit Committee and the full Board of Directors and through review of detailed reports discussed quarterly. In its consideration of risk limits, the ALCO considers the impact on earnings and capital, the level and direction of interest rates, liquidity, local economic conditions, outside threats and other factors. Banking is generally a business of managing the maturity and repricing mismatch inherent in its asset and liability cash flows to provide stable net interest income growth consistent with the Company's profit objectives.

During the year ended December 31, 2024, the Company produced a net interest margin of 2.37% as compared to 2.53% during the same period in 2023 and continues to manage its overall interest rate risk position.

The Company, through its ALCO and ongoing financial management practices, monitors the interest rate environment in which it operates and adjusts the rates and maturities of its assets and liabilities to remain competitive and to achieve its overall financial objectives subject to established risk limits.

During 2024, the yield curve normalized and became less inverted as the short end of the curve came down as the long end increased as compared to the 2023 year end. As compared to the year 2023, the average two year U.S. Treasury rate in 2024 decreased by 21 basis points from 4.58% to 4.37%. The average five year U.S. Treasury rate increased by 7 basis points from 4.06% to 4.13% while the average ten year U.S. Treasury rate increased by 25 basis points from 3.96% to 4.21%. The Company's cost of interest bearing deposits decreased by 14 basis points across its interest-bearing deposits, which comprise 83% of its total deposits, at December 31, 2024. The Company's result for net interest spread in 2024 was 1.28% unchanged from 2023.

Net interest spread was unchanged with offsetting decreases to interest earning assets and interest bearing liabilities. The Company believes that the stable net interest spread for the full year 2024 has been consistent with its risk analysis at December 31, 2023 when accounting for balance sheet volume and mix changes. On an annual basis, the Company back-tests the actual change in its net interest spread against expected change and actual market interest rate movements and other factors impacting actual as compared to projected results.

The loan portfolio remained relatively flat throughout 2024. The re-pricing duration on the loan portfolio was 10.6 months at December 31, 2024 and 12 months at December 31, 2023, with fixed-rate loans amounting to 38.1% and 38.2% of total loans at December 31, 2024 and 2023, respectively. Variable and adjustable rate loans comprised 61.9% and 61.8% of total loans at December 31, 2024 and 2023, respectively. Variable rate loans are generally indexed to the Secured Overnight Funding Rate ("SOFR") or the Wall Street Journal prime interest rate, while adjustable rate loans are indexed primarily to the five year U.S. Treasury interest rate.

In the current and expected future interest rate environment, the Company has been maintaining its investment portfolio to manage the balance between yield and risk in its portfolio of MBS. Further, the Company has been principally collecting cash flows from the investment portfolio to provide liquidity. At December 31, 2024, the amortized cost less allowance of the investment portfolio decreased by $336.5 million, or 12.5%, as compared to the balance at December 31, 2023.

Based on amortized cost basis, the percentage mix of municipal securities was 6% of total investments at December 31, 2024 and 2023. The portion of the portfolio invested in MBS was 62% and 61% at December 31, 2024 and 2023. The portion of the portfolio invested in U.S. agency investments was 25% at December 31, 2024 and 27% at December 31, 2023. Corporate bonds made up 6% of total investments at December 31, 2024 and 2023. U.S. treasury bonds were 1% of total investments at December 31, 2024 and 2023. The duration of the investment portfolio decreased to 4.2 years at December 31, 2024 from 4.4 years at December 31, 2023.

At December 31, 2024, $79.3 million of corporate bonds were subordinated debt from other financial institutions. Corporate bonds generally, and subordinated debt in particular, pose credit risk such that if any of these issuers were to enter bankruptcy or insolvency proceedings, we could experience losses that may be material to operating results and our financial condition. We may also experience increases in provisions for credit losses, adversely affecting our earnings, if the creditworthiness of the issuers declines, whether due to idiosyncratic factors, economic conditions generally or other unforeseen factors or events.

The Company has credit Risk Participation Agreements ("RPAs") with institutional counterparties, under which the Company assumes its pro-rata share of the credit exposure associated with a borrower's performance related to interest rate derivative contracts. The fair value of RPAs is calculated by determining the total expected asset or liability exposure of the derivatives to the borrowers and applying the borrowers' credit spread to that exposure. Total expected exposure incorporates

both the current and potential future exposure of the derivatives, derived from using observable inputs, such as yield curves and volatilities. These derivatives are not designated as hedges, are not speculative and have an asset position with a notional value of $49.5 million as of December 31, 2024. The changes in fair value for these contracts are recognized directly in earnings.

The duration of the deposit portfolio decreased to 11 months at December 31, 2024 from 28 months at December 31, 2023. This decline is attributable to a shift in deposit mix, lower short term interest rates, and modeling assumption updates. The Company experienced a total deposit increase of $323.0 million for the year ended December 31, 2024 as compared to a total loan decrease of $33.8 million for the same period. The funding mix changed throughout the year ended December 31, 2024. Deposits at year end were $9.1 billion and $8.8 billion at December 31, 2024 and 2023, respectively. The increase in deposits was primarily attributable to a $558.2 million decrease in noninterest bearing demand deposits, offset by a $734.7 million increase in time deposits. Refer to the "Deposits and Other Borrowings" section below for further discussion of deposits and borrowings.

The net unrealized loss before income tax on the AFS securities portfolio was $141.5 million and $162.0 million at December 31, 2024 and 2023, respectively. At December 31, 2024, the net unrealized loss position represented 10.04% of the investment portfolio's book value.

Management relies on the use of models in order to measure the expected future impact on interest income of various interest rate environments, as described above. Through its modeling, the Company makes certain estimates that may vary from actual results. There can be no assurance that the Company will be able to successfully achieve its optimal asset liability mix, given competitive pressures, customer preferences and the inability to forecast future interest rates and movements with complete accuracy.

In the year ended December 31, 2024, the Federal Reserve instituted 100 basis points of interest rate cuts. Yields on interest-earning assets and interest bearing deposits decreased as a result of the Federal Reserve rate cuts. However a decrease in non-interest bearing deposits replaced with an increase in interest bearing deposits resulted in a decrease in net interest margin as compared to the prior year-end.

Our rate risk modeling showed very modest net interest margin compression in an increased interest rate environment while showing modest net interest margin expansion in a declining interest rate environment. The model's prediction in a rising rate environment is the result of increases in both interest income on variable and adjustable rate loans and interest expense on its deposit liabilities, based on our funding needs, market conditions and certain contractual obligations but with no changes in the mix of assets or liabilities or the spreads we are able to earn. The opposite is true in a falling interest rate environment as decreases in both interest income on variable and adjustable rate loans and interest expense on deposit liabilities drive modest margin expansion. The model also assumes a stable interest rate environment after the programmed changes in the yields, which assumes repricing of assets and liabilities as scheduled in a stable environment, which may be quite different than real world conditions.

Interest rate floors on certain of the Company's variable and adjustable rate loans may provide asset yield protection in a low-interest rate environment; however, they are also expected to delay the impact of increases to market rates on interest income until such floors have been exceeded. In 2024, interest rate floors have not been relevant in the current interest rate environment since most variable rate loans are well above their floor rate. The weighted average rate of the Company's variable rate loans decreased by approximately 76 basis points from December 31, 2023 to December 31, 2024 in connection with the decrease of 100 basis points for the same period in Fed Funds rate. The most recent interest rate cuts of 100 basis points instituted by the Federal Reserve at the end of September 2024, and in the fourth quarter of 2024 were signs of improvements in the economic outlook. In 2025, the economic outlook continues to evolve and any additional adjustments to interest rates are uncertain.

At December 31, 2024, the Company had a portfolio of $3.0 billion of variable and adjustable rate loans that were subject to interest rate floors with a weighted average rate of 7.24%, which was a 75 bps decrease from December 31, 2023. At December 31, 2024, only $123.6 million or 1.56% of loans held by the Company were earning interest at their floor rate, as compared to $183.9 million or 2.31% at December 31, 2023. The majority of those loans are expected to reset at rates higher than their floor at their next rate reset date.

The Company employs an earnings simulation model (immediate parallel shifts along the yield curve) on a quarterly basis to monitor its interest rate sensitivity and risk and to model its balance sheet cash flows and the related statement of operations effects in different interest rate scenarios. The model utilizes current balance sheet data and attributes and is adjusted for assumptions as to investment maturities (including prepayments), loan prepayments, interest rates, deposit decay rates, and the level of noninterest income and noninterest expense. Further discussion of the limitations of this analysis are listed below and in Item 1A. Risk Factors, and in other periodic and current reports filed by the Company with the SEC. The data is then subjected to a “shock test” which assumes a simultaneous change in interest rates up 100, 200, 300 and 400 basis points or down 100, 200 and 300 basis points, along the entire yield curve, but not below zero. The results are analyzed as to the impact on net interest income, net income and the market equity over the next twelve and twenty-four month periods from December 31, 2024. In addition to analysis of simultaneous changes in interest rates along the yield curve, an analysis of changes based on interest rate “ramps” is also performed. Such analysis represents the impact of a more gradual change in interest rates, as well as yield curve shape changes.

For the analysis presented below, at December 31, 2024, the simulation assumes a 100 basis point change in interest rates on interest bearing deposits for each 100 basis point change in market interest rates in a decreasing interest rate shock scenario with a floor of 10 basis points and assumes a 100 basis point change in interest rates on interest bearing deposits for each 100 basis point change in market interest rates in an increasing interest rate shock scenario. The Bank does have deposits with contractual rate terms which means these deposits will change 100 basis points for every 100 basis points change in market rates. Thus, the overall measure of the correlation between deposit costs and market rate changes is modeled at 100%. The Company utilized the same assumptions for its analysis at December 31, 2023.

Because competitive market behavior does not necessarily track the trend of interest rates but at times moves ahead of financial market influences, the change in the cost of liabilities may be different than anticipated by the interest rate risk model. If this were to occur, the effects of a rising or declining interest rate environment may not be in accordance with management’s expectations.

As quantified in the table below, the Company’s analysis at December 31, 2024 shows a moderate effect on net interest income over the next 12 months, as well as a moderate effect on the economic value of equity when interest rates are shocked down 100, 200 and 300 basis points and up 100, 200, 300 and 400 basis points. This moderate impact is due substantially to the significant level of variable rate and repriceable assets and liabilities and related shorter relative durations. At December 31, 2024, the repricing duration of (a) the investment portfolio was 4.2 years, (b) the loan portfolio 0.9 years, (c) the interest bearing deposit portfolio was 0.2 years, and (d) the borrowed funds portfolio was 0.5 years.

The following table reflects the result of the simulation analysis on the December 31, 2024 asset and liability balances:

Change in interest rates (basis points)	Percentage change in 12-month net interest income	Percentage change in 12-month net income	Percentage change in economic value of equity
+400	(2.9)%	(6.3)%	(14.1)%
+300	(2.2)%	(4.8)%	(11.0)%
+200	(1.5)%	(3.3)%	(7.6)%
+100	(0.7)%	(1.5)%	(3.9)%
—	—	—	—
(100)	0.9%	2.0%	5.0%
(200)	1.7%	3.8%	9.6%
(300)	0.3%	0.5%	10.9%

The results of the simulation are within the relevant policy limits adopted by the Company for percentage change in net interest income. For net interest income, the Company has adopted a policy limit of -10% for a 100 basis point change, -12% for a 200 basis point change, -18% for a 300 basis point change and -24% for a 400 basis point change. For the economic value of equity, the Company has adopted a policy limit of -12% for a 100 basis point change, -15% for a 200 basis point change, -25% for a 300 basis point change and -30% for a 400 basis point change.

The increase in 12-month net interest income and net income of 0.9% and 2.0%, respectively, given a 100 basis point decrease in market interest rates at December 31, 2024 compares to (0.4)% and (0.9)%, respectively, for the same period in 2023.

The analysis at the end of 2024 consistent with the analysis at the end of 2023, showed that in an environment of increasing rates, income decreases. The changes in net interest income, net income and the economic value of equity in higher interest rate shock scenarios at December 31, 2024 are not believed to be excessive and are within policy limits.

Certain shortcomings are inherent in the method of analysis presented in the foregoing table. For example, although certain assets and liabilities may have similar maturities or repricing periods, they may react in different degrees to changes in market interest rates. Also, the interest rates on certain types of assets and liabilities may fluctuate in advance of changes in market interest rates, while interest rates on other types may lag behind changes in market rates. Additionally, certain assets, such as adjustable-rate mortgage loans, have features that limit changes in interest rates on a short-term basis and over the life of the loan. Further, in the event of a change in interest rates, prepayment and early withdrawal levels could deviate significantly from those assumed in calculating the tables. Finally, the ability of many borrowers to service their debt may decrease in the event of a significant interest rate increase.

While an instantaneous parallel shift in interest rates was used in this analysis to provide an estimate of exposure under these scenarios, we believe that a non-immediate parallel shifts in interest rates would have a more modest impact. Further, the earnings simulation model does not take into account factors such as future balance sheet growth, changes in product mix, changes in yield curve relationships, the various rate indexes do not move in parallel (e.g. SOFR, Fed Funds), hedging activities we might take and changing product spreads that could mitigate any potential beneficial or adverse impact of changes in interest rates.

Another key factor to consider is the behavior of our deposit portfolio in the baseline forecast and in alternate interest rate scenarios set out in the table above is a key assumption in our projected estimates of net interest income. The projected impact on net interest income in the table above assumes no change in deposit portfolio size or mix from the baseline forecast in alternative rate environments. In higher rate scenarios, any customer activity resulting in the replacement of low-cost or noninterest-bearing deposits with higher-yielding deposits or market-based funding would reduce the assumed benefit of those deposits. The projected impact on net interest income in the table above also assumes a "through-the-cycle" non-maturity deposit beta which may not be an accurate predictor of actual deposit rate changes realized in scenarios of smaller and/or non-parallel interest rate movements.

Each of the above analyses may not, on its own, be an accurate indicator of how our net interest income will be affected by current and future changes in interest rates. Income associated with interest-earning assets and costs associated with interest-bearing liabilities may not be affected uniformly by changes in interest rates. In addition, the magnitude and duration of changes in interest rates may have a significant impact on net interest income. For example, although certain assets and liabilities may have similar maturities or periods of repricing, they may react to different degrees to changes in market interest rates. Interest rates on certain types of assets and liabilities fluctuate in advance of changes in general market rates, while interest rates on other types may lag behind changes in general market rates. In addition, certain assets, such as adjustable-rate mortgage loans, have features (generally referred to as interest rate caps and floors) that limit changes in interest rates. Prepayment and early withdrawal levels also could deviate significantly from those assumed in calculating the maturity of certain instruments. The ability of many borrowers to service their debts also may decrease during periods of rising interest rates. ALCO reviews each of the above interest rate sensitivity analyses along with several different interest rate scenarios as part of its responsibility to provide a satisfactory, consistent level of profitability within the framework of established liquidity, loan, investment, borrowing and capital policies.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

1. Report of Independent Registered Public Accounting Firm (PCAOB ID 173)

Shareholders and the Board of Directors of Eagle Bancorp, Inc.
Bethesda, Maryland

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Eagle Bancorp, Inc. (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, and the related notes (collectively referred to as the "financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework: (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control – Integrated Framework: (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the financial statements included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of this critical audit matter does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance and Provision for Credit Losses on Loans

The allowance for credit losses (the “ACL”) is an accounting estimate of the expected credit losses in the HFI loans portfolio over the life of an exposure (or pool of exposures). Expected credit losses are measured on a collective (pooled) basis for financial assets with similar risk characteristics. The ACL is a valuation account that is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans as described in Notes 1 and 4 of the consolidated financial statements. The measurement of expected credit losses is based on information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount.

The Company estimates expected credit losses for loans using a methodology based on a loan-level probability of default (“PD”) and Loss Given Default (“LGD”) cash flow method that is applied using an exposure at default model. Cash flow projections are at the loan level wherein payment expectations are adjusted for estimated prepayment speeds, PD rates, and LGD rates. The expected prepayment speeds are based on historical internal data. These historical loss rates are then modified to incorporate a reasonable and supportable forecast of future losses at the portfolio segment level.

The ACL estimation process for loans applies economic forecast scenarios over a reasonable and supportable period of 18 months and reverts back to a historical loss rate over twelve months on a straight-line basis over the loan's remaining maturity. These historical loss rates are then modified to incorporate a reasonable and supportable forecast of future losses at the portfolio segment level, as well as any necessary qualitative adjustments.

We determined that auditing the allowance for credit losses on loans was a critical audit matter because of the extent of auditor judgment applied and significant audit effort to evaluate the significant subjective and complex judgments made by management throughout the application processes, including the need to involve our valuation services specialists.

The principal considerations resulting in our determination included the following:

- Significant auditor judgment in evaluating the selection and application of the reasonable and supportable forecasts of economic variables and reasonableness of other model assumptions.
- Significant auditor judgment and effort in evaluating the reasonableness of the qualitative adjustments used in the model computation.
- Significant audit effort related to the completeness and accuracy of the high volume of data used to develop assumptions and in the model computation.

Our audit procedures to address the critical audit matter included:

Testing of internal controls over:

- The Company’s significant model assumptions and judgments, reasonable and supportable forecasts, and information systems.
- The Company’s preparation and review of the allowance for credit losses calculation, including the relevance and reliability of data used as the basis for adjustments related to the qualitative factors, the development and reasonableness of qualitative adjustments, and the mathematical accuracy and appropriateness of the overall calculation.
- The completeness and accuracy of historical inputs, loan data used in the development of the PD and LGD assumptions, and the use of third-party data in the computation.

Substantively testing management's estimate, which included:

- Assessing the reasonableness of assumptions and judgments related to the PD and LGD rates, with the assistance of our valuation specialists, by comparing the resulting historical loss experience to a group of the Company's peers.
- Evaluating the reasonableness of management's judgments in the selection and application of reasonable and supportable forecasts of economic variables.
- Evaluating management's process for developing the qualitative factors, including evaluating management's judgments and assumptions for reasonableness.
- Assessing the relevance and reliability of data used to develop qualitative factors.
- Evaluating the mathematical accuracy of the PD and LGD rates on a pooled loan level with the assistance of valuation specialists, including the completeness and accuracy of loan data used in the model.

/s/ Crowe LLP

We have served as the Company's auditor since 2021.

Washington, D.C.
February 27, 2025

EAGLE BANCORP, INC.
Consolidated Balance Sheets
(dollars in thousands, except share and per share data)

	December 31, 2024	December 31, 2023
Assets		
Cash and due from banks	$ 11,882	$ 9,047
Federal funds sold	2,581	3,740
Interest-bearing deposits with banks and other short-term investments	619,017	709,897
Investment securities available-for-sale (amortized cost of $1,408,935 and $1,668,316, respectively, and allowance for credit losses of $22 and $17, respectively)	1,267,404	1,506,388
Investment securities held-to-maturity, net of allowance for credit losses of $1,306 and $1,956, respectively (fair value of $820,382 and $901,582, respectively)	938,647	1,015,737
Federal Reserve and Federal Home Loan Bank stock	51,763	25,748
Loans held for investment, at amortized cost	7,934,888	7,968,695
Less allowance for credit losses	(114,390)	(85,940)
Loans held for investment, net of allowance	7,820,498	7,882,755
Premises and equipment, net	7,694	10,189
Right-of-use assets - operating leases	18,494	19,129
Deferred income taxes	91,472	86,620
Bank-owned life insurance	115,806	112,921
Goodwill and other intangible assets, net	16	104,925
Other real estate owned	2,743	1,108
Other assets	181,491	176,334
Total Assets	$ 11,129,508	$ 11,664,538
Liabilities and Shareholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing demand	$ 1,544,403	$ 2,279,081
Interest-bearing transaction	1,211,791	997,448
Savings and money market	3,599,221	3,314,043
Time deposits	2,775,663	2,217,467
Total deposits	9,131,078	8,808,039
Customer repurchase agreements	33,157	30,587
Other short-term borrowings	490,000	1,369,918
Long-term borrowings	76,108	—
Operating lease liabilities	23,815	23,238
Reserve for unfunded commitments	3,463	5,590
Other liabilities	145,826	152,883
Total Liabilities	9,903,447	10,390,255
Shareholders' Equity		
Common stock, par value $0.01 per share; shares authorized 100,000,000, shares issued and outstanding 30,202,003 and 29,925,612, respectively	298	296
Additional paid-in capital	384,932	374,888
Retained earnings	982,304	1,061,456
Accumulated other comprehensive income (loss)	(141,473)	(162,357)
Total Shareholders' Equity	1,226,061	1,274,283
Total Liabilities and Shareholders' Equity	$ 11,129,508	$ 11,664,538

See Notes to Consolidated Financial Statements.

EAGLE BANCORP, INC.
Consolidated Statements of Operations
Years Ended December 31,
(dollars in thousands, except per share data)

	2024	2023	2022
Interest Income			
Interest and fees on loans	$ 548,389	$ 518,080	$ 358,967
Interest and dividends on investment securities	49,971	54,660	51,481
Interest on balances with other banks and short-term investments	88,770	52,300	13,304
Interest on federal funds sold	433	287	861
Total interest income	687,563	625,327	424,613
Interest Expense			
Interest on deposits	320,421	257,544	83,261
Interest on customer repurchase agreements	1,271	1,218	356
Interest on other short-term borrowings	72,386	73,253	3,980
Interest on long-term borrowings	4,797	2,766	4,149
Total interest expense	398,875	334,781	91,746
Net Interest Income	288,688	290,546	332,867
Provision for (Reversal of) Credit Losses	66,360	31,536	266
Provision for (Reversal of) Credit Losses for Unfunded Commitments	(2,127)	(267)	1,477
Net Interest Income After Provision for (Reversal of) Credit Losses	224,455	259,277	331,124
Noninterest Income			
Service charges on deposits	6,843	6,455	5,399
Gain on sale of loans	57	418	3,702
Net gain (loss) on sale of investment securities	14	(11)	(169)
Increase in the cash surrender value of bank-owned life insurance	2,885	2,659	2,547
Other income	10,140	12,015	12,175
Total noninterest income	19,939	21,536	23,654
Noninterest Expense			
Salaries and employee benefits	87,768	86,096	84,053
Premises and equipment expenses	11,382	12,606	13,218
Marketing and advertising	5,449	3,359	4,721
Data processing	14,093	13,083	12,171
Legal, accounting and professional fees	9,286	10,787	8,583
FDIC insurance	29,009	11,853	4,969
SEC/FRB penalties	—	—	22,977
Goodwill impairment	104,168	—	—
Other expenses	13,479	15,509	14,406
Total noninterest expense	274,634	153,293	165,098
Income (Loss) Before Income Tax Expense	(30,240)	127,520	189,680
Income Tax Expense	16,795	26,986	48,750
Net Income (Loss)	$ (47,035)	$ 100,534	$ 140,930
Earnings (Loss) Per Common Share			
Basic	$ (1.56)	$ 3.31	$ 4.40
Diluted	$ (1.56)	$ 3.31	$ 4.39

See Notes to Consolidated Financial Statements.

EAGLE BANCORP, INC.
Consolidated Statements of Comprehensive Income (Loss)
Years Ended December 31,
(dollars in thousands)

	2024	2023	2022
Net Income (Loss)	$ (47,035)	$ 100,534	$ 140,930
Other comprehensive income (loss), net of tax:			
Unrealized gain (loss) on securities available-for-sale	15,406	32,519	(140,926)
Reclassification adjustment for net (gains) losses included in net income (loss)	(12)	8	111
Total unrealized gain (loss) on investment securities available-for-sale	15,394	32,527	(140,815)
Unrealized loss on securities transferred to held-to-maturity	—	—	(49,095)
Amortization of unrealized loss on securities transferred to held-to-maturity	5,290	4,805	4,361
Total unrealized gain (loss) on investment securities held-to-maturity	5,290	4,805	(44,734)
Unrealized gain (loss) on derivatives	200	(182)	284
Other comprehensive income (loss)	20,884	37,150	(185,265)
Comprehensive Income (Loss)	$ (26,151)	$ 137,684	$ (44,335)

See Notes to Consolidated Financial Statements.

EAGLE BANCORP, INC.
Consolidated Statements of Changes in Shareholders' Equity
(dollars in thousands, except share data)

	Common		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Shareholders' Equity
	Shares	Amount				
Balance at January 1, 2022	31,950,092	$ 316	$ 434,640	$ 930,061	$ (14,242)	$ 1,350,775
Net Income	—	—	—	140,930	—	140,930
Other comprehensive loss, net of tax	—	—	—	—	(185,265)	(185,265)
Stock-based compensation expense	—	—	9,899	—	—	9,899
Issuance of common stock related to options exercised, net of shares disposed for payroll taxes	3,289	—	97	—	—	97
Issuance of common stock under share-based compensation arrangements	117,211	2	(2)	—	—	—
Issuance of common stock related to employee stock purchase plan	14,611	—	748	—	—	748
Cash dividends declared ($1.75 per share)	—	—	—	(55,776)	—	(55,776)
Common stock repurchased	(738,300)	(8)	(33,079)	—	—	(33,087)
Balance at December 31, 2022	**31,346,903**	**310**	**412,303**	**1,015,215**	**(199,507)**	**1,228,321**
Net Income	—	—	—	100,534	—	100,534
Other comprehensive income, net of tax	—	—	—	—	37,150	37,150
Stock-based compensation expense	—	—	10,018	—	—	10,018
Issuance of common stock under share-based compensation arrangements	157,560	1	(1)	—	—	—
Issuance of common stock related to employee stock purchase plan	21,149	—	586	—	—	586
Cash dividends declared ($1.80 per share)	—	—	—	(54,293)	—	(54,293)
Common stock repurchased	(1,600,000)	(15)	(48,018)	—	—	(48,033)
Balance at December 31, 2023	**29,925,612**	**296**	**374,888**	**1,061,456**	**(162,357)**	**1,274,283**
Net Income (Loss)	—	—	—	(47,035)	—	(47,035)
Other comprehensive income, net of tax	—	—	—	—	20,884	20,884
Stock-based compensation expense	—	—	9,561	—	—	9,561
Issuance of common stock under share-based compensation arrangements	252,576	2	(2)	—	—	—
Issuance of common stock related to employee stock purchase plan	23,815	—	485	—	—	485
Cash dividends declared ($1.065 per share)	—	—	—	(32,117)	—	(32,117)
Common stock repurchased	—	—	—	—	—	—
Balance at December 31, 2024	**30,202,003**	**$ 298**	**$ 384,932**	**$ 982,304**	**$ (141,473)**	**$ 1,226,061**

See Notes to Consolidated Financial Statements.

EAGLE BANCORP, INC.
Consolidated Statements of Cash Flows
Years Ended December 31,
(dollars in thousands)

	2024	2023	2022
Cash Flows From Operating Activities:			
Net Income (Loss)	$ (47,035)	$ 100,534	$ 140,930
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Provision for credit losses	66,360	31,536	266
Provision for (reversal of) unfunded commitments	(2,127)	(267)	1,477
Goodwill impairment	104,168	—	—
Depreciation and amortization	3,198	3,480	3,319
Gains on sale of loans	(57)	(418)	(3,702)
Net (gain) loss on mortgage servicing rights	(1,512)	142	(837)
Securities premium amortization, net	5,416	6,189	9,011
Origination of loans held for sale	—	(29,690)	(299,317)
Proceeds from sale of loans held for sale	—	36,842	343,503
Deferred income tax (benefit) expense	2,601	(3,377)	6,560
Net gain on sale of other real estate owned	—	(134)	(248)
Net increase in cash surrender value of bank owned life insurance	(2,885)	(2,659)	(2,547)
Net (gain) loss on call/sale of investment securities	(14)	11	169
Stock-based compensation expense	9,561	10,018	9,899
Increase in other assets	(7,703)	(14,976)	(26,162)
Increase (decrease) in other liabilities	(6,201)	58,395	12,581
Net cash provided by operating activities	123,770	195,626	194,902
Cash Flows From Investing Activities:			
Purchases of available-for-sale investment securities	—	—	(425,263)
Proceeds from maturities of available-for-sale investment securities	115,404	123,782	261,999
Proceeds from sale/call of available-for-sale investment securities	141,100	8,303	6,225
Purchase of held-to-maturity investment securities	—	—	(290,740)
Proceeds from maturities of held-to-maturity investment securities	70,235	78,251	115,777
Proceeds from call of held-to-maturity investment securities	11,868	2,906	8,350
Purchases of Federal Reserve Bank stock	(2,383)	(299)	(288)
Net proceeds from (purchases of) Federal Home Loan Bank stock	(23,633)	39,618	(30,626)
Proceeds from sale of mortgage servicing rights	4,798	—	—
Net increase in loans	(6,982)	(351,913)	(570,977)
Redemption of bank-owned life insurance	—	736	338
Proceeds from sale of other real estate owned	656	987	241
Purchases of premises and equipment	(326)	(70)	(2,113)
Net cash provided by (used in) investing activities	310,737	(97,699)	(927,077)
Cash Flows From Financing Activities:			
Increase (decrease) in deposits	323,039	94,857	(1,268,358)
Increase (decrease) in customer repurchase agreements	2,570	(4,513)	11,182
Net Increase (decrease) in short-term borrowings	(880,000)	324,999	675,001
Net proceeds from long-term borrowings	75,812	—	—
Proceeds from exercise of equity compensation plans	—	—	97
Proceeds from employee stock purchase plan	485	586	748
Common stock repurchased	—	(48,033)	(33,087)
Cash dividends paid	(45,617)	(54,993)	(55,776)
Net cash provided by (used in) financing activities	(523,711)	312,903	(670,193)
Net Increase (Decrease) in Cash and Cash Equivalents	(89,204)	410,830	(1,402,368)
Cash and Cash Equivalents at Beginning of Period	722,684	311,854	1,714,222
Cash and Cash Equivalents at End of Period	$ 633,480	$ 722,684	$ 311,854

See Notes to Consolidated Financial Statements.

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EAGLE BANCORP, INC.
Consolidated Statements of Cash Flows - Continued
Years Ended December 31,
(dollars in thousands)

	2024	2023	2022
Supplemental Cash Flow Information:			
Interest paid	$ 438,222	$ 376,841	$ 90,590
Income taxes paid	$ 8,210	$ 21,540	$ 23,453
Supplemental Non-Cash Disclosures:			
Initial recognition of operating lease right-of-use assets	$ 5,786	$ 418	$ —
Transfers of investment securities from available-for-sale to held-to-maturity	$ —	$ —	$ 922,975
Transfer of loans for investment to loans held for sale	$ 5,000	$ —	$ —
Transfers from loans to other real estate owned	$ 2,370	$ —	$ 475

See Notes to Consolidated Financial Statements.

Note 1 – Summary of Significant Accounting Policies

Nature of Operations

Eagle Bancorp, Inc. (the "Parent") and its subsidiaries (together with the Parent, the “Company”), through EagleBank (the “Bank”), conducts a full service community banking business, primarily in Northern Virginia, Suburban Maryland and Washington, D.C. The primary financial services offered by the Bank include real estate, commercial and consumer lending, as well as traditional deposit and repurchase agreement products. The Bank is also active in the origination of small business loans. The guaranteed portion of small business loans, guaranteed by the Small Business Administration ("SBA"), is typically sold to third party investors in a transaction apart from the loan’s origination.

The Bank offers its products and services through twelve banking offices, four lending centers and various digital capabilities, including PC and smartphone-enabled banking services. Eagle Insurance Services, LLC, a subsidiary of the Bank that previously offered access to insurance products and services through a referral program with a third party insurance broker, continues to receive fee income in connection with such program. Landroval Municipal Finance, Inc., a subsidiary of the Bank, focuses on lending to municipalities by buying debt on the public market as well as direct purchase issuance.

Principles of Consolidation

The Consolidated Financial Statements include the accounts of the Company with all significant intercompany transactions eliminated. EagleBank, a Maryland chartered commercial bank, is the Company’s principal subsidiary. The investment in subsidiaries is recorded on the Company’s books (Parent Only) on the basis of its equity in the net assets of the subsidiary (see Note 24 "Parent Company Financial Information" for further detail).

Basis of Presentation

The accounting and reporting policies of the Company conform to generally accepted accounting principles in the United States of America (“GAAP”) and to predominant practices in the banking industry. The Consolidated Financial Statements reflect all adjustments, consisting of normal recurring adjustments, that in the opinion of management are necessary to present fairly the results for the periods presented. Certain reclassifications have been made to 2023 amounts previously reported to conform to the 2024 presentation. Reclassifications had no effect on net income (loss) or shareholders' equity. The following is a summary of the significant accounting policies.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the consolidated financial statements and accompanying notes. Actual results may differ from those estimates and such differences could be material to the consolidated financial statements. The allowance for credit losses ("ACL") is a material estimate that is particularly susceptible to significant variance in the near-term.

Cash and Cash Equivalents and Statements of Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash and due from banks, federal funds sold and interest bearing deposits with other banks that have an original maturity of three months or less. Net cash flows are reported for customer loan and deposit transactions, interest bearing deposits in other financial institutions, federal funds purchased, repurchase agreements and other borrowings.

Interest Bearing Deposits in Other Financial Institutions

Interest-bearing deposits in other financial institutions mature within one year and are carried at cost.

Investment Securities

The Company recognizes acquired securities on the trade date. Investment securities comprise debt securities, which are classified depending on the Company's intent and ability to hold the securities to maturity. Debt securities are classified as

available-for-sale ("AFS") when management may have the intent to sell them prior to maturity. Debt securities are classified as held-to-maturity ("HTM") and carried at amortized cost when management has the positive intent and ability to hold them to maturity.

AFS Securities are acquired as part of the Company’s asset/liability management strategy and may be sold in response to changes in interest rates, current market conditions, loan demand, changes in prepayment risk and other factors. AFS securities are carried at fair value, with unrealized gains or losses, other than impairment losses, being reported as accumulated other comprehensive income (loss), a separate component of shareholders’ equity, net of deferred income tax. Realized gains and losses, using the specific identification method, are included as a separate component of noninterest income in the Consolidated Statements of Operations.

Premiums and discounts on investment securities are amortized/accreted to the earlier of call or maturity based on expected lives, which lives are adjusted based on prepayment assumptions and call optionality. Declines in the fair value of individual available-for-sale securities below their cost that are other-than-temporary in nature result in write-downs of the individual securities to their fair value. Factors affecting the determination of whether other-than-temporary impairment has occurred include a downgrading of the security by a rating agency or a significant deterioration in the financial condition of the issuer. Management systematically evaluates investment securities for other-than-temporary declines in fair value on a quarterly basis. This analysis requires management to consider various factors, which include the: (1) magnitude of the decline in value; (2) financial condition of the issuer or issuers; and (3) structure of the security.

Premiums and discounts on HTM securities, like AFS securities, are amortized or accreted to the earlier of call or maturity based on expected lives, which include prepayment adjustments and call optionality.

Transfers of Investment Securities from Available-for-Sale to Held-to-Maturity

Transfers of debt securities into the HTM category from the AFS category are made at amortized cost, net of unrealized gain or loss reported in accumulated other comprehensive income (loss) at the date of transfer. The unrealized holding gain or loss at the date of transfer is retained in other comprehensive income (loss) and in the carrying value of the held-to-maturity securities. Such amounts are amortized over the remaining life of the security.

The Company does not intend to sell the HTM investments, and it is more likely than not that the Company will not have to sell the securities before recovery of its amortized cost basis, which may be at maturity.

For the impairment of investment securities please see "Allowance for Credit Losses - AFS Securities" and "Allowance for Credit Losses - HTM Securities" below.

Loans

The Company classifies loans in its portfolio as held for investment (“HFI”) when management has the intent and ability to hold the loans for the foreseeable future or until maturity or payoff. HFI loans are stated at the principal amount outstanding, net of unamortized deferred costs and fees. Interest income on loans is recognized at the contractual rate on the principal amounts outstanding. It is the Company’s policy to discontinue the accrual of interest when circumstances indicate that collection is doubtful. Loan origination fees, net of direct loan origination costs, and commitment fees are deferred and amortized on the interest method over the term of the loan.

Past due loans are placed on nonaccrual status when the contractual payment of principal or interest has become 90 days past due or there is a clear indication that the borrower's cash flow may not be sufficient to meet payments as they become due, even when the loan is currently performing. A loan may remain on accrual status if it is in the process of collection and is well secured. When a loan is placed on nonaccrual status, all previously accrued and unpaid interest is reversed through interest income. Interest income is subsequently recognized on a cash basis as long as the remaining book balance of the asset is deemed to be collectible. If collectability is questionable, then cash payments are applied to principal. A loan is placed back on accrual status when both principal and interest are current and it is probable that we will be able to collect all amounts due (both principal and interest) according to the terms of the loan agreement.

Allowance for Credit Losses

The following table presents a breakdown of the current provision for credit losses included in our Consolidated Statements of Operations for the applicable periods:

(dollars in thousands)	For the Years Ended December 31, 2024	2023	2022
Provision for (reversal of) credit losses - loans	$ 67,005	$ 30,346	$ 103
Provision for credit losses - HTM debt securities	(645)	1,190	766
Provision for (reversal of) credit losses - AFS debt securities	—	—	(603)
Total Provision for credit losses	$ 66,360	$ 31,536	$ 266

Allowance for Credit Losses - Loans

The ACL - Loans is an estimate of the expected credit losses in the HFI loans portfolio. The Company's ACL on its loan portfolio is deducted from the amortized cost basis of loans to present the net amount expected to be collected on the loans. Loans, or portions thereof, are charged off against the allowance when they are deemed uncollectible. Expected recoveries are recorded to the extent they do not exceed the aggregate of amounts previously charged-off and expected to be charged-off.

The ACL - Loans is measured on a collective pool basis when similar risk characteristics are present. Reserves on loans that do not share similar risk characteristics are evaluated on an individual basis. Nonaccrual loans are specifically reviewed for loss potential and when deemed appropriate are assigned a reserve based on an individual evaluation. The remainder of the portfolio, representing all loans not evaluated individually for impairment, is pooled into portfolio segments by call report codes and a loan-level probability of default (“PD”) / Loss Given Default (“LGD”) cash flow method is applied using an exposure at default (“EAD”) model. These historical loss rates are then modified to incorporate our reasonable and supportable forecast of future losses at the portfolio segment level, as well as any necessary qualitative adjustments.

The Company uses regression analysis of historical internal and peer data provided by a third-party provider (as Company loss data is insufficient) to determine suitable credit loss drivers to utilize when modeling lifetime PD and LGD. This analysis also determines how expected PD will be impacted by different forecasted levels of the loss drivers. A similar process is employed to calculate a reserve assigned to off-balance sheet commitments, specifically unfunded loan commitments and letters of credit, and any needed reserve is recorded in reserve for unfunded commitments (“RUC”) on the Consolidated Balance Sheets. For periods beyond which we are able to develop reasonable and supportable forecasts, we revert to the historical loss rate on a straight-line basis over a twelve-month period.

The Company uses a loan-level PD/LGD cash flow method with an EAD model to estimate expected credit losses. In accordance with ASC 326, expected credit losses are measured on a collective (pooled) basis for financial assets with similar risk characteristics. The bank groups collectively assessed loans using a call report code. Some unique loan types, such as Paycheck Protection Program ("PPP") loans, are grouped separately due to their specific risk characteristics. For each of the loan segments listed below, the Company generates cash flow projections at the instrument level wherein payment expectations are adjusted for estimated prepayment speeds, PD rates and LGD rates. The modeling of expected prepayment speeds is based on historical internal data. EAD is based on each instrument's underlying amortization schedule in order to estimate the bank's expected credit loss exposure at the time of the borrower's potential default.

A summary of our primary portfolio segments is as follows:

Commercial. The commercial loan portfolio comprises lines of credit and term loans for working capital, equipment and other business assets across a variety of industries. These loans are used for general corporate purposes including financing working capital, internal growth and acquisitions; and are generally secured by accounts receivable, inventory, equipment and other assets of our clients’ businesses.

Income producing – commercial real estate. Income producing commercial real estate loans comprise permanent and bridge financing provided to professional real estate owners/managers of commercial and residential real estate projects and properties who generally have a demonstrated record of past success with similar properties. Collateral properties include apartment buildings, office buildings, hotels, mixed-use buildings, retail, data centers, warehouse, and shopping centers. The primary source of repayment on these loans is generally expected to come from lease or operation of the real property collateral. Income producing commercial real estate loans are impacted by fluctuation in collateral values, as well as rental demand and rates.

Owner occupied – commercial real estate. The owner occupied commercial real estate portfolio comprises permanent financing provided to operating companies and their related entities for the purchase or refinance of real property wherein their business operates. Collateral properties include industrial property, office buildings, religious facilities, mixed-use property, health care and educational facilities.

Real Estate Mortgage – Residential. Real estate mortgage residential loans comprise consumer mortgages for the purpose of purchasing or refinancing first lien real estate loans secured by primary-residence, second-home and rental residential real property.

Construction – commercial and residential. The construction commercial and residential loan portfolio comprises loans made to builders and developers of commercial and residential property, for renovation, new construction and development projects. Collateral properties include apartment buildings, mixed use property, residential condominiums, single and 1-4 residential property and office buildings. The primary source of repayment on these loans is expected to come from the sale, permanent financing or lease of the real property collateral. Construction loans are impacted by fluctuations in collateral values and the ability of the borrower or ultimate purchaser to obtain permanent financing.

Construction – commercial and industrial ("C&I") (owner occupied). The construction C&I (owner occupied) portfolio comprises loans to operating companies and their related entities for new construction or renovation of the real or leased property in which they operate. Generally these loans contain provisions for conversion to an owner occupied commercial real estate loan or to a commercial loan after completion of construction. Collateral properties include industrial, healthcare, religious facilities, restaurants and office buildings.

Home Equity. The home equity portfolio comprises consumer lines of credit and loans secured by subordinate liens on residential real property.

Other Consumer. The other consumer portfolio comprises consumer loans not secured by real property, including personal lines of credit and loans, overdraft lines and vehicle loans. This category also includes other loan items such as overdrawn deposit accounts as well as loans and loan payments in process.

The ACL also includes a qualitative adjustment for inherent risks not reflected in the historical quantitative analysis associated with the reasonable and supportable forecast. Relevant factors include, but are not limited to, concentrations of credit risk, changes in underwriting standards, experience and depth of lending staff and trends in delinquencies. While our methodology in establishing the reserve for credit losses attributes portions of the ACL and RUC to the commercial and consumer portfolio segments, the entire ACL and RUC is available to absorb credit losses expected in the total loan portfolio and total amount of unfunded credit commitments, respectively. Our model may reflect assumptions by management that are not covered by the qualitative and environmental factors, and we reevaluate all of its factors quarterly.

For our cash flow model, management historically forecasted regional unemployment. During the first quarter of 2024, management enhanced the cash flow model to incorporate three macroeconomic variables in addition to national unemployment. The four economic variables selected, national unemployment, which was the original variable used, Commercial Real Estate ("CRE") Price Index, House Price Index and Gross Domestic Product ("GDP"), are incorporated by utilizing a Loss Driver Analysis approach that factors in historical losses, including during the Great Recession, of regional peer banks and the Bank. The updated model incorporates a weighting of three economic scenarios; baseline, upside and downside. The scenarios cover the four economic forecast variables, with each segment of the portfolio linked to two of these variables, depending on the segment. The loss driver analysis is spread over a reasonable and supportable period of 18 months and reverts back to a historical loss rate over twelve months on a straight-line basis over the loan's remaining maturity. Management leverages economic projections from reputable and independent third parties to inform its loss driver forecasts over the forecast period.

The ACL also includes an amount for inherent risks not reflected in the historical analyses. Relevant factors include, but are not limited to, concentrations of credit risk, changes in underwriting standards, experience and depth of lending staff and trends in delinquencies. While our methodology in establishing the ACL attributes portions of the ACL and RUC to the separate loan pools or segments, the entire ACL and RUC is available to absorb credit losses expected in the total loan portfolio and total amount of unfunded credit commitments, respectively. Portfolio segments are used to pool loans with similar risk characteristics and align with our methodology for measuring expected credit losses ("CECL").

We have several pass credit grades that are assigned to loans based on varying levels of risk, ranging from loans that are secured by cash or marketable securities, to watch list loans that have all the characteristics of an acceptable credit risk but warrant more than the normal level of monitoring. Special mention loans are those that are currently protected by the sound worth and paying capacity of the borrower, but that are potentially weak and constitute an additional credit risk. These loans have the potential to deteriorate to a substandard grade due to the existence of financial or administrative deficiencies. Substandard loans have a well-defined weakness or weaknesses that jeopardizes the liquidation of the debt. They are characterized by the distinct possibility that we will sustain some loss if the deficiencies are not corrected. Some substandard loans are inadequately protected by the sound worth and paying capacity of the borrower and of the collateral pledged and may be considered impaired. Substandard loans can be accruing or can be on nonaccrual depending on the circumstances of the individual loans. Loans graded as doubtful have all the weaknesses inherent in substandard loans with the added characteristics that the weaknesses make collection in full highly questionable and improbable. The possibility of loss is extremely high. All doubtful loans are accounted for on a nonaccrual basis. Classified loans is the aggregation of loans graded substandard and doubtful.

The methodology used in the estimation of the ACL, which is performed at least quarterly, is designed to be dynamic and responsive to changes in portfolio credit quality and forecasted economic conditions. Changes are reflected in the pool-basis allowance and individually assessed loans as the collectability of classified loans is evaluated with new information. As our portfolio has matured, historical loss ratios have been closely monitored. The review of the appropriateness of the allowance is performed by executive management and presented to management committees and the Audit Committee of the Board of Directors (the "Board"). The committees' reports to the Board are part of the Board's review on a quarterly basis of our consolidated financial statements.

When management determines that foreclosure is probable, and for certain collateral-dependent loans where foreclosure is not considered probable, expected credit losses are based on the estimated fair value of the collateral adjusted for selling costs, when appropriate. A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. Expected credit losses are estimated over the contractual term of the loans, adjusted for expected prepayments when appropriate. The contractual term excludes expected extensions, renewals and modifications unless management has a reasonable expectation that a borrower will experience financial difficulty. We do not measure an ACL on accrued interest receivable balances because these balances are written off in a timely manner as a reduction to interest income when loans are placed on nonaccrual status.

Loans Held for Sale

The Company regularly engages in the sale of the guaranteed portion of SBA loans originated by the Bank. The Company previously regularly engaged in sale of residential mortgage loans held for sale through the end 2022. In the first quarter of 2023, the Company ceased originations of first lien residential mortgage loans for secondary sale and completed residual origination and sales activities in the second quarter of 2023.

The sale of the guaranteed portion of SBA loans on a servicing retained basis gives rise to an excess servicing asset, which is computed on a loan by loan basis with the unamortized amount being included in intangible assets in the Consolidated Balance Sheets. This excess servicing asset is being amortized on a straight-line basis (with adjustment for prepayments) as an offset to servicing fees collected and is included in other income in the Consolidated Statements of Operations.

The Company originated multifamily FHA loans through the Department of Housing and Urban Development’s Multifamily Accelerated Program. The Company securitized these loans through the Government National Mortgage Association ("Ginnie Mae") MBS I program and sells the resulting securities in the open market to authorized dealers in the normal course of business and periodically bundles and sells the servicing rights. When servicing was retained on multifamily FHA loans securitized and sold, the Company computed an excess servicing asset on a loan by loan basis. During the year ended December 31, 2024, the Company sold the remaining servicing rights to all multifamily FHA loans. Unamortized multifamily FHA mortgage servicing rights ("MSRs") were zero as of December 31, 2024 and $2.3 million as of December 31, 2023.

Noninterest Income includes gains from the sale of the Ginnie Mae securities and net revenues earned on the servicing of multifamily FHA loans underlying the Ginnie Mae securities. Revenue from servicing commercial multifamily FHA mortgages is recognized as earned based on the specific contractual terms of the underlying servicing agreements, along with amortization of and changes in impairment of MSRs.

Collateral Dependent Financial Assets

For collateral dependent loans for which the Company has determined that foreclosure of the collateral is probable, or where the borrower is experiencing financial difficulty and the Company expects repayment of the financial asset to be provided substantially through the sale of the collateral, the ACL is measured based on the difference between the fair value of the collateral and the amortized cost basis of the asset as of the measurement date. When repayment is expected to be from the operation of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the net present value ("NPV") from the operation of the collateral. When repayment is expected to be from the sale of the collateral, expected credit losses are calculated as the amount by which the amortized cost basis of the financial asset exceeds the fair value of the underlying collateral less estimated cost to sell. The ACL may be zero if the fair value of the collateral at the measurement date exceeds the amortized cost basis of the financial asset.

Loan Modifications to Borrowers in Financial Difficulty

The Company evaluates loan restructurings to determine if we have a loan modification and whether it results in a new loan or the continuation of the existing loan. Loan modifications to borrowers experiencing financial difficulty that result in a direct change in the timing or amount of contractual cash flows include situations where there are principal forgiveness, interest rate reductions, other-than-insignificant payment delays, term extensions, and combinations of the listed modifications.

A loan that is considered a modified loan may be subject to an individually-evaluated loan analysis if the commitment is $500 thousand or greater; otherwise, the restructured loan remains in the appropriate segment in the ACL model and associated provisions are adjusted based on changes in the discounted cash flows resulting from the modification of the restructured loan. Management strives to identify borrowers in financial difficulty early and work with them to modify their loan to more affordable terms before their loan reaches nonaccrual status, foreclosure or repossession of the collateral to minimize economic loss to the Company.

Allowance for Credit Losses - AFS Securities

For AFS debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more likely than not that it will be required to sell, the security before recovery of its amortized cost basis. If either criteria is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the security is compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an ACL is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an ACL is recognized in other comprehensive income, as a non-credit-related impairment.

The entire amount of an impairment loss is recognized in earnings (loss) only when: (1) the Company intends to sell the security; or (2) it is more likely than not that the Company will have to sell the security before recovery of its amortized cost basis; or (3) the Company does not expect to recover the entire amortized cost basis of the security. In all other situations, only the portion of the impairment loss representing the credit loss must be recognized in earnings (loss), with the remaining portion being recognized in other comprehensive income (loss), net of deferred taxes. Changes in the ACL are recorded as a provision for (or reversal of) credit losses. Losses are charged against the allowance when management believes the uncollectability of an AFS security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

We have made a policy election to exclude accrued interest from the amortized cost basis of AFS debt securities and report accrued interest separately in accrued interest and other assets in the Consolidated Balance Sheets. AFS debt securities are placed on nonaccrual status when we no longer expect to receive all contractual amounts due, which is generally at 90 days past due. Accrued interest receivable is reversed against interest income when a security is placed on nonaccrual status. Accordingly, we do not recognize an allowance for credit loss against accrued interest receivable.

Allowance for Credit Losses - HTM Securities

The Company separately evaluates its HTM investment securities for any credit losses. The Company pools like securities and calculates expected credit losses through an estimate based on a security's credit rating, which is recognized as part of the ACL for HTM securities and included in the balance of HTM securities on the Consolidated Balance Sheets. If the Company determines that a security indicates evidence of deteriorated credit quality, the security is individually evaluated and a discounted cash flow analysis may be performed and compared to the amortized cost basis.

Loan Commitments and Allowance for Credit Losses on Off-Balance Sheet Credit Exposures

Financial instruments include off-balance sheet credit instruments such as commitments to make loans and commercial letters of credit issued to meet customer financing needs. The Company's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for off-balance sheet loan commitments is represented by the contractual amount of those instruments. Such financial instruments are recorded when they are funded.

The Company records a RUC on off-balance sheet credit exposures through a charge to provision for credit loss expense in the Company's Consolidated Statement of Operations. The RUC on off-balance sheet credit exposures is estimated by loan segment at each balance sheet date under the current expected credit loss model using the same methodologies as portfolio loans, taking into consideration the likelihood that funding will occur and is included in the RUC on the Company’s Consolidated Balance Sheets.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization computed using the straight-line method for financial reporting purposes. Premises and equipment are depreciated over the useful lives of the assets, which generally range from three to seven years for furniture, fixtures and equipment, three to five years for computer software and hardware and five to twenty years for leasehold improvements. Leasehold improvements are amortized over the terms of the respective leases, which may include renewal options where management has the positive intent to exercise such options or the estimated useful lives of the improvements, whichever is shorter. The costs of major renewals and betterments are capitalized, while the costs of ordinary maintenance and repairs are expensed as incurred. These costs are included as a component of premises and equipment expenses on the Consolidated Statements of Operations.

Other Real Estate Owned (OREO)

Assets acquired through loan foreclosure are held for sale and are recorded at fair value less estimated selling costs when acquired, establishing a new cost basis. The new basis is supported by appraisals that are generally no more than twelve months old. Costs after acquisition are generally expensed. If the fair value of the asset declines, a write-down is recorded through noninterest expense. The valuation of foreclosed assets is subjective in nature and may be adjusted in the future because of changes in market conditions or appraised values.

Goodwill and Other Intangible Assets

Goodwill represents the excess of the cost of an acquisition over the fair value of the net identifiable assets acquired. Other intangible assets include purchased assets that lack physical substance but can be distinguished from goodwill because of contractual or other legal rights. Intangible assets that have finite lives, such as core deposit intangibles, are amortized over their estimated useful lives. All intangible assets are subject to periodic impairment testing. Intangible assets (other than goodwill) are amortized to expense using accelerated or straight-line methods over their respective estimated useful lives.

Goodwill is deemed to have an indefinite useful life and as such is not subject to amortization, and instead is subject to impairment testing at the reporting unit level, which must be conducted either at least annually, as well as when events or changes in circumstances indicate the assets might be impaired and/or upon the occurrence of a triggering event. Various factors, such as the Company’s results of operations, the trading price of the Company’s common stock relative to the book value per share, macroeconomic conditions and conditions in the banking sector, inform whether a triggering event for an interim goodwill impairment test has occurred. Goodwill is recorded and evaluated for impairment at its reporting unit, the Company. The Company's policy is to test goodwill for impairment annually as of December 31, or on an interim basis if an event triggering an impairment assessment is determined to have occurred.

The Company has determined that it has a single reporting unit. If the fair values of the reporting unit exceed the book value, no write-down of recorded goodwill is required. If the fair value of a reporting unit is less than book value, an expense

may be required to write-down the related goodwill to the proper carrying value. Any impairment would be recorded through a reduction of goodwill or other intangible asset and an offsetting charge to noninterest expense.

Testing of goodwill impairment comprises a two-step process. First, the Company performs a qualitative assessment to evaluate relevant events or circumstances to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. If the Company determines that it is more likely than not that an impairment has occurred, it proceeds to the quantitative impairment test, whereby it calculates the fair value of the reporting unit and compares it with its carrying amount, including goodwill. In its performance of impairment testing, the Company has the unconditional option to proceed directly to the quantitative impairment test, bypassing the qualitative assessment. If the carrying amount of the reporting unit exceeds the fair value, the amount by which the carrying amount exceeds fair value, up to the carrying value of goodwill, is recorded through earnings (loss) as an impairment charge. If the results of the qualitative assessment indicate that it is not more likely than not that an impairment has occurred, or if the quantitative impairment test results in a fair value of the reporting unit that is greater than the carrying amount, then no impairment charge is recorded.

During the second quarter ended June 30, 2024, Management determined that a triggering event had occurred as a result of the share price trading under book value for more than four quarters due to the impact of changing macroeconomic conditions and rising interest rates on the banking industry, resulting in a sustained decrease in the Company's stock price. As a result of the triggering event, the Company engaged a third-party service provider to assist Management with the determination of the fair value of the Company during the second quarter of 2024. The valuation indicated that the fair value did not exceed the carrying amount of the Company's sole reporting unit as of May 31, 2024 which resulted in a determination that goodwill had become fully impaired. The goodwill impairment charge of $104.2 million reduced the carrying value of the Company's goodwill to zero as of June 30, 2024. The impaired goodwill was primarily related to the acquisition of the Virginia Heritage Bank in October 2014. The impairment charge did not impact our cash flows, liquidity ratios, core operating performance, or regulatory capital ratios.

Interest Rate Swap Derivatives

As required by ASC Topic 815, "*Derivatives and Hedging*", the Company records all derivatives on the Consolidated Balance Sheets at fair value. The accounting for changes in the fair value of derivatives depends on the intended use of the derivative, whether the Company has elected to designate a derivative in a hedging relationship and apply hedge accounting and whether the hedging relationship has satisfied the criteria necessary to apply hedge accounting. Derivatives designated and qualifying as a hedge of the exposure to changes in the fair value of an asset, liability or firm commitment attributable to a particular risk, such as interest rate risk, are considered fair value hedges. Derivatives designated and qualifying as a hedge of the exposure to variability in expected future cash flows or other types of forecasted transactions, are considered cash flow hedges. Hedge accounting generally provides for the matching of the timing of gain or loss recognition on the hedging instrument with the recognition of the changes in the fair value of the hedged asset or liability that are attributable to the hedged risk in a fair value hedge or the earnings (loss) effect of the hedged forecasted transactions in a cash flow hedge. The Company may enter into derivative contracts that are intended to economically hedge certain of its risks, even though hedge accounting does not apply or the Company elects not to apply hedge accounting.

Revenue Recognition

The majority of our revenue-generating transactions are not subject to ASC 606 "Revenue from Contracts with Customers", including revenue generated from financial instruments, such as loans, letters of credit, derivatives and investment securities, as well as revenue related to our mortgage servicing activities, as these activities are subject to other GAAP discussed elsewhere within our disclosures. Substantially all of the Company’s revenue is generated from contracts with customers. Descriptions of our revenue-generating activities that are within the scope of ASC 606, which are presented in our Statements of Operations as components of noninterest income are as follows:

- Service charges on deposit accounts (i.e. automated teller machine ("ATM") fees) - These represent general service fees for monthly account maintenance and activity- or transaction-based fees and consist of transaction-based revenue, time-based revenue (service period), item-based revenue or some other individual attribute-based revenue. Revenue is recognized when our performance obligation is completed which is generally monthly for account maintenance services or when a transaction has been completed (such as a wire transfer). Payment for such performance obligations is generally received at the time the performance obligations are satisfied.
- Other Fees (i.e. insurance commissions, investment advisory fees, credit card fees, interchange fees) – Generally, the Company receives compensation when a customer that it refers opens an account with certain third-parties.

- Sale of OREO – The Company assesses whether it is "probable" that it will collect the consideration to which it will be entitled in exchange for transferring the asset to the customer.

Customer Repurchase Agreements

The Company enters into agreements under which it sells securities subject to an obligation to repurchase the same securities. Under these arrangements, the Company may transfer legal control over the assets but still retain effective control through an agreement that both entitles and obligates the Company to repurchase the assets. As a result, securities sold under agreements to repurchase are accounted for as collateralized financing arrangements and not as a sale and subsequent repurchase of securities. The agreements are entered into primarily as accommodations for large commercial deposit customers. The obligation to repurchase the securities is reflected as a liability in the Company's Consolidated Balance Sheets, while the securities underlying the securities sold under agreements to repurchase remain in the respective asset accounts and are delivered to and held as collateral by third party trustees.

Marketing and Advertising

Marketing and advertising costs are generally expensed as incurred.

Income Taxes

The Company employs the asset and liability method of accounting for income taxes as required by ASC 740, "*Income Taxes*." Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities (i.e. temporary differences) and are measured at the enacted rates that will be in effect when these differences reverse. We recognize deferred tax assets ("DTA") to the extent that we believe that these assets are more likely than not to be realized. In making such a determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies, carryback potential if permitted under the tax law, and results of recent operations. If we determine that we would be able to realize our DTAs in the future in excess of their recorded amount, we would make an adjustment to the DTA valuation allowance, which would reduce the provision for income taxes.

The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, the Company believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50% likely to be realized upon settlement with the applicable taxing authority.

The Company's policy is to recognize interest accrued and penalties on income taxes in other noninterest expense.

Transfer of Financial Assets

Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Company, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets and (3) the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity. In certain cases, the recourse to the Bank to repurchase assets may exist but is deemed immaterial based on the specific facts and circumstances.

Stock-Based Compensation

In accordance with ASC Topic 718, *"Compensation,"* the Company records as salaries and employee benefits expense on its Consolidated Statements of Operations an amount equal to the amortization (over the remaining service period) of the fair value of option and restricted stock awards computed at the date of grant. Salary and employee benefits expense on variable stock grants (i.e., performance based grants) is recorded based on the probability of achievement of the goals underlying the performance grant. Refer to Note 16 - "Stock-Based Compensation" for a description of stock-based compensation awards, activity and expense for the years ended December 31, 2024, 2023 and 2022. The Company records the discount from the fair market value of shares issued under its Employee Share Purchase Plan as a component of Salaries and employee benefits expense in its Consolidated Statement of Operations.

Earnings (Loss) per Common Share

Basic earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period measured. Diluted earnings (loss) per common share is computed by dividing net income (loss) available to common shareholders by the weighted-average number of common shares outstanding during the period including the potential dilutive effects of common stock equivalents.

Comprehensive Income (Loss)

Comprehensive income (loss) consists of net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains and losses on debt securities available for sale, debt securities transferred to HTM from AFS, and derivatives, net of taxes. Other comprehensive income (loss) is recognized as a separate component of equity.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe such matters exist that will have a material effect on the financial statements.

Segment Reporting

The Company has one reporting unit, one operating segment and, consequently, a single reportable segment. Refer to Note 25 - "Segment Reporting" for further details.

New Authoritative Accounting Guidance

Accounting Standards Pending Adoption

ASU No. 2023-06, *"Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative"* ("ASU 2023-06") incorporates into the Accounting Standards Codification (ASC or Codification) several U.S. Securities and Exchange Commission ("SEC") disclosure requirements under Regulations S-K and S-X. The amendments in the ASU are intended to clarify or improve disclosure and presentation requirements of a variety of Codification Topics, allow users to more easily compare entities subject to the SEC's existing disclosures with those entities that were not previously subject to the requirements, and align the requirements in the Codification with the SEC's regulations. These requirements are similar to, but require additional information than, generally accepted accounting principles. These new updates modify the disclosure or presentation requirements of a variety of Topics in the Codification. Entities should apply the amendments in ASU 2023-06 prospectively. For entities subject to the SEC's existing disclosure requirements and for entities that have to file or provide financial statements with or to the SEC for the purpose of selling or issuing securities that do not have contractual limits on transfer, the effective date for each amendment will be the date on which the SEC removes that related disclosure from its rules. As a result, the effective date will be different for each individual disclosure based on the effective date of the SEC's deletion of the related disclosure. Early adoption is prohibited. For all other entities, the effective date will be two years later. Early adoption is permitted for these entities, but not before the provisions of the ASU become effective for entities subject to SEC's regulation. The effective dates of the amendments are predicated on the SEC removing its related disclosure requirements from its regulations. However, if by June 30, 2027, the SEC has not removed the related disclosure from its regulations, the amendments will be removed from the Codification and not become effective for any entity. We are currently in the process of evaluating this guidance.

ASU No. 2023-09, *"Income Taxes (Topic 740): Improvements to Income Tax Disclosures"* ("ASU 2023-09"). The ASU requires additional income tax disclosures around effective tax rates and cash income taxes paid. ASU 2023-09 is effective for public business entities for annual periods beginning after December 15, 2024 and interim periods within those fiscal years. The Company is currently evaluating the effect that ASU 2023-09 will have on its consolidated financial statements.

ASU No. 2024-01, *"Compensation—Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards"* ("ASU 2024-01") clarifies how an entity determines whether a profits interest or similar award (hereafter a "profits interest award") is accounted for either (1) as a share-based payment arrangement, and therefore, within the scope of ASC 718 or (2) not a share-based payment arrangement and therefore within the scope of other guidance. ASU 2024-01 also

improves the clarity and operation of the guidance in ASC 718-10-15-3. The guidance in ASU 2024-01 applies to all entities that issue profits interest awards as compensation to employees or non-employees in exchange for goods or services. For public business entities, the amendments are effective for annual periods beginning after December 15, 2024, and interim periods within those annual periods. For all other entities, the amendments are effective for annual periods beginning after December 15, 2025, and interim periods within those annual periods. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. If an entity adopts the amendments in an interim period, it should adopt them as of the beginning of the annual period that includes that interim period. The amendments should be applied (i) retrospectively to all prior periods presented in the financial statements or (ii) prospectively to profits interest and similar awards granted or modified on or after the date at which the entity first applies the amendments. If the amendments are applied prospectively, an entity is required to disclose the nature of and reason for the change in accounting principle. We are currently in the process of evaluating this guidance.

ASU No. 2024-02, *"Codification Improvements—Amendments to Remove References to the Concepts Statements"* ("ASU 2024-02") amends the Accounting Standard Codification ("Codification") by removing references to various concepts statements. In most instances, the references are extraneous and not required to understand or apply the guidance. In other instances, the references were used in prior statements to provide guidance in certain topical areas. As stated in paragraph 105-10-05-3 of the Codification, FASB Concepts Statements are non-authoritative. These amendments will simplify the Codification which will further draw a distinction between authoritative and non-authoritative literature. The amendments are effective for public business entities for fiscal years beginning after December 15, 2024. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2025. Early application of the amendments is permitted for all entities, for any fiscal year or interim period for which financial statements have not yet been issued (or made available for issuance). If an entity adopts the amendments in an interim period, it must adopt them as of the beginning of the fiscal year that includes that interim period. An entity should apply the amendments using one of the following transition methods: (1) prospectively to all new transactions recognized on or after the date that the entity first applies the amendments, or (2) retrospectively to the beginning of the earliest comparative period presented in which the amendments were first applied. We are currently in the process of evaluating this guidance.

ASU No. 2024-03, "*Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40); Disaggregation of Income Statement Expenses"* ("ASU 2024-03") which requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements at interim and annual reporting periods. ASU 2024-03 adds to ASC 220-40 to require a footnote disclosure about specific expenses by requiring public business entities to disaggregate, in a tabular presentation, each relevant expense caption on the face of the income statement that includes any of the following natural expenses: (1) purchases of inventory, (2) employee compensation, (3) depreciation, (4) intangible asset amortization, and (5) depreciation, depletion, and amortization recognized as part of oil- and gas-producing activities or other types of depletion expenses. The tabular disclosure would also include certain other expenses, when applicable. ASU 2024-03 does not change or remove existing expense disclosure requirements; however, it may affect where that information appears in the footnotes to the financial statements. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. The amendments in this update should be applied either (1) prospectively to financial statements issued for reporting periods after the effective date of this Update or (2) retrospectively to any or all prior periods presented in the financial statements. We are currently in the process of evaluating this guidance.

Accounting Standards Adopted in 2024

ASU No. 2023-07,*"Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures."* ("ASU 2023-07") requires filers to disclose significant segment expenses, an amount and description for other segment items, the title and position of the entity's chief operating decision maker ("CODM") and an explanation of how the CODM uses the reported measures of profit or loss to assess segment performance, and, on an interim basis, certain segment related disclosures that previously were required only on an annual basis. ASU 2023-07 also clarifies that entities with a single reportable segment are subject to both new and existing segment reporting requirements and that an entity is permitted to disclose multiple measures of segment profit or loss, provided that certain criteria are met. ASU 2023-07 is effective for the Company for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. Since early adoption is permitted, the Company adopted the guidance prescribed under ASU 2023-07 effective January 1, 2024. Adoption of this guidance did not have a material impact on our consolidated financial statements for fiscal year 2024.

Note 2 – Cash and Due from Banks

In the years ended December 31, 2024 and 2023, the Bank maintained average daily balances at the Federal Reserve Bank of Richmond ("Federal Reserve Bank") of $1.8 billion and $1.1 billion, respectively, on which interest is paid.

Additionally, the Bank maintains interest-bearing balances with the Federal Home Loan Bank of Atlanta ("FHLB") and noninterest-bearing balances with domestic correspondent banks to cover associated costs for services they provide to the Bank.

Note 3 – Investment Securities

The following tables summarize the Company's investment in AFS and HTM securities by major security type:

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Estimated Fair Value
December 31, 2024					
Investment securities available-for-sale:					
U.S. treasury bonds	$ 24,988	$ —	$ (212)	$ —	$ 24,776
U.S. agency securities	600,277	—	(41,742)	—	558,535
Residential mortgage-backed securities	719,815	36	(94,535)	—	625,316
Commercial mortgage-backed securities	53,248	—	(4,303)	—	48,945
Municipal bonds	8,607	—	(593)	—	8,014
Corporate bonds	2,000	—	(160)	(22)	1,818
Total available-for-sale securities	$ 1,408,935	$ 36	$ (141,545)	$ (22)	$ 1,267,404

(dollars in thousands)	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Estimated Fair Value
December 31, 2024				
Investment securities held-to-maturity:				
Residential mortgage-backed securities	$ 605,904	$ —	$ (85,941)	$ 519,963
Commercial mortgage-backed securities	88,575	—	(13,069)	75,506
Municipal bonds	114,060	—	(11,389)	102,671
Corporate bonds	131,414	—	(9,172)	122,242
Total	939,953	$ —	$ (119,571)	$ 820,382
Less: allowance for credit losses	(1,306)			
Total held-to-maturity securities, net of ACL	$ 938,647			

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Allowance for Credit Losses	Estimated Fair Value
December 31, 2023					
Investment securities available-for-sale:					
U.S. treasury bonds	$ 49,894	$ —	$ (1,993)	$ —	$ 47,901
U.S. agency securities	729,090	—	(57,693)	—	671,397
Residential mortgage-backed securities	823,992	45	(96,684)	—	727,353
Commercial mortgage-backed securities	54,557	—	(4,993)	—	49,564
Municipal bonds	8,783	—	(293)	—	8,490
Corporate bonds	2,000	—	(300)	(17)	1,683
Total available-for-sale securities	$ 1,668,316	$ 45	$ (161,956)	$ (17)	$ 1,506,388

(dollars in thousands)	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Estimated Fair Value
December 31, 2023				
Investment securities held-to-maturity:				
Residential mortgage-backed securities	$ 670,043	$ —	$ (79,980)	$ 590,063
Commercial mortgage-backed securities	90,227	—	(12,867)	77,360
Municipal bonds	125,114	5	(8,540)	116,579
Corporate bonds	132,309	—	(14,729)	117,580
Total	1,017,693	$ 5	$ (116,116)	$ 901,582
Less: allowance for credit losses	(1,956)			
Total held-to-maturity securities, net of ACL	$ 1,015,737			

In addition, at December 31, 2024 and December 31, 2023, the Company held $51.8 million and $25.7 million in non marketable equity securities, respectively, in a combination of Federal Reserve System ("Federal Reserve Board," "Federal Reserve" or "FRB") and FHLB stocks, which are required to be held for regulatory purposes. These securities cannot be disposed of other than through redemption by the issuer and, if redeemed, would be redeemed at the original cost. The securities are carried at cost, classified as restricted securities, and periodically evaluated for impairment based on ultimate recovery of par value.

The Company reassessed classification of certain investments in the first quarter of 2022 and, effective March 31, 2022, it transferred a total of $1.1 billion of MBS, municipal bonds and corporate bonds from available-for-sale to held-to-maturity securities, including $237.0 million of securities acquired in the first quarter of 2022 for which its intention to hold to maturity was finalized. At the time of transfer, the Company reversed the allowance for credit losses associated with the available-for-sale securities through the provision for credit losses. The securities were transferred at their amortized cost basis, net of any remaining unrealized gain or loss reported in accumulated other comprehensive income (loss). The related unrealized loss of $66.2 million was included in other comprehensive loss at the time of transfer and, as of December 31, 2024, $44.8 million remains in accumulated other comprehensive loss, to be amortized out through interest income as a yield adjustment over the remaining term of the securities. No gain or loss was recorded at the time of transfer. Subsequent to transfer, the allowance for credit losses on these securities was evaluated under the accounting policy for held-to-maturity securities.

Accrued interest receivable on investment securities totaled $6.6 million and $7.6 million at December 31, 2024 and December 31, 2023, respectively. The accrued interest on investment securities is excluded from the amortized cost of the securities and is reported in other assets in the Consolidated Balance Sheets.

The following tables summarize, by length of time, the Company's AFS securities that have been in a continuous unrealized loss position and HTM securities that have been in a continuous unrecognized loss position:

		Less than 12 Months		12 Months or Greater		Total	
(dollars in thousands)	Number of Securities	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
December 31, 2024							
Investment securities available-for-sale:							
U.S. treasury bonds	1	$ —	$ —	$ 24,776	$ (212)	$ 24,776	$ (212)
U.S. agency securities	71	2,300	(8)	556,235	(41,734)	558,535	(41,742)
Residential mortgage-backed securities	148	7,530	(128)	616,392	(94,407)	623,922	(94,535)
Commercial mortgage-backed securities	13	—	—	48,945	(4,303)	48,945	(4,303)
Municipal bonds	1	—	—	8,014	(593)	8,014	(593)
Corporate bonds	1	—	—	1,818	(160)	1,818	(160)
Total	235	$ 9,830	$ (136)	$ 1,256,180	$ (141,409)	$ 1,266,010	$ (141,545)

(dollars in thousands)	Number of Securities	Less than 12 Months		12 Months or Greater		Total	
		Estimated Fair Value	Unrecognized Losses	Estimated Fair Value	Unrecognized Losses	Estimated Fair Value	Unrecognized Losses
December 31, 2024							
Investment securities held-to-maturity:							
Residential mortgage-backed securities	140	$ —	$ —	$ 519,963	$ (85,941)	$ 519,963	$ (85,941)
Commercial mortgage-backed securities	16	—	—	75,506	(13,069)	75,506	(13,069)
Municipal bonds	36	4,026	(75)	98,645	(11,314)	102,671	(11,389)
Corporate bonds	30	1,928	(77)	110,280	(9,095)	112,208	(9,172)
Total	222	$ 5,954	$ (152)	$ 804,394	$ (119,419)	$ 810,348	$ (119,571)

(dollars in thousands)	Number of Securities	Less than 12 Months		12 Months or Greater		Total	
		Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses	Estimated Fair Value	Unrealized Losses
December 31, 2023							
Investment securities available-for-sale:							
U.S. treasury bonds	2	$ —	$ —	$ 47,901	$ (1,993)	$ 47,901	$ (1,993)
U.S. agency securities	78	3,084	(4)	668,313	(57,689)	671,397	(57,693)
Residential mortgage-backed securities	149	—	—	718,042	(96,684)	718,042	(96,684)
Commercial mortgage-backed securities	13	—	—	49,564	(4,993)	49,564	(4,993)
Municipal bonds	1	—	—	8,490	(293)	8,490	(293)
Corporate bonds	1	—	—	1,683	(300)	1,683	(300)
Total	244	$ 3,084	$ (4)	$ 1,493,993	$ (161,952)	$ 1,497,077	$ (161,956)

(dollars in thousands)	Number of Securities	Less than 12 Months		12 Months or Greater		Total	
		Estimated Fair Value	Unrecognized Losses	Estimated Fair Value	Unrecognized Losses	Estimated Fair Value	Unrecognized Losses
December 31, 2023							
Investment securities held-to-maturity:							
Residential mortgage-backed securities	142	$ —	$ —	$ 590,063	$ (79,980)	$ 590,063	$ (79,980)
Commercial mortgage-backed securities	16	—	—	77,360	(12,867)	77,360	(12,867)
Municipal bonds	40	—	—	113,031	(8,540)	113,031	(8,540)
Corporate bonds	30	—	—	105,523	(14,729)	105,523	(14,729)
Total	228	$ —	$ —	$ 885,977	$ (116,116)	$ 885,977	$ (116,116)

Unrealized losses at December 31, 2024 were generally attributable to changes in market interest rates and interest spread relationships subsequent to the dates the securities were originally purchased, and were considered to be temporary, and not due to credit quality concerns on the investment securities. The fair values of these securities are expected to recover as the securities approach their respective maturity dates. The Company does not intend to sell and it is likely that it will not be required to sell the securities prior to their anticipated recovery.

The Company measures its AFS and HTM securities portfolios for current expected credit losses as part of its ACL analysis. For further information on provision for credit losses on AFS and HTM securities, see Allowance for Credit Losses discussion in "Note 1. Summary of Significant Accounting Policies". As of December 31, 2024 and 2023, the Company had an allowance for credit losses outstanding of 22 thousand and 17 thousand, respectively, on its AFS securities and $1.3 million and $2.0 million, respectively, on its HTM securities, each of which primarily comprise allowances for corporate bonds.

The following table summarizes the Company's investment in AFS securities and HTM securities by contractual maturity. Expected maturities for MBS will differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without call or prepayment penalties.

	December 31, 2024	
(dollars in thousands)	Amortized Cost	Estimated Fair Value
Investment securities available-for-sale:		
Within one year	$ 188,499	$ 184,939
One to five years	359,242	331,649
Five to ten years	68,580	59,826
Beyond ten years	19,551	16,751
Residential mortgage-backed securities	719,815	625,316
Commercial mortgage-backed securities	53,248	48,945
Less: allowance for credit losses	—	(22)
Total investment securities available-for-sale	1,408,935	1,267,404
Investment securities held-to-maturity:		
Within one year	6,946	6,900
One to five years	64,060	61,728
Five to ten years	105,977	96,087
Beyond ten years	68,491	60,198
Residential mortgage-backed securities:	605,904	519,963
Commercial mortgage-backed securities	88,575	75,506
Less: allowance for credit losses	(1,306)	—
Total investment securities held-to-maturity	938,647	820,382
Total	$ 2,347,582	$ 2,087,786

During the years ended December 31, 2024, 2023 and 2022, proceeds from the sale or call of investment securities were $153.0 million, $11.2 million and $14.6 million, respectively. During the year ended December 31, 2024, gross realized gains on sales and calls of investment securities were $14 thousand and gross realized losses on sales of investment securities were $0. During the year ended December 31, 2023, gross realized gains on sales of investment securities were $129 thousand and gross realized losses on sales of investment securities were $140 thousand. During the year ended December 31, 2022, gross realized gains on sales of investment securities were $18 thousand and gross realized losses on sales of investment securities were $187 thousand.

At December 31, 2024 and 2023, the book value of securities pledged as collateral for certain government deposits, securities sold under agreements to repurchase and certain lines of credit with correspondent banks was $0.4 billion and $2.1 billion, respectively, which were well in excess of required amounts in order to operationally provide significant reserve amounts for new business. As of December 31, 2024 and 2023, there were no holdings of securities of any one issuer, other than the U.S. Government and U.S. agency securities, which exceeded ten percent of shareholders' equity.

Note 4 – Loans and Allowance for Credit Losses

The Bank makes loans to customers primarily in the Washington, D.C. metropolitan area and surrounding communities. A substantial portion of the Bank's loan portfolio consists of loans to businesses secured by real estate and other business assets. HFI Loans, net of unamortized net deferred fees, at December 31, 2024 and 2023 are summarized by portfolio segment as follows:

	December 31, 2024		December 31, 2023	
(dollars in thousands)	Amount	%	Amount	%
Commercial	$ 1,183,341	15 %	$ 1,473,766	18 %
PPP loans	287	— %	528	— %
Income producing - commercial real estate	4,064,846	51 %	4,094,614	51 %
Owner occupied - commercial real estate	1,269,669	16 %	1,172,239	15 %
Real estate mortgage - residential	50,535	1 %	73,396	1 %
Construction - commercial and residential	1,210,763	15 %	969,766	12 %
Construction - C&I (owner occupied)	103,259	1 %	132,021	2 %
Home equity	51,130	1 %	51,964	1 %
Other consumer	1,058	—	401	—
Total loans	7,934,888	100 %	7,968,695	100 %
Less: allowance for credit losses	(114,390)		(85,940)	
Net loans (1)	$ 7,820,498		$ 7,882,755	

(1) Excludes accrued interest receivable of $42.9 million and $45.3 million at December 31, 2024 and 2023, respectively, which were recorded in other assets on the Consolidated Balance Sheets.

Unamortized net deferred fees and costs were $18.8 million and $27.0 million at December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the Bank serviced $63.7 million and $328.0 million, respectively, of SBA loans and other loan participations, which are not reflected as loan balances on the Consolidated Balance Sheets. During the year ended December 31, 2024, the Company sold the remaining servicing rights to all FHA loans for net proceeds of $4.8 million and a gain on sale of $1.5 million.

Real estate loans are secured primarily by duly recorded first deeds of trust or mortgages. In some cases, the Bank may accept a recorded junior trust position. In general, borrowers will have a proven ability to build, lease, manage and/or sell a commercial or residential project and demonstrate satisfactory financial condition. Additionally, an equity contribution toward the project is customarily required.

Construction loans require that the financial condition and experience of the general contractor and major subcontractors be satisfactory to the Bank. Guaranteed, fixed price contracts are required whenever appropriate, along with payment and performance bonds or completion bonds for larger scale projects.

Loans intended for residential land acquisition, lot development and construction are made on the premise that the land: 1) is or will be developed for building sites for residential structures; and 2) will ultimately be utilized for construction or improvement of residential zoned real properties, including the creation of housing. Residential development and construction loans will finance projects such as single family subdivisions, planned unit developments, townhouses and condominiums. Residential land acquisition, development and construction ("ADC") loans generally are underwritten with a maximum term of 36 months, including extensions approved at origination.

Commercial land acquisition and construction loans are secured by real property where loan funds will be used to acquire land and to construct or improve appropriately zoned real property for the creation of income producing or owner-occupied commercial properties. Borrowers are generally required to put equity into each project at levels determined by the appropriate approval authority. Commercial land acquisition and construction loans generally are underwritten with a maximum term of 24 months.

Substantially all construction draw requests must be presented in writing on American Institute of Architects documents and certified either by the contractor, the borrower and/or the borrower's architect. Each draw request shall also include the borrower's soft cost breakdown certified by the borrower or their Chief Financial Officer. Prior to an advance, the Bank or its contractor inspects the project to determine that the work has been completed, to justify the draw requisition.

Commercial permanent loans are generally secured by improved real property which is generating income in the normal course of operation. Debt service coverage, assuming stabilized occupancy, must be satisfactory to support a permanent loan. The debt service coverage ratio ("DSCR") is ordinarily at least 1.15 to 1.0. As part of the underwriting process, DSCRs are stress tested assuming a 200 basis point increase in interest rates from their current levels. Commercial permanent loans generally are underwritten with a term not greater than 10 years or the remaining useful life of the property, whichever is lower. The preferred term is between five to seven years, with amortization to a maximum of 25 years.

The Company's loan portfolio includes ADC real estate loans including both investment and owner occupied projects. ADC loans amounted to $1.8 billion at December 31, 2024. A portion of the ADC portfolio, both speculative and non-speculative, includes loan funded interest reserves at origination. ADC loans that provide for the use of interest reserves represent approximately 59% of the outstanding ADC loan portfolio at December 31, 2024. The decision to establish a loan-funded interest reserve is made upon origination of the ADC loan and is based upon a number of factors considered during underwriting of the credit including: (1) the feasibility of the project; (2) the experience of the sponsor; (3) the creditworthiness of the borrower and guarantors; (4) borrower equity contribution; and (5) the level of collateral protection. When appropriate, an interest reserve provides an effective means of addressing the cash flow characteristics of a properly underwritten ADC loan. The Company does not significantly utilize interest reserves in other loan products. The Company recognizes that one of the risks inherent in the use of interest reserves is the potential masking of underlying problems with the project and/or the borrower's ability to repay the loan. In order to mitigate this inherent risk, the Company employs a series of reporting and monitoring mechanisms on all ADC loans, whether or not an interest reserve is provided, including: (1) construction and development timelines which are monitored on an ongoing basis which track the progress of a given project to the timeline projected at origination; (2) a construction loan administration department independent of the lending function; (3) third party independent construction loan inspection reports; (4) monthly interest reserve monitoring reports detailing the balance of the interest reserves approved at origination and the days of interest carry represented by the reserve balances as compared to the then current anticipated time to completion and/or sale of speculative projects; and (5) quarterly commercial real estate construction meetings among senior Company management, which includes monitoring of current and projected real estate market conditions. If a project has not performed as expected, it is not the customary practice of the Company to increase loan funded interest reserves.

The following table details activity in the ACL by portfolio segment for the years ended December 31, 2024, 2023 and 2022. PPP loans are excluded from these tables since they do not carry an allowance for credit loss, as these loans are fully guaranteed as to principal and interest by the SBA, whose guarantee is backed by the full faith and credit of the U.S. Government. Allocation of a portion of the allowance to one category of loans does not preclude its availability to absorb losses in other categories.

(dollars in thousands)	Commercial	Income Producing - Commercial Real Estate	Owner Occupied - Commercial Real Estate	Real Estate Mortgage - Residential	Construction - Commercial and Residential	Construction - C&I (Owner Occupied)	Home Equity	Other Consumer	Total
Year Ended December 31, 2024									
Allowance for credit losses:									
Balance at beginning of year	$ 17,824	$ 40,050	$ 14,333	$ 861	$ 10,198	$ 1,992	$ 657	$ 25	$ 85,940
Loans charged-off	(4,906)	(30,284)	(3,800)	—	(129)	—	—	(88)	(39,207)
Recoveries of loans previously charged-off	373	185	94	—	—	—	—	—	652
Net loans (charged-off) and recovered	(4,533)	(30,099)	(3,706)	—	(129)	—	—	(88)	(38,555)
Provision for (reversal of) credit losses	6,099	45,234	12,027	(251)	4,516	(710)	(4)	94	67,005
Ending balance	$ 19,390	$ 55,185	$ 22,654	$ 610	$ 14,585	$ 1,282	$ 653	$ 31	$ 114,390
Year Ended December 31, 2023									
Allowance for credit losses:									
Balance at beginning of year	$ 15,655	$ 35,688	$ 12,702	$ 969	$ 7,195	$ 1,606	$ 555	$ 74	$ 74,444
Loans charged-off	(2,020)	(11,817)	—	—	(5,636)	—	—	(50)	(19,523)
Recoveries of loans previously charged-off	576	—	55	—	36	—	—	6	673
Net loans (charged-off) and recovered	(1,444)	(11,817)	55	—	(5,600)	—	—	(44)	(18,850)
Provision for (reversal of) credit losses	3,613	16,179	1,576	(108)	8,603	386	102	(5)	30,346
Ending balance	$ 17,824	$ 40,050	$ 14,333	$ 861	$ 10,198	$ 1,992	$ 657	$ 25	$ 85,940
Year Ended December 31, 2022									
Allowance for credit losses:									
Balance at beginning of year	$ 14,475	$ 38,287	$ 12,146	$ 449	$ 7,094	$ 2,005	$ 474	$ 35	$ 74,965
Loans charged-off	(1,561)	(1,355)	—	—	—	—	—	(79)	(2,995)
Recoveries of loans previously charged-off	713	25	—	—	1,627	—	—	6	2,371
Net loans (charged-off) and recovered	(848)	(1,330)	—	—	1,627	—	—	(73)	(624)
Provision for (reversal of) credit losses	2,028	(1,269)	556	520	(1,526)	(399)	81	112	103
Ending balance	$ 15,655	$ 35,688	$ 12,702	$ 969	$ 7,195	$ 1,606	$ 555	$ 74	$ 74,444

The following table presents the amortized cost basis of collateral-dependent HFI loans by portfolio segment as of December 31, 2024 and 2023:

	December 31, 2024		December 31, 2023	
(dollars in thousands)	Business/Other Assets	Real Estate	Business/Other Assets	Real Estate
Commercial	$ 1,214	$ 1,125	$ 1,674	$ 1,240
Income-producing-commercial real estate	880	167,574	1,754	39,172
Owner occupied - commercial real estate	—	37,746	—	19,836
Real estate mortgage- residential	—	—	—	1,692
Construction - commercial and residential	—	—	—	525
Home equity	—	303	—	242
Other consumer	—	—	—	—
Total	$ 2,094	$ 206,748	$ 3,428	$ 62,707

Credit Quality Indicators

The Company uses several credit quality indicators to manage credit risk in an ongoing manner. The Company's primary credit quality indicator is an internal credit risk rating system that categorizes loans into pass, special mention or classified categories. Credit risk ratings are applied individually to those classes of loans that have significant or unique credit characteristics that benefit from a case-by-case evaluation. These are typically loans to businesses or individuals in the classes which comprise the commercial portfolio segment. Groups of loans that are underwritten and structured using standardized criteria and characteristics, such as statistical models (e.g., credit scoring or payment performance), are typically risk rated and monitored collectively. These are typically loans to individuals in the classes which comprise the consumer portfolio segment.

The following are the definitions of the Company's credit quality indicators:

Pass: Loans in all classes that comprise the commercial and consumer portfolio segments that are not adversely rated, are contractually current as to principal and interest and are otherwise in compliance with the contractual terms of the loan agreement. Management believes that there is a low likelihood of loss related to those loans that are considered pass.

Special Mention: Loans in the classes that comprise the commercial portfolio segment that have potential weaknesses that deserve management's close attention. If not addressed, these potential weaknesses may result in deterioration of the repayment prospects for the loan. The special mention credit quality indicator is not used for classes of loans that comprise the consumer portfolio segment. Management believes that there is a moderate likelihood of some loss related to those loans that are considered special mention.

Classified: Classified (a) Substandard – Loans inadequately protected by the current sound worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the company will sustain some loss if the deficiencies are not corrected. Loss potential, while existing in the aggregate amount of substandard loans, does not have to exist in individual loans classified substandard.

Classified (b) Doubtful – Loans that have all the weaknesses inherent in a loan classified substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage and strengthening of the assets, its classification as an estimated loss is deferred until its more exact status may be determined.

The Company's credit quality indicators are generally updated annually, however, credits rated "Special Mention" or below are reviewed more frequently. Based on the most recent analysis performed, the amortized cost basis of HFI loans, as of December 31, 2024 and 2023, by risk category, class and year of origination, along with any charge-offs that were recorded in the applicable loan segment, if applicable, were as follows:

(dollars in thousands)	Prior	2020	2021	2022	2023	2024	Revolving Loans Amort. Cost Basis	Revolving Loans Convert. to Term	Total
December 31, 2024									
Commercial:									
Pass	$ 132,595	$ 26,775	$ 133,400	$ 110,439	$ 89,608	$ 104,927	$ 513,645	$ 4,394	$ 1,115,783
Special Mention	7,828	3,479	—	—	—	—	18,384	—	29,691
Substandard	11,404	3,713	2,128	519	—	—	12,223	7,880	37,867
Total	151,827	33,967	135,528	110,958	89,608	104,927	544,252	12,274	1,183,341
YTD gross charge-offs	(4,350)	—	—	—	—	—	(506)	(50)	(4,906)
PPP loans:									
Pass	—	—	287	—	—	—	—	—	287
Income producing - commercial real estate:									
Pass	1,442,246	176,268	626,527	680,822	276,731	151,535	216,363	29,243	3,599,735
Special Mention	74,251	91,643	—	20,600	—	—	—	—	186,494
Substandard	266,309	1,808	—	—	—	—	10,500	—	278,617
Total	1,782,806	269,719	626,527	701,422	276,731	151,535	226,863	29,243	4,064,846
YTD gross charge-offs	(29,898)	(386)	—	—	—	—	—	—	(30,284)
Owner occupied - commercial real estate:									
Pass	622,258	57,611	219,162	39,221	138,860	69,623	299	—	1,147,034
Special Mention	23,658	—	—	—	—	—	—	—	23,658
Substandard	96,634	1,248	—	1,095	—	—	—	—	98,977
Total	742,550	58,859	219,162	40,316	138,860	69,623	299	—	1,269,669
YTD gross charge-offs	(3,800)	—	—	—	—	—	—	—	(3,800)
Real estate mortgage - residential:									
Pass	20,080	2,435	9,972	12,181	5,867	—	—	—	50,535
Total	20,080	2,435	9,972	12,181	5,867	—	—	—	50,535
YTD gross charge-offs									—
Construction - commercial and residential:									
Pass	26,739	38,385	199,933	595,496	202,577	7,588	124,508	—	1,195,226
Special Mention	—	—	4,964	—	—	—	—	—	4,964
Substandard	5,683	—	4,890	—	—	—	—	—	10,573
Total	32,422	38,385	209,787	595,496	202,577	7,588	124,508	—	1,210,763
YTD gross charge-offs	(129)	—	—	—	—	—	—	—	(129)
Construction - C&I (owner occupied):									
Pass	6,063	24,632	—	36,544	8,458	26,730	832	—	103,259
Home equity									
Pass	1,366	71	35	116	—	—	48,443	765	50,796
Substandard	59	—	222	—	—	—	53	—	334
Total	1,425	71	257	116	—	—	48,496	765	51,130
YTD gross charge-offs									—
Other consumer									
Pass	3	—	—	—	—	49	1,006	—	1,058
YTD gross charge-offs	(70)	—	—	—	—	—	(17)	(1)	(88)
Total Recorded Investment	$ 2,737,176	$ 428,068	$ 1,201,520	$ 1,497,033	$ 722,101	$ 360,452	$ 946,256	$ 42,282	$ 7,934,888
Total YTD gross charge-offs	$ (38,247)	$ (386)	$ —	$ —	$ —	$ —	$ (523)	$ (51)	$ (39,207)

(dollars in thousands)	Prior	2019	2020	2021	2022	2023	Revolving Loans Amort. Cost Basis	Revolving Loans Convert. to Term	Total
December 31, 2023									
Commercial:									
Pass	$ 157,563	$ 48,524	$ 39,133	$ 194,555	$ 149,320	$ 191,889	$ 623,684	$ 5,207	$ 1,409,875
Special Mention	1,415	—	—	—	—	—	2,259	—	3,674
Substandard	13,797	58	10,337	1,509	222	—	33,670	624	60,217
Total	172,775	48,582	49,470	196,064	149,542	191,889	659,613	5,831	1,473,766
YTD gross charge-offs	(885)	—	—	—	—	—	—	(1,135)	(2,020)
PPP loans:									
Pass	—	—	—	528	—	—	—	—	528
Income producing - commercial real estate:									
Pass	1,257,937	326,999	328,743	517,957	732,291	327,126	263,317	1,845	3,756,215
Special Mention	84,585	44,424	6,740	—	—	—	—	—	135,749
Substandard	139,961	62,689	—	—	—	—	—	—	202,650
Total	1,482,483	434,112	335,483	517,957	732,291	327,126	263,317	1,845	4,094,614
YTD gross charge-offs	(11,817)	—	—	—	—	—	—	—	(11,817)
Owner occupied - commercial real estate:									
Pass	534,525	103,034	35,385	202,776	41,907	125,934	673	55	1,044,289
Special Mention	54,288	13,348	—	—	—	—	—	—	67,636
Substandard	37,167	—	1,274	—	—	—	—	21,873	60,314
Total	625,980	116,382	36,659	202,776	41,907	125,934	673	21,928	1,172,239
Real estate mortgage - residential:									
Pass	22,877	7,545	2,186	15,967	14,756	5,895	—	—	69,226
Substandard	4,170	—	—	—	—	—	—	—	4,170
Total	27,047	7,545	2,186	15,967	14,756	5,895	—	—	73,396
Construction - commercial and residential:									
Pass	30,619	3,440	45,739	251,038	419,393	87,400	124,013	—	961,642
Substandard	8,124	—	—	—	—	—	—	—	8,124
Total	38,743	3,440	45,739	251,038	419,393	87,400	124,013	—	969,766
YTD gross charge-offs	(136)	(5,500)	—	—	—	—	—	—	(5,636)
Construction - C&I (owner occupied):									
Pass	18,551	4,265	56,361	618	33,237	12,619	6,370	—	132,021
Home equity:									
Pass	1,590	—	87	151	118	—	49,035	643	51,624
Substandard	—	36	—	—	—	—	62	242	340
Total	1,590	36	87	151	118	—	49,097	885	51,964
Other consumer:									
Pass	1	—	—	—	46	—	354	—	401
Total	1	—	—	—	46	—	354	—	401
YTD gross charge-offs	(50)	—	—	—	—	—	—	—	(50)
Total Recorded Investment	$ 2,367,170	$ 614,362	$ 525,985	$ 1,185,099	$ 1,391,290	$ 750,863	$ 1,103,437	$ 30,489	$ 7,968,695
Total YTD gross charge-offs	$ (12,888)	$ (5,500)	$ —	$ —	$ —	$ —	$ —	$ (1,135)	$ (19,523)

Nonaccrual and Past Due Loans

Loans are considered past due if the required principal and interest payments have not been received as of the date such payments were due. Loans are placed on nonaccrual status when, in management’s opinion, the borrower may be unable to meet payment obligations as they become due, as well as when required by regulatory provisions. Loans may be placed on nonaccrual status regardless of whether or not such loans are considered past due. Interest income is subsequently recognized only to the extent cash payments are received in excess of principal due. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

The following table presents, by portfolio segment, information related to the amortized cost basis of nonaccrual HFI loans as of December 31, 2024 and 2023.

	December 31, 2024			December 31, 2023		
(dollars in thousands)	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Losses	Total Nonaccrual Loans	Nonaccrual with No Allowance for Credit Loss	Nonaccrual with an Allowance for Credit Losses	Total Nonaccrual Loans
Commercial	$ 1,439	$ 609	$ 2,048	$ 1,002	$ 1,047	$ 2,049
Income producing - commercial real estate	47,224	121,230	168,454	40,926	—	40,926
Owner occupied - commercial real estate	642	37,102	37,744	19,836	—	19,836
Real estate mortgage - residential	—	157	157	—	1,946	1,946
Construction- commercial and residential	—	—	—	—	525	525
Home equity	303	—	303	242	—	242
Other consumer	—	—	—	—	—	—
Total [(1)]	$ 49,608	$ 159,098	$ 208,706	$ 62,006	$ 3,518	$ 65,524

(1) Gross coupon interest income of $8.8 million, $4.2 million and $558 thousand would have been recorded for years ended December 31, 2024, 2023 and 2022, respectively, if nonaccrual loans shown above had been current and in accordance with their original terms, while interest actually recorded on such loans were $4.1 million, $1.5 million and $17 thousand for the years ended December 31, 2024, 2023 and 2022, respectively. See Note 1 to the Consolidated Financial Statements for a description of the Company's policy for placing loans on nonaccrual status.

The following table presents, by portfolio segment, an aging analysis and the recorded investments in HFI loans past due as of December 31, 2024 and 2023:

(dollars in thousands)	Loans 30-59 Days Past Due	Loans 60-89 Days Past Due	Loans 90 Days or More Past Due	Total Past Due Loans	Current Loans	Nonaccrual Loans	Total Recorded Investment in Loans
December 31, 2024							
Commercial	$ 5,121	$ 3,759	$ —	$ 8,880	$ 1,172,413	$ 2,048	$ 1,183,341
PPP loans	—	—	—	—	287	—	287
Income producing - commercial real estate	13,804	—	—	13,804	3,882,588	168,454	4,064,846
Owner occupied - commercial real estate	2,968	—	—	2,968	1,228,957	37,744	1,269,669
Real estate mortgage – residential	—	—	—	—	50,378	157	50,535
Construction - commercial and residential	—	1,031	—	1,031	1,209,732	—	1,210,763
Construction - C&I (owner occupied)	—	—	—	—	103,259	—	103,259
Home equity	52	—	—	52	50,775	303	51,130
Other consumer	28	—	—	28	1,030	—	1,058
Total	$ 21,973	$ 4,790	$ —	$ 26,763	$ 7,699,419	$ 208,706	$ 7,934,888
December 31, 2023							
Commercial	$ 985	$ 7,048	$ —	$ 8,033	$ 1,463,684	$ 2,049	$ 1,473,766
PPP loans	—	—	—	—	528	—	528
Income producing - commercial real estate	—	—	—	—	4,053,688	40,926	4,094,614
Owner occupied - commercial real estate	1,274	—	—	1,274	1,151,129	19,836	1,172,239
Real estate mortgage – residential	2,089	—	—	2,089	69,361	1,946	73,396
Construction - commercial and residential	2,056	—	—	2,056	967,185	525	969,766
Construction - C&I (owner occupied)	—	—	—	—	132,021	—	132,021
Home equity	197	—	—	197	51,525	242	51,964
Other consumer	—	—	—	—	401	—	401
Total	$ 6,601	$ 7,048	$ —	$ 13,649	$ 7,889,522	$ 65,524	$ 7,968,695

Loan Modifications for Borrowers Experiencing Financial Difficulty

The Company evaluates all loan modifications according to the accounting guidance to determine if the modification results in a new loan or a continuation of the existing loan. Loan modifications to borrowers experiencing financial difficulties that result in a direct change in the timing or amount of contractual cash flows include situations where there is principal forgiveness, interest rate reductions, other-than-insignificant payment delays, term extensions, and combinations of the listed modifications. Modifications with terms not as favorable to the Company as the terms for comparable loans to other customers with similar collection risk who are not refinancing or restructuring a loan with the Company and which have a direct impact on cash flows are considered modified loans to borrowers experiencing financial difficulty.

The Company may offer various types of modifications when restructuring a loan. Commercial and industrial loans modified in a loan restructuring often involve temporary interest-only payments, term extensions, and converting revolving credit lines to term loans. Additional collateral, a co-borrower, or a guarantor is often requested.

Commercial mortgage and construction loans modified in a loan restructuring often involve reducing the interest rate for the remaining term of the loan, extending the maturity date at an interest rate lower than the current market rate for new debt with similar risk, or substituting or adding a new borrower or guarantor. Construction loans modified in a loan restructuring may also involve extending the interest-only payment period.

Loans modified in a loan restructuring for the Company may have the financial effect of increasing the specific allowance associated with the loan. An allowance for consumer and commercial loans that have been modified in a loan restructuring is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's observable market price, or the estimated fair value of the collateral, less any selling costs, if the loan is collateral dependent. Management exercises significant judgment in developing these estimates.

Commercial and consumer loans modified in a loan restructuring are closely monitored for delinquency as an early indicator of possible future default. If loans modified in a loan restructuring subsequently default, the Company evaluates the loan for possible further loss. The allowance may be increased, adjustments may be made in the allocation of the allowance, or partial charge-offs may be taken to further write-down the carrying value of the loan.

The following table presents the amortized cost basis as of December 31, 2024 and 2023, and the financial effect of HFI loans modified to borrowers experiencing financial difficulty during the years ended December 31, 2024 and 2023:

(dollars in thousands)	Term Extension	Combination - Term Extension and Principal Payment Delay	Combination - Principal Payment Delay and Interest Rate Reduction	Combination - Term Extension, Principal Payment Delay and Interest Rate Reduction	Total	Percentage of Total Loan Type	Weighted Average Term and Principal Payment Extension (1)	Weighted Average Interest Rate Reduction (2)
December 31, 2024								
Commercial	$ 27,249	$ 28,576	$ 7,728	$ —	$ 63,553	5.3 %	13 months	1.63 %
Income producing - commercial real estate	25,290	288,111	—	3,514	316,915	7.8 %	8 months	3.59 %
Owner occupied - commercial real estate	870	—	—	—	870	0.1 %	12 months	— %
Construction - commercial and residential	—	20,454	—	—	20,454	1.7 %	9 months	— %
Total	$ 53,409	$ 337,141	$ 7,728	$ 3,514	$ 401,792			
December 31, 2023								
Commercial	$ 14,182	$ 21,003	$ —	$ —	$ 35,185	2.4 %	11 months	— %
Income producing - commercial real estate	7,191	62,356	—	106,256	175,803	4.3 %	16 months	2.56 %
Owner occupied - commercial real estate	—	19,127	—	—	19,127	1.6 %	9 months	— %
Construction - commercial and residential	7,095	—	—	—	7,095	0.7 %	12 months	— %
Total	$ 28,468	$ 102,486	$ —	$ 106,256	$ 237,210			

(1) For loans that received multiple modifications during the year, weighted average term and principal payment extensions were calculated based on the aggregate impact of the extensions received during the period.

(2) The weighted average is calculated based on the total amortized cost of loans, at the year-end, that received interest rate reduction modifications during the year.

The following table presents the performance of HFI loans modified during the prior twelve months to borrowers experiencing financial difficulty during the years ended December 31, 2024 and 2023:

	December 31, 2024			
	Payment Status (Amortized Cost Basis)			
(dollars in thousands)	Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual
Commercial	$ 58,169	$ 5,384	$ —	$ —
Income producing - commercial real estate	185,185	—	—	131,730
Owner occupied - commercial real estate	870	—	—	—
Construction - commercial and residential	20,454	—	—	—
Total	$ 264,678	$ 5,384	$ —	$ 131,730

(dollars in thousands)	December 31, 2023 Payment Status (Amortized Cost Basis) Current	30-89 Days Past Due	90 Days or More Past Due	Nonaccrual
Commercial	$ 30,790	$ 4,395	$ —	$ —
Income producing - commercial real estate	137,252	—	—	38,551
Owner occupied - commercial real estate	—	—	—	19,127
Construction - commercial and residential	7,095	—	—	—
Total	$ 175,137	$ 4,395	$ —	$ 57,678

The Company monitors loan payments on performing and nonperforming loans on an on-going basis to determine if a loan is considered to have a payment default. To determine the existence of a payment default, the Company analyzes the economic conditions that exist for each borrower and their ability to generate positive cash flow during a given loan's term.

The following table presents the amortized cost basis of HFI loans that were experiencing payment default at December 31, 2024 and 2023 and were modified in the twelve months prior to that default to borrowers experiencing financial difficulty:

(dollars in thousands)	December 31, 2024 Amortized Cost Basis Term Extension	Combination - Term Extension and Principal Payment Delay	Combination - Term Extension, Principal Payment Delay and Interest Rate Reduction
Commercial	$ 5,384	$ —	$ —
Income producing - commercial real estate	—	131,730	—
Owner occupied - commercial real estate	—	—	—
Construction - commercial and residential	—	—	—
Total	$ 5,384	$ 131,730	$ —

(dollars in thousands)	December 31, 2023 Amortized Cost Basis Term Extension	Combination - Term Extension and Principal Payment Delay	Combination - Term Extension, Principal Payment Delay and Interest Rate Reduction
Commercial	$ 4,395	$ —	$ —
Income producing - commercial real estate	—	—	38,551
Owner occupied - commercial real estate	—	19,127	—
Total	$ 4,395	$ 19,127	$ 38,551

The Company individually evaluates nonaccrual loans when performing its CECL estimate to calculate the ACL. Additionally, the Company utilizes historical internal and third-party service provider sourced loss data in the determination of its PD/LGD rates applied in the calculation of its CECL estimate. Upon determination that a modified loan (or a portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is charged off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the ACL is adjusted by the same amount.

Related Party Loans

Certain directors and executive officers of the Company and the Bank and certain affiliated entities of such directors and executive officers have had loan transactions with the Company. All of such loans are either fully repaid or performing and none of such loans are nonaccrual, past due, restructured, or rated substandard or worse (not on nonaccrual).

Amounts in “additions due to changes in related party status” or "removals due to changes in related party status" reflect loans that transitioned to being related party loans or out of being related party loans during the years presented as a

result of changes in related party status with respect to certain of the Company's directors who are affiliated with the related borrowers.

The following table summarizes the activity of loans outstanding to borrowers with relationships to related parties in 2024 and 2023:

(dollars in thousands)	2024	2023
Balance at January 1,	$ 836	$ 119,198
Additions	—	283
Repayments	(534)	(44,645)
Removals due to changes in related party status	—	(74,000)
Balance at December 31,	$ 302	$ 836

Note 5 – Premises and Equipment

Premises and equipment include the following at December 31:

(dollars in thousands)	2024	2023
Leasehold improvements	$ 28,566	$ 29,042
Furniture, fixtures and equipment	19,625	19,600
Less: accumulated depreciation and amortization	(40,497)	(38,453)
Total premises and equipment, net	$ 7,694	$ 10,189

Total depreciation and amortization expense for the years ended December 31, 2024, 2023 and 2022 was $2.8 million, $3.4 million and $3.2 million, respectively.

Note 6 – Leases

The Company accounts for leases in accordance with ASC Topic 842. A lease is defined as a contract that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. Substantially all of the leases in which the Company is the lessee comprise real estate for branch offices, ATM locations and corporate office space. Substantially all of our leases are classified as operating leases and are included in operating lease right-of-use ("ROU") assets and operating lease liabilities in the consolidated balance sheets.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. In determining the present value of the lease payments, we use the implicit lease rate if available. If the implicit lease rate is not available, we use the incremental borrowing rate at commencement date. The incremental borrowing rate is the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment.

As of December 31, 2024 and December 31, 2023, the Company had $18.5 million and $19.1 million of operating lease ROU assets respectively, and $23.8 million and $23.2 million of operating lease liabilities respectively, on the Company's Consolidated Balance Sheets. The Company elects not to recognize ROU assets and lease liabilities arising from short-term leases, leases with initial terms of twelve months or less or equipment leases (deemed immaterial) on the Consolidated Balance Sheets.

The leases contain options to extend or terminate the lease, which are recognized as part of the ROU assets and lease liabilities when an economic benefit to exercise the option exists and there is a 90% probability that the Company will exercise the option. If these criteria are not met, the options are not included in our ROU assets and lease liabilities.

As of December 31, 2024, our leases do not contain material residual value guarantees or impose restrictions or covenants related to dividends or the Company's ability to incur additional financial obligations.

During the year ended December 31, 2024, the Company entered into a new lease agreement for its headquarters in Bethesda, MD, which is further discussed below. The Company also extended two existing leases, one each in Maryland and District of Columbia, and one additional lease expired during the same period.

The following table presents lease costs and other lease information.

(dollars in thousands)	Years Ended December 31, 2024	2023
Lease cost		
Operating lease cost (cost resulting from lease payments)	$ 6,124	$ 6,590
Variable lease cost (cost excluded from lease payments)	694	1,000
Sublease income	(40)	(119)
Net lease cost	$ 6,778	$ 7,471
Operating lease - operating cash flows (fixed payments)	$ 6,524	$ 7,198

(dollars in thousands)	December 31, 2024	December 31, 2023
Right-of-use assets - operating leases	$ 18,494	$ 19,129
Operating lease liabilities	$ 23,815	$ 23,238
Weighted average lease term - operating leases	6.78 yrs	4.93 yrs
Weighted average discount rate - operating leases	3.03 %	2.78 %

Future minimum payments for operating leases with initial or remaining terms of one year or more as of December 31, 2024 were as follows:

(dollars in thousands)	
Twelve months ended:	
December 31, 2025	$ 5,688
December 31, 2026	3,406
December 31, 2027	3,456
December 31, 2028	3,054
December 31, 2029	2,618
Thereafter	8,547
Total future minimum lease payments	26,769
Amounts representing interest	(2,954)
Present value of net future minimum lease payments	$ 23,815

Recognizing the connection between high-quality and high-performing workplaces coupled with a desire to maintain a strong presence in the community we serve, EagleBank has entered into a long-term lease agreement to relocate its corporate headquarters to 7500 Old Georgetown Road in downtown Bethesda, MD in 2025. The lease commencement date is January 1, 2025, and matures on July 31, 2037.

Note 7 – Goodwill and Intangible Assets

Intangible assets are included in the Consolidated Balance Sheets as a separate line item, net of accumulated amortization and consist of the following items:

(dollars in thousands)	Net Intangible Assets	Additions	Accumulated Amortization	Impairment	Net Intangible Assets
December 31, 2024:					
Goodwill	$ 104,168	$ —	$ —	$ (104,168)	$ —
Excess servicing [(1)]	37	—	(21)	—	16
Non-compete agreements	720	—	(720)	—	—
Total	$ 104,925	$ —	$ (741)	$ (104,168)	$ 16
December 31, 2023:					
Goodwill	$ 104,168	$ —	$ —	$ —	$ 104,168
Excess servicing [(1)]	65	—	(28)	—	37
Non-compete agreements	—	1,234	(514)	—	720
Total	$ 104,233	$ 1,234	$ (542)	$ —	$ 104,925

(1) The Company recognizes a servicing asset for the computed value of servicing fees on the sale of multifamily FHA loans and the sale of the guaranteed portion of SBA loans. Assumptions related to loan terms and amortization are made to arrive at the initial recorded values, which are included in other assets. The Company has suspended its origination and selling activities in multifamily FHA loans, and therefore, as of December 31, 2024, the Company had no unamortized excess servicing assets for multifamily FHA loans.

The aggregate amortization expense was $741 thousand, $542 thousand and $89 thousand for the years ended December 31, 2024, 2023 and 2022, respectively.

During the second quarter ended June 30, 2024, Management determined that a triggering event had occurred as a result of the share price trading under book value for more than four quarters due to changes in macroeconomic conditions and market volatility in the financial markets and the banking industry due to the impact from rising interest rates. As a result of the triggering event, the Company engaged a third-party service provider to assist Management with the determination of the fair value of the Company in the second quarter of 2024. The resulting calculations indicated that the fair value did not exceed the carrying amount of the Company's only reporting unit as of May 31, 2024 which resulted in a determination that goodwill had become fully impaired. The goodwill impairment charge of $104.2 million reduced fully the carrying value of the Company's goodwill as of May 31, 2024. The impaired goodwill is primarily related to the acquisition of the Virginia Heritage Bank in October 2014. The impairment charge did not impact our cash flows, liquidity ratios, core operating performance, or regulatory capital ratios.

Note 8 – Other Real Estate Owned

The activity within OREO for the years ended December 31, 2024 and 2023 is presented in the table below. There were no properties in the process of foreclosure as of December 31, 2024 and 2023. For the years ended December 31, 2024 and 2023, there were two sales of OREO during each year.

	Years Ended December 31,	
(dollars in thousands)	2024	2023
Beginning Balance	$ 1,108	$ 1,962
Real estate acquired from borrowers	2,370	—
Properties sold	(735)	(854)
Ending Balance	$ 2,743	$ 1,108

Note 9 – Derivatives and Hedging Activities

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity and credit risk primarily by managing the amount, sources and duration of its assets and liabilities and the use of derivative financial instruments.

Cash Flow Hedges of Interest Rate Risk

The Company historically utilized interest rate swaptions, accounted for as cash flow hedges, to protect itself against adverse fluctuations in interest rates on a forecasted issuance of debt. During the year ended December 31, 2024, the Company terminated its interest rate swaption contracts and discontinued the associated hedging relationship. The amount in accumulated other comprehensive income (loss) related to the swaption contracts is being amortized over the remainder of the hedged transaction. The Company expects to reclassify the remaining $24 thousand out of accumulated other comprehensive loss over the next year as a reduction of interest expense.

Interest Rate Products

Interest rate derivatives not designated as hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate caps and swaps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate derivatives associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings (loss).

The Company entered into credit risk participation agreements ("RPAs") with institutional counterparties, under which the Company assumes its pro-rata share of the credit exposure associated with a borrower's performance related to interest rate derivative contracts in exchange for a fee. The fair value of RPAs is calculated by determining the total expected asset or liability exposure of the derivatives to the borrowers and applying the borrowers' credit spread to that exposure. Total expected exposure incorporates both the current and potential future exposure of the derivatives, derived from using observable inputs, such as yield curves and volatilities.

Credit Risk Related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision where if the Company defaults on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

The Company is exposed to credit risk in the event of nonperformance by the interest rate derivative counterparty. The Company minimizes this risk by entering into derivative contracts with only large, stable financial institutions, and the Company has not experienced, and does not expect, any losses from counterparty nonperformance on the interest rate derivatives. The Company monitors counterparty risk in accordance with the provisions of ASC 815, *"Derivatives and Hedging."* In addition, the interest rate derivative agreements contain language outlining collateral-pledging requirements for each counterparty. At December 31, 2024, the Company had posted $17.4 million of cash collateral with other financial institutions and held $30.5 million of cash collateral on behalf of other financial institutions.

The interest rate derivative agreements detail: 1) that collateral be posted when the market value exceeds certain threshold limits associated with the secured party's exposure; 2) if the Company defaults on any of its indebtedness (including default where repayment of the indebtedness has not been accelerated by the lender), then the Company could also be declared in default on its derivative obligations; and 3) if the Company fails to maintain its status as a well-capitalized institution then the counterparty could terminate the derivative positions and the Company would be required to settle its obligations under the agreements.

The table below identifies the balance sheet category and fair value of the Company's derivative instruments as of December 31, 2024 and 2023. The Company has a minimum collateral posting threshold with its derivative counterparty. If the Company had breached any provisions under the agreement at December 31, 2024, it could have been required to settle its obligations under the agreement at the termination value.

	December 31, 2024			December 31, 2023		
(dollars in thousands)	Notional Amount	Fair Value	Balance Sheet Category	Notional Amount	Fair Value	Balance Sheet Category
Derivatives in an asset position:						
Derivatives designated as hedging instruments:						
Interest rate product	$ —	$ —	Other Assets	$ 300,000	$ 374	Other Assets
Derivatives not designated as hedging instruments:						
Interest rate product	697,086	31,592	Other Assets	651,429	30,288	Other Assets
Credit risk participation agreements	49,480	—	Other Liabilities	49,480	3	Other Assets
	746,566	31,592		700,909	30,291	
Total derivatives in an asset position	$ 746,566	$ 31,592		$ 1,000,909	$ 30,665	
Derivatives in a liability position:						
Derivatives not designated as hedging instruments:						
Interest rate product	$ 697,086	$ 29,110	Other Liabilities	$ 654,757	$ 30,555	Other Liabilities

The table below presents the pre-tax net gains (losses) of the Company's designated cash flow hedges for the years ended December 31, 2024, 2023 and 2022.

The Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Income (Loss)

	Amount of Gain (Loss) Recognized in OCI			Location of Gain (Loss) Recognized from Accumulated Other Comprehensive Income (Loss) into Income (Loss)	Amount of Gain (Loss) Reclassified from Accumulated OCI into Income		
(dollars in thousands)	Total	Included Component	Excluded Component		Total	Included Component	Excluded Component
Year ended December 31, 2024:							
Derivatives in cash flow hedging relationships:							
Interest rate products	$ —	$ —	$ —	Interest expense	$ 32	$ 32	$ —
Year ended December 31, 2023							
Derivatives in cash flow hedging relationships:							
Interest rate products	$ (256)	$ —	$ (256)	Interest expense	$ (14)	$ —	$ (14)
Year ended December 31, 2022							
Derivatives in cash flow hedging relationships:							
Interest rate products	$ —	$ —	$ —	Interest expense	$ —	$ —	$ —

The tables below present the effect of the Company's derivative financial instruments on the Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022.

The Effect of Cash Flow Hedge Accounting on the Consolidated Statements of Operations

	Year Ended Years Ended		
	2024	2023	2022
(dollars in thousands)	Interest Expense	Interest Expense	Interest Expense
Total amounts of expense line items presented in the Consolidated Statements of Operations in which the effects of cash flow hedges are recorded	$ 32	$ (14)	$ —
The effect of cash flow hedging:			
Gain (loss) on cash flow hedging relationships:			
Interest rate products:			
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (loss)	$ 32	$ (14)	$ —
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (loss) - included component	$ 32	$ —	$ —
Amount of gain (loss) reclassified from accumulated other comprehensive income (loss) into income (loss) - excluded component	$ —	$ (14)	$ —

Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Operations

		Amount of Gain or (Loss) Recognized in Income on Derivatives		
		Year Ended Years Ended		
(dollars in thousands)	Location of Gain or (Loss) Recognized in Income on Derivative	2024	2023	2022
Derivatives Not Designated as Hedging Instruments under ASC 815-20:				
Interest rate products	Other income / (expense)	$ 1,940	$ 2,712	$ 3,057
Mortgage banking derivatives	Other income	—	—	671
Total		$ 1,940	$ 2,712	$ 3,728

Balance Sheet Offsetting: Our interest rate swap derivatives are eligible for offset in the Consolidated Balance Sheets and are subject to master netting arrangements. Our derivative transactions with counterparties are generally executed under International Swaps and Derivative Association ("ISDA") master agreements which include "right of set-off" provisions. In such cases there is generally a legally enforceable right to offset recognized amounts and there may be an intention to settle such amounts on a net basis. The Company generally presents such financial instruments gross for financial reporting purposes.

Note 10 – Deposits

The following table provides information regarding the Bank's deposit composition at December 31, 2024 and 2023 as well as the average rate being paid on interest bearing deposits for the month of December 2024 and 2023.

	December 31,	
(dollars in thousands)	2024	2023
Noninterest-bearing demand	$ 1,544,403	$ 2,279,081
Interest-bearing transaction	1,211,791	997,448
Savings and money market	3,599,221	3,314,043
Time deposits	2,775,663	2,217,467
Total	$ 9,131,078	$ 8,808,039

The remaining maturity of time deposits at December 31, 2024 and 2023 were as follows:

(dollars in thousands)	2024	2023
2024	$ —	$ 1,445,395
2025	2,210,348	576,379
2026	513,984	180,384
2027	8,392	5,482
2028	10,556	9,827
2029	32,383	—
Thereafter	—	—
Total	$ 2,775,663	$ 2,217,467

(dollars in thousands)	2024	2023
Three months or less	$ 337,671	$ 342,552
More than three months through six months	578,371	544,230
More than six months through twelve months	1,294,306	558,613
Over twelve months	565,315	772,072
Total	$ 2,775,663	$ 2,217,467

Interest expense on deposits for the years ended December 31, 2024, 2023 and 2022 was as follows:

(dollars in thousands)	2024	2023	2022
Interest-bearing transaction	$ 60,573	$ 46,140	$ 6,721
Savings and money market	139,539	132,374	65,777
Time deposits	120,309	79,030	10,763
Total	$ 320,421	$ 257,544	$ 83,261

Related Party deposits totaled $28.6 million and $33.1 million at December 31, 2024 and 2023, respectively.

As of December 31, 2024 and 2023, time deposit accounts in excess of $250 thousand were as follows:

(dollars in thousands)	2024	2023
Three months or less	$ 189,817	$ 119,880
More than three months through six months	387,849	318,353
More than six months through twelve months	710,021	368,103
Over twelve months	421,530	726,758
Total	$ 1,709,217	$ 1,533,094

At December 31, 2024, total brokered deposits were $4.0 billion, or 44% of total deposits, of which $1.4 billion were attributable to the Certificates of Deposit Account Registry Service ("CDARS") and Insured Cash Sweep ("ICS") two-way accounts. At December 31, 2023, total brokered deposits (which did not include the CDARS and ICS two-way) were $2.5 billion, or 29% of total deposits.

Note 11 – Affordable Housing Projects Tax Credit Partnerships

Included in Other Assets, the Company makes equity investments in various limited partnerships that sponsor affordable housing projects utilizing the Low Income Housing Tax Credit (“LIHTC”) pursuant to Section 42 of the Internal Revenue Code. The purpose of these investments is to achieve a satisfactory return on capital, to facilitate the sale of affordable housing products offerings and to assist in achieving goals associated with the Community Reinvestment Act. The primary

activities of the limited partnerships include the identification, development and operation of multi-family housing that is leased to qualifying residential tenants. Generally, these types of investments are funded through a combination of debt and equity.

The Company is a limited partner in each LIHTC limited partnership. Each limited partnership is managed by an unrelated third party general partner who exercises significant control over the affairs of the limited partnership. The general partner has all the rights, powers and authority granted or permitted to be granted to a general partner of a limited partnership. Duties entrusted to the general partner of each limited partnership include, but are not limited to: investment in operating companies, company expenditures, investment of excess funds, borrowing funds, employment of agents, disposition of fund property, prepayment and refinancing of liabilities, votes and consents, contract authority, disbursement of funds, accounting methods, tax elections, bank accounts, insurance, litigation, cash reserve and use of working capital reserve funds. Except for limited rights granted to the limited partner(s) relating to the approval of certain transactions, the limited partner(s) may not participate in the operation, management or control of the limited partnership's business, transact any business in the limited partnership's name or have any power to sign documents for or otherwise bind the limited partnership. In addition, the general partner may only be removed by the limited partner(s) in the event the general partner fails to comply with the terms of the agreement or is negligent in performing its duties.

The general partner of each limited partnership has both the power to direct the activities which most significantly affect the performance of each partnership and the obligation to absorb losses or the right to receive benefits that could be significant to the entities. Therefore, the Company has determined that it is not the primary beneficiary of any LIHTC partnership. The Company accounts for its affordable housing tax credit investments using the proportional amortization method. The Company's net affordable housing tax credit investments were $41.9 million and related unfunded commitments were $21.0 million as of December 31, 2024 and are included in Other Assets and Other Liabilities, respectively, in the Consolidated Balance Sheets. For tax purposes, the Company recognized low income housing tax credits of $5.8 million, $5.6 million and $5.0 million for the years ended December 31, 2024, 2023, and 2022, respectively, and low income housing investment expense of $5.4 million, $4.3 million and $3.7 million, respectively. The Company recognizes low income housing investment expenses as a component of income tax expense.

As of December 31, 2024, the expected payments for unfunded affordable housing commitments were as follows:

(dollars in thousands)	Amount
Years Ended December 31:	
2025	$ 15,110
2026	4,576
2027	193
2028	359
2029	306
Thereafter	429
Total unfunded commitments	$ 20,973

Note 12 – Borrowings

The following table summarizes the Company’s borrowings, which include repurchase agreements with the Company’s customers and borrowings at December 31, 2024 and 2023:

(dollars in thousands)	Borrowings - Principal	Unamortized Deferred Issuance Costs	Net Borrowings Outstanding	Available Capacity (1) (2)	Maturity Dates	Interest Rates (4)
December 31, 2024:						
Customer repurchase agreements	$ 33,157	$ —	$ 33,157	$ —	N/A	2.67 %
Short-term borrowings:						
Secured borrowings:						
FHLB	490,000	—	490,000	874,270	Various(3)	4.81 %
FRB:						
Discount window	—	—	—	1,800,646	N/A	N/A
Subordinated notes	—	—	—	—	N/A	N/A
Total	490,000	—	490,000	2,674,916		
Long-term borrowings:						
Senior notes	77,665	(1,557)	76,108	—	September 30, 2029	10.00 %
Total borrowings	$ 600,822	$ (1,557)	$ 599,265	$ 2,674,916		
December 31, 2023:						
Customer repurchase agreements	$ 30,587	$ —	$ 30,587	$ —	N/A	3.42 %
Short-term borrowings:						
Secured borrowings:						
FHLB	—	—	—	1,271,846	N/A	N/A
FRB:						
BTFP	1,300,000	—	1,300,000	598,870	March 22, 2024	4.53 %
Discount window	—	—	—	601,504	N/A	N/A
Raymond James repurchase agreement	—	—	—	17,993	N/A	N/A
Subordinated notes	70,000	(82)	69,918	—	September 1, 2024	5.75 %
Total	1,370,000	(82)	1,369,918	2,490,213		
Long-term borrowings:						
Senior notes	—	—	—	—	**N/A**	**N/A**
Total borrowings	$ 1,400,587	$ (82)	$ 1,400,505	$ 2,490,213		

(1) Available capacity on the Company's borrowings arrangements with the FHLB, the FRB and the Raymond James repurchase line comprise pledged collateral that has not been borrowed against. At December 31, 2024, the Company had total additional undrawn borrowing capacity of approximately $4.0 billion, comprising unencumbered securities available to be pledged of approximately $1.3 billion and undrawn financing on pledged assets of $2.7 billion.

(2) As part of the Company's agreement governing its participation in the BTFP program and the Raymond James repurchase agreement, the borrowing capacity is determined based on the principal balance of the pledged assets.

(3) FHLB borrowing of $250.0 million matures January 31, 2025 while the remaining $240.0 million matures April 1, 2025.

(4) Represent the weighted average interest rate on customer repurchase agreements, borrowings outstanding and the coupon interest rate on the subordinated notes, which approximates the effective interest rate.

The Company offers its business customers a repurchase agreement sweep account in which it collateralizes these funds with U.S. agency and MBS segregated in its investment portfolio for this purpose. The Company’s repurchase agreements operate on a rolling basis and do not contain contractual maturity dates. By entering into the agreement, the customer agrees to have the Bank repurchase the designated securities on the business day following the initial transaction in consideration of the payment of interest at the rate prevailing on the day of the transaction. The contractual maturity dates on FHLB secured borrowings represent the maturity dates of current advances and are not evidence of a termination date on the line.

The Bank can purchase up to $145 million in federal funds on an unsecured basis from its correspondents, against which there were no amounts outstanding at December 31, 2024 and can place brokered funds under one-way CDARS and ICS deposits in the amount of $1.1 billion, against which there was $73.4 million outstanding at December 31, 2024. The Bank also had $894.7 million of brokered deposits placed with the Insured Network Deposits ("IND") program from IntraFi Network, LLC ("IntraFi") at December 31, 2024.

At December 31, 2024, the Bank was also eligible to take advances from the FHLB up to $1.4 billion based on collateral at the FHLB, of which there was $490.0 million outstanding at December 31, 2024. The Bank may enter into repurchase agreements as well as obtain additional borrowing capabilities from the FHLB provided adequate collateral exists to secure these lending relationships. The Bank also has a back-up borrowing facility through the Discount Window at the Federal Reserve Bank. This facility, which amounts to approximately $1.8 billion, is collateralized with specific loan assets pledged to the Federal Reserve Bank. It is anticipated that, except for periodic testing, this facility would be utilized for contingency funding only. The contractual maturity dates on FHLB secured borrowings represent the maturity dates of current advances and are not evidence of a termination date on the line.

There are no prepayment penalties nor unused commitment fees on any of the Company's borrowing arrangements.

Bank Term Funding Program ("BTFP")

On March 12, 2023, the FRB, Department of Treasury and the Federal Deposit Insurance Corporation ("FDIC") issued a joint statement outlining actions they had taken to protect the U.S. economy by strengthening public confidence in the banking system as a result of and in response to recently announced bank closures. Among other actions, the Federal Reserve Board announced that it would make available additional funding to eligible depository institutions through the creation of a new BTFP. The BTFP provides eligible depository institutions, including the Company's subsidiary bank, EagleBank, an additional source of liquidity.

Borrowings are funded based on a percentage of the principal of eligible collateral posted, as defined within the terms of the program. Interest is payable at a fixed rate over the term of the borrowing and there are no prepayment penalties. The Federal Reserve announced in January 2024 that the BTFP would stop originating new loans on March 11, 2024, as scheduled. The Federal Reserve also modified the terms of the program so that the interest rate for new loans will be no lower than the interest rate on reserve balances in effect on the day the loan is made. In January 2024, the Company borrowed an additional $500.0 million through the BTFP and refinanced $500.0 million under the program, both at an interest rate of 4.76% and with maturity dates of January 2025. The Company repaid $500.0 million in November 2024, and the remaining $500.0 million was repaid in December 2024.

Senior Notes

On September 30, 2024, the Company closed a private placement of its 10.00% senior unsecured debt totaling $77.7 million maturing on September 30, 2029 (the "2029 Senior Notes" or "Original Notes"). At December 31, 2024, the carrying value of these 2029 Senior Notes was $76.1 million which reflected $1.6 million in unamortized deferred financing costs that are being amortized over the life of the 2029 Senior Notes.

In connection with the issuance of the 2029 Senior Notes, the Company also entered into a registration rights agreement dated September 30, 2024 with the purchasers of the 2029 Senior Notes (the "Registration Rights Agreement"). Pursuant to the Registration Rights Agreement, the Company filed an exchange offer registration statement with the SEC to exchange the Senior Notes for substantially identical notes registered under the Securities Act (the "Exchange Notes"). The terms of the Exchange Notes are identical to the terms of the Original Notes, except that the transfer restrictions and registration rights applicable to the Original Notes do not apply to the Exchange Notes. The Company completed the exchange offer on January 16, 2025.

Subordinated Notes

On August 5, 2014, the Company completed the sale of $70 million of its 5.75% subordinated notes, which matured and were fully repaid in September 2024. These subordinated notes were offered to the public at par, and qualified as Tier 2 capital for regulatory purposes to the fullest extent permitted under the Basel III Rule capital requirements, and were fully phased out of regulatory capital as of December 31, 2023 as they approached maturity.

Note 13 – Income Taxes

Federal and state income tax expense consists of the following for the years ended December 31:

(dollars in thousands)	2024	2023	2022
Current federal income tax expense	$ 9,897	$ 25,291	$ 37,182
Current state income tax expense	4,297	5,072	5,008
Total current tax expense	14,194	30,363	42,190
Deferred federal income tax (benefit) expense	2,823	(2,966)	3,532
Deferred state income tax (benefit) expense	(222)	(411)	3,028
Total deferred tax (benefit) expense	2,601	(3,377)	6,560
Total income tax expense	$ 16,795	$ 26,986	$ 48,750

The Company had net deferred tax assets (deferred tax assets in excess of deferred tax liabilities) of $91.5 million and $86.6 million for the years ended at December 31, 2024 and 2023, respectively, which related primarily to our unrealized losses on securities, allowance for credit losses, and loan origination fees. Management believes it is more likely than not that all of the deferred tax assets will be realized with the exception of certain state net operating losses.

Temporary timing differences between the amounts reported in the Consolidated Financial Statements and the tax bases of assets and liabilities result in deferred taxes. The table below summarizes significant components of our deferred tax assets and liabilities as of December 31, 2024 and 2023:

(dollars in thousands)	2024	2023
Deferred tax assets		
Allowance for credit losses	$ 27,998	$ 21,281
Deferred loan fees and costs	4,551	6,372
Unrealized loss on securities available-for-sale	34,656	39,671
Unrealized loss on securities held-to-maturity	10,160	11,725
LIHTC and ITC Tax Credits	5,793	—
Leases	5,774	5,713
Supplemental executive retirement and death benefit agreements	2,075	2,066
Stock-based compensation	1,785	2,003
Premises and equipment	217	—
Unrealized loss on interest rate swap derivatives	—	59
Net operating loss	8,104	7,964
Other assets	3,549	2,669
Gross deferred tax assets	104,662	99,523
Valuation allowances	(7,715)	(7,428)
Total deferred tax assets	96,947	92,095
Deferred tax liabilities		
Leases	(4,483)	(4,703)
Interest Rate Swaps & Derivatives	(602)	—
Excess servicing	—	(561)
Premises and equipment	—	(211)
Other liabilities	(390)	—
Total deferred tax liabilities	(5,475)	(5,475)
Net deferred income tax assets	$ 91,472	$ 86,620

As of December 31, 2024. the Company has $2.2 million of federal net operating loss carryforward in conjunction with the Fidelity & Trust Financial Corporation acquisition, that is subject to annual limits under Section 382 of the Internal Revenue Code and expires in 2027. The Company has concluded, based on the weight of available positive and negative evidence, a portion of its state net operating loss deferred tax asset is not more likely than not to be realized and accordingly, a valuation allowance of $7.7 million and $7.4 million is carried as of December 31, 2024 and 2023, respectively.

A reconciliation of the statutory federal income tax rate to the Company's effective income tax rate for the years ended December 31, 2024, 2023 and 2022 follows:

	Year Ended December 31,		
	2024	2023	2022
Statutory federal income tax rate	21.00 %	21.00 %	21.00 %
Increase (decrease) due to:			
State income taxes	(10.53)%	2.75 %	3.28 %
Goodwill Impairment	(72.34)%	— %	— %
Tax credits, net of amortization [1]	11.37 %	(1.32)%	(0.80)%
Tax-exempt interest and dividend income	4.39 %	(1.75)%	(0.85)%
Bank owned life insurance	2.00 %	(0.58)%	(0.33)%
Stock-based compensation expense	(3.07)%	0.22 %	(0.08)%
Change in unrecognized tax benefits	(3.63)%	— %	— %
Return to provision and prior period adjustments	(3.83)%	(0.24)%	1.33 %
Non-deductible fines and penalties	— %	— %	2.54 %
Other	(0.90)%	1.08 %	(0.39)%
Effective tax rate	(55.54)%	21.16 %	25.70 %

[1] Includes low income housing tax credit proportional amortization expense, net of tax of $5.7 million, $5.4 million and $5.3 million, in 2024, 2023 and 2022 respectively.

Unrecognized tax benefits ("UTBs") for the years ended December 31, 2024, 2023, and 2022, were $6.6 million, $0 and $0, respectively. The following table details the change in unrecognized tax benefits ("UTBs") for 2024:

(dollars in thousands)	Year Ended December 31, 2024
Balance at beginning of year	$ —
Gross increases - tax positions related to prior periods	6,254
Gross decreases - tax positions related to prior periods	—
Gross increases - tax positions related to the current period	296
Settlements with tax authorities	—
Lapse of statute of limitations	—
Balance at end of year	$ 6,550

Included in the balance of UTBs as of December 31, 2024, 2023, and 2022, are $4.1 million, $0, and $0, respectively, of tax benefits that, if recognized, would affect the ETR. Also, included in the balance of UTBs are some items the recognition of which would not affect the effective tax rate, such as the tax effect of certain temporary differences, the portion of gross state UTBs that would be offset by the tax benefit of the associated federal deduction.

We recognize interest accrued related to UTBs and penalties in other noninterest expense. We accrued no penalties and interest of $0.2 million during 2024 and in total, as of December 31, 2024.

It is reasonably possible that a decrease of up to $5.2 million in UTBs related to state exposures may be necessary within the next 12 months, since resolved items will be removed from the balance whether their resolution results in refund or recognition.

The Company's federal income tax returns are open and subject to examination from the 2021 tax return year and forward. The Company's state income tax returns are generally open from the 2020 and later tax return years based on individual state statutes of limitations. There are currently no examinations in process as of December 31, 2024.

Note 14 – Net Income (Loss) per Common Share

The calculation of net income (loss) per common share for the years ended December 31 was as follows:

(dollars and shares in thousands, except per share data)	2024	2023	2022
Basic:			
Net income (loss)	$ (47,035)	$ 100,534	$ 140,930
Average common shares outstanding	30,157	30,346	32,004
Basic net income (loss) per common share	$ (1.56)	$ 3.31	$ 4.40
Diluted:			
Net income (loss)	$ (47,035)	$ 100,534	$ 140,930
Average common shares outstanding	30,157	30,346	32,004
Adjustment for common share equivalents	—	47	74
Average common shares outstanding-diluted	30,157	30,393	32,078
Diluted net income (loss) per common share [1]	$ (1.56)	$ 3.31	$ 4.39
Anti-dilutive shares	75	3	3

[1] For periods ended with a net loss, anti-dilutive financial instruments have been excluded from the calculation of GAAP diluted EPS.

Basic net income (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted net income (loss) per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the net income (loss) of the Company. The computation of diluted per share does not assume conversion or exercise of securities that would have an anti-dilutive effect on net income (loss) per share.

Securities issued by the Company that could potentially dilute net income (loss) per share in future periods include stock options and restricted stock. To calculate diluted net income (loss) per share, the Company utilizes the Treasury Stock method which results in only an incremental number of shares added to shares outstanding during the period.

Note 15 – Related Party Transactions

The EagleBank Foundation, a 501(c)(3) non-profit, seeks to improve the well-being of our community by providing financial support to local charitable organizations that help foster and strengthen vibrant, healthy, cultural and sustainable communities. The Company paid $180 thousand, $143 thousand and $113 thousand to the EagleBank Foundation for the years ended December 31, 2024, 2023 and 2022, respectively, which were recorded in other expenses on the Consolidated Statements of Operations.

Certain directors and executive officers of the Company and the Bank and certain affiliated entities of such directors and executive officers have had loan transactions with the Company. Such loans were made in the ordinary course of business on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with outsiders. Please see further detail regarding Related Party Loans in Note 4 "Loans and Allowance for Credit Losses" and Related Party Deposits in Note 10 "Deposits."

Note 16 – Stock-Based Compensation

The Company maintains the 2021 Stock Plan ("2021 Plan"), the 2016 Stock Plan (“2016 Plan”), the 2006 Stock Plan (“2006 Plan”), the 2021 Employee Stock Purchase Plan ("2021 ESPP") and the 2011 Employee Stock Purchase Plan (“2011 ESPP”).

In connection with the acquisition of Virginia Heritage Bank ("Virginia Heritage"), the Company assumed the Virginia Heritage 2006 Stock Option Plan and the 2010 Long Term Incentive Plan (the "Virginia Heritage Plans").

No additional options may be granted under the 2016 Plan, 2006 Plan or the Virginia Heritage Plans.

The Company adopted the 2021 Plan upon approval by the shareholders at the 2021 Annual Meeting held on May 20, 2021. The 2021 Plan provides directors and selected employees of the Bank, the Company and their affiliates with the opportunity to acquire shares of stock, through awards of options, time vested restricted stock, performance-based restricted stock and stock appreciation rights. Under the 2021 Plan, 1,300,000 shares of common stock were initially reserved for issuance.

For awards that are service based, compensation expense is being recognized over the service (vesting) period based on fair value, which for stock option grants is computed using the Black-Scholes model.

For restricted stock awards granted under the 2021 Plan, fair value is based on the Company's closing price on the date of grant. For awards that are performance-based, compensation expense is initially recorded based on the probability of achievement of the goals underlying the grant at target.

In February 2024, the Company awarded senior officers a targeted number of 150,570 performance vested restricted stock units ("PRSUs"). The vesting of PRSUs is 100% after three years with payouts based on threshold, target or maximum average performance targets over a three year period. There are two performance metrics: 1) total shareholder's return; and 2) return on average assets. In February 2024, the 2021 performance award vested and no incremental shares were awarded.

For awards that are time vested, the shares typically vest over a period of one to three years beginning on the first anniversary of the date of grant. In the year ended December 31, 2024, the Company awarded the following time vested restricted stock to senior officers, directors and certain employees:

	December 31, 2024	
Date of award	**Number of shares**	**Number of Officers, Directors and Employees**
February 2024	275,896	130
August 2024	4,290	2
September 2024	8,756	2
October 2024	20,483	1
November 2024	2,254	1
December 2024	689	1

The Company has unvested restricted stock awards and PRSU grants of 656,784 shares at December 31, 2024. Unrecognized stock based compensation expense related to restricted stock awards and PRSU grants totaled $8.8 million at December 31, 2024. At such date, the weighted-average period over which this unrecognized expense was expected to be recognized was 1.87 years.

The following table summarizes the unvested restricted stock awards for performance for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,					
	2024		2023		2022	
Performance Awards	**Shares**	**Weighted-Average Grant Date Fair Value**	**Shares**	**Weighted-Average Grant Date Fair Value**	**Shares**	**Weighted-Average Grant Date Fair Value**
Unvested at beginning	123,215	$ 44.74	129,855	$ 45.15	118,568	$ 44.71
Granted	150,570	18.47	71,003	40.50	37,775	53.97
Forfeited	(28,826)	40.96	(44,084)	40.29	(1,966)	55.76
Vested	(18,480)	47.57	(33,559)	44.60	(24,522)	55.76
Unvested at end	226,479	$ 27.53	123,215	$ 44.74	129,855	$ 45.15

The following table summarizes the unvested time vesting restricted stock awards for the years ended December 31, 2024, 2023 and 2022:

	Years Ended December 31,								
	2024			2023			2022		
Time Vested Awards	Shares		Weighted-Average Grant Date Fair Value	Shares		Weighted-Average Grant Date Fair Value	Shares		Weighted-Average Grant Date Fair Value
Unvested at beginning	313,992	$	49.08	302,148	$	53.75	300,792	$	46.24
Granted	312,368		23.22	190,256		44.16	166,471		59.72
Forfeited	(38,772)		36.18	(27,558)		51.57	(12,064)		53.10
Vested	(157,283)		49.41	(150,854)		51.76	(153,051)		45.54
Unvested at end	430,305	$	31.35	313,992	$	49.08	302,148	$	53.75

Below is a summary of stock option activity for the years ended December 31, 2024, 2023 and 2022. The information excludes restricted stock units and awards.

	Years Ended December 31,								
	2024			2023			2022		
	Shares		Weighted-Average Exercise Price	Shares		Weighted-Average Exercise Price	Shares		Weighted-Average Exercise Price
Beginning balance	2,500	$	47.95	2,500	$	47.95	5,789	$	36.96
Granted	—		—	—		—	—		—
Exercised	—		—	—		—	(3,289)		28.60
Forfeited	—		—	—		—	—		—
Ending balance	2,500	$	47.95	2,500	$	47.95	2,500	$	47.95
Exercisable end of year	2,500	$	47.95	2,500	$	47.95	1,666	$	47.95

There were no grants of stock options during the years ended December 31, 2024, 2023 and 2022.

Grants of stock options have expected lives based on the "simplified" method allowed by ASC 718 *"Compensation,"* whereby the expected term is equal to the midpoint between the vesting date and the end of the contractual term of the award.

There was no intrinsic value of outstanding stock options for both December 31, 2024 and 2023. The total fair value of stock options vested was $18 thousand for all three years ended December 31, 2024, 2023 and 2022. At December 31, 2024, there is no unrecognized stock-based compensation expense related to stock options.

Cash proceeds, tax benefits and intrinsic value related to total stock options exercised is as follows:

	Years Ended December 31,					
(dollars in thousands)	2024		2023		2022	
Proceeds from stock options exercised	$	—	$	—	$	97
Tax benefits realized from stock compensation		—		—		3
Intrinsic value of stock options exercised		—		—		98

Approved by shareholders in May 2021, the 2021 ESPP reserved 200,000 shares of common stock for issuance to employees. Whole shares are sold to participants in the plan at 85% of the lower of the stock price at the beginning or end of each quarterly offering period. The 2021 ESPP is available to all eligible employees who have completed at least one year of continuous employment, work at least 20 hours per week and at least five months a year. Participants may contribute a minimum of $10 per pay period to a maximum of $25,000 annually (not to exceed more than 10% of compensation per pay period). At December 31, 2024, the 2021 ESPP had 133,865 shares reserved for issuance.

Included in salaries and employee benefits in the accompanying Consolidated Statements of Operations, the Company recognized $9.6 million, $10.0 million and $6.0 million in stock-based compensation expense for 2024, 2023 and 2022, respectively. Stock-based compensation expense is recognized ratably over the requisite service period for all awards.

Note 17 – Employee Benefit Plans

The Company has a qualified 401(k) Plan which covers all employees who have` reached the age of 18 years and have completed at least 1 month of service as defined by the Plan. The Company makes contributions to the Plan based on a matching formula, which is reviewed annually. For the years 2024, 2023 and 2022, the Company recognized $1.7 million, $1.7 million and $1.8 million in expense associated with this benefit, respectively. These amounts are included in salaries and employee benefits in the accompanying Consolidated Statements of Operations.

Note 18 – Supplemental Executive Retirement Plan

The Bank has entered into Supplemental Executive Retirement and Death Benefit Agreements (the "SERP Agreements") with certain of the Bank's executive officers, which upon the executive's retirement, will provide for a stated monthly payment for such executive's lifetime subject to certain death benefits described below. The retirement benefit is computed as a percentage of each executive's projected average base salary over the five years preceding retirement, assuming retirement at age 67. The SERP Agreements provide that (a) the benefits vest ratably over six years of service to the Bank, with the executive receiving credit for years of service prior to entering into the SERP Agreement, (b) death, disability and change-in-control shall result in immediate vesting and (c) the monthly amount will be reduced if retirement occurs earlier than age 67 for any reason other than death, disability or change-in-control. The SERP Agreements further provide for a death benefit in the event the retired executive dies prior to receiving 180 monthly installments, paid either in a lump sum payment or continued monthly installment payments, such that the executive's beneficiary has received payment(s) sufficient to equate to a cumulative 180 monthly installments.

The SERP Agreements are unfunded arrangements maintained primarily to provide supplemental retirement benefits and comply with Section 409A of the Internal Revenue Code. The Bank financed the retirement benefits by purchasing fixed annuity contracts with four insurance carriers in 2013 totaling $11.4 million and two insurance carriers in 2019 totaling $2.6 million. These annuity contracts have been designed to provide a future source of funds for the lifetime retirement benefits of the SERP Agreements. The cash surrender value of the annuity contracts was $12.7 million and $13.1 million at December 31, 2024 and 2023, respectively, and was included in other assets on the Consolidated Balance Sheets. For the years ended December 31, 2024, 2023 and 2022 the Company recorded benefit expense accruals of $410 thousand, $584 thousand and $513 thousand, respectively, for this post retirement benefit.

Upon death of a named executive, the annuity contract related to such executive terminates. The Bank has purchased additional bank owned life insurance contracts, which would effectively finance payments (up to a 15 year certain amount) to the executives' named beneficiaries.

Note 19 – Financial Instruments with Off-Balance Sheet Risk

Various commitments to extend credit are made in the normal course of banking business. Letters of credit are also issued for the benefit of customers. These commitments are subject to loan underwriting standards and geographic boundaries consistent with the Company's loans outstanding.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since some of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Loan commitments outstanding and lines and letters of credit at December 31, 2024 and 2023 are as follows:

(dollars in thousands)	2024	2023
Unfunded loan commitments	$ 1,318,133	$ 1,981,334
Unfunded lines of credit	88,305	98,614
Letters of credit	69,051	87,146
Total	$ 1,475,489	$ 2,167,094

As of December 31, 2024, the total reserve for unfunded commitments was $3.5 million as compared to $5.6 million at December 31, 2023 and is accounted for as a liability on the Consolidated Balance Sheets. See Note 1 of the Consolidated Financial Statements for more information on the accounting policy for the allowance for unfunded commitments.

Note 20 – Commitments and Contingent Liabilities

Under ASC 450, the Company accrues for a loss contingency when the loss is probable and reasonably estimable. The Company discloses the matter if a material loss is at least reasonably possible. Under ASC 450, a loss contingency is “reasonably possible” if “the chance of the future event or events occurring is more than remote but less than likely”, and a loss contingency is “remote” if “the chance of the future event or events occurring is slight.” We evaluate, on a quarterly basis, developments in legal proceedings with respect to accruals, as well as the estimated range of possible losses.

From time to time, the Company and its subsidiaries are involved in various legal proceedings incidental to their business in the ordinary course, including matters in which damages in various amounts are claimed, as well as regulatory and governmental investigations and inquiries that could result in penalties, fines or other sanctions against the Company. Based on information currently available, the Company does not believe that the liabilities (if any) resulting from such matters will have a material effect on the financial position or liquidity of the Company. However, considering inherent uncertainties involved in such matters, ongoing legal expenses or an adverse outcome in one or more of these matters could materially and adversely affect the Company's financial condition, results of operations or cash flows in any particular reporting period, as well as its reputation.

The Company is cooperating with an ongoing investigation by the U.S. Attorney’s Office for the Middle District of Pennsylvania into, among other things, the Company’s anti-money laundering controls between approximately 2011 and 2017 and the Company’s relationship with a former customer who pleaded guilty to a charge of bank fraud in 2020. Due to the inherent uncertainty in predicting the outcome of a pending investigation, we are unable to estimate reasonably possible losses, if any, resulting from this matter.

As previously disclosed, the Company maintains director and officer insurance policies ("D&O Insurance Policies") that provide coverage for certain legal defense costs. When claims are covered by D&O Insurance Policies, the Company records a corresponding receivable against the incurred legal defense cost expense when the claim is paid. When D&O Insurance Policies are exhausted, the Company is responsible for paying the defense cost associated with any investigations and litigations for itself and on behalf of any current and former Officers and Directors entitled to indemnification from the Company. The Company cannot predict with any certainty the amount of defense costs that the Company may incur in the future in connection with currently ongoing and any future investigations and legal proceedings, as they are dependent on various factors, many of which are outside of the Company's control.

Note 21 – Regulatory Matters

The Company and Bank are subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company’s financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and Bank must meet specific capital guidelines that involve quantitative measures of assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices. The capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weighting, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Company and Bank to maintain amounts and ratios (set forth in the table below) of Total capital, Tier 1 capital and common equity tier one capital ("CET1") (as defined in the regulations) to risk-weighted assets (as defined), and of Tier 1 capital (as defined) to average assets (as defined), referred to as the Leverage Ratio. Management believes, as of December 31, 2024 and 2023, that the Company and Bank met all capital adequacy requirements to which they are subject.

The actual capital amounts and ratios for the Company and Bank as of December 31, 2024 and 2023 are presented in the table below:

(dollars in thousands)	Company Actual Amount	Company Ratio	Bank Actual Amount	Bank Ratio	Minimum Required For Capital Adequacy Purposes (1)	To Be Well Capitalized Under Prompt Corrective Action Regulations (2)
As of December 31, 2024						
CET1 capital (to risk weighted assets)	$ 1,369,643	14.63 %	$ 1,373,857	14.76 %	7.00 %	6.50 %
Total capital (to risk weighted assets)	1,484,420	15.86 %	1,488,635	16.00 %	10.50 %	10.00 %
Tier 1 capital (to risk weighted assets)	1,369,643	14.63 %	1,373,857	14.76 %	8.50 %	8.00 %
Tier 1 capital (to average assets)	1,369,643	10.74 %	1,373,857	10.82 %	4.00 %	5.00 %
As of December 31, 2023						
CET1 capital (to risk weighted assets)	$ 1,335,967	13.90 %	$ 1,330,001	13.92 %	7.00 %	6.50 %
Total capital (to risk weighted assets)	1,421,347	14.79 %	1,415,381	14.81 %	10.50 %	10.00 %
Tier 1 capital (to risk weighted assets)	1,335,967	13.90 %	1,330,001	13.92 %	8.50 %	8.00 %
Tier 1 capital (to average assets)	1,335,967	10.73 %	1,330,001	10.72 %	4.00 %	5.00 %

(1) The risk-based ratios reflect the minimum requirement plus the capital conservation buffer of 2.500%.
(2) Applies to Bank only

Federal bank and holding company regulations, as well as Maryland law, impose certain restrictions on capital distributions, including dividend payments and share repurchases by the Bank, as well as restricting extensions of credit and transfers of assets between the Bank and the Company. At December 31, 2024, the Bank could pay dividends to the parent to the extent of its earnings so long as it maintained capital ratios above the required minimums and the capital conservation buffer. As a result the Company may be restricted in paying dividends.

Note 22 – Other Comprehensive Income (Loss)

The following table presents the components of other comprehensive income (loss) for the years ended December 31, 2024, 2023 and 2022.

(dollars in thousands)	Before Tax	Tax Effect	Net of Tax
Year Ended December 31, 2024			
Net unrealized gain (loss) on securities available-for-sale	$ 20,417	$ (5,011)	$ 15,406
Reclassification adjustment for net loss included in net loss	(14)	2	(12)
Total unrealized gain (loss) on securities available-for-sale	20,403	(5,009)	15,394
Amortization of unrealized loss on securities transferred to held-to-maturity	6,889	(1,599)	5,290
Net unrealized loss on derivatives	265	(65)	200
Other comprehensive income (loss)	$ 27,557	$ (6,673)	$ 20,884
Year Ended December 31, 2023			
Net unrealized gain (loss) on securities available-for-sale	$ 43,293	$ (10,774)	$ 32,519
Reclassification adjustment for net loss included in net income	11	(3)	8
Total unrealized gain (loss) on securities available-for-sale	43,304	(10,777)	32,527
Amortization of unrealized loss on securities transferred to held-to-maturity	7,412	(2,607)	4,805
Net unrealized loss on derivatives	(182)	—	(182)
Other comprehensive income (loss)	$ 50,534	$ (13,384)	$ 37,150
Year Ended December 31, 2022			
Net unrealized gain (loss) on securities available-for-sale	$ (186,439)	$ 45,513	$ (140,926)
Reclassification adjustment for net loss included in net income	169	(58)	111
Total unrealized gain (loss) on securities available-for-sale	(186,270)	45,455	(140,815)
Net unrealized gain (loss) on securities transferred to held-to-maturity	(66,193)	17,098	(49,095)
Amortization of unrealized loss on securities transferred to held-to-maturity	7,093	(2,732)	4,361
Total unrealized gain (loss) on securities transferred to held-to-maturity	(59,100)	14,366	(44,734)
Net unrealized gain on derivatives	284	—	284
Other comprehensive income (loss)	$ (245,086)	$ 59,821	$ (185,265)

The following table presents the changes in each component of accumulated other comprehensive income (loss), net of tax, for the years ended December 31, 2024, 2023 and 2022.

(dollars in thousands)	Securities Available For Sale	Held-to-Maturity Securities	Derivatives	Accumulated Other comprehensive income (loss) (Loss)
Year Ended December 31, 2024				
Balance at beginning of year	$ (122,246)	$ (39,929)	$ (182)	$ (162,357)
Other comprehensive income (loss) before reclassifications	15,406	5,290	200	20,896
Amortization of unrealized loss on securities transferred to held-to-maturity	—	—	—	—
Amounts reclassified from accumulated other comprehensive loss	(12)	—	—	(12)
Net other comprehensive income (loss) during period	15,394	5,290	200	20,884
Balance at end of year	$ (106,852)	$ (34,639)	$ 18	$ (141,473)
Year Ended December 31, 2023				
Balance at beginning of year	$ (154,773)	$ (44,734)	$ —	$ (199,507)
Other comprehensive income (loss) before reclassifications	32,519	—	(182)	32,337
Amortization of unrealized loss on securities transferred to held-to-maturity	—	4,805	—	4,805
Amounts reclassified from accumulated other comprehensive loss	8	—	—	8
Net other comprehensive income (loss) during period	32,527	4,805	(182)	37,150
Balance at end of year	$ (122,246)	$ (39,929)	$ (182)	$ (162,357)
Year Ended December 31, 2022				
Balance at beginning of year	$ (13,958)	$ —	$ (284)	$ (14,242)
Other comprehensive income (loss) before reclassifications	(140,926)	—	284	(140,642)
Transfer of securities from AFS to HTM	—	(49,095)	—	(49,095)
Amortization of unrealized loss on securities transferred to held-to-maturity	—	4,361	—	4,361
Amounts reclassified from accumulated other comprehensive loss	111	—	—	111
Net other comprehensive income (loss) during period	(140,815)	(44,734)	284	(185,265)
Balance at end of year	$ (154,773)	$ (44,734)	$ —	$ (199,507)

The following table presents the amounts reclassified out of each component of accumulated other comprehensive income (loss) for the years ended December 31, 2024, 2023 and 2022.

	Amount Reclassified from Accumulated Other Comprehensive Income (Loss)			
	Year Ended Years Ended			
(dollars in thousands)	2024	2023	2022	Affected Line Item in the Statement Where Net Income (Loss) is Presented
Realized gain (loss) on sale of investment securities	$ 14	$ (11)	$ (169)	Net gain (loss) on sale of investment securities
Income tax benefit (expense)	(2)	3	58	Income tax expense
Total	$ 12	$ (8)	$ (111)	Net Income (Loss)

Note 23 – Fair Value Measurements

The fair value of an asset or liability is the price that would be received to sell that asset or paid to transfer that liability in an orderly transaction occurring in the principal market (or most advantageous market in the absence of a principal market) for such asset or liability. In estimating fair value, the Company utilizes valuation techniques that are consistent with the market approach, the income approach and/or the cost approach. Such valuation techniques are consistently applied. Inputs to valuation techniques include the assumptions that market participants would use in pricing an asset or liability. ASC 820, *"Fair Value Measurements and Disclosures,"* establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

Level 1 Quoted prices in active exchange markets for identical assets or liabilities.

Level 2 Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets or other observable inputs that can be corroborated by observable market data; also includes derivative contracts whose value is determined using a pricing model with observable market inputs or inputs that can be derived principally from or corroborated by observable market data. This category generally includes certain U.S. Government and agency securities, corporate debt securities, derivative instruments and residential mortgage loans held for sale.

Level 3 Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for single dealer nonbinding quotes not corroborated by observable market data. This category generally includes certain private equity investments, retained interests from securitizations and certain collateralized debt obligations.

Assets and Liabilities Recorded at Fair Value on a Recurring Basis

The table below presents the recorded amount of assets and liabilities measured at fair value on a recurring basis as of December 31, 2024 and 2023:

(dollars in thousands)	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total (Fair Value)
December 31, 2024				
Assets:				
Investment securities available-for-sale:				
U.S. treasury bonds	$ —	$ 24,776	$ —	$ 24,776
U.S. agency securities	—	558,535	—	558,535
Residential mortgage-backed securities	—	625,316	—	625,316
Commercial mortgage-backed securities	—	48,945	—	48,945
Municipal bonds	—	8,014	—	8,014
Corporate bonds	—	1,818	—	1,818
Interest rate product	—	31,592	—	31,592
Credit risk participation agreements	—	—	—	—
Total assets measured at fair value on a recurring basis as of December 31, 2024	$ —	$ 1,298,996	$ —	$ 1,298,996
Liabilities:				
Interest rate product	$ —	$ 29,110	$ —	$ 29,110
Total liabilities measured at fair value on a recurring basis as of December 31, 2024	$ —	$ 29,110	$ —	$ 29,110
December 31, 2023				
Assets:				
Investment securities available-for-sale:				
U.S. treasury bonds	$ —	$ 47,901	$ —	$ 47,901
U.S. agency securities	—	671,397	—	671,397
Residential mortgage-backed securities	—	727,353	—	727,353
Commercial mortgage-backed securities	—	49,564	—	49,564
Municipal bonds	—	8,490	—	8,490
Corporate bonds	—	1,683	—	1,683
Interest rate product	—	30,662	—	30,662
Credit risk participation agreements	—	3	—	3
Total assets measured at fair value on a recurring basis as of December 31, 2023	$ —	$ 1,537,053	$ —	$ 1,537,053
Liabilities:				
Interest rate product	$ —	$ 30,555	$ —	$ 30,555
Total liabilities measured at fair value on a recurring basis as of December 31, 2023	$ —	$ 30,555	$ —	$ 30,555

Investment securities available-for-sale: AFS securities are recorded at fair value on a recurring basis. Fair value measurement is based upon quoted prices, if available. If quoted prices are not available, fair value is measured using independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security's credit rating, prepayment assumptions and other factors such as credit loss assumptions. Level 2 securities includes certain U.S. treasury bonds, U.S. agency debt securities, MBS issued by Government Sponsored Entities and municipal bonds. Securities classified as Level 3 include securities in less liquid markets, for which the carrying amounts approximate the fair value.

Credit risk participation agreements: The Company enters into RPAs with institutional counterparties, under which the Company assumes its pro-rata share of the credit exposure associated with a borrower's performance related to interest rate derivative contracts. The fair value of RPAs is calculated by determining the total expected asset or liability exposure of the derivatives to the borrowers and applying the borrowers' credit spread to that exposure. Total expected exposure incorporates both the current and potential future exposure of the derivatives, derived from using observable inputs, such as yield curves and volatilities. Accordingly, RPAs fall within Level 2.

Interest rate derivatives: The Company entered into an interest rate derivative agreement with an institutional counterparty, under which the Company will receive cash if and when market rates exceed the derivatives' strike rate. The fair value of the derivative is calculated by determining the total expected asset or liability exposure of the derivatives. Total expected exposure incorporates both the current and potential future exposure of the derivative, derived from using observable inputs, such as yield curves and volatilities. Accordingly, the derivative falls within Level 2.

Assets and Liabilities Recorded at Fair Value on a Nonrecurring Basis

The Company measures certain assets at fair value on a nonrecurring basis and the following is a general description of the methods used to value such assets.

Loans: The fair value of individually assessed loans is estimated using one of several methods, including the collateral value, market value of similar debt, enterprise value, liquidation value and discounted cash flows. Those individually assessed loans not requiring a specific allowance represent loans for which the fair value of expected repayments or collateral exceed the recorded investment in such loans. At December 31, 2024, substantially all of the Company's individually evaluated loans were evaluated based upon the fair value of the collateral. In accordance with ASC Topic 820, individually evaluated loans where an allowance is established based on the fair value of collateral, i.e. those that are collateral dependent, require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price, the Company records the loan as nonrecurring Level 3.

Other real estate owned ("OREO"): OREO is initially recorded at fair value less estimated selling costs. Fair value is based upon independent market prices, appraised values of the collateral or management's estimation of the value of the collateral, which the Company classifies as a Level 3 valuation.

Assets measured at fair value on a nonrecurring basis are included in the table below. There were no liabilities measured at fair value on a non-recurring basis at December 31, 2024 and 2023.

(dollars in thousands)	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total (Fair Value)
December 31, 2024				
Individually assessed loans:				
Commercial	$ —	$ —	$ 2,551	$ 2,551
Income producing - commercial real estate	—	—	158,956	158,956
Owner occupied - commercial real estate	—	—	30,384	30,384
Real estate mortgage - residential	—	—	—	—
Construction - commercial and residential	—	—	303	303
Home equity	—	—	—	—
Other real estate owned	—	—	2,743	2,743
Total assets measured at fair value on a nonrecurring basis as of December 31, 2024	$ —	$ —	$ 194,937	$ 194,937

(dollars in thousands)	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)	Total (Fair Value)
December 31, 2023				
Individually assessed loans:				
Commercial	$ —	$ —	$ 2,475	$ 2,475
Income producing - commercial real estate	—	—	41,038	41,038
Owner occupied - commercial real estate	—	—	19,880	19,880
Real estate mortgage - residential	—	—	1,638	1,638
Consumer	—	—	396	396
Home equity	—	—	242	242
Other real estate owned	—	—	1,108	1,108
Total assets measured at fair value on a nonrecurring basis as of December 31, 2023	$ —	$ —	$ 66,777	$ 66,777

As shown in the table above, certain assets are measured at fair value on a nonrecurring basis in accordance with GAAP. Adjustments to the fair value of these assets usually result from the application of lower-of-cost-or-market accounting or write-downs of individual assets after they are evaluated for impairment. The primary assets accounted for at fair value on a nonrecurring basis are related to collateral-dependent loans that are individually assessed and other real estate owned. For the collateral-dependent loans and other real estate owned, the Company measures the fair value utilizing a market valuation approach, based on an appraisal conducted by an independent, licensed appraiser. Management may discount the value from the appraisal in determining the fair value if, based on its understanding of the market conditions, the collateral had been impaired below the appraised value (Level 3). For loans that are not collateral dependent, the Company uses an income approach, specifically, the discounted cash flow method. The continuing payments are discounted over the expected life at the loan's original contract rate and include adjustments for risk of default.

Fair Value of Financial Instruments

The Company discloses fair value information about financial instruments for which it is practicable to estimate the value, whether or not such financial instruments are recognized on the balance sheet. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation, and is best evidenced by quoted market price, if one exists.

Quoted market prices, if available, are shown as estimates of fair value. Because no quoted market prices exist for a portion of the Company's financial instruments, the fair value of such instruments has been derived based on management's assumptions with respect to future economic conditions, the amount and timing of future cash flows and estimated discount rates. Different assumptions could significantly affect these estimates. Accordingly, the net realizable value could be materially different from the estimates presented below. In addition, the estimates are only indicative of individual financial instrument values, including in certain cases, the Company's estimation of exit pricing, and should not be considered an indication of the fair value of the Company taken as a whole.

The estimated fair values of the Company's financial instruments at December 31, 2024 and 2023 are as follows:

			Fair Value Measurements		
(dollars in thousands)	Carrying Value	Fair Value	Quoted Prices (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
December 31, 2024					
Assets					
Cash and due from banks	$ 11,882	$ 11,882	$ 11,882	$ —	$ —
Federal funds sold	2,581	2,581	—	2,581	—
Interest bearing deposits with other banks	619,017	619,017	—	619,017	—
Investment securities available-for-sale	1,267,404	1,267,404	—	1,267,404	—
Investment securities held-to-maturity	938,647	820,382	—	820,382	—
Federal Reserve and Federal Home Loan Bank stock	51,763	N/A	—	—	—
Loans	7,934,888	7,707,424	—	—	7,707,424
Bank owned life insurance	115,806	115,806	—	115,806	—
Annuity investment	12,656	12,656	—	12,656	—
Interest rate product	31,592	31,592	—	31,592	—
Accrued interest receivable	49,479	49,479	—	49,479	—
Liabilities					
Noninterest bearing deposits	1,544,403	1,544,403	—	1,544,403	—
Interest bearing deposits	4,811,012	4,811,012	—	4,811,012	—
Time deposits	2,775,663	2,785,891	—	2,785,891	—
Customer repurchase agreements	33,157	33,157	—	33,157	—
Other short-term borrowings	490,000	490,000	—	490,000	—
Long-term borrowings	76,108	82,916	—	82,916	—
Interest rate product	29,110	29,110	—	29,110	—
Accrued interest payable	17,844	17,844	—	17,844	—
December 31, 2023					
Assets					
Cash and due from banks	$ 9,047	$ 9,047	$ 9,047	$ —	$ —
Federal funds sold	3,740	3,740	—	3,740	—
Interest bearing deposits with other banks	709,897	709,897	—	709,897	—
Investment securities available-for-sale	1,506,388	1,506,388	—	1,506,388	—
Investment securities held-to-maturity	1,015,737	901,582	—	901,582	—
Federal Reserve and Federal Home Loan Bank stock	25,748	N/A	—	—	—
Loans held for sale	—	—	—	—	—
Loans	7,968,695	7,720,241	—	—	7,720,241
Bank owned life insurance	112,921	112,921	—	112,921	—
Annuity investment	13,112	13,112	—	13,112	—
Credit risk participation agreements	3	3	—	3	—
Interest rate product	30,662	30,662	—	30,662	—
Accrued interest receivable	53,337	53,337	53,337	—	—
Liabilities					
Noninterest bearing deposits	2,279,081	2,279,081	—	2,279,081	—
Interest bearing deposits	4,311,491	4,311,491	—	4,311,491	—
Time deposits	2,217,467	2,217,795	—	2,217,795	—
Customer repurchase agreements	30,587	30,587	—	30,587	—
Other short-term borrowings	1,369,918	1,368,621	—	1,368,621	—
Long-term borrowings	—	—	—	—	—
Interest rate product	30,555	30,555	—	30,555	—
Accrued interest payable	57,395	57,395	57,395	—	—

Note 24 – Parent Company Financial Information

Condensed financial information for Eagle Bancorp, Inc. (the "Parent Company") is as follows:

(dollars in thousands)	Parent Company Condensed Balance Sheets as of	
	December 31, 2024	December 31, 2023
Assets		
Cash and due from banks	$ 23,561	$ 38,396
Investment securities held-to-maturity, net allowance for credit losses of $1,000 and $1,449, respectively	43,172	43,633
Investment in subsidiary	1,230,907	1,269,022
Other assets	6,570	10,366
Total Assets	$ 1,304,210	$ 1,361,417
Liabilities		
Other liabilities	$ 2,041	$ 17,216
Borrowings	76,108	69,918
Total liabilities	78,149	87,134
Shareholders’ Equity		
Common stock	298	296
Additional paid in capital	384,932	374,888
Retained earnings	982,304	1,061,456
Accumulated other comprehensive loss	(141,473)	(162,357)
Total Shareholders’ Equity	1,226,061	1,274,283
Total Liabilities and Shareholders’ Equity	$ 1,304,210	$ 1,361,417

(dollars in thousands)	Parent Company Condensed Statements of Operations Years Ended December 31,		
	2024	2023	2022
Income			
Other interest and dividends	$ 99,236	$ 126,264	$ 87,781
Gain on sale of investment securities	1,060	—	—
Other income (loss)	66	43	(24)
Total Income	100,362	126,307	87,757
Expenses			
Interest expense	4,797	4,149	4,149
Legal and professional	495	1,695	894
Directors compensation	474	597	643
Provision for (reversal of) credit losses	(449)	1,124	326
Other expenses	1,411	879	14,746
Total Expenses	6,728	8,444	20,758
Income Before Income Tax Expense (Benefit) and Equity in Undistributed Income (Loss) of Subsidiaries	93,634	117,863	66,999
Income Tax Expense (Benefit)	2,182	(1,220)	(1,183)
Income Before Equity in Undistributed Income (Loss) of Subsidiaries	91,452	119,083	68,182
Equity in Undistributed Income (Loss) of Subsidiaries	(138,487)	(18,549)	72,748
Net Income (loss)	$ (47,035)	$ 100,534	$ 140,930

(dollars in thousands)	Parent Company Condensed Statements of Cash Flows Years Ended December 31, 2024	2023	2022
Cash Flows From Operating Activities			
Net Income (Loss)	$ (47,035)	$ 100,534	$ 140,930
Adjustments to reconcile net income (loss) to net cash used in operating activities: Equity in undistributed income (loss) of subsidiary	138,487	18,549	(72,748)
Net tax benefits from stock based compensation expense	9,561	10,018	9,899
Securities premium amortization, net	1,004	6	(54)
Provision for (reversal of) credit losses for investment securities held-to-maturity	(449)	1,124	326
Depreciation and amortization	82	124	—
(Increase) decrease in other assets	(11,935)	(10,397)	(12,909)
Increase (decrease) in other liabilities	2,917	(1,064)	4,593
Net cash provided by operating activities	92,632	118,894	70,037
Cash Flows From Investing Activities			
Investment in subsidiary	(70,000)	—	—
Purchases of held-to-maturities investment securities	—	—	(3,976)
Proceeds from maturities of held-to-maturities securities	—	—	1,500
Net cash used in investing activities	(70,000)	—	(2,476)
Cash Flows From Financing Activities			
Net proceeds from borrowings	7,665	—	—
Proceeds from exercise of stock options	—	—	97
Proceeds from employee stock purchase plan	485	586	748
Common stock repurchased	—	(47,631)	(33,087)
Cash dividends paid	(45,617)	(54,993)	(55,776)
Net cash used in financing activities	(37,467)	(102,038)	(88,018)
Net Increase (Decrease) in Cash	(14,835)	16,856	(20,457)
Cash and Cash Equivalents at Beginning of Year	38,396	21,540	41,997
Cash and Cash Equivalents at End of Year	$ 23,561	$ 38,396	$ 21,540
Non-Cash Investing Activities			
Transfers of investment securities from available-for-sale to held-to-maturity	$ —	$ —	$ 42,467

Note 25 – Segment Reporting

The Company has one reporting unit, one operating segment and, consequently, a single reportable segment. The Chief Executive Officer, who is the Company's CODM, monitors revenue streams and other information provided about the company's products and services offered, primarily banking operations. The information provided to the CODM is presented on an aggregated entity-level basis, which is consistent with the accompanying Consolidated Financial Statements presented in this Form 10-K. The CODM evaluates the financial performance of the Company's business by evaluating revenue streams, significant expenses, and budget to actual results in assessing operating results and in allocating resources, but profitability is only determined at the entity level. The CODM uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The CODM uses consolidated net income to benchmark the company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessing performance and allocating resources. Loans, investments, and deposits provide the revenues in the Company's operation. Interest expense, provisions for credit losses, and payroll provide the significant expenses in the Company's operations. All of the Company's income and expenses are included in the accompanying Consolidated Financial Statements presented in this Form 10-K. All of the Company's operations are domestic.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company’s management, under the supervision and with the participation of the Chief Executive Officer, Executive Chairman and Chief Financial Officer, evaluated, as of the last day of the period covered by this report, the effectiveness of the design and operation of the Company’s disclosure controls and procedures, as defined in Rule 13a-15(e) under the Exchange Act. Based on that evaluation, the Chief Executive Officer, Executive Chairman and the Chief Financial Officer concluded that the Company’s disclosure controls and procedures as of December 31, 2024 were effective to provide reasonable assurance that information required to be disclosed in the reports we file and submit under the Exchange Act is recorded, processed, summarized and reported as and when required and that it is accumulated and communicated to our management, including the Chief Executive Officer, Executive Chairman and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

Management’s Report on Internal Control Over Financial Reporting

The Company’s management is responsible for the preparation, integrity and fair presentation of the financial statements included in this Annual Report. The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America and reflect management’s judgments and estimates concerning the effects of events and transactions that are accounted for or disclosed.

Management is also responsible for establishing and maintaining effective internal control over financial reporting (as defined in Rule 13a-15 under the Exchange Act). The Company’s internal control over financial reporting includes those policies and procedures that pertain to the Company’s ability to record, process, summarize and report reliable financial data. The internal control system contains monitoring mechanisms and appropriate actions taken to correct identified deficiencies. Management believes that internal control over financial reporting, which is subject to scrutiny by management and the Company’s internal auditors, supports the integrity and reliability of the financial statements. Management recognizes that there are inherent limitations in the effectiveness of any internal control system, including the possibility of human error and the circumvention or overriding of internal controls. Accordingly, even effective internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation. In addition, because of changes in conditions and circumstances, the effectiveness of internal control over financial reporting may vary over time. The Audit Committee is comprised entirely of outside directors who are independent pursuant to stock exchange and SEC rules. The Audit Committee is responsible for the appointment and compensation of the independent auditors and makes decisions regarding the appointment or removal of members of the internal audit function. The Audit Committee meets periodically with management, the independent auditors, and the internal auditors to ensure that they are carrying out their responsibilities. The Audit Committee is also responsible for performing an oversight role by reviewing and monitoring the financial, accounting and auditing procedures of the Company in addition to reviewing the Company’s financial reports. The independent auditors and the internal auditors have full and unlimited access to the Audit Committee, with or without the presence of management, to discuss the adequacy of internal control over financial reporting and any other matters which they believe should be brought to the attention of the Audit Committee.

The 2024 financial statements have been audited by the independent registered public accounting firm of Crowe LLP (“Crowe”). Crowe has also issued a report on the effectiveness of internal control over financial reporting. That report has also been made a part of this Annual Report.

Changes in Internal Control over Financial Reporting

Management has conducted an assessment of the effectiveness of the Company's internal control over financial reporting as of December 31, 2024, utilizing framework established in “Internal Control – Integrated Framework (2013)” issued by COSO. Based on this assessment, management has determined that the Company's internal control over financial reporting as of December 31, 2024 is effective. Additionally, there were no changes in our internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) during the quarter ended December 31, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

ITEM 9B. OTHER INFORMATION

Grants under the Company's 2021 Equity Incentive Plan:

On February 26, 2025, the Compensation Committee of the Board (the "Compensation Committee") approved the grant of annual long-term incentive awards comprising options ("Options"), restricted stock ("RSAs"), and performance-based restricted stock units ("PSUs") under the Company's 2021 Equity Incentive Plan (the "Plan") to the Company's named executive officers (other than Norman Pozez). Such awards included Options to purchase Company common stock at an exercise price of $22.76 in the following amounts: (i) 57,142 options to Susan G. Riel; (ii) 17,820 options to Eric R. Newell; (iii) 7,998 options to Charles D. Levingston; (iv) 14,743 options to Ryan A. Riel; and (v) 17,078 options to Janice L. Williams. The Options are scheduled to vest in three equal annual installments beginning on February 26, 2026, have an expiration date of February 26, 2035, and are subject to the terms and conditions of the Plan and an award agreement in the form attached hereto as Exhibit 10.3. Such awards also included PSUs in the following amounts: (i) 63,268 PSUs to Susan G. Riel; (ii) 19,730 PSUs to Eric R. Newell; (iii) 8,855 PSUs to Charles D. Levingston; (iv) 16,324 PSUs to Ryan A. Riel; and (v) 18,909 PSUs to Janice L. Williams. The PSUs are earned based on a three-year performance period (January 1, 2025 – December 31, 2027) based on equally weighted performance metrics tied to the Company's relative total shareholder return and earnings per share. The PSUs are subject to the terms and conditions of the Plan and an award agreement in the form attached hereto as Exhibit 10.27. Such awards also included RSAs in the following amounts: (i) 21,089 RSAs to Susan G. Riel; (ii) 6,576 RSAs to Eric R. Newell; (iii) 2,951 to Charles D. Levingston; (iv) 5,441 RSAs to Ryan A. Riel; and (v) 6,303 RSAs to Janice L. Williams. The RSAs are scheduled to vest in three equal annual installments commencing on the first anniversary of the grant date and are subject to the terms and conditions of the Plan and award agreements materially consistent with the terms of the previously disclosed award agreement for RSAs in Exhibit 10.28 to the Company's Form 10-K for its 2023 fiscal year.

(b) *Director and Officer Trading Arrangements:*

During the three months ended December 31, 2024, no director or officer (as defined in Rule 16a-1(f) under the Exchange Act) of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this Item is incorporated by reference to the material appearing under the captions "Election of Directors," "Executive Officers Who Are Not Directors," "Delinquent Section 16(a) Reports", "2024 Meetings, Committees and Procedures of the Board of Directors", and "Insider trading arrangements and policies" in the Company's definitive proxy statement for the Annual Meeting of Shareholders to be held on May 15, 2025 (the "Proxy Statement").

The Company has adopted a code of ethics that applies to its Chief Executive Officer and Chief Financial Officer which is available on our website at https://ir.eaglebankcorp.com/. This reference to our website is an inactive textual reference only and is not a hyperlink. The information on our website is not incorporated by reference in this Form 10-K, and you should not consider it a part of this Form 10-K. A copy of the code of ethics will also be provided to any person, without charge, upon written request directed to Jane Cornett, Corporate Secretary, Eagle Bancorp, Inc., 7830 Old Georgetown Road, Third Floor, Bethesda, Maryland 20814. There have been no material changes in the procedures previously disclosed by which shareholders may recommend nominees to the Company's Board of Directors.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this Item is incorporated by reference to the material appearing under the captions "Election of Directors – Director Compensation," "2024 Meetings, Committees and Procedures of the Board of Directors," "Compensation Committee Report" and "Compensation Discussion and Analysis" in the Proxy Statement, except as to information required pursuant to Item 402(v) of SEC Regulation S-K relating to pay versus performance.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this Item is incorporated by reference to the material appearing under the caption "Voting Securities and Principal Shareholders" in the Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required by this Item is incorporated by reference to the material appearing under the captions “Election of Directors,” "Corporate Governance" and “Certain Relationships and Related Party Transactions” in the Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this Item is incorporated by reference to the material appearing under the caption “Ratification of the Appointment of Independent Registered Public Accounting Firm – Fees Paid to Independent Accounting Firm” in the Proxy Statement.

The Independent Registered Public Accounting Firm for the financial statements as of December 31, 2024, 2023 and 2022, and for the three years then ended was Crowe LLP (PCAOB Firm ID No. 173) located in Chicago, Illinois.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following financial statements are included in this report

- Reports of Crowe LLP, Independent Registered Public Accounting Firm
- Consolidated Balance Sheets at December 31, 2024 and 2023
- Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Changes in Shareholders' Equity for the years ended December 31, 2024, 2023 and 2022
- Consolidated Statements of Cash Flows for the years ended December 31, 2024, 2023 and 2022

Notes to the Consolidated Financial Statements

All financial statement schedules have been omitted as the required information is either inapplicable or included in the Consolidated Financial Statements or related notes.

Exhibit No.	Description of Exhibit
3.1	Certificate of Incorporation of the Company, as amended (1)
3.2	Bylaws of the Company (2)
4.1	Indenture dated as of September 30, 2024 between Eagle Bancorp, Inc., as issuer, and Wilmington Trust, National Association, as trustee (3)
4.2	Form of 10.00% Senior Notes due 2029 (included in Exhibit 4.1).
4.3	Registration Rights Agreement, dated as of September 30, 2024, between Eagle Bancorp, Inc. and the purchasers of the Senior Notes (4)
4.4	Form of 10.00% Senior Notes due 2029 (Exchange Notes). (5)
4.5	Description of Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934
10.1 +	2006 Stock Plan (6)
10.2 +	2016 Stock Plan (7)
10.3 +	Form Non-Qualified Stock Option Agreement
10.4 +	Amended and Restated Employment Agreement dated as of December 18, 2023, between EagleBank and Susan G. Riel (36)
10.5 +	Second Amended and Restated Employment Agreement dated as of January 28, 2020, between EagleBank and Janice L. Williams (11)
10.6 +	[Intentionally left blank]
10.7 +	Employment Agreement dated as of September 25, 2023 between EagleBank, Eagle Bancorp, Inc. and Eric R. Newell (31)
10.8 +	Employment Agreement dated as of August 9, 2023 between EagleBank, Eagle Bancorp, Inc. and Ryan Riel (32)
10.9 +	[Intentionally left blank]
10.10 +	Amended and Restated Non-Compete Agreement dated as of December 18, 2023, between EagleBank and Susan G. Riel (37)
10.11 +	Amended and Restated Non-Compete Agreement dated as of January 28, 2020, between EagleBank and Janice L. Williams (16)
10.12	Form of Indemnification Agreement (17)
10.13 +	Non-Compete Agreement dated as of September 25, 2023, between EagleBank, Eagle Bancorp, Inc. and Eric R. Newell (33)
10.14 +	Non-Compete Agreement dated as of August 9, 2023, between EagleBank, Eagle Bancorp, Inc. and Ryan Riel (34)
10.15 +	Amended and Restated Non-Compete Agreement dated as of December 18, 2023, between Eagle Bancorp, Inc., EagleBank and Norman R. Pozez (39)
10.16 +	Form of Supplemental Executive Retirement Plan Agreement (18)
10.17 +	2024 Senior Executive Incentive Plan (12)
10.18 +	Virginia Heritage Bank 2006 Stock Option Plan (20)
10.19 +	Virginia Heritage Bank 2010 Long-Term Incentive Plan (21)

10.20	Form of Senior Note Purchase Agreement, dated as of September 30, 2024, by and among Eagle Bancorp, Inc. and the Purchasers (22)
10.21 +	Long-Term Incentive Plan 2025-2027
10.22 +	Amended and Restated Employment Agreement dated as of February 21, 2024 between EagleBank and Paul Saltzman (26)
10.23 +	Non-Compete Agreement dated as of February 21, 2024 between EagleBank and Paul Saltzman (30)
10.24 +	Amended and Restated Chairman Compensation Agreement, dated as of December 18, 2023, among Eagle Bancorp, Inc., EagleBank and Norman R. Pozez (38)
10.25 +	Amended and Restated Non-Compete Agreement, dated as of December 18, 2023 among Eagle Bancorp, Inc., EagleBank, and Norman R. Pozez (39)
10.26	Form of Non-Employee Director Restricted Stock Award (Time Vested) (25)
10.27 +	Form of Executive Officer Performance Vested Restricted Stock Unit Award Agreement
10.28 +	Form of Executive Officer Restricted stock Award Agreement (Time Vested) (27)
10.29 +	Restricted Stock Award Agreement for Norman R. Pozez dated April 2, 2020 (28)
10.30 +	2021 Stock Plan (39)
10.31 +	2021 Employee Stock Purchase Plan (13)
10.32 +	Employment Agreement dated as of August 28, 2024 between EagleBank and Evelyn Lee
10.33 +	Non-Compete Agreement dated as of August 28, 2024 between EagleBank and Evelyn Lee
10.34 +	Employment Agreement dated as of September 3, 2024 between EagleBank, Eagle Bancorp, Inc. and Kevin Geoghegan
19	Insider trading policies and procedures
21	Subsidiaries of the Registrant
23.1	Consent of Crowe LLP
31.1	Certification of Susan G. Riel
31.2	Certification of Eric R. Newell
32.1	Certification of Susan G. Riel
32.2	Certification of Eric R. Newell
97.1	Clawback Policy
101	Interactive data files pursuant to Rule 405 of Regulation S-T:
	(i) Consolidated Balance Sheets at December 31, 2024 and 2023
	(ii) Consolidated Statement of Operations for the years ended December 31, 2024, 2023 and 2022
	(iii) Consolidated Statement of Comprehensive Income (Loss) for the years ended December 31, 2024, 2023 and 2022
	(iv) Consolidated Statement of Changes in Shareholders' Equity for the years ended December 31, 2024, 2023 and 2022
	(v) Consolidated Statement of Cash Flows for the years ended December 31, 2024, 2023 and 2022
	(vi) Notes to the Consolidated Financial Statements
104	The cover page of this Annual Report on Form 10-K, formatted in Inline XBRL

(+) Indicates management contract or compensatory plan or arrangement

(1) Incorporated by reference to the Exhibit of the same number to the Company's Current Report on Form 8-K filed on May 17, 2016.
(2) Incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed on December 18, 2017.
(3) Incorporated by reference to Exhibit 4.1 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2024.
(4) Incorporated by reference to Exhibit 4.3 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2024.
(5) Incorporated by reference to Exhibit 4.4 to the Company's Amendment No.1 to Form S-4 filed on November 26, 2024.
(6) Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 333-187713)
(7) Incorporated by reference to Exhibit 4 to the Company's Registration Statement on Form S-8 (No. 333-211857)

(8) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(9) Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(10) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on January 14, 2020.
(11) Incorporated by reference to Exhibit 10.5 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(12) Incorporated by reference to Exhibit 10.17 to the Company's Annual Report on Form 10-K for the Year ended December 31, 2023.
(13) Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on May 26, 2021.
(14) Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(15) Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on January 14, 2020.
(16) Incorporated by reference to Exhibit 10.6 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(17) Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on May 3, 2024.
(18) Incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the Year ended December 31, 2013.
(19) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 26, 2019.
(20) Incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 (No. 333-199875)
(21) Incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-8 (No. 333-199875)
(22) Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on November 7, 2024.
(23) Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 26, 2019.
(24) Incorporated by reference to Exhibit 10.9 to the Company's Current Report on Form 8-K filed on February 3, 2020.
(25) Incorporated by reference to Exhibit 10.13 to the Company's Quarterly Report on Form 10-Q filed on May 11, 2020.
(26) Incorporated by reference to Exhibit 10.22 to the Company's Annual Report on Form 10-K for the Year ended December 31, 2023.
(27) Incorporated by reference to Exhibit 10.15 to the Company's Quarterly Report on Form 10-Q filed on May 11, 2020.
(28) Incorporated by reference to Exhibit 10.12 to the Company's Quarterly Report on Form 10-Q filed on May 11, 2020.
(29) Incorporated by reference to Exhibit 16.1 to the Company's Current Report on Form 8-K filed on October 7, 2020.
(30) Incorporated by reference to Exhibit 10.23 to the Company's Annual Report on Form 10-K for the Year ended December 31, 2023.
(31) Incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2023.
(32) Incorporated by reference to Exhibit 10.4 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2023.
(33) Incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2023.
(34) Incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q filed on August 9, 2023.
(35) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on December 21, 2023.
(36) Incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on December 21, 2023.
(37) Incorporated by reference to Exhibit 10.3 to the Company's Current Report on Form 8-K filed on December 21, 2023.
(38) Incorporated by reference to Exhibit 10.4 to the Company's Current Report on Form 8-K filed on December 21, 2023.
(39) Incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on May 26, 2021.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	EAGLE BANCORP, INC.
February 27, 2025	by: /s/ Susan G. Riel
	Susan G. Riel, Chair, President and CEO

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Position	Date
/s/ Matthew D. Brockwell Matthew D. Brockwell	Director	February 27, 2025
/s/ Steven Freidkin Steven Freidkin	Director	February 27, 2025
/s/ Theresa G. LaPlaca Theresa G. LaPlaca	Director	February 27, 2025
/s/ Leslie Ludwig Leslie Ludwig	Director	February 27, 2025
/s/ Louis P. Mathews Jr. Louis P. Mathews Jr.	Director	February 27, 2025
/s/ Eric R. Newell Eric R. Newell	Senior Executive Vice President and Chief Financial Officer of the Company (Principal Financial and Accounting Officer)	February 27, 2025
/s/ Norman R. Pozez Norman R. Pozez	Director	February 27, 2025
/s/ Kathy A. Raffa Kathy A. Raffa	Director	February 27, 2025
/s/ Susan G. Riel Susan G. Riel	Chair, President and Chief Executive Officer of the Company (Principal Executive Officer)	February 27, 2025
/s/ James A. Soltesz, P.E. James A. Soltesz	Director	February 27, 2025
/s/ Benjamin M. Soto, Esquire Benjamin M. Soto	Director	February 27, 2025

Exhibit 10.3

NON-QUALIFIED STOCK OPTION AGREEMENT
PURSUANT TO THE
EAGLE BANCORP, INC.
2021 EQUITY INCENTIVE PLAN

This NON-QUALIFIED STOCK OPTION AGREEMENT (this "Agreement" or "Option"), which is not intended to qualify as an incentive stock option under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), is in all respects subject to the provisions of the 2021 Equity Incentive Plan (the "Plan") of Eagle Bancorp, Inc. (the "Company") which are incorporated herein by reference and made part hereof. Copies of the Plan and related prospectus have been provided or made available to each person granted a stock option pursuant to the Plan. The holder of this Option (the "Optionee") hereby accepts this Option, subject to all the terms and provisions of the Plan and this Agreement, and agrees that all decisions under and interpretations of the Plan and this Agreement by the committee responsible for administering the Plan will be final, binding and conclusive upon the Optionee and the Optionee's heirs, legal representatives, successors and permitted assigns. To the extent there is a conflict between this Agreement and the Plan, the Plan shall govern. This Option provides the option, subject to the terms and conditions set forth herein, for the Optionee to purchase shares of common stock, par value $.01 per share, of the Company ("Common Stock") at the Option Price (as set forth below). Except where the context otherwise requires, the term "Company" will include the parent and all present and future subsidiaries of the Company as defined in Section 424(e) and 424(f) of the Code. Capitalized terms used herein but not defined have the same meaning as in the Plan.

1. Optionee:

2. Total number of shares of Common Stock that may be acquired pursuant to this Option:
(subject to adjustment pursuant to Section 3(d) of the Plan).

3. Date of Grant: February 26, 2025

4. Option Price: $23.21, subject to adjustment pursuant to Section 3(d) of the Plan (100% of the Fair Market Value, as determined in accordance with the provisions of the Plan, of the Common Stock on the date of grant of this Option).

5. Expiration Date: February 26, 2035

6. Vesting Provisions.

(a) Vesting Schedule. Except as otherwise provided in the Plan or herein, this Option shall vest and become exercisable in accordance with the following schedule:

Schedule of Rights to Exercise.	Percentage of Total Grant That May Be Exercised
Upon Grant	0%
Upon first anniversary of Grant	33.3%
Upon second anniversary of Grant	33.3%
Upon third anniversary of Grant	33.3%

This Option may not be exercised at any time on or after the Option's Expiration Date.

(b) Effect of Termination of Service on Vesting and Exercisability.

(i) Death. If Optionee's service with the Company terminates due to Optionee's death, all Options subject to this Agreement shall immediately vest. Vested Options may not be exercised more than 12 months following Optionee's death, or prior to the Expiration Date, if earlier.

(ii) Disability. If Optionee's service with the Company terminates by reason of Optionee's Disability, all Options subject to this Agreement shall immediately vest. Vested Options may not be exercised more than 12 months following Optionee's termination of service due to Disability, or prior to the Expiration Date, if earlier.

(iii) Cause. If Optionee's service with the Company is terminated for Cause, any Options not already exercised will be immediately and automatically forfeited as of the date of Optionee's termination for Cause.

(iv) Retirement. If Optionee's service with the Company terminates due to Retirement, Optionee shall remain eligible to vest in the Option through the end of the vesting schedule set forth in Section 6(a), to the same degree as Optionee would have been eligible to vest in the Options had Optionee remained an active employee through the vesting dates; provided, that Optionee remains in compliance with the restrictive obligations set forth in Section 11. In the event that Optionee is determined to be in violation of Section 11, all Options granted pursuant to this Agreement, whether vested or non-vested, shall be immediately forfeited. For purposes of this Option, "Retirement" shall mean a termination of Optionee's employment other than a termination of service for Cause, or as a result of Optionee's death or Disability, with the Company or its Affiliates after Optionee has attained age 65 and completed at least five (5) years of employment with the Company or its Affiliates. Following Optionee's termination of service due to Retirement, Options may be exercised at any time prior to the Expiration Date, provided, that Optionee has remained in compliance with the restrictive obligations set forth in Section 11.

(v) Other Termination. Unless otherwise provided by the Committee, if Optionee's service with the Company terminates for any reason other than death, Disability, Cause, or Retirement, all of the non-vested Options granted pursuant to the Agreement shall be forfeited as of the date of Optionee's termination. Vested Options may not be exercised more than 90 days following Optionee's termination of service for any reason other than death, Disability, Cause, or Retirement.

(vi) Exercisability. Following termination of service, Options may be exercised, provided, that Optionee remains in compliance with the restrictive obligations set forth in Section 11. If Optionee is determined to be in violation of Section 11, all outstanding Options granted pursuant to this Agreement, whether vested or non-vested, shall be immediately forfeited. No Options pursuant to this Agreement may be exercised on or after the Expiration Date.

7. Method of Exercise. This Option shall be exercisable by Optionee's completing and delivering a written notice of exercise (the "Notice of Exercise"), which is attached hereto as Exhibit A.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by cash, Common Stock, net settlement (using a portion of the shares obtained on the exercise as payment of the exercise price of the Option), or such combination of cash and Common Stock as the Optionee elects.

8. Restrictions on Exercise. This Option may not be exercised if the issuance of the shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation. As a condition to the Optionee's exercise of this Option, the Company may require the person exercising this Option to make any representation and warranty to the Company as may be required by any applicable law or regulation.

9. Restriction on Sale of Shares. Not in limitation of any other restriction under the Plan or applicable law or regulation, and except as otherwise provided in the Plan, shares of Common Stock acquired upon exercise of an Option may not be sold or otherwise disposed of before the end of a six-month period beginning on the date the Option was granted, as stated below, except for dispositions by bona fide gifts or transfers by will or the laws of descent or distribution.

10. Non-transferability of Option. This Option may not be sold, pledged, assigned, hypothecated, transferred or disposed of in any manner other than by will or by the laws of descent and distribution, pursuant to the terms of a "qualified domestic relations order" or, in the sole discretion of the Committee, in connection with a transfer for

estate or retirement planning purposes to a trust established for such purposes. The terms of this Option shall be binding upon the executors, administrators, heirs, successors, and assigns of the Optionee.

11. Restrictive Obligations. In exchange for the Award pursuant to this Agreement which Optionee acknowledges that Optionee is not otherwise entitled to, Optionee agrees to be bound by and comply with the following obligations which will survive the termination or expiration of this Agreement:

(a) Non-Competition. Optionee hereby covenants and agrees that during the period of Optionee's employment and through the end of the vesting schedule set forth in Section 6 above (the "Restricted Period"), Optionee will not at any time (except on behalf of the Company or its Affiliates), directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise) own, manage or control, or participate in the ownership, management or control, or perform duties that are the same as or substantially similar to those duties performed by Optionee for the Company and its Affiliates during the prior twenty-four (24) months of Optionee's employment, if such ownership, management or control, or the participation therein, or the performance of such duties, are performed for a bank, a bank holding company, or other financial institution that provides products or services that are the same as or substantially similar to, and competitive with, any of the products or services provided by the Company or its Affiliates at the time Optionee's employment ceases. The restrictions set forth in this Section shall apply only within a fifty (50) mile radius of the headquarters of the Company (or any headquarters of a successor), and within fifty (50) miles of any branch office of the Company or its Affiliates (or any successor as to Maryland, District of Columbia and Virginia branches only), as such are located as of the date Optionee's employment ceases.

(b) Non-Solicitation of Customers. Optionee hereby covenants and agrees that during the Restricted Period, Optionee will not, directly or indirectly, for Optionee or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), solicit, divert from the Company or its Affiliates, or transact business with any "Customer" of the Company or its Affiliates with whom Optionee had "Material Contact" within the prior twenty-four (24) months or about whom Optionee obtained non-public information while acting within the scope of Optionee's employment during the last twenty-four (24) months of such employment, if the purpose of such solicitation, diversion or transaction is to provide products or services that are the same as or substantially similar to, and competitive with, those offered by the Company and its Affiliates at the time Optionee's employment ceases. "Material Contact" for the purpose of this Section means that Optionee personally communicated with the Customer, either orally or in writing, for the purpose of providing, offering to provide or assisting in providing products or services of the Company or its Affiliates. "Customer" means any person or entity with whom the Company or its Affiliates had a depository, lending or other contractual relationship, pursuant to which the Company or its Affiliates provided products or services during the last twenty-four (24) months. The prohibition on "solicitation" set forth herein shall not apply to solicitations to the general public not disproportionately directed to Customers.

(c) Non-Solicitation of Employees. Optionee hereby covenants and agrees that during the Restricted Period, Optionee will not, directly or indirectly, for Optionee or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity) hire, assist others in hiring, or solicit for hire any person, or induce or encourage any person to terminate employment with the Company or its Affiliates, if such person was known by Optionee to have been an employee of the Company or its Affiliates at any time during the prior six (6) months and the purpose of such hire, solicitation, or inducement is to compete with any of the Company or its Affiliates.

(d) Non-Interference with Business Relationships. Optionee hereby covenants and agrees that during the Restricted Period, Optionee will not, directly or indirectly, for Optionee or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), induce or attempt to induce any Supplier, contractor, agent, representative, or any other person that has a business relationship with the Company or its Affiliates, and with whom Optionee had "Material Contact" during the prior twenty-four (24) months or about whom Optionee obtained non-public information while acting within the scope of Optionee's employment during the last twenty-four (24) months of Optionee's employment, to discontinue, terminate, or reduce the extent of such person's relationship with the Company or its Affiliates or to take any action that would disrupt or otherwise damage such relationship. "Supplier" means any person which, during the prior six (6) month period (A) had sold any products or services to any of the Company or its Affiliates or (B) had submitted to the Company or its Affiliates a proposal for the sale of any products or services.

(e) Cooperation. During and after Optionee's employment, Optionee shall fully cooperate with the reasonable requests of the Company, including providing information, with regard to any matter that Optionee has

knowledge of as a result of Optionee's employment or prior employment with the Company or its Affiliates. Optionee further agrees to comply with any reasonable request by the Company to assist in relation to any investigation into any actual or potential irregularities, including without limitation assisting with any threatened or actual litigation concerning the Company or its Affiliates, giving statements/affidavits, meeting with legal and/or other professional advisors, and attending any legal hearing and giving evidence; provided that the Company shall reimburse Optionee for any reasonable out-of-pocket expenses properly incurred by Optionee in giving such assistance.

(f) Nondisclosure of Confidential Information. Optionee hereby covenants and agrees that Optionee shall not, directly or indirectly, disclose or use, or authorize any person to disclose or use, any "Confidential Information" (whether or not any of the Confidential Information is novel or known by any other person); provided however, that this restriction shall not apply to the use or disclosure of Confidential Information: (i) to any governmental entity to the extent required by law, (ii) which is or becomes publicly known and available through no wrongful act of Optionee or any person acting on behalf of or in concert with Optionee, or (iii) in connection with the proper and lawful performance of Optionee's duties for the Company and its Affiliates. The restrictions set forth above in this Section shall apply during Optionee's employment and for the longer of five (5) years following the cessation thereof or for however long the Confidential Information is a trade secret protected from use or disclosure by the Maryland Uniform Trade Secrets Act or is otherwise protected from use or disclosure by any other federal or state law, including bank privacy laws. Notwithstanding the foregoing, Optionee and the Company acknowledge and agree that nothing contained in this Section shall be interpreted, construed, asserted or enforced by Company to prohibit Optionee from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Further, nothing contained herein shall be interpreted, construed, asserted or enforced by the Company to (i) prohibit or disqualify Optionee from being awarded, receiving and/or enjoying the benefit of, any award, reward, emolument or payment, or other relief of any kind whatsoever, from any agency, which is provided based upon Optionee's providing information to any such agency as a whistleblower under applicable law or regulation, or (ii) require notification or prior approval by the Company of any such report; provided that, Optionee is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. For purposes of this Section, "Confidential Information" includes, but is not limited to: business plans; operating results; financial statements and financial information; contracts; mailing lists; purchasing information; customer data (including lists, names and requirements); feasibility studies; personnel related information (including compensation, compensation plans, and staffing plans); internal working documents and communications; and other materials related to the businesses or activities of the Company or its Affiliates which is made available only to employees with a need to know or which is not generally made available to the public. Failure to mark any Confidential Information as confidential, proprietary or protected information shall not affect its status as part of the Confidential Information subject to the terms of this Agreement.

(g) Reasonableness and Remedy. Optionee has carefully read and considered the provisions of this Agreement and, having done so, acknowledges that Optionee fully understands them, that Optionee has had an opportunity to consult with counsel of Optionee's own choosing regarding the meaning and effect of such provisions, at Optionee's election, and Optionee agrees that the restrictions, obligations and agreements set forth in this Agreement are fair and reasonable and are reasonably required for the protection of the interests of the Company and its respective businesses, shareholders, directors, officers and employees. Optionee agrees that the restrictions set forth in this Agreement are independent and divisible and will not impair or unreasonably restrain Optionee's ability to earn a livelihood. Optionee further acknowledges that Optionee's services have been and shall continue to be of special, unique and extraordinary value to the Company. In the event of any breach or threatened or attempted breach by Optionee of any provision of the obligations and restrictions set forth in this Section 11, the Company shall, in addition to and not to the exclusion of any other rights and remedies at law or in equity, be entitled to seek and receive from a court of competent jurisdiction, (i) full temporary and permanent injunctive relief enjoining and restraining Optionee and each and every other Person concerned therein from the continuation of such violative acts, (ii) a decree for specific performance of the applicable provisions of this Agreement, without being required to furnish any bond or other security, and (iii) recoupment or clawback of the Awards granted pursuant to this Agreement.

Exhibit 10.3

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed in its name and on its behalf as of the date of grant of this Option set forth above.

EAGLE BANCORP, INC.

By_________________________

OPTIONEE'S ACCEPTANCE

The undersigned hereby accepts the foregoing Option and agrees to the terms and conditions hereof, including the terms and provisions of the 2021 Equity Incentive Plan. The undersigned hereby acknowledges receipt of a copy of the Company's 2021 Equity Incentive Plan.

OPTIONEE

By_________________________

EXHIBIT A

NON-QUALIFIED STOCK OPTION EXERCISE FORM
PURSUANT TO THE
EAGLE BANCORP, INC.
2021 EQUITY INCENTIVE PLAN

Date

[Title]
Eagle Bancorp, Inc.

Re: 2021 Equity Incentive Plan

The undersigned elects to exercise the Non-Qualified Stock Option to purchase shares, par value $.01, of Common Stock of Eagle Bancorp, Inc. under and pursuant to a Stock Option Agreement dated .

Delivered herewith is a certified or bank cashier's or teller's check and/or shares of Common Stock, valued at the Fair Market Value of the stock on the date of exercise, as set forth below.

$___________ of cash or check

___________ Shares of Common Stock, valued at $________ per share

$_ Total

The name of Optionee, or person entitled to exercise Option, if applicable, is as follows:

Name: _________________________

Very truly yours,

Exhibit 10.21

Long-Term Incentive Plan

2025-2027

Adopted:

Long-Term Incentive Plan

Objectives

Eagle Bancorp, Inc. (the "Company") is committed to rewarding executive officers of the Company and its principal subsidiary EagleBank for their contributions to the Company's success. The Company's long-term incentive plan (LTIP) is adopted under, and constitutes the basis under which the Company will establish the equity based compensation awarded to executive officers pursuant to the Company's then-applicable, shareholder approved, equity compensation plan (the "Stock Plan"), and is part of a total compensation package, which includes base salary, annual cash incentives (under the Senior Executive Incentive Plan – "SEIP"), long-term equity incentives and benefits. The objectives of this Long-Term Incentive Plan are to:

- Focus and reward participants for driving long-term, sustained performance.
- Align executive officers with shareholder interests.
- Enable the Company and its subsidiaries to attract and retain talent needed to drive the Company's success.
- Ensure sound risk management by providing a balanced view of performance and aligning rewards with the time horizon of risk.
- Position EagleBank's total compensation to be competitive with market for meeting performance goals.
- Work with the SEIP to ensure a proper balance of performance goals and time horizons for overall performance and compensation.

Participation

- Participants are the executive officers of the Company and/or EagleBank, as designated by the Board of Directors. The Compensation Committee, in its sole and absolute discretion, may grant awards to non-executive officers.
- Time-Vested and Option Awards: New participants hired July 1 or later may not be eligible to receive awards of Restricted Stock (RS) for the year in which they are hired but will become eligible for the next cycle.
- Performance-Vested Awards: New participants must be an executive officer on the first business day of the year to be eligible for performance-vested awards (made in the first quarter) relating to the forthcoming three-year period. Participants must be an active employee as of the last day of the applicable performance period and on the date stock vests to receive the benefit of an award.
- Participant's performance must be in good standing (minimum rating of 3) for the PRSU Performance Period and for the year of grant for Restricted Shares.

Program Components

The LTIP provides the opportunity to receive shares of time vested restricted stock ("RS") and performance-vested restricted stock units ("PRSU"), to balance goals, to reward for performance, retain executives and align executives' interests with shareholders. Each year, participants are eligible to receive:

Performance Shares (PSRU) (for 2025 this will be 60% of award value); PRSUs are performance-based and align executives with shareholder interests since award value is based on Company performance-based metrics. PRSUs represent the right to receive shares of the Company's common stock upon certification of the achievement of specified performance based metrics over a three-year performance and vesting cycle (the "performance period").

Restricted Stock (RS) (For 2025, this will be 40% of award value); RS supports executive ownership and retention objectives since there is always some value retained (even if performance metric minimums are not met).

PRSUs are granted at target, with the potential to achieve vesting at or above a lower (50% of target) "threshold" level, or to achieve vesting up to a "stretch/maximum" (150% of target) level (with the award value is focused on achievement of future performance based on predefined performance measures). RS awards may be granted at target or could vary to allow for recognition/variation of Company and Individual performance.

In some cases, Stock Options (Options) may be included as part of an award not to exceed 20% of the overall award.

The number of Restricted Stock and PRSU shares will be determined by dividing the value of the compensation award by the stock price on the date of grant (utilizing the formula contained in the applicable Stock Plan then in effect). The number of Performance Shares (PRSUs) will be granted at target but will be settled in Common Stock after the three-year performance and vesting period.

Performance units promote pay for performance alignment and are intended to reward future performance since the awards are only paid out when predefined performance goals are met. Performance units are earned and cliff vest after three years. Earned performance units are paid within 75 days after the end of the Performance Period or as soon as practicable thereafter if the measurement data was not yet readily available, and vest on the date the Compensation Committee certifies the performance data.

Under certain conditions, options provide incentive for creating shareholder value at a greater rate than restricted stock.

The grants of RS, Options and PRSUs under this Plan are under and a part of the applicable Company Stock Plan and not outside thereof, and are subject to all terms and conditions of such Plan.

Individual grant agreements will be provided to each individual upon grant and will specify the terms and conditions of the grant.

Participation in the Plan does not guarantee an award at the target levels detailed in Appendix A. The Compensation Committee of the Company (the "Committee") will have the discretion to grant above or below

target for RS to allow for appropriate reflection of the Company's performance, business environment, risk mitigating factors, affordability and individual performance and contribution.

Award Opportunities

Each participant will have a target equity award that reflects being a part of a competitive total compensation package for his/her role. LTIP targets will be communicated to each participant at the start of each performance period. (See Appendix A for current target opportunities.) LTIP targets are estimates only, subject to adjustment as set forth herein and are not committed amounts until awards are actually made and vested.

Restricted Stock (Time Vested) Shares – How They Work

RS grants are awarded based on a holistic view of performance that recognizes individual and Company performance. Actual awards can vary +/- 25% from target to reflect performance. Once awarded, RS vests one-third per year for three years, beginning on the first anniversary after the grant date.

Stock Options – How They Work

Options granted under the Plan are Non-Qualified Stock Options. Each award agreement will incorporate terms and conditions of the award to include Option Price, Option Term, Exercisability and Method of Exercise.

An Option will not confer upon the Participant any of the rights or privileges of a stockholder in the Company unless and until the Participant is issued Shares following Participant's exercise of the Option.

Performance Shares – How they Work

Performance Period

Each performance cycle (i.e., performance period) is three years. Performance goals and target opportunities are communicated at the start of each performance period. For the 2025 Plan, the performance period will be January 1, 2025 to December 31, 2027. The payout of the award is contingent on actual performance of pre-defined measures at the end of the performance period. The result is a rolling series of annual awards, each earned over three years.

The diagram below shows how the annual award process results in overlapping cycles.

2024	2025	2026	2027	2028	2029

Performance Period

Performance share grants

Evaluate performance results and vest earned performance shares

Performance Measures

The Committee shall establish one or more Performance Goals for each grant of PRSUs. The selected performance measures are intended to reflect the Company's strategic plan as well as shareholder expectations.

It is intended that target goals will reflect performance that is attainable with reasonable stretch. Stretch (maximum) goals will reflect challenge goals that require superior performance. Performance of each goal is measured independently.

Actual payout after three years will be interpolated on a straight-line basis between threshold, target and maximum to reward incremental performance. Performance will range from 50% of target for achieving threshold performance to 150% of target for achieving stretch performance.

Note: Performance measures will be limited to no greater than a target payout in the event of a negative result over the performance period.

The table below establishes two performance goals and ranges for 2025.

Measures	Weight	Threshold	Target	Stretch/Maximum
EPS Growth (KRX Index)	50%	Median	62.5% Percentile	75% Percentile
Total Shareholder Return (KRX Index)	50%	Median	62.5% Percentile	75% Percentile
Payout Range (% of Target)	100%	50%	100%	150%

The Index is the KBW Regional Bank Index (KRX)

Awards Payouts

The Company's performance in respect of each of the performance measures will be calculated following the end of each performance cycle to determine the portion of an award of PRSUs that has vested. Vested PRSUs will be settled in the Company's common stock.

In light of extraordinary regional economic or business circumstances of a force majeure nature (such as a result of a terrorist act or new government sequestration), the grant may provide that the Committee retains

the right to apply positive discretion to vesting as appropriate to normalize for such extraordinary regional circumstance. The factors listed above will be considered before vesting is approved by the Committee.

Terms and Conditions

This section provides a general overview of the major terms and conditions for the Long-Term Incentive Plan. Information represented below is subject to change and does not constitute a binding agreement.

Effective Date

This LTIP is effective initially to reflect a performance period of January 1, 2025 to December 31, 2026. The LTIP will be reviewed annually by the Company's Compensation Committee of the Board to ensure proper alignment with the Company's business objectives. The Company retains the rights as described below to amend, modify or discontinue the Plan at any time during the specified period regarding future grants. The Plan will remain in effect until outstanding awards are vested.

Plan Administration

The LTIP is authorized by the Board and administered by the Compensation Committee. The Compensation Committee has the sole authority to interpret the LTIP and to make or nullify any rules and procedures, as necessary, for proper administration of the LTIP. The Compensation Committee will make all final determinations regarding long-term incentive awards to participants. Any determinations by the Compensation Committee will be final and binding on all participants. The Compensation Committee may, in its sole discretion, terminate or modify the LTIP, however, no amendment or termination of this LTIP will adversely affect an outstanding award.

Plan Changes or Discontinuance

The Company has developed the LTIP on the basis of existing business, market and economic conditions; current services; and staff assignments. If substantial changes occur that affect these conditions, services, assignments, or forecasts (for example, mergers, dispositions or other corporate transactions, changes in laws or accounting principles or other events that would in the absence of some adjustment, frustrate the intended operation of this arrangement), the Company may add to, amend, modify or discontinue any of the terms or conditions of the LTIP at any time regarding future grants.

Termination of Employment

To encourage executive retention, a participant must be an active employee of the Company or Bank on the vesting date. (See exceptions for death, disability, retirement, termination for good reason or without cause and change in control below). PRSUs will be forfeited by participants who terminate employment during the performance cycle except as otherwise set forth in this LTIP.

Death, Disability, Retirement (DDR)

If a participant ceases to be employed by the Company or Bank due to death, disability or retirement (as defined in the applicable Stock Agreement)

Change in Control (CIC)

Upon a change in control (as defined in, and subject to any conditions contained in the Stock Plan then in effect), (a) an executive's RS shares will vest and (b) his/her performance-vested PRSUs vesting will be the

greater of (i) based on actual performance measured on the most recent completed fiscal quarter, without proration or (ii) based on an assumed “at target” performance for the entire Performance Period, but then prorated for the period between grant and CIC. Pro ration shall be computed based on full months, including any partial month of service.

Clawback

The Awards (whether vested or unvested) shall be subject to rescission, cancellation, or recoupment, in whole or in part, under any current or future “clawback” or similar policy of the Company that is applicable to the participant.

Ethics and Interpretation

If there is any ambiguity as to the meaning of any terms or provisions of the Plan or any questions as to the correct interpretation of any information contained therein, the interpretation expressed by the Compensation Committee will be final and binding.

The altering, inflating, and/or inappropriate manipulation of performance/financial results or any other infraction of recognized ethical business standard, will subject a participant to disciplinary action up to and including termination of employment. In addition, any incentive compensation under the Plan to which the participant would otherwise be entitled may be revoked.

Miscellaneous

The LTIP will not be deemed to give any participant the right to be retained in the employ of the Bank, nor will the LTIP interfere with the right of the Company or Bank to discharge any participant at any time for any reason. Receipt of an award in one year does not guarantee the eligibility of a participant to receive, or entitle a participant to receive, an award in any subsequent year.

Each provision in this LTIP is severable, and if any provision is held to be invalid, illegal, or unenforceable, the validity, legality and enforceability of the remaining provisions shall not, in any way, be affected or impaired thereby.

This incentive plan and the transactions and payments hereunder shall, in all respects, be governed by, and construed and enforced in accordance with the laws of the state of Maryland (without regard to its conflicts of laws provisions).

Appendix A
2025 LTI Target Opportunity

Tier	Target LTI RS and PRSU (% of Salary)
Tier 1	300%
Tier 2	155%
Tier 3	135%
Tier 4	100%

Tiers reflect SEIP Tiers.

Exhibit 10.27

EXHIBIT A
TO RESTRICTED STOCK UNIT GRANT NOTICE

AWARD AGREEMENT

1. Award of Restricted Stock Units. Effective as of the Grant Date set forth in the Grant Notice, the Company has granted to Participant the number of Restricted Stock Units set forth in the Grant Notice, subject to the restrictions and on the terms and conditions set forth in the Grant Notice, the Plan and this Agreement, including the non-competition and non-solicitation obligations herein.

2. Vesting of Restricted Stock Units. The Award will vest on the last day of the Performance Period, subject to Participant's continued service with the Company through such date, based on the achievement of the performance metrics described below. Solely for purposes of this Agreement, service with the Company will be deemed to include service with an Affiliate of the Company (for only so long as such entity remains an Affiliate of the Company).

a. TSR Performance Metric. Fifty percent (50%) of the Target Restricted Stock Units will be eligible to vest based on the achievement of the TSR performance metric (the "TSR Target Units"). Subject to Participant's continued service through the last day of the Performance Period, if the Company's TSR performance is equal to or greater than the median (50th percentile) of the TSR performance of the companies in the KBW Regional Bank Index (the "Peer Group") during the Performance Period, then a percentage of TSR Target Units will vest as set forth in the following table, and further described below:

Performance Level	**Relative Three-Year TSR Percentile Rank**	**Percent of TSR Target Units Vesting**
Threshold	a. 50th Percentile	50%
Target	a. 62.5th Percentile	100%
Maximum	a. 75th Percentile	150%

"TSR" or total shareholder return, means (x) the Average Closing Price of a company's share of common stock determined as of the last day of the Performance Period less the Average Closing Price of a company's share of common stock determined as of the first day of the Performance Period plus reinvested dividends, (y) divided by the Average Closing Price of a company's share of common stock determined as of the first day of the Performance Period. For purposes of this calculation, "Average Closing Price" means, (i) when determining it with reference to the first day of the Performance Period, the average of the closing price of the applicable stock for the twenty (20) consecutive trading days ending on the date immediately preceding the first day of the Performance Period, and (ii) when determining it with reference to the last day of the Performance Period, the average of the closing price of the applicable stock for the twenty (20) consecutive trading days ending on the last day of the Performance Period. The Committee shall have the authority to make appropriate equitable adjustments to account for extraordinary items affecting the TSR.

3. Once the TSR values are calculated for the companies comprising the Peer Group, the values will be numerically ranked and the median of the TSR percentile ranking will be identified as the 50th percentile. If the Company's TSR performance was equal to or greater than the 50th percentile of the Peer Group, Participant will vest into the number of TSR Target Units determined in accordance with the table above. In the event that the Company's performance falls between Threshold and Target, or Target and Maximum, the number of TSR Target Units that vest will be determined by straight line interpolation.

Except as provided in Section 3, any TSR Target Units that do not vest in accordance with this Section 2.a shall be forfeited.

a. EPS Growth Performance Metric. Fifty percent (50%) of the Target Restricted Stock Units will be eligible to vest based on the achievement of the EPS Growth performance metric (the "EPS Growth Target Units"). Subject to Participant's continued service through the last day of the Performance Period, if the Company's EPS Growth performance is equal to or greater than the median (50th percentile) of the EPS Growth of the companies in the Peer Group during the Performance Period, then a percentage of EPS Growth Target Units will vest as set forth in the following table, and further described below:

Performance Level	**Relative Three-Year EPS Growth Percentile Rank**	**Percent of EPS Growth Target Units Vesting**
Threshold	a. 50th Percentile	50%
Target	a. 62.5th Percentile	100%
Maximum	a. 75th Percentile	150%

b.

c. "EPS Growth," means the total relative growth in adjusted diluted earnings per share measures the growth of diluted earnings per share over the full performance period. EPS Growth will be determined based on the earnings per share reported by the Company and the Peer group calculated annually. The Company's percentile ranking will be determined each year. The growth rate percentile for the full performance period will be an average of the Company's percentile rankings over each year in the three-year period. The relative return peer group will be the companies composing the Peer Group at the time of grant. If diluted earnings per share growth cannot be calculated for a company in the peer group for a given year due to a negative diluted earnings per share result in the prior year, the Committee will not calculate Diluted Earnings Per Share Growth for the year for the company, but such company will remain included in the Peer Group for other years in the performance period for purposes of determining the Company's percentile ranking. If cumulative adjusted diluted earnings per share for the Company is negative over the full three-year performance period, the maximum payout for this category is 100% of target even if relative performance is above the 50th percentile. The adjustment for diluted earnings per share from GAAP diluted earnings per share excludes extraordinary one-time events as determined by the Compensation Committee and shall also exclude (a) the effect of changes in tax laws, accounting principles, or other legislation, regulation, or provisions affecting reported results; (b) any reorganization and restructuring programs; and (c) acquisitions, divestitures and related gains and expenses.

d. If the Company's 3 year EPS Growth average performance is equal to or greater than the 50th percentile of the Peer Group, Participant will vest into the number of EPS Growth Target Units determined in accordance with the table above. In the event that the Company's performance falls between Threshold and Target, or Target and Maximum, the number of EPS Growth Target Units that vest will be determined by straight line interpolation. Except as provided in Section 3, any EPS Growth Target Units that do not vest in accordance with this Section 2.a shall be forfeited.

e. "Peer Group" means the companies in the KBW Regional Bank Index as of the first day of the Performance Period. If a Peer Group company is acquired by or merged with another Peer Group company, the performance of the surviving company is tracked for the remainder of the relevant Performance Period. If a Peer Group company is acquired by a non-Peer Group company, the acquired company is disregarded. For the avoidance of doubt, a Peer Group company which becomes bankrupt or

insolvent during the Performance Period shall be assigned the lowest performance ranking for the Performance Period.

f. Cap on Vesting Based on Absolute TSR. In the event that the Company's TSR is a negative number, then no more than 100% of the Target Restricted Stock Units may become vested under this Award.

4. Effect of Termination of Service or Change in Control During the Performance Period.

a. Death or Disability. If, prior to the end of the Performance Period and during the continued service of Participant to the Company, Participant dies or becomes Disabled, then the Performance Period shall be deemed to have been completed and a number of Restricted Stock Units shall vest in an amount equal to 100% of the number of Target Restricted Stock Units. Any remaining Restricted Stock Units will be forfeited immediately upon Participant's death or Disability.

b. Retirement. If, prior to the end of the Performance Period and during Participant's continued service to the Company, Participant terminates employment due to Retirement, Participant shall remain eligible to vest into the Restricted Stock Units at the end of the Performance Period based upon the formulas set forth in Section 2, to the same degree as Participant would have been eligible to vest into the Restricted Stock Units had Participant remained an active employee through the Performance Period.

c. Change in Control. In the event of a Change in Control:

(1) if the Award is not assumed, converted or replaced by the resulting entity in the Change in Control, the Award will become vested based on assumed TSR and EPS Growth performance results at the greater of (i) target and (ii) estimated actual performance through the Change in Control, as determined by the Committee in its sole discretion; and

(2) if the Award is assumed, converted or replaced by the resulting entity in the Change in Control, but Participant subsequently experiences a Change in Control Termination, the Award will become vested based on assumed TSR and EPS Growth performance results at the greater of (i) target and (ii) estimated actual performance through the Change in Control (and for the avoidance of doubt, not the later employment termination date), as determined by the Committee in its sole discretion.

d. Other Employment Termination. Unless otherwise provided by the Committee, upon Participant's cessation of continued service during the Performance Period for any reason other than as set forth in this Section 3, all of the Restricted Stock Units shall be forfeited.

5. Definitions. For the purposes of this Agreement:

a. "Change in Control Termination" shall have the meaning ascribed to such term in Participant's employment agreement, provided that it shall only apply to a termination that occurs on or within the 12 months following a Change in Control. In the event that Participant is not a party to an employment agreement with the Company or its Affiliate, or such agreement does not specifically define "Change in Control Termination," then, for the purposes of the Grant Notice and this Agreement, such term shall mean that Participant is terminated by the Company without Cause on or within the 12 months following a Change in Control.

b. "Retirement" shall mean a termination of Participant's employment other than a termination of employment for Cause, or as a result of Participant's death or Disability with the Company or its Affiliates after Participant has attained age 65 and completed at least five (5) years of employment with the Company or its Affiliates.

6. No Dividend Equivalent Rights. Participant shall have no entitlement to dividend equivalent rights hereunder.

7. Settlement of Restricted Stock Units. Unless otherwise required by Section 9, one Share will be delivered with respect to each Restricted Stock Unit that vests as set forth below. Any fractional Shares will be rounded up or down to the nearest next whole Share. The distribution to Participant, or in the case of Participant's death, to Participant's legal representative or beneficiary(ies), of such Shares shall be evidenced by a stock certificate, appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company, or other appropriate means as determined by the Company.

a. All Restricted Stock Units that vest at the end of the Performance Period as a result of Participant's continued service through the end of the Performance Period, or Participant's earlier Retirement, shall be settled within 60 days of the end of the Performance Period.

b. All Restricted Stock Units that vest upon Participant's death or Disability will be settled within 60 days of Participant's death or disability.

c. All Restricted Stock Unis that vest upon a Change in Control will be settled within 60 days of the Change in Control.

d. All Restricted Stock Units that vest upon a Change in Control Termination will be settled within 60 days of the Change in Control Termination.

8. Non-Transferability of Restricted Stock Units. Except as may be permitted by the Committee in accordance with Section 14 of the Plan, Restricted Stock Units may not be sold, pledged, assigned, hypothecated, gifted, transferred or disposed of in any manner, either voluntarily or involuntarily, other than by will or by the laws of descent and distribution.

9. Tax Consequences. Participant understands that Participant is not eligible to file an election under Section 83(b) of the Code with respect to the grant of Restricted Stock Units hereunder. Participant acknowledges that the Company has not advised Participant regarding Participant's tax liability in connection with the Restricted Stock Units. Participant acknowledges that Participant has reviewed with Participant's own tax advisors the tax treatment of the Restricted Stock Units and is relying solely on those advisors in that regard.

10. Section 409A.

a. This Agreement is intended to be exempt from or otherwise comply with the provisions of Section 409A of the Code ("Section 409A") and should be interpreted accordingly. Nonetheless, the Company does not guarantee the tax treatment of the Restricted Stock Units. The Company may change or modify the terms of this Agreement without Participant's consent if the Company determines, in its sole discretion, that such change or modification is necessary for purposes of compliance with or exemption from the requirements of Section 409A or any regulations or other guidance issued thereunder.

b. If, as of the date of Participant's "separation from service" from the Company (within the meaning of Section 409A), Participant is a "specified employee" (within the meaning of Section 409A), then to the extent necessary to avoid the imposition of taxes, interest and penalties under Section 409A, the issuance of Shares under Section 6 herein shall be delayed until the day following the six month anniversary of the separation from service.

c. Notwithstanding anything herein to the contrary, the Company may terminate this arrangement at any time in a manner consistent with the requirements of Section 409A.

11. No Continuation of Service. Neither the Plan nor this Agreement will confer upon Participant any right to continue in the employment or service of the Company or any of its Affiliates, or limit in any respect the right of the Company or its Affiliates to discharge Participant at any time, for any reason.

12. The Plan. Participant has received a copy of the Plan, has read the Plan and is familiar with its terms, and hereby accepts the Award subject to the terms and provisions of the Plan. Pursuant to the Plan, the Committee is authorized to interpret the Plan and to adopt rules and regulations not

inconsistent with the Plan as it deems appropriate. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee with respect to questions arising under the Plan, the Grant Notice or this Agreement.

13. Company Policies. Participant agrees, in consideration for the grant of the Restricted Stock Units, to be subject to any policies of the Company and its Affiliates regarding clawbacks, securities trading, and hedging or pledging of securities that may be in effect from time to time, or as may otherwise be required by applicable law, regulation or exchange listing standard.

14. Entire Agreement. The Grant Notice and this Agreement, together with the Plan, represent the entire agreement between the parties with respect to the subject matter hereof and supersede any prior agreement, written or otherwise, relating to the subject matter hereof, including without limitation the Prior Award.

15. Amendment. This Agreement may only be amended by a writing signed by each of the parties hereto; *provided* that the Company may amend this Agreement without Participant's consent, (i) if the amendment does not materially impair Participant's rights hereunder or (ii) pursuant to Section 9 hereto.

16. Governing Law. This Agreement will be construed in accordance with the laws and judicial decisions of the State of Maryland, without regard to the application of the principles of conflicts of laws.

17. Headings. The headings in this Agreement are for convenience only. They form no part of the Agreement and will not affect its interpretation.

18. Electronic Delivery of Documents. Participant authorizes the Company to deliver electronically any prospectuses or other documentation related to the Award and any other compensation or benefit plan or arrangement in effect from time to time (including, without limitation, reports, proxy statements or other documents that are required to be delivered to participants in such arrangements pursuant to federal or state laws, rules or regulations). For this purpose, electronic delivery will include, without limitation, delivery by means of e-mail or e-mail notification that such documentation is available on the Company's Intranet site. Upon written request, the Company will provide to Participant a paper copy of any document also delivered to Participant electronically. The authorization described in this paragraph may be revoked by Participant at any time by written notice to the Company.

19. Further Assurances. Participant agrees, upon demand of the Company, to do all acts and execute, deliver and perform all additional documents, instruments and agreements which may be reasonably required by the Company to implement the provisions and purposes of this Agreement and the Plan.

20. Restrictive Obligations. In exchange for the Award pursuant to this Agreement which Participant acknowledges that Participant is not otherwise entitled to, Participant agrees to be bound by and comply with the following obligations which will survive the termination or expiration of this Agreement:

(a) Non-Competition. Participant hereby covenants and agrees that during the period of Participant's employment and for the one (1) year period immediately following the cessation of Participant's employment for any reason (the "Restricted Period"), Participant will not at any time (except on behalf of the Company or its Affiliates), directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise) own, manage or control, or participate in the ownership, management or control, or perform duties that are the same as or substantially similar to those duties performed by Participant for any of the Company and its Affiliates during the prior twenty-four (24) months of Participant's employment, if such ownership, management or control, or the participation therein, or the performance of such duties, are performed for a bank, a bank holding company, or other financial institution that provides products or services that are the same as or substantially similar to, and competitive with, any of the products or services provided by the Company or its Affiliates at the time

Participant's employment ceases. The restrictions set forth in this Section shall apply only within a fifty (50) mile radius of the headquarters of the Company (or any headquarters of a successor), and within fifty (50) miles of any branch office of the Company or its Affiliates (or any successor as to Maryland, District of Columbia and Virginia branches only), as such are located as of the date Participant's employment ceases.

(b) Non-Solicitation of Customers. Participant hereby covenants and agrees that during the Restricted Period, Participant will not, directly or indirectly, for Participant or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), solicit, divert from the Company or its Affiliates, or transact business with any "Customer" of the Company or its Affiliates with whom Participant had "Material Contact" within the prior twenty-four (24) months or about whom Participant obtained non-public information while acting within the scope of Participant's employment during the last twenty-four (24) months of such employment, if the purpose of such solicitation, diversion or transaction is to provide products or services that are the same as or substantially similar to, and competitive with, those offered by the Company and its Affiliates at the time Participant's employment ceases. "Material Contact" for the purpose of this Section means that Participant personally communicated with the Customer, either orally or in writing, for the purpose of providing, offering to provide or assisting in providing products or services of the Company or its Affiliates. "Customer" means any person or entity with whom the Company or its Affiliates had a depository, lending or other contractual relationship, pursuant to which the Company or its Affiliates provided products or services during the last twenty-four (24) months. The prohibition on "solicitation" set forth herein shall not apply to solicitations to the general public not disproportionately directed to Customers.

(c) Non-Solicitation of Employees. Participant hereby covenants and agrees that during the Restricted Period, Participant will not, directly or indirectly, for Participant or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity) hire, assist others in hiring, or solicit for hire any person, or induce or encourage any person to terminate employment with the Company or its Affiliates, if such person was known by Participant to have been an employee of the Company or its Affiliates at any time during the prior six (6) months and the purpose of such hire, solicitation, or inducement is to compete with any of the Company or its Affiliates.

(d) Non-Interference with Business Relationships. Participant hereby covenants and agrees that during the Restricted Period, Participant will not, directly or indirectly, for Participant or any other person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), induce or attempt to induce any Supplier, contractor, agent, representative, or any other person that has a business relationship with the Company or its Affiliates, and with whom Participant had "Material Contact" during the prior twenty-four (24) months or about whom Participant obtained non-public information while acting within the scope of Participant's employment during the last twenty-four (24) months of Participant's employment, to discontinue, terminate, or reduce the extent of such person's relationship with the Company or its Affiliates or to take any action that would disrupt or otherwise damage such relationship. "Supplier" means any person which, during the prior six (6) month period (A) had sold any products or services to any of the Company or its Affiliates or (B) had submitted to the Company or its Affiliates a proposal for the sale of any products or services.

(e) Cooperation. During and after Participant's employment, Participant shall fully cooperate with the reasonable requests of the Company, including providing information, with regard to any matter that Participant has knowledge of as a result of Participant's employment or prior employment with the Company or its Affiliates. Participant further agrees to comply with any reasonable request by the Company to assist in relation to any investigation into any actual or potential irregularities, including without limitation assisting with any threatened or actual litigation concerning the Company or its Affiliates, giving statements/affidavits, meeting with legal and/or other professional advisors, and

attending any legal hearing and giving evidence; provided that the Company shall reimburse Participant for any reasonable out-of-pocket expenses properly incurred by Participant in giving such assistance.

(f) Nondisclosure of Confidential Information. Participant hereby covenants and agrees that Participant shall not, directly or indirectly, disclose or use, or authorize any person to disclose or use, any "Confidential Information" (whether or not any of the Confidential Information is novel or known by any other person); provided however, that this restriction shall not apply to the use or disclosure of Confidential Information: (i) to any governmental entity to the extent required by law, (ii) which is or becomes publicly known and available through no wrongful act of Participant or any person acting on behalf of or in concert with Participant, or (iii) in connection with the proper and lawful performance of Participant's duties for the Company and its Affiliates. The restrictions set forth above in this Section shall apply during Participant's employment and for the longer of five (5) years following the cessation thereof or for however long the Confidential Information is a trade secret protected from use or disclosure by the Maryland Uniform Trade Secrets Act or is otherwise protected from use or disclosure by any other federal or state law, including bank privacy laws. Notwithstanding the foregoing, Participant and the Company acknowledge and agree that nothing contained in this Section shall be interpreted, construed, asserted or enforced by Company to prohibit Participant from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, Congress, and/or any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation. Further, nothing contained herein shall be interpreted, construed, asserted or enforced by the Company to (i) prohibit or disqualify Participant from being awarded, receiving and/or enjoying the benefit of, any award, reward, emolument or payment, or other relief of any kind whatsoever, from any agency, which is provided based upon Participant's providing information to any such agency as a whistleblower under applicable law or regulation, or (ii) require notification or prior approval by the Company of any such report; provided that, Participant is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. For purposes of this Section, ("Confidential Information"), includes, but is not limited to: business plans; operating results; financial statements and financial information; contracts; mailing lists; purchasing information; customer data (including lists, names and requirements); feasibility studies; personnel related information (including compensation, compensation plans, and staffing plans); internal working documents and communications; and other materials related to the businesses or activities of the Company or its Affiliates which is made available only to employees with a need to know or which is not generally made available to the public. Failure to mark any Confidential Information as confidential, proprietary or protected information shall not affect its status as part of the Confidential Information subject to the terms of this Agreement.

(g) Reasonableness and Remedy. Participant has carefully read and considered the provisions of this Agreement and, having done so, acknowledges that Participant fully understands them, that Participant has had an opportunity to consult with counsel of Participant's own choosing regarding the meaning and effect of such provisions, at Participant's election, and Participant agrees that the restrictions, obligations and agreements set forth in this Agreement are fair and reasonable and are reasonably required for the protection of the interests of the Company and its respective businesses, shareholders, directors, officers and employees. Participant agrees that the restrictions set forth in this Agreement are independent and divisible and will not impair or unreasonably restrain Participant's ability to earn a livelihood. Participant further acknowledges that Participant's services have been and shall continue to be of special, unique and extraordinary value to the Company. In the event of any breach or threatened or attempted breach by Participant of any provision of the obligations and restrictions set forth in this Section 19, the Company shall, in addition to and not to the exclusion of any other rights and remedies at law or in equity, be entitled to seek and receive from a court of competent jurisdiction, (i) full temporary and permanent injunctive relief enjoining and restraining Participant and each and every other Person concerned therein from the continuation of such violative acts, (ii) a decree for specific performance of the applicable provisions of this Agreement, without being required to furnish any bond or other security, and (iii) recoupment or clawback of the Awards granted pursuant to this Agreement.

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the “Agreement”) is made and entered into on August __, 2024 (“Effective Date”), by and between EagleBank, a Maryland chartered commercial bank (the “Bank”) and Evelyn Lee (“Executive”).

RECITALS:

WHEREAS, the Bank desires to employ Executive, and Executive agrees to accept such employment, in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYMENT. The Bank agrees to employ Executive, and Executive agrees to be employed as Executive Vice President, Chief Lending Officer Commercial & Industrial of the Bank, subject to the terms and provisions of this Agreement.

2. CERTAIN DEFINITIONS. As used in this Agreement, the following terms have the meanings set forth below:

2.1. “Affiliate” means, with respect to any Entity, any Entity directly or indirectly controlling, controlled by or under common control with such Entity.

2.2. “Bancorp” means Eagle Bancorp, Inc., a Maryland corporation, publicly traded as a bank holding company. If Bancorp is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term “Bancorp” shall be deemed to include such successor Entity for purposes of applying Article 8 of this Agreement.

2.3. “Bancorp Board” means the Board of Directors of Bancorp.

2.4. “Bank” is defined above. If the Bank is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term “Bank” shall be deemed to include such successor Entity for purposes of applying Article 8 of this Agreement.

2.5. “Bank Board” means the Board of Directors of the Bank.

2.6. “Bank Entities” means and includes any of the Bank, Bancorp and their Affiliates.

2.7. “Bank Regulatory Agency” means any governmental authority, regulatory agency, ministry, department, statutory corporation, central bank or other body of the United States or of any other country or of any state or other political subdivision of any of them having jurisdiction over any of the Bank Entities or any transaction contemplated,

undertaken or proposed to be undertaken by a Bank Entity, including, but not necessarily limited to:

(a) the Federal Deposit Insurance Corporation or any other federal or state depository insurance organization or fund;

(b) the Federal Reserve System, the Maryland Division of Financial Institutions, or any other federal or state bank regulatory or commissioner's office;

(c) the Securities and Exchange Commission or any other federal or state securities regulator;

(d) any Person established, organized, owned (in whole or in part) or controlled by any of the foregoing; and

(e) any predecessor, successor or assignee of any of the foregoing.

2.8. "Code" means the Internal Revenue Code of 1986, as amended.

2.9. "Compensation Committee" means the compensation committee of the Bancorp Board.

2.10. "Disability" means a mental or physical condition which renders Executive, with or without reasonable accommodation, unable or incompetent to carry out the essential functions of the position, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Bank and Executive (*provided* that neither party shall unreasonably withhold such agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of nine (9) months.

2.11. "Entity" means any partnership, corporation, limited liability company, trust, joint venture, unincorporated association, or other entity or association.

2.12. "Healthcare Coverage" means coverage for an Executive and the Executive's tax-qualified dependents under the Bank's medical, dental and vision plans, based on the applicable plans and the Executive's coverage elections in effect immediately prior to the Termination Date.

2.13. "Person" means any individual or Entity.

2.14. "Section 409A" means Section 409A of the Code and the regulations and administrative guidance promulgated thereunder.

2.15. "Term" means the period commencing on the Start Date and ending on the Termination Date.

2.16. "Termination Date" means the date upon which Executive ceases to provide services to the Bank hereunder.

Other terms are defined throughout this Agreement and have the meanings so given them.

3. TERM; POSITION.

3.1. Position. Executive shall serve in the position(s) set forth in Article 1 during the Term.

3.2. No Restrictions. Executive represents and warrants to the Bank that Executive is not subject to any legal obligations or restrictions that would prevent or limit Executive's entering into this Agreement and performing Executive's responsibilities hereunder.

3.3. Start Date. Executive's start date shall be September 19, 2024 ("Start Date").

4. DUTIES OF EXECUTIVE.

4.1. Nature and Substance. During the Term, Executive shall provide such services and perform such duties, functions, and assignments as are normally incident to the position of Chief Lending Officer Commercial & Industrial of the Bank, and such additional functions and services as the President and Chief Executive Officer of the Bank or her delegate may from time to time direct. Executive shall report to the President and Chief Executive Officer of the Bank. During Executive's employment, Executive agrees to devote Executive's full business time and attention to the performance of Executive's duties and responsibilities under this Agreement, and shall use Executive's best efforts and discharge Executive's duties to the best of Executive's ability for and on behalf of the Bank Entities and toward their successful operation, and Executive shall take no action that conflicts with or is adverse to the interests of the Bank Entities.

4.2. Compliance with Law. Executive shall comply with all laws, statutes, ordinances, rules and regulations relating to Executive's employment and duties.

4.3. Company Policies. Executive shall comply with and agrees to be bound by the policies of the Bank Entities as in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, clawback and hedging and pledging of securities.

5. COMPENSATION; BENEFITS. As full compensation for all services rendered pursuant to this Agreement and the covenants contained herein, the Bank shall pay to Executive the following:

5.1. Salary. During the Term, Executive shall be paid a salary ("Salary") of $450,000.00 on an annualized basis. The Bank shall pay Executive's Salary in equal installments in accordance with the Bank's regular payroll periods as may be set by the Bank from time to time. Executive's Salary may be adjusted from time to time, in the discretion of the Compensation Committee. However, Executive's Salary may not be decreased without Executive's consent other than as part of an across-the-board salary reduction that applies in the same manner to all senior executives of the Bank.

5.2. Vacation and Leave. Executive shall be entitled to such vacation and leave as may be provided for under the current and future leave and vacation policies of the Bank for executives.

5.3. Office Space. The Bank will provide customary office space and office support to Executive.

5.4. Parking. Paid parking at Executive's regular worksite will be provided by the Bank at its expense.

5.5. Car Allowance. The Bank will pay Executive a bi-weekly car allowance of $461.54 in accordance with the Bank's regular payroll periods as may be set by the Bank from time to time.

5.6. Expenses. The Bank shall, promptly upon presentation of proper expense reports therefor, pay or reimburse Executive, in accordance with the policies and procedures established from time to time by the Bank for its officers, for all reasonable and customary travel (other than local use of an automobile for which Executive is being provided the car allowance) and other out-of-pocket expenses incurred by Executive in the performance of Executive's duties and responsibilities under this Agreement and promoting the business of the Bank, including approved membership fees, dues and the cost of attending business related seminars, meetings and conventions and such reimbursements shall be paid no later than March 15th of the year following the year in which the expenses are incurred.

5.7. Benefits. Executive shall be entitled to participate in Bank benefit plans as in effect from time to time that are generally available to other similarly situated employees, subject to applicable eligibility requirements.

5.8. Equity Compensation. On October 15, 2024, Executive will receive a restricted stock award valued at $500,000.00, determined by dividing $500,000.00 by the price of a share of Bancorp stock on the grant date. Such award will vest in three annual installments on the first three anniversaries of the grant date, subject in each case to Executive's continued employment through the vesting date. The award will be granted under the Eagle Bancorp, Inc. 2021 Equity Incentive Plan and the award terms will be memorialized in an award agreement thereunder.

5.9. Cell Phone. Executive shall be eligible to receive a cell phone reimbursement of $100 per month, which benefit shall be subject to modification or discontinuation at any time, in the Bank's discretion.

5.10. Senior Executive Incentive Plan. Executive will become eligible to participate in the Senior Executive Incentive Plan for 2025, payable on or about February 15, 2026.

5.11. Sign-On Bonus. Executive shall receive a one-time sign-on bonus in a gross amount of $250,000, less required withholdings (the "Sign-On Bonus"). The Sign-On Bonus will be paid out in full in equal installments on the first two regularly scheduled payroll dates following the Start Date; provided, however, that if Executive resigns her employment for any reason other than Good Reason:

(a) Within forty-five (45) days of the Start Date, Executive will be disqualified from receiving the Sign-On Bonus, and, if any portion of the Sign-On Bonus has already been paid, Executive will be required to repay the entire Sign-On Bonus subject to Section 5.11(c); or

(b) Within twelve (12) months of the Effective Date, but more than forty-five (45) days, Executive will be required to repay a pro rata amount for any months Executive did not or will not work, including any partial months of work which will be considered a month of non-service, during the initial twelve-month period of employment, (i.e., Executive will repay 8.33% (1/12) of the entire Sign-On Bonus, subject to Section 5.11(c), of the Sign-On Bonus for each month of non-service during the twelve-month period).

(c) The amount of the Sign-On Bonus to be repaid in accordance with Section 5.11(a) or 5.11(b) shall be based (i) on the net after-tax amount received by Executive if the repayment occurs in the year the Sign-On Bonus was paid to Executive, or (ii) the entire gross amount if the repayment occurs in a subsequent year.

6. CONDITIONS SUBSEQUENT TO CONTINUED OPERATION AND EFFECT OF AGREEMENT.

6.1. Continued Approval by Bank Regulatory Agencies. This Agreement and all of its terms and conditions, and the continued operation and effect of this Agreement and the Bank Entities' continuing obligations hereunder, shall at all times be subject to the continuing approval of any and all Bank Regulatory Agencies whose approval is a necessary prerequisite to the continued operation of the Bank Entities. Should any term or condition of this Agreement, upon review by any Bank Regulatory Agency, be found to violate or not be in compliance with any then-applicable statute or any rule, regulation, order or understanding promulgated by any Bank Regulatory Agency, or should any term or condition required to be included herein by any such Bank Regulatory Agency be absent, this Agreement may be rescinded and terminated by the Bank if the parties hereto cannot in good faith agree upon such additions, deletions or modifications as may be deemed necessary or appropriate to bring this Agreement into compliance. In such a case, the termination of Executive's employment hereunder shall be considered a termination for "Cause."

7. TERMINATION OF EMPLOYMENT. Executive's employment may be terminated as provided below in this Article 7.

7.1. Definition of Cause. For purposes of this Agreement, "Cause" means:

(a)any act of theft, fraud, intentional misrepresentation of a material matter, personal dishonesty or breach of fiduciary duty or similar conduct by Executive with respect to any of the Bank Entities or the services to be rendered by Executive under this Agreement;

(b) any failure of this Agreement to comply with any Bank Regulatory Agency requirement, provided that the parties hereto cannot in good faith agree upon such additions, deletions or modifications as may be deemed necessary or appropriate to bring this Agreement into compliance as described in Section 6.1;

(c)Executive is prohibited from employment with an FDIC-insured institution under applicable federal law or order of any Bank Regulatory Agency;

(d) indictment of Executive for, or Executive's conviction of or plea of *nolo contendere* at the trial court level to, a felony, or any crime of moral turpitude, or involving dishonesty, deception or breach of trust;

(e) any of the conduct set forth in Section 7.1(e)(i) or 7.1(e)(ii) below on the part of Executive that has not been corrected or cured by Executive within thirty (30) days after having received written notice from the Chief Executive Officer of the Bank or the Bank Board describing such conduct (provided, however, that there shall be no requirement to provide Executive with notice and opportunity to cure more than one (1) time in any twelve (12) month period):

(i) habitual absenteeism, or the failure by or the inability of Executive to devote full time and attention to the performance of Executive's duties pursuant to this Agreement (other than by reason of Executive's death or Disability or other reason protected by law);

(ii) intentional material failure by Executive to carry out the stated lawful and reasonable directions, instructions, policies, rules, regulations or decisions of the Chief Executive Officer of the Bank or the Bank Board which are consistent with Executive's position;

(f) any material breach by Executive of this Agreement (including but not limited to the provisions of Article 8 hereof) or any fiduciary duty owed to any of the Bank Entities;

(g) the use of drugs by Executive to an extent which materially interferes with or prevents Executive from performing Executive's duties under this Agreement;

(h) Executive's commission of unethical business practices, acts of moral turpitude, financial impropriety, fraud or dishonesty in any material matter which the Bank Board in good faith determines could adversely affect the reputation, standing or financial prospects of any of the Bank Entities; or

(i) willful or intentional misconduct on the part of Executive that results, or that the Bank Board in good faith determines may result, in substantial injury to any of the Bank Entities.

7.2. Termination by the Bank for Cause. After the occurrence of any of the conditions specified in Section 7.1, the Bank shall have the right to terminate Executive's employment for Cause on written notice to Executive, effective immediately.

7.3. Termination by the Bank without Cause. The Bank shall have the right to terminate Executive's employment at any time on written notice without Cause, for any or no reason, such termination to be effective on the date on which the Bank gives such notice to Executive or such later date as may be specified in such notice. In the event the Bank terminates Executive without Cause, the Bank's obligations to provide supplemental benefits to Executive is governed by the terms of the Parties' separately executed Non-Compete Agreement dated as of the Effective Date.

7.4. Termination for Death or Disability. Executive's employment shall automatically terminate upon the death of Executive or upon the Bank Board's good faith determination that Executive is suffering from a Disability that cannot be reasonably accommodated as required by the Americans with Disabilities Act or other applicable law.

7.5. Termination by Executive. Executive shall have the right to terminate Executive's employment at any time, such termination to be effective on the date ninety (90) days after the date on which Executive gives such notice to the Bank unless Executive and the Bank agree in writing to a later date on which such termination is to be effective (the "Notice Period"). After receiving notice of termination, the Bank may require Executive to devote Executive's good faith energies to transitioning Executive's duties to Executive's successor and to otherwise helping to minimize the adverse impact of Executive's resignation upon the operations of the Bank Entities. If Executive fails or refuses to fully cooperate with such transition, the Bank may immediately terminate Executive's employment and such termination shall not be treated as a termination by the Bank without Cause. At any time during the Notice Period, the Bank may elect to relieve Executive of some or all of Executive's duties, responsibilities, privileges and positions for the remainder of the Notice Period, in its sole discretion and any such reduction shall not give Executive any right to terminate employment under Section 9.2(b).

7.6. Pre-Termination Salary and Expenses. Without regard to the reason for, or the timing of, the termination of Executive's employment hereunder: (a) the Bank shall pay Executive any unpaid portion of Executive's Salary due for the period prior to the Termination Date; and (b) following submission of proper expense reports by Executive, the Bank shall reimburse Executive for all expenses incurred prior to the Termination Date and subject to reimbursement pursuant to Section 5.6 hereof. These payments shall be made promptly upon termination and within the period of time mandated by law.

7.7. Healthcare Benefit Payment if Termination by the Bank without Cause or Executive for Good Reason. If Executive's employment is terminated by the Bank without Cause or by the Executive for Good Reason, Executive shall be entitled to a lump sum cash payment, subject to required tax withholding, if applicable, within sixty (60) days after the Termination Date equal to twelve (12) times the Executive's full total monthly premium of COBRA payments for continuation of the Executive's Healthcare Coverage, provided that Executive signs and delivers to the Bank no later than twenty-one (21) days (forty-five (45) days if deemed a "group termination" under the Older Workers Benefit Protection Act) after the Termination Date a General Release and Waiver substantially in the form attached as Exhibit A hereto, and that such release becomes irrevocable in accordance with its terms (the "Release Requirement").

7.8. Termination in Connection with Change in Control. Section 9.2 sets out provisions applicable to certain circumstances in which Executive's employment may be terminated in connection with a Change in Control.

7.9. Definition of Good Reason. For purposes of this Agreement, "Good Reason" means, without Executive's prior written consent:

(a) Executive is required to relocate to an office more than twenty-five (25) miles from the corporate offices in Bethesda, Maryland;

(b) A material diminution in the Executive's responsibilities, authority, or duties or a change in the Executive's direct reporting relationship to the CEO; and/or

(c) A material breach of this Agreement by the Bank.

Executive shall notify the Bank within ninety (90) days of the existence of any condition giving rise to a potential Good Reason termination and the Bank shall have a period of thirty (30) days to cure such condition, if curable.

8. RESTRICTIVE COVENANTS.

8.1. Confidential Information. Executive, during employment, will have, and has had, access to and has become familiar with various non-public confidential and proprietary information of the Bank Entities and/or relating to the business of the Bank Entities ("Confidential Information"), including, but not limited to: business plans; operating results; financial statements and financial information; contracts; mailing lists; purchasing information; customer data (including lists, names and requirements); feasibility studies; personnel related information (including compensation, compensation plans, and staffing plans); internal working documents and communications; and other materials related to the businesses or activities of the Bank Entities which is made available only to employees with a need to know or which is not generally made available to the public. Failure to mark any Confidential Information as confidential, proprietary or protected information shall not affect its status as part of the Confidential Information subject to the terms of this Agreement.

8.2. Nondisclosure. Executive hereby covenants and agrees that Executive shall not, directly or indirectly, disclose or use, or authorize any Person to disclose or use, any Confidential Information (whether or not any of the Confidential Information is novel or known by any other Person); provided however, that this restriction shall not apply to the use or disclosure of Confidential Information: (i) to any governmental entity to the extent required by law, (ii) which is or becomes publicly known and available through no wrongful act of Executive or any Person acting on behalf of or in concert with Executive, (iii) in connection with the proper and lawful performance of Executive's duties for the Bank Entities, or (iv) as described in Section 8.2.1 below. The restrictions set forth above in this Section 8.2 shall apply during Executive's employment and for the longer of five (5) years following the cessation thereof or for however long the Confidential Information is a trade secret protected from use or disclosure by the Maryland Uniform Trade Secrets Act or is otherwise protected from use or disclosure by any other federal or state law, including bank privacy laws.

8.2.1. No provision of this Agreement, including but not limited to Section 8.2 and Section 8.9 hereof, shall be interpreted, construed, asserted or enforced by the Bank Entities to (i) prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the

whistleblower provisions of federal law or regulation, or (ii) require notification or prior approval by the Bank Entities of any such report; provided that, Executive is not authorized to disclose communications with counsel that were made for the purpose of receiving legal advice or that contain legal advice or that are protected by the attorney work product or similar privilege. Further, nothing contained in this Agreement, or any release and waiver delivered in connection with this Agreement, shall be interpreted, construed, asserted or enforced by the Bank Entities to prohibit or disqualify Executive from being awarded, receiving and/or enjoying the benefit of, any award, reward, emolument or payment, or other relief of any kind whatsoever, from any agency, which is provided based upon Executive's provision of information to any such agency as a whistleblower under applicable law or regulation. The Bank Entities hereby waive any right to assert or enforce the provisions of this Agreement in a manner which would impede any whistleblower activity in accordance with applicable law or regulation. Furthermore, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

8.3. Documents. All files, papers, records, documents, compilations, summaries, lists, reports, notes, databases, tapes, sketches, drawings, memoranda, and similar items (collectively, "Documents"), whether prepared by Executive, or otherwise provided to or coming into the possession of Executive, that contain any Confidential or proprietary information about or pertaining or relating to the Bank Entities (the "Bank Information") shall at all times remain the exclusive property of the Bank Entities. Promptly after a request by the Bank or automatically upon Executive's cessation of employment, Executive shall take reasonable efforts to (i) return to the Bank all Documents in any tangible form (whether originals, copies or reproductions) and all computer disks or other media containing or embodying any Document or Bank Information and (ii) purge and destroy all Documents and Bank Information in any intangible form (including computerized, digital or other electronic format), subject to applicable legal holds, and Executive shall not retain in any form any such Document or any summary, compilation, synopsis or abstract of any Document or Bank Information.

8.4. Restrictions on Competition, Solicitation, and Interference During Employment. Executive agrees that during the course of Executive's employment, Executive shall not, in any capacity, take any action to compete with the Bank Entities, and shall not: (a) perform services that compete with the Bank Entities for any bank, bank holding company, or any other financial institution that provides products or services that are the same as or substantially similar to, and competitive with, those products or services provided by the Bank Entities; (b) solicit, divert from the Bank Entities, or transact business with any customer of any of the Bank Entities, for the purpose of providing products or services that are the same as or substantially similar to, and competitive with, those provided by the Bank Entities; (c) hire, assist others in hiring, or solicit for hire any employee of any of the Bank Entities, or encourage any such employee to terminate employment with any of the Bank Entities; or (d) induce or attempt to induce any supplier, contractor, agent, representative or any other Person that has a business relationship with any of the Bank Entities to discontinue, terminate, or reduce, the extent of such Person's relationship with any Bank Entity, or to take any action that would disrupt or otherwise damage such relationship.

8.5. Non-Competition.

8.5.1. Executive hereby acknowledges and agrees that, during the course of employment, in addition to Executive's access to Confidential Information, Executive has become, and will continue to become, familiar with and involved in all aspects of the business and operations of the Bank Entities. Executive hereby covenants and agrees that during the three (3) month period immediately following the cessation of employment for any reason (the "Restricted Period"), Executive will not at any time (except on behalf of the Bank Entities), directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise) own, manage or control, or participate in the ownership, management or control, or perform duties that are the same as or substantially similar to those duties performed by Executive for any of the Bank Entities during the last twenty-four (24) months of Executive's employment, if such ownership, management or control, or the participation therein, or the performance of such duties, are performed for a bank, a bank holding company, or other financial institution that provides products or services that are the same as or substantially similar to, and competitive with, any of the products or services provided by the Bank Entities at the time Executive's employment ceases. The restrictions set forth in this Section 8.5.1 shall apply only within a fifty (50) mile radius of the headquarters of the Bank Entities (or any headquarters of a successor), and within fifty (50) miles of any branch office of the Bank Entities (or any successor as to Maryland, District of Columbia and Virginia branches only), as such are located as of the date Executive's employment ceases ("Restricted Territory").

8.5.2. Executive hereby covenants and agrees that during the Restricted Period, Executive will not, within the Restricted Territory, directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise), sell or offer for sale to any Person any products or services that are the same as or substantially similar to, and competitive with, any of the products or services provided by any of the Bank Entities at the time Executive's employment ceases.

8.5.3. Notwithstanding any provision hereof to the contrary, this Section 8.5 does not restrict Executive's right to own securities of any Entity that files periodic reports with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended; provided that Executive's total ownership constitutes less than two percent (2%) of the outstanding securities of such company and that such ownership does not violate: (A) the Code of Conduct or any other policy of the Bank Entities, including any policy related to inside information; (B) any applicable securities law; or (C) any applicable standstill or other similar contractual obligation of the Bank Entities. The parties acknowledge that they have also entered into that certain Non-Compete Agreement, effective as of the Effective Date, as may be amended from time to time, which is in addition to, and not in lieu of, any of the restrictions hereunder (the "Non-Compete Agreement").

8.6. Non-Interference.

8.6.1. Executive hereby covenants and agrees that during the one (1) year period immediately following the cessation of employment for any reason, Executive will

not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), solicit, divert from any of the Bank Entities any "Customer" of the Bank Entities with whom Executive had "Material Contact" during the last twenty-four (24) months of Executive's employment or about whom Executive obtained non-public information while acting within the scope of Executive's employment during the last twenty-four (24) months of such employment, if the purpose of such solicitation or diversion is to provide products or services that are the same as or substantially similar to, and competitive with, those offered by the Bank Entities at the time Executive's employment ceases. "Material Contact" for the purpose of this Section 8.6.1 means that Executive personally communicated with the Customer, either orally or in writing, for the purpose of providing, offering to provide or assisting in providing products or services of the Bank Entities. "Customer" means any person or entity with whom the Bank Entities had a depository, lending or other contractual relationship, pursuant to which the Bank Entities provided products or services during the last twenty-four (24) months of Executive's employment. The prohibition on "solicitation" set forth herein shall not apply to solicitations to the general public not disproportionately directed to Customers.

8.6.2. Executive hereby covenants and agrees that during the one (1) year period immediately following the cessation of employment for any reason, Executive will not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity) hire, assist others in hiring, or solicit for hire any person, or induce or encourage any person to terminate employment with the Bank Entities, if such person was known by Executive to have been an employee of the Bank Entities at any time during the last six (6) months of Executive's employment and the purpose of such hire, solicitation, or inducement is to compete with any of the Bank Entities.

8.6.3. Executive hereby covenants and agrees that during the one (1) year period immediately following the cessation of employment for any reason, Executive will not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), induce or attempt to induce any Supplier, contractor, agent, representative, or any other Person that has a business relationship with any of the Bank Entities, and with whom Executive had "Material Contact" during the last twenty-four (24) months of Executive's employment or about whom Executive obtained non-public information while acting within the scope of Executive's employment during the last twenty-four (24) months of Executive's employment, to discontinue, terminate, or reduce the extent of such Person's relationship with any Bank Entity or to take any action that would disrupt or otherwise damage such relationship. "Material Contact" for the purpose of this Section 8.6.3 means that Executive personally communicated with the persons or entities referenced in this Section 8.6.3, either orally or in writing. "Supplier" means any Person which, during the six (6) month period prior to the end of Executive's employment (A) had sold any products or services to any of the Bank Entities or (B) had submitted to the Bank Entities a proposal for the sale of any products or services.

8.7. Injunction. In the event of any breach or threatened or attempted breach of any provision of this Article 8 by Executive, the Bank Entities shall, in addition to and not to the exclusion of any other rights and remedies at law or in equity, be entitled to seek and receive from a court of competent jurisdiction, and in accordance with Section 12 below, (i) full

temporary and permanent injunctive relief enjoining and restraining Executive and each and every other Person concerned therein from the continuation of such violative acts and (ii) a decree for specific performance of the applicable provisions of this Agreement, without being required to furnish any bond or other security.

8.8. Reasonableness.

8.8.1. Executive has carefully read and considered the provisions of this Agreement and, having done so, acknowledges that Executive fully understands them, that Executive has had an opportunity to consult with counsel of Executive's own choosing regarding the meaning and effect of such provisions, at Executive's election, and Executive agrees that the restrictions and agreements set forth in this Agreement are fair and reasonable and are reasonably required for the protection of the interests of the Bank Entities and their respective businesses, shareholders, directors, officers and employees. Executive agrees that the restrictions set forth in this Agreement are independent and divisible and will not impair or unreasonably restrain Executive's ability to earn a livelihood. Executive further acknowledges that Executive's services have been and shall continue to be of special, unique and extraordinary value to the Bank Entities.

8.8.2. If any court of competent jurisdiction should determine that the duration, geographical area or scope of any provision or restriction set forth in this Article 8 exceeds the maximum duration, geographic area or scope that is reasonable and enforceable under applicable law, the parties agree that said provision shall automatically be modified and shall be deemed to extend only over the maximum duration, geographical area and/or scope as to which such provision or restriction said court determines to be valid and enforceable under applicable law, which determination the parties direct the court to make, and the parties agree to be bound by, such modified provision or restriction.

8.9. Additional Obligations.

8.9.1. Non-disparagement. Executive shall not during or after Executive's employment disparage any officers, directors, employees, business, products, or services of the Bank Entities, except when compelled to do so in connection with a government investigation or judicial proceeding, or as otherwise may be required or protected by law. For the avoidance of doubt, nothing in this Section 8.9.1 shall be construed so as to impede Executive from making disclosures that are permitted under Section 8.2.1 herein.

8.9.2. Cooperation. During and after Executive's employment, Executive shall fully cooperate with the reasonable requests of the Bank Entities, including providing information, with regard to any matter that Executive has knowledge of as a result of Executive's employment or prior employment with the Bank Entities. Executive further agrees to comply with any reasonable request by the Bank Entities to assist in relation to any investigation into any actual or potential irregularities, including without limitation assisting with any threatened or actual litigation concerning the Bank Entities, giving statements/affidavits, meeting with legal and/or other professional advisors, and attending any legal hearing and giving evidence; provided that the Bank Entities shall reimburse Executive for any reasonable out-of-pocket expenses properly incurred by Executive in giving such assistance. Subject to Section 8.2.1, Executive agrees to notify the Bank immediately if Executive is contacted by any third parties for information or assistance with any matter

concerning the Bank Entities and agrees to co-operate with the Bank Entities with regard to responding to such requests.

9. CHANGE IN CONTROL.

9.1. Definition. "Change in Control" means and shall be deemed to have occurred if:

(a)there shall be consummated (i) any consolidation, merger, share exchange, or similar transaction relating to Bancorp, or pursuant to which shares of Bancorp's capital stock are converted into cash, securities of another Entity and/or other property, other than a transaction in which the holders of Bancorp's voting stock immediately before such transaction shall, upon consummation of such transaction, own at least fifty percent (50%) of the voting power of the surviving Entity, or (ii) any sale of all or substantially all of the assets of Bancorp, other than a transfer of assets to a related Person which is not treated as a change in control event under § 1.409A-3(i)(5)(vii)(B) of the U.S. Treasury Regulations;

(b) any person, entity or group (each within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) shall become the beneficial owner (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of Bancorp representing more than fifty percent (50%) of the voting power of all outstanding securities of Bancorp entitled to vote generally in the election of directors of Bancorp (including, without limitation, any securities of Bancorp that any such Person has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, which shall be deemed beneficially owned by such Person); or

(c)over a twelve (12) month period, a majority of the members of the Bancorp Board are replaced by directors whose appointment or election was not endorsed by a majority of the members of the Bancorp Board in office prior to such appointment or election.

Notwithstanding the foregoing, if the event purportedly constituting a Change in Control under Section 9.1(a), Section 9.1(b), or Section 9.1(c) does not also constitute a "change in ownership" of Bancorp, a "change in effective control" of Bancorp or a "change in the ownership of a substantial portion of the assets" of Bancorp within the meaning of Section 409A, then such event shall not constitute a "Change in Control" hereunder.

9.2. Change in Control Termination. For purposes of this Agreement, a "Change in Control Termination" means that while this Agreement is in effect:

(a)Executive's employment with the Bank is terminated without Cause (i) within one hundred twenty (120) days immediately prior to a Change in Control or (ii) within twelve (12) months following consummation of a Change in Control; or

(b) Within twelve (12) months following consummation of a Change in Control, Executive's title, duties and or position have been materially reduced such that Executive is not in a comparable position in the Bank (with materially comparable compensation, benefits, contractual terms and conditions and responsibilities to the position

Executive held immediately prior to the Change in Control, and with a primary worksite that is within twenty-five (25) miles of Executive's primary worksite as of the date hereof), and within thirty (30) days after notification of such reduction Executive notifies the Bank that Executive is terminating Executive's employment due to such change in Executive's employment unless such change is cured within thirty (30) days of such notice by providing Executive with a comparable position (including materially comparable compensation and benefits and a primary worksite within twenty-five (25) miles of Executive's primary worksite as of the date hereof). If Executive's employment is terminated under this Section, Executive's last day of employment shall be mutually agreed to by Executive and the Bank, but shall be not more than sixty (60) days after such notice is given by Executive.

9.3. Change in Control Payment. If there is a Change in Control Termination pursuant to Section 9.2, then subject to Executive's fulfillment of the Release Requirement, Executive shall receive a lump sum cash payment within sixty (60) days after the later of (i) the Termination Date or the (ii) Change in Control, equal to:

9.3.1. 1.99 times the sum of (a) Executive's Salary at the highest rate in effect during the twelve (12) month period immediately preceding Executive's Termination Date and (b) Executive's annual incentive cash bonus(es) paid in the most recent twelve (12) months, if any, or if the Change in Control Termination occurs prior to the payment of the 2025 incentive cash bonus pursuant to the Senior Executive Incentive Plan (paid on or about February 15, 2026) the annual incentive cash bonus shall be $250,000; and

9.3.2. thirty-six (36) times Executive's full total monthly COBRA premiums for continuation of Executive's Healthcare Coverage; provided, however, that such amount shall be reduced by any amount paid or payable as the result of a termination without Cause under Section 7.7, if that termination without Cause under Section 7.7 becomes a Change in Control Termination (i.e., because the Change in Control occurs within one hundred twenty (120) days after the termination without Cause).

9.3.3. Notwithstanding anything to the contrary in this Section 9.3, any payment pursuant to this Section 9.3 shall be subject to (i) any delay in payment required by Section 10.2 hereof and (ii) any reduction required pursuant to Section 10.1 hereof, as applicable.

10. COMPLIANCE WITH CERTAIN RESTRICTIONS.

10.1. Section 280G. If any payment or distribution by the Bank Entities to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement or the lapse or termination of any restriction on or the vesting or exercisability of any payment or benefit (each a "280G Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law (such tax or taxes are hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of 280G Payments payable to Executive shall be reduced to the aggregate amount of 280G Payments that may be made to Executive without incurring an excise tax (the "Safe-Harbor Amount") in accordance with the immediately following sentence; provided that such reduction shall only be imposed if the aggregate after-tax value of the 280G Payments retained by Executive (after giving effect to such reduction) is equal to or greater than the

aggregate after-tax value (after giving effect to the Excise Tax) of the 280G Payments to Executive without any such reduction. Any such reduction shall be made in the following order: first, by reduction of cash payments; second, by cancellation of accelerated vesting of equity awards; and third, by reduction of other benefits payable to Executive, in each case, in reverse chronological order, beginning with payments or benefits that are to be paid latest. All determinations required to be made under this Section 10.1 shall be made by a nationally accredited accounting firm selected by the Bank in its sole discretion. Such determinations shall be final and binding on all of the parties hereto. The Bank Entities shall be responsible for all fees and expenses incurred by the accounting firm under this Section 10.1.

10.2. Section 409A.

10.2.1. It is the intention of the parties hereto that this Agreement and the payments provided for hereunder shall be exempt from or comply with Section 409A, and thus avoid the imposition of any tax and interest on Executive pursuant to Section 409A, and this Agreement shall be interpreted and construed consistent with this intent. Executive acknowledges and agrees that Executive shall be solely responsible for the payment of any tax or penalty which may be imposed or to which Executive may become subject as a result of the payment of any amounts under this Agreement.

10.2.2. Any payments hereunder to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

10.2.3. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" at the time of Executive's "separation from service," any payment of "nonqualified deferred compensation" (with each term defined in accordance with Section 409A) that is otherwise to be paid to Executive within six (6) months following Executive's separation from service (whether pursuant to this Agreement or any other arrangement between Executive and the Bank Entities), shall, to the extent that such payment would otherwise be subject to interest and additional tax under Section 409A, be delayed and shall be paid on the first business day of the seventh calendar month following Executive's separation from service, or, if earlier, upon Executive's death. Any deferral of payments pursuant to the foregoing sentence shall have no effect on any payments that are scheduled to be paid more than six (6) months after the date of separation from service.

10.2.4. If any of the payments hereunder are subject to the Release Requirement, and the period in which Executive may consider executing the release begins in one calendar year and ends in the following calendar year, the date on which such payments will be made shall be no earlier than the first day of the second calendar year within such period.

10.2.5. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar

year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

10.2.6. For purposes of the application of Section 409A, each payment in a series of payments will be deemed a separate payment.

10.3. Withholding. The Bank Entities may withhold from any amounts payable under this Agreement to the extent required federal, state, local and foreign taxes.

11. ASSIGNABILITY. Executive shall have no right to assign this Agreement or any of Executive's rights or obligations hereunder to another party or parties. The Bank may assign this Agreement to any of its Affiliates or to any Person that acquires a substantial portion of the operating assets of the Bank. Upon any such assignment, references in this Agreement to the Bank shall automatically be deemed to refer to such assignee instead of, or in addition to, the Bank, as appropriate in the context.

12. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland applicable to contracts executed and to be performed therein, without giving effect to the choice of law rules thereof. Any action to enforce any provision of this Agreement may be brought only in a court of the State of Maryland within Montgomery County or in the United States District Court for the District of Maryland. Accordingly, each party (a) agrees to submit to the jurisdiction of such courts and to accept service of process at its address for notices and in the manner provided in Section 13 for the giving of notices in any such action or proceeding brought in any such court and (b) irrevocably waives any objection to the laying of venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient or inappropriate forum.

13. NOTICES. All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Bank's personnel files; (b) if to the Bank, to the attention of its Chief Legal Officer and its President and Chief Executive Officer at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given by registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

14. ENTIRE AGREEMENT. This Agreement and the Non-Compete Agreement contain all of the agreements and understandings between the parties hereto with respect to the employment of Executive by the Bank, and supersede all prior agreements, arrangements and understandings related to the subject matter hereof, including but not limited to any offer letters. No oral agreements or written correspondence shall be held to affect the provisions hereof. No representation, promise, inducement or statement of intention has been made by any of the parties that is not set forth in this Agreement or the Non-Compete Agreement, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

15. HEADINGS. The Article and Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

16. SEVERABILITY. Should any part of this Agreement for any reason be declared or held illegal, invalid or unenforceable, such provision or portion of such provision shall be deemed severed herefrom and such determination shall not affect the legality, validity or enforceability of any remaining portion or provision of this Agreement, which remaining portions and provisions shall remain in force and effect as if this Agreement has been executed with the illegal, invalid or unenforceable portion thereof eliminated.

17. AMENDMENT; WAIVER. Neither this Agreement nor any provision hereof may be amended, modified, changed, waived, discharged or terminated except by an instrument in writing signed by the party against which enforcement of the amendment, modification, change, waiver, discharge or termination is sought. The failure of any party at any time or times to require performance of any provision hereof shall not in any manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term, provision or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term, provision or covenant contained in this Agreement.

18. GENDER AND NUMBER. As used in this Agreement, the masculine, feminine and neuter gender, and the singular or plural number, shall each be deemed to include the other or others whenever the context so indicates.

19. BINDING EFFECT. This Agreement is and shall be binding upon, and inures to the benefit of, the Bank, its successors and assigns, and Executive and Executive's heirs, executors, administrators, and personal and legal representatives.

20. NO CONSTRUCTION AGAINST ANY PARTY. This Agreement is the product of informed negotiation between Executive on the one hand, and the Bank on the other hand. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all parties. The parties agree that neither of them was in a superior bargaining position regarding the substantive terms of this Agreement.

20. COUNTERPARTS. This Agreement may be executed in separate counterparts (including by facsimile, portable document format or other electronic signature), any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement, as of the date first written above.

EAGLEBANK

By: ____
Name: Susan G. Riel
Title: President and Chief Executive Officer

Executive:

______
Evelyn Lee

Exhibit A

Form of
General Release and Waiver of All Claims

Evelyn Lee ("you") executes this General Release and Waiver of All Claims (the "Release") as a condition of receiving certain payments and other benefits in accordance with the terms of [Section 7.7 and Section 9.3 of that certain Employment Agreement effective as of August __, 2024 (the "Employment Agreement")] and [Section 3.1 of that certain Non-Compete Agreement effective as of August __, 2024 (the "Non-Compete Agreement")], and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged. All capitalized terms used but not otherwise defined herein shall have the same meaning as in your [Employment Agreement] [Non-Compete Agreement].

1. RELEASE.

You hereby release and forever discharge EagleBank and Eagle Bancorp, Inc. (each, a "Company") and each and every one of their former or current subsidiaries, parents, affiliates, directors, officers, employees, agents, successors, predecessors, assigns and attorneys (the "Released Parties") from any and all complaints, charges, claims, demands, liabilities, obligations, agreements, promises, suits, rights, debts, damages, injury and actions of any nature whatsoever, known or unknown, suspected or unsuspected, in law or equity or by statute, which you or your heirs, successors, executors, or other representatives ever had, now have, or may in the future have by reason of any act, omission, matter, cause or thing through the date of your execution of this Release. You understand that this Release is a general release of all claims you may have against the Released Parties based on any act, omission, matter, case or thing through the date of your execution of this Release.

2. WAIVER.

You realize there are many laws and regulations governing the employment relationship. These include, but are not limited to, Title VII of the Civil Rights Acts of 1964 and 1991; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Americans with Disabilities Act; the National Labor Relations Act; 42 U.S.C. § 1981; the Family and Medical Leave Act; the Employee Retirement Income Security Act of 1974 (other than any accrued benefit(s) to which you have a non-forfeitable right under any pension benefit plan); the Older Workers Benefit Protection Act; the Equal Pay Act; the Family and Medical Leave Act; the Maryland Civil Rights Act; the Maryland Collective Bargaining Law; and any other state, local and federal employment and related laws; and any amendments to any of the foregoing. You also understand there may be other statutes and laws of contract and tort that also relate to your employment with EagleBank or Eagle Bancorp, Inc. (the "Companies"). By signing this Release, you waive and release any rights you may have against the Released Parties under these and any other laws, except those as to which a waiver and release is not permitted as a matter of law, based on any act, omission, matter, cause or thing through the date of your execution of this Release; provided

however, that this Release does not release or discharge the Released Parties from either Company's obligations to you under or pursuant to (a) [Section 7.7 and Section 9.3 of the Employment Agreement], (b) [Section 3.1 of the Non-Compete Agreement], (c) vested benefits under the Company's employee welfare benefit plans and employee pension benefit plans (excluding any severance benefits), subject to the terms and conditions of those plans, (d) any securities of the Company that you own outright or (e) claims for indemnification under the Company's by-laws or policies of insurance.

You also agree not to initiate, join, or voluntarily participate in any action or suit in any court or to accept any damages or other relief from any such proceeding brought by anyone else based on any act, omission, matter, cause or thing through the date of your execution of this Release, provided that nothing in this Release shall be construed to prohibit you from filing a charge with or participating in any investigation or proceeding conducted by, or providing information to, the EEOC, NLRB, SEC, DOJ or any comparable state or local agency ("Government Agencies"). Notwithstanding the foregoing, you hereby waive your right to recover individual relief with respect to any charge, complaint, or lawsuit filed by you or anyone on your behalf, and you agree that you will not accept any benefit that you may be entitled to receive in connection with any action taken by any other person or agency against the Companies; provided however, that nothing in this Release limits your right to receive an award for information provided to any Government Agencies, and nothing in this Release limits your ability to collect a reward from the SEC or other Government Agencies under their whistleblower programs. Additionally, you represent that you have no pending complaints or charges filed against the Companies, provided that disclosures to the SEC or other Government Agencies under any whistleblower program shall not be considered a complaint or charge for the purposes of this representation.

By execution of this Release and in consideration of the benefits provided herein, you understand that you are specifically waiving any rights or claims that you may have under the ADEA, 29 U.S.C. §§ 621, et seq. You state that your waiver of these ADEA claims is knowing and voluntary, and you understand that you are forever releasing the Companies (and their affiliates and related persons who are Released Parties) with respect to all such claims. This waiver does not apply to any rights or claims that relate to events which may occur after the date this Release becomes effective, or to any rights or claims to test the knowing and voluntary nature of this Release, solely to the extent required under the ADEA and Older Workers Benefit Protection Act ("OWBPA").

3. NOTICE PERIOD.

This document is important. We advise you to review it carefully and consult an attorney before signing it, as well as any other professional whose advice you value, such as an accountant or financial advisor. If you agree to the terms of this Release, sign in the space indicated below for your signature. You will have twenty-one (21) **[45 days if deemed to be a group termination under OWBPA]** calendar days from the date you receive this document to consider whether to sign this Release. If you choose to sign the Release before the end of that

twenty-one day period, you certify that you did so voluntarily for your own benefit and not because of any coercion. No change to this Release, material or otherwise, shall restart the 21-day **[45 days if deemed to be a group termination under OWBPA]** period.

4. RETURN OF PROPERTY.

You certify that you have fully complied with Section 8.3 of your Employment Agreement.

5. REVOCATION.

You should also understand that even after you have signed this Release, you still have seven (7) days to revoke it. To revoke your acceptance of this Release, the Chief Legal Officer of the Companies must receive your written notice of revocation before the end of the seven (7)-day period. In the event you revoke or do not accept this Release, you will not be entitled to any of the payments or benefits that you would have been entitled to under the [Employment Agreement] [Non-Compete Agreement] by virtue of executing this Release. If you do not revoke this Release within seven (7) days after you sign it, it will be final, binding, and irrevocable.

IN WITNESS WHEREOF, you have knowingly and voluntarily executed this Release, as of the day and year first set forth below.

____

EXECUTIVE Date

NON-COMPETE AGREEMENT

THIS NON-COMPETE AGREEMENT (this "Agreement") is made and entered into on August __, 2024 ("Effective Date"), by and between EagleBank, a Maryland chartered commercial bank (the "Bank") and Evelyn Lee ("Executive"), with a start date of September 19, 2024 (the "Start Date").

RECITALS:

WHEREAS, effective as of the Effective Date, the parties have entered into an employment agreement memorializing the terms and conditions of Executive's employment with the Bank, with a start date of September 19, 2024, as Executive Vice President, Chief Lending Officer Commercial & Industrial (the "Employment Agreement"); and

WHEREAS, the parties wish to enter into this Agreement to provide supplemental benefits and obligations in the event that the Bank elects to terminate Executive's employment without cause, or Executive resigns following a change in control upon the specific conditions outlined in the Employment Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Employment Agreement. Executive acknowledges and agrees that this Agreement supplements the Employment Agreement, which contains provisions that are independent of this Agreement, and that the parties' rights and obligations under the Employment Agreement are not modified or impaired by this Agreement. The obligations of the Bank under this Agreement, including its obligation to pay the compensation provided for in this Agreement, are contingent upon Executive's performance of Executive's obligations under this Agreement. All capitalized terms used but not defined herein shall have the meanings assigned to them in the Employment Agreement.

2. Certain Definitions. As used in this Agreement, the following terms have the meanings set forth below:

2.1. "Affiliate" means, with respect to any Entity, any Entity directly or indirectly controlling, controlled by or under common control with such Entity.

2.2. "Bancorp" means Eagle Bancorp, Inc., a Maryland corporation, publicly traded as a bank holding company. If Bancorp is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term "Bancorp" shall be deemed to include such successor Entity for purposes of applying Article 4 of this Agreement.

2.3. "Bank" is defined above. If the Bank is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term "Bank" shall be deemed to include such successor Entity for purposes of applying Article 4 of this Agreement.

2.4. “Bank Entities” means and includes any of the Bank, Bancorp and their Affiliates.

2.5. “Code” means the Internal Revenue Code of 1986, as amended.

2.6. “Entity” means any partnership, corporation, limited liability company, trust, joint venture, unincorporated association, or other entity or association.

2.7. “Person” means any individual or Entity.

2.8. “Section 409A” means Section 409A of the Code and the regulations and administrative guidance promulgated thereunder.

2.9. “Termination Date” means the Termination Date under the Employment Agreement.

3. Non-Competition Fee.

3.1. Non-Compete Fee Upon Certain Involuntary Separations. In the event of the termination of Executive’s employment by the Bank without Cause or by the Executive for Good Reason, including without limitation, in the event of a Change in Control (as both “Cause,” “Change in Control” and “Good Reason” are defined in the Employment Agreement), or a resignation following a Change in Control as provided in Section 9.2(b) of the Employment Agreement (in any case, a “Separation”), and provided that Executive (a) signs and delivers to the Bank no later than twenty-one (21) days (forty-five (45) days if deemed a “group termination” under the Older Workers Benefit Protection Act) after the Termination Date a General Release and Waiver substantially in the form attached as Exhibit A to the Employment Agreement, and that such release becomes irrevocable in accordance with its terms (the “Release Requirement”), and (b) subject to Executive’s continued compliance with Articles 3 and 4 herein, the Bank shall, with respect to a period of one (1) year following the Termination Date, continue to pay Executive, monthly in arrears (on or before the last day of the month for the prior month), (x) one-twelfth of Executive’s Salary at the highest rate in effect during the twelve (12) month period immediately preceding Executive’s Termination Date, plus (y) one-twelfth of Executive’s cash bonus(es) paid in the most recent twelve (12) months, or if the Termination Date is prior to payment of the 2025 incentive cash bonus pursuant to the Senior Executive Incentive Plan (paid on or about February 15, 2026), the cash bonus shall be one-twelfth of $250,000, for each month of the Restricted Period during which Executive remains in full compliance with the provisions of Articles 3 and 4 of this Agreement. No payment shall be made in the event of a termination with Cause, or a resignation other than for Good Reason or pursuant to Section 9.2(b) of the Employment Agreement; provided, that, within five (5) business days following a resignation without Good Reason, the Bank, in its sole discretion, may opt to enforce the restrictions of Article 4 of this Agreement by giving notice to the Executive and paying the Non-Competition Fee in accordance with this Section 3.1. Nothing in this Agreement shall affect Executive’s eligibility for payments under Section 9.3 of the Employment Agreement in accordance with the terms and conditions set forth therein.

3.2. Failure to Sign General Release. If the Release Requirement is not timely fulfilled, Executive will have no rights to any payments under this Agreement.

3.3. Payment Timing. No payment shall be made hereunder unless and until the Release Requirement is timely fulfilled. In addition, if the period in which Executive may

consider executing the release begins in one calendar year and ends in the following calendar year, the date on which payments will commence under this Article 3 shall be no earlier than the first day of the second calendar year within such period. Once the Release Requirement is timely fulfilled, and subject to the immediately preceding sentence, the first installment payment shall include all amounts that would otherwise have been paid to Executive during the period beginning on the Termination Date and ending on the first payment date if no delay had been imposed. Notwithstanding the foregoing, payments hereunder shall be subject to any required delay under Section 5.3.

3.4. Reporting Obligation. As a condition to receipt of any of the payments provided in this Article, the Bank may require Executive to certify in writing that Executive is in compliance with the restrictions and obligations set forth in Article 4 hereto.

3.5. Cessation of Payments in Certain Circumstances.

(a) In the event Executive breaches any provision of Article 4 of this Agreement, Executive's entitlement to any payments payable pursuant to this Article 3, if and to the extent not yet paid, shall thereupon immediately cease and terminate as of the date of such breach.

(b) If Executive's termination was initially not for Cause but the Bank thereafter determines in good faith that, during the Term, Executive had engaged in conduct that would have constituted Cause, Executive's entitlement to any further payments pursuant to this Article 3 shall terminate and Executive shall not be bound by Section 4.1(b) for any period longer than ninety (90) days following termination of employment.

(c) The cessation of future payments under Sections 3.5(a) herein shall not (x) relieve Executive from Executive's obligations under the non-compete covenant contained in Section 4.1(b) herein and the restrictive covenants contained in the Employment Agreement or (y) limit other remedies the Bank Entities may have, in law or in equity.

4. Non-Competition.

4.1. (a) Executive hereby acknowledges and agrees that, during the course of Executive's employment, Executive will have, and has had, access to and become familiar with various confidential and proprietary information of the Bank Entities and/or relating to the business of the Bank Entities ("Confidential Information"), including, but not limited to: business plans; operating results; financial statements and financial information; contracts; mailing lists; purchasing information; customer data (including lists, names and requirements); feasibility studies; personnel related information (including employees' skills, knowledge, capabilities, performance, compensation, compensation plans, and staffing plans); internal working documents and communications; and other materials related to the businesses or activities of the Bank Entities which is made available only to employees with a need to know or which is not generally made available to the public. Failure to mark any Confidential Information as confidential, proprietary or protected information shall not affect its status as Confidential Information. Executive further acknowledges that in the course of employment with the Bank, Executive has and will become familiar with and involved in all aspects of the business and operations of the Bank Entities, as well as with confidential information of or about third parties having business dealings with the Bank Entities, including without limitation customers and prospective customers, suppliers, business partners and affiliates of the Bank

Entities. Executive further acknowledges that Executive's services have been and shall continue to be of special, unique and extraordinary value to the Bank.

(a) (b) Therefore, Executive hereby covenants and agrees that commencing upon termination of Executive's employment due to a Separation and until the date one (1) year after the Termination Date (the "Restricted Period") (provided, that, within five (5) business days following a resignation without Good Reason, the Bank, in its sole discretion, may opt to enforce the restrictions of this Article 4 by giving notice to the Executive and paying the Non-Competition Fee in accordance with this Section 3.1), Executive will not (except for services performed for or on behalf of the Bank Entities), directly or indirectly, in any capacity (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, manager, member, employee, contractor, consultant or otherwise) engage in employment or provide services to any financial services enterprise (including but not limited to a savings and loan association, bank, credit union or insurance company) engaged in the business of offering retail customer and commercial deposit and/or loan products. The restrictions set forth in this Section 4.1(b) shall apply only within a fifty (50) mile radius of the headquarters of the Bank Entities (or any headquarters of a successor), and within fifty (50) miles of any branch office of the Bank Entities (or any successor as to Maryland, District of Columbia and Virginia branches only), as such are located as of the date Executive's employment ceases ("Restricted Territory").

4.2. Exceptions; Waiver; Notice. Notwithstanding any provision hereof to the contrary, this Article 4 does not restrict Executive's right to own securities of any Entity that files periodic reports with the Securities and Exchange Commission under Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, provided that Executive's total ownership constitutes less than two percent (2%) of the outstanding securities of such company and that such ownership does not violate: (A) the Code of Conduct or any other policy of the Bank Entities, including any policy related to inside information; (B) any applicable securities law; or (C) any applicable standstill or other similar contractual obligation of the Bank Entities.

4.3. Reasonableness. Executive acknowledges and agrees that the restrictions set forth in this Article are founded on valuable consideration, including without limitation the non-compete fees contained in this Agreement, are reasonable in duration and scope and are necessary to protect the legitimate business interests of the Bank Entities and their respective businesses, shareholders, directors, officers and employees. Executive further acknowledges that these covenants have a unique, very substantial and immeasurable value to the Bank Entities that Executive considers the payments hereunder to be fair and adequate compensation for the covenants made by Executive, that Executive has sufficient assets and skills to earn a reasonable and satisfactory livelihood, and that the restrictions set forth in this Agreement will not unreasonably restrain Executive's ability to earn a livelihood. Executive acknowledges and agrees that the Confidential Information would provide significant value and unfair competitive advantages to any competitor on a nationwide basis and that a more limited duration or narrower geographic scope to the covenant would not sufficiently protect the Bank Entities' legitimate business interest in preserving the Confidential Information to which Executive has had access, given the national nature of financial services and the ability of other persons and entities to engage in competition with the Bank Entities through electronic communications. Finally, Executive acknowledges that Executive fully understands the terms of this Agreement and has had an opportunity to consult with counsel of Executive's own choosing if Executive elects to do so.

4.4. Judicial Modification. If any court of competent jurisdiction should determine that the duration, geographical area or scope of any provision or restriction set forth in this Article 4 exceeds the maximum duration, geographic area or scope that is reasonable and enforceable under applicable law, the parties agree that, said provision shall automatically be modified and shall be deemed to extend only over the maximum duration, geographical area and/or scope as to which such provision or restriction said court determines to be valid and enforceable under applicable law, which determination the parties direct the court to make, and the parties agree to be bound by such modified provision or restriction.

4.5. Whistleblower Protections and Defend of Trade Secret Act. No provision of this Agreement or any release and waiver delivered in connection with this Agreement shall be interpreted, construed, asserted or enforced by the Bank Entities to (i) prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or (ii) require notification or prior approval by the Bank Entities of any such report. Further, nothing contained in this Agreement, or any release and waiver delivered in connection with this Agreement, shall be interpreted, construed, asserted or enforced by the Bank Entities to prohibit or disqualify Executive from being awarded, receiving and/or enjoying the benefit of, any award, reward, emolument or payment, or other relief of any kind whatsoever, from any agency, which is provided based upon Executive's provision of information to any such agency as a whistleblower under applicable law or regulation. The Bank Entities hereby waive any right to assert or enforce the provisions of this Agreement in a manner which would impede any whistleblower activity in accordance with applicable law or regulation. Furthermore, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

5. Section 409A.

5.1. It is the intention of the parties hereto that this Agreement and the payments provided for hereunder shall be exempt from or comply with Section 409A, and thus avoid the imposition of any tax and interest on Executive pursuant to Section 409A, and this Agreement shall be interpreted and construed consistent with this intent. Executive acknowledges and agrees that Executive shall be solely responsible for the payment of any tax or penalty which may be imposed or to which Executive may become subject as a result of the payment of any amounts under this Agreement.

5.2. Any payments hereunder to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

5.3. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" at the time of Executive's "separation from service," any payment of "nonqualified deferred compensation" (with each term defined in accordance with Section 409A) that is otherwise to be paid to Executive within six (6) months following Executive's separation from service (whether pursuant to this Agreement or any other arrangement between Executive and the Bank Entities), shall, to the extent that such payment would otherwise be subject to interest and additional tax under Section 409A, be delayed and

shall be paid on the first business day of the seventh calendar month following Executive's separation from service, or, if earlier, upon Executive's death. Any deferral of payments pursuant to the foregoing sentence shall have no effect on any payments that are scheduled to be paid more than six (6) months after the date of separation from service.

5.4. For purposes of the application of Section 409A, each payment in a series of payments will be deemed a separate payment.

6. Withholding. The Bank Entities may withhold from any amounts payable under this Agreement required federal, state, local and foreign taxes.

7. Remedies. Executive understands and agrees that money damages may not be a sufficient remedy for a breach by Executive of the provisions of Article 4 and that, in the event of any breach or threatened or attempted breach of any provision of Article 4 by Executive, the Bank shall, in addition to and not to the exclusion of any other rights and remedies at law or in equity, be entitled to seek and receive from any court of competent jurisdiction (i) full temporary and permanent injunctive relief enjoining and restraining Executive and each and every other Person concerned therein from the continuation of such violative acts and (ii) a decree for specific performance of the applicable provisions of this Agreement, without being required to furnish any bond or other security. In the event of any litigation brought by either party to enforce rights under this Agreement, the prevailing party shall recover from the other party its reasonable attorneys' fees and costs incurred in connection with such litigation.

8. Assignability. Executive shall have no right to assign this Agreement or any of Executive's rights or obligations hereunder to another party or parties. The Bank may assign this Agreement to any of its Affiliates or to any Person that acquires a substantial portion of the operating assets of the Bank. Upon any such assignment, references in this Agreement to the Bank shall automatically be deemed to refer to such assignee instead of, or in addition to, the Bank, as appropriate in the context.

9. Governing Law; Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland applicable to contracts executed and to be performed therein, without giving effect to the choice of law rules thereof. Any action to enforce any provision of this Agreement may be brought only in a court of the State of Maryland within Montgomery County or in the United States District Court for the District of Maryland. Accordingly, each party (a) agrees to submit to the jurisdiction of such courts and to accept service of process at its address for notices and in the manner provided in Section 10 for the giving of notices in any such action or proceeding brought in any such court and (b) irrevocably waives any objection to the laying of venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient or inappropriate forum.

10. Notices. All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Bank's personnel files; (b) if to the Bank, to the attention of its Chief Legal Officer and its President and Chief Executive Officer at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given

by registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

11. Entire Agreement. This Agreement contains all of the agreements and understandings between the parties hereto with respect to the terms and conditions upon which Executive may be entitled to supplemental non-compete compensation under the circumstances set forth herein. No oral agreements or written correspondence shall be held to affect the provisions hereof. No representation, promise, inducement or statement of intention has been made by any of the parties that is not set forth in this Agreement, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth. The parties agree that the non-competition provision contained herein supplements Section 8.5 of the Employment Agreement in the event of a Separation, which shall remain in effect and shall be applicable to Executive and given full effect without limiting in any way Executive's obligations and the Bank's rights under this Agreement.

12. Headings. The Article and Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

13. Severability. Should any part of this Agreement for any reason be declared or held illegal, invalid or unenforceable, such provision or portion of such provision shall be deemed severed herefrom and such determination shall not affect the legality, validity or enforceability of any remaining portion or provision of this Agreement, which remaining portions and provisions shall remain in force and effect as if this Agreement has been executed with the illegal, invalid or unenforceable portion thereof eliminated, provided that if any court of competent jurisdiction shall find the provisions of Section 4.1(b) to be unenforceable, the parties agree that Section 8.5 of the Employment Agreement shall remain in effect as to Executive and Executive shall be bound thereby.

14. Amendment; Waiver. Neither this Agreement nor any provision hereof may be amended, modified, changed, waived, discharged or terminated except by an instrument in writing signed by the party against which enforcement of the amendment, modification, change, waiver, discharge or termination is sought. The failure of any party at any time or times to require performance of any provision hereof shall not in any manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term, provision or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term, provision or covenant contained in this Agreement.

15. Gender and Number. As used in this Agreement, the masculine, feminine and neuter gender, and the singular or plural number, shall each be deemed to include the other or others whenever the context so indicates.

16. Binding Effect. This Agreement is and shall be binding upon, and inures to the benefit of, the Bank, its successors and assigns, and Executive and Executive's heirs, executors, administrators, and personal and legal representatives.

17. No Construction Against Any Party. This Agreement is the product of informed negotiation between Executive on the one hand, and the Bank on the other hand. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted

jointly by all parties. The parties agree that neither of them was in a superior bargaining position regarding the substantive terms of this Agreement.

18. Counterparts. This Agreement may be executed in separate counterparts (including by facsimile, portable document format or other electronic signature), any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

EAGLEBANK

By: ____
Name: Susan G. Riel
Title: President and Chief Executive Officer
EXECUTIVE:

______
Evelyn Lee

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EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made and entered into by and between EagleBank, a Maryland chartered commercial bank (the "Bank"), Eagle Bancorp, Inc., a Maryland corporation, publicly traded as a bank holding company ("Bancorp") and Kevin Geoghegan ("Executive"), with an effective date of 9/3/2024, 2024 (the "Effective Date").

RECITALS:

WHEREAS, the Bank and Bancorp desire to employ Executive, and Executive agrees to accept such employment, in accordance with the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be legally bound hereby, the parties hereto agree as follows:

1. EMPLOYMENT. The Bank agrees to employ Executive, and Executive agrees to be employed as Executive Vice President, Chief Credit Officer of Bancorp, subject to the terms and provisions of this Agreement.

2. CERTAIN DEFINITIONS. As used in this Agreement, the following terms have the meanings set forth below:

2.1. "Affiliate" means, with respect to any Entity, any Entity directly or indirectly controlling, controlled by or under common control with such Entity.

2.2. "Bancorp" is defined above. If Bancorp is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term "Bancorp" shall be deemed to include such successor Entity for purposes of applying Article 8 of this Agreement.

2.3. "Bancorp Board" means the Board of Directors of Bancorp.

2.4. "Bank" is defined above. If the Bank is merged into any other Entity, or transfers substantially all of its business operations or assets to another Entity, the term "Bank" shall be deemed to include such successor Entity for purposes of applying Article 8 of this Agreement.

2.5. "Bank Entities" means and includes any of the Bank, Bancorp and their Affiliates.

2.6. "Bank Regulatory Agency" means any governmental authority, regulatory agency, ministry, department, statutory corporation, central bank or other body of the United States or of any other country or of any state or other political subdivision of any of them having jurisdiction over any of the Bank Entities or any transaction contemplated, undertaken or proposed to be undertaken by a Bank Entity, including, but not necessarily limited to:

(a) the Federal Deposit Insurance Corporation or any other federal or state depository insurance organization or fund;

(b) the Federal Reserve System, the Maryland Division of Financial Institutions, or any other federal or state bank regulatory or commissioner's office;

(c) the Securities and Exchange Commission or any other federal or state securities regulator;

(d) any Person established, organized, owned (in whole or in part) or controlled by any of the foregoing; and

(e) any predecessor, successor or assignee of any of the foregoing.

2.7. "Code" means the Internal Revenue Code of 1986, as amended.

2.8. "Compensation Committee" means the compensation committee of the Bancorp Board.

2.9. "Disability" means a mental or physical condition which, in the good faith opinion of the Bancorp Board, renders Executive, with or without reasonable accommodation, unable or incompetent to carry out the essential functions of the position or the material job responsibilities which Executive held or the material duties to which Executive was assigned at the time the disability was incurred, which has existed for at least three (3) months and which in the opinion of a physician mutually agreed upon by the Bank and Executive (*provided* that neither party shall unreasonably withhold such agreement) is expected to be permanent or to last for an indefinite duration or a duration in excess of nine (9) months.

2.10. "Entity" means any partnership, corporation, limited liability company, trust, joint venture, unincorporated association, or other entity or association.

2.11. "Healthcare Coverage" means coverage for an Executive and the Executive's tax-qualified dependents under the Bank's medical, dental and vision plans, based on the applicable plans and the Executive's coverage elections in effect immediately prior to the Termination Date.

2.12. "Person" means any individual or Entity.

2.13. "Section 409A" means Section 409A of the Code and the regulations and administrative guidance promulgated thereunder.

2.14. "Term" means the period commencing on the Effective Date and ending on the Termination Date.

2.15. "Termination Date" means the date upon which Executive ceases to provide services to the Bank and Bancorp hereunder.

Other terms are defined throughout this Agreement and have the meanings so given them.

3. <u>TERM; POSITION</u>.

3.1. <u>Position</u>. Executive shall serve in the position(s) set forth in Article 1 during the Term.

3.2. No Restrictions. Executive represents and warrants to the Bank that Executive is not subject to any legal obligations or restrictions that would prevent or limit Executive's entering into this Agreement and performing Executive's responsibilities hereunder.

4. DUTIES OF EXECUTIVE.

4.1. Nature and Substance. Executive shall provide such services and perform such duties, functions, and assignments as are normally incident to the position of Chief Credit Officer, and such additional functions and services as the Chief Executive Officer may from time to time direct. Executive shall report directly to the Chief Executive Officer. During Executive's employment, Executive agrees to devote Executive's full business time and attention to the performance of Executive's duties and responsibilities under this Agreement, and shall use Executive's best efforts and discharge Executive's duties to the best of Executive's ability for and on behalf of the Bank Entities and toward their successful operation, and Executive shall take no action that conflicts with or is adverse to the interests of the Bank Entities.

4.2. Compliance with Law. Executive shall comply with all laws, statutes, ordinances, rules and regulations relating to Executive's employment and duties.

4.3. Company Policies. Executive shall comply with and agrees to be bound by the policies of the Bank Entities as in effect from time to time, including (without limitation) policies regarding ethics, personal conduct, stock ownership, securities trading, clawback and hedging and pledging of securities.

5. COMPENSATION; BENEFITS. As full compensation for all services rendered pursuant to this Agreement and the covenants contained herein, the Bank shall pay to Executive the following:

5.1. Salary. During the Term, Executive shall be paid a salary ("Salary") of $425,000.00 on an annualized basis. The Bank shall pay Executive's Salary in equal installments in accordance with the Bank's regular payroll periods as may be set by the Bank from time to time. Executive's Salary may be adjusted from time to time, in the discretion of the Compensation Committee. However, Executive's Salary may not be decreased without Executive's consent other than as part of an across-the-board salary reduction that applies in the same manner to all senior executives of Bancorp.

5.2. Vacation and Leave. Executive shall be entitled to paid time off with respect to 11 annual holidays and 7 days of Sick & Safe Leave per year, accrued based on hours worked and eligible for use after the first 90 calendar days of employment. In addition, for 2024, Executive shall be eligible for 8 paid vacation days and for 2025, Executive shall be eligible for 25 paid vacation days. Up to 5 vacation days may be carried over from one calendar year to the next.

5.3. Office Space. The Bank will provide customary office space and office support to Executive.

5.4. Parking. Paid parking at Executive's regular worksite will be provided by the Bank at its expense.

5.5. Car Allowance. The Bank will pay Executive an annual car allowance of $9,000.00.

5.6. Life Insurance.

5.6.1. Executive may obtain a term life insurance policy (the "Policy") on Executive in the amount of $750,000, the particular product and carrier to be chosen by Executive in Executive's discretion. Executive shall have the right to designate the beneficiary of the Policy. If the Policy is obtained, Executive shall provide the Bank with a copy of the Policy, and the Bank will reimburse Executive, during the Term of this Agreement, the premiums for the Policy upon submission by Executive to the Bank of the invoices therefor, provided that such reimbursement shall be made before the end of the calendar year following the year in which such expense was incurred by Executive. In the event Executive is rated and the premium exceeds the standard rate for a $750,000 policy, the Policy amount shall be lowered to the maximum amount that can be purchased at the standard rate for a $750,000 policy. For example, if Executive is rated and the standard rate for a $750,000 policy would acquire a $500,000 policy, the Bank would only be required to pay the premium for a $500,000 policy. If a Policy is obtained and it is cancelled or terminated, Executive shall immediately notify the Bank of such cancellation or termination.

5.6.2. The Bank may, at its cost, obtain and maintain "key-man" life insurance and/or Bank- owned life insurance on Executive in such amount as determined by the Bank from time to time. Executive agrees to cooperate fully and to take all actions reasonably required by the Bank in connection with such insurance.

5.7. Expenses. The Bank shall, promptly upon presentation of proper expense reports therefor, pay or reimburse Executive, in accordance with the policies and procedures established from time to time by the Bank for its officers, for all reasonable and customary travel (other than local use of an automobile for which Executive is being provided the car allowance) and other out-of-pocket expenses incurred by Executive in the performance of Executive's duties and responsibilities under this Agreement and promoting the business of the Bank, including approved membership fees, dues and the cost of attending business related seminars, meetings and conventions.

5.8. Benefits. Executive shall be entitled to participate in Bank benefit plans as in effect from time to time that are generally available to other similarly situated employees, subject to applicable eligibility requirements.

5.9. Incentive Compensation. In the Compensation Committee's discretion, Executive may be eligible to participate in incentive bonus plans maintained by the Bank Entities.

5.10. Equity Compensation.

5.10.1. On 9/3/2024, Executive will receive a restricted stock award valued at $125,000.00, determined by dividing $125,000.00 by the price of a share of Bancorp stock on the grant date. Such award will vest in three annual installments on the first three anniversaries of the grant date, subject in each case to Executive's continued employment through the vesting date. The award will be granted under the Eagle Bancorp, Inc. 2021 Equity Incentive Plan and the award terms will be memorialized in an award agreement thereunder.

5.11. Sign-On Bonuses. Executive shall receive a one-time sign on bonus in the amount of $125,000.00, payable in equal installments in Executive's first two paychecks, but in no event later than 60 days following the Effective Date.

5.12. Cell Phone Allowance. Executive shall be eligible to receive a cell phone reimbursement of $100 per month, which benefit shall be subject to modification or discontinuation at any time, in the Bank's discretion.

6. CONDITIONS SUBSEQUENT TO CONTINUED OPERATION AND EFFECT OF AGREEMENT.

6.1. Continued Approval by Bank Regulatory Agencies. This Agreement and all of its terms and conditions, and the continued operation and effect of this Agreement and the Bank Entities' continuing obligations hereunder, shall at all times be subject to the continuing approval of any and all Bank Regulatory Agencies whose approval is a necessary prerequisite to the continued operation of the Bank Entities. Should any term or condition of this Agreement, upon review by any Bank Regulatory Agency, be found to violate or not be in compliance with any then-applicable statute or any rule, regulation, order or understanding promulgated by any Bank Regulatory Agency, or should any term or condition required to be included herein by any such Bank Regulatory Agency be absent, this Agreement may be rescinded and terminated by the Bank and Bancorp if the parties hereto cannot in good faith agree upon such additions, deletions or modifications as may be deemed necessary or appropriate to bring this Agreement into compliance. In such a case, the termination of Executive's employment hereunder shall be considered a termination for "Cause."

7. TERMINATION OF EMPLOYMENT. Executive's employment may be terminated as provided below in this Article 7.

7.1. Definition of Cause. For purposes of this Agreement, "Cause" means:

(a) any act of theft, fraud, intentional misrepresentation of a material matter, personal dishonesty or breach of fiduciary duty or similar conduct by Executive with respect to any of the Bank Entities or the services to be rendered by Executive under this Agreement;

(b) any failure of this Agreement to comply with any Bank Regulatory Agency requirement, provided that the parties hereto cannot in good faith agree upon such additions, deletions or modifications as may be deemed necessary or appropriate to bring this Agreement into compliance as described in Section 6.1;

(c) any Bank Regulatory Agency action or proceeding against Executive as a result of Executive's negligence, fraud, malfeasance or misconduct;

(d) indictment of Executive for, or Executive's conviction of or plea of *nolo contendere* at the trial court level to, a felony (other than a driving violation), or any crime of moral turpitude, or involving dishonesty, deception or breach of trust;

(e) any of the conduct set forth in Section 7.1(e)(i) or 7.1(e)(ii) below on the part of Executive that has not been corrected or cured by Executive within thirty (30) days after having received written notice from the Chief Executive Officer of Bancorp or the Bancorp Board describing such conduct (provided, however, that there shall be no requirement to provide Executive with notice and opportunity to cure more than one (1) time in any twelve (12) month period):

(i) habitual absenteeism, or the failure by or the inability of Executive to devote full time and attention to the performance of Executive's duties pursuant to this Agreement (other than by reason of Executive's death or Disability or other reason protected by law);

(ii) intentional material failure by Executive to carry out the stated lawful and reasonable directions, instructions, policies, rules, regulations or decisions of the Bancorp Board which are consistent with Executive's position;

(f) any material breach by Executive of this Agreement (including but not limited to the provisions of Article 8 hereof) or any fiduciary duty owed to any of the Bank Entities;

(g) the use of drugs by Executive to an extent which materially interferes with or prevents Executive from performing Executive's duties under this Agreement;

(h) Executive's commission of unethical business practices, acts of moral turpitude, financial impropriety, fraud or dishonesty in any material matter which the Bancorp Board in good faith determines could adversely affect the reputation, standing or financial prospects of any of the Bank Entities; or

(i) willful or intentional misconduct on the part of Executive that results, or that the Bancorp Board in good faith determines may result, in substantial injury to any of the Bank Entities.

7.2. Termination by the Bank for Cause. After the occurrence of any of the conditions specified in Section 7.1, the Bank shall have the right to terminate Executive's employment for Cause on written notice to Executive, effective immediately.

7.3. Termination by the Bank without Cause. The Bank shall have the right to terminate Executive's employment at any time on written notice without Cause, for any or no reason, such termination to be effective on the date on which the Bank gives such notice to Executive or such later date as may be specified in such notice.

7.4. Termination for Death or Disability. Executive's employment shall automatically terminate upon the death of Executive or upon the Bancorp Board's determination that Executive is suffering from a Disability.

7.5. Termination by Executive. Executive shall have the right to terminate Executive's employment at any time, such termination to be effective on the date ninety (90) days after the date on which Executive gives such notice to the Bank unless Executive and the Bank agree in writing to a later date on which such termination is to be effective ("Notice Period"). After receiving notice of termination, the Bank may require Executive to devote Executive's good faith energies to transitioning Executive's duties to Executive's successor and to otherwise helping to minimize the adverse impact of Executive's resignation upon the operations of the Bank Entities. If Executive fails or refuses to fully cooperate with such transition, the Bank may immediately terminate Executive's employment and such termination shall not be treated as a termination by the Bank without Cause. At any time during the Notice Period, the Bank may elect to relieve Executive of some or all of Executive's duties, responsibilities, privileges and positions for the remainder of the Notice Period, in its sole discretion and any such reduction shall not give Executive any right to terminate employment under Section 9.2(b).

7.6. Pre-Termination Salary and Expenses. Without regard to the reason for, or the timing of, the termination of Executive's employment hereunder: (a) the Bank shall pay Executive any unpaid portion of Executive's Salary due for the period prior to the Termination Date; and (b) following submission of proper expense reports by Executive, the Bank shall reimburse Executive for all expenses incurred prior to the Termination Date and subject to

reimbursement pursuant to Section 5.7 hereof. These payments shall be made promptly upon termination and within the period of time mandated by law.

7.7. Healthcare Benefit Payment if Termination by the Bank without Cause. If Executive's employment is terminated by the Bank without Cause, Executive shall be entitled to a lump sum cash payment within sixty (60) days after the Termination Date equal to twelve (12) times the Executive's full total monthly premium (i.e., Executive's portion and the Bank's portion) of the Executive's Healthcare Coverage, provided that Executive signs and delivers to the Bank no later than twenty-one (21) days (forty-five (45) days if deemed a "group termination" under the Older Workers Benefit Protection Act) after the Termination Date a General Release and Waiver substantially in the form attached as Exhibit A hereto, and that such release becomes irrevocable in accordance with its terms (the "Release Requirement").

7.8. Termination in Connection with Change in Control. Section 9.2 sets out provisions applicable to certain circumstances in which Executive's employment may be terminated in connection with a Change in Control.

8. RESTRICTIVE COVENANTS.

8.1. Confidential Information. Executive, during employment, will have, and has had, access to and has become familiar with various non-public confidential and proprietary information of the Bank Entities and/or relating to the business of the Bank Entities ("Confidential Information"), including, but not limited to: business plans; operating results; financial statements and financial information; contracts; mailing lists; purchasing information; customer data (including lists, names and requirements); feasibility studies; personnel related information (including compensation, compensation plans, and staffing plans); internal working documents and communications; and other materials related to the businesses or activities of the Bank Entities which is made available only to employees with a need to know or which is not generally made available to the public. Failure to mark any Confidential Information as confidential, proprietary or protected information shall not affect its status as part of the Confidential Information subject to the terms of this Agreement.

8.2. Nondisclosure. Executive hereby covenants and agrees that Executive shall not, directly or indirectly, disclose or use, or authorize any Person to disclose or use, any Confidential Information (whether or not any of the Confidential Information is novel or known by any other Person); provided however, that this restriction shall not apply to the use or disclosure of Confidential Information: (i) to any governmental entity to the extent required by law, (ii) which is or becomes publicly known and available through no wrongful act of Executive or any Person acting on behalf of or in concert with Executive, (iii) in connection with the proper and lawful performance of Executive's duties for the Bank Entities, or (iv) as described in Section 8.2.1 below. The restrictions set forth above in this Section 8.2 shall apply during Executive's employment and for the longer of five (5) years following the cessation thereof or for however long the Confidential Information is a trade secret protected from use or disclosure by the Maryland Uniform Trade Secrets Act or is otherwise protected from use or disclosure by any other federal or state law, including bank privacy laws.

8.2.1. No provision of this Agreement, including but not limited to Section 8.2 and Section 8.8 hereof, shall be interpreted, construed, asserted or enforced by the Bank Entities to (i) prohibit Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General, or making other disclosures that are protected under the whistleblower provisions of federal law or regulation, or (ii) require notification or prior approval by the Bank Entities of any such report. Further, nothing contained in this Agreement, or any release and waiver delivered in

connection with this Agreement, shall be interpreted, construed, asserted or enforced by the Bank or Bancorp to prohibit or disqualify Executive from being awarded, receiving and/or enjoying the benefit of, any award, reward, emolument or payment, or other relief of any kind whatsoever, from any agency, which is provided based upon Executive's provision of information to any such agency as a whistleblower under applicable law or regulation. The Bank and Bancorp hereby waive any right to assert or enforce the provisions of this Agreement in a manner which would impede any whistleblower activity in accordance with applicable law or regulation. Furthermore, Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state or local government official, either directly or indirectly, or to an attorney, in each case, solely for the purpose of reporting or investigating a suspected violation of law or (ii) in a complaint or other document filed in a lawsuit or proceeding, if such filings are made under seal.

8.3. Documents. All files, papers, records, documents, compilations, summaries, lists, reports, notes, databases, tapes, sketches, drawings, memoranda, and similar items (collectively, "Documents"), whether prepared by Executive, or otherwise provided to or coming into the possession of Executive, that contain any Confidential or proprietary information about or pertaining or relating to the Bank Entities (the "Bank Information") shall at all times remain the exclusive property of the Bank Entities. Promptly after a request by the Bank or automatically upon Executive's cessation of employment, Executive shall take reasonable efforts to (i) return to the Bank all Documents in any tangible form (whether originals, copies or reproductions) and all computer disks or other media containing or embodying any Document or Bank Information and (ii) purge and destroy all Documents and Bank Information in any intangible form (including computerized, digital or other electronic format), subject to applicable legal holds, and Executive shall not retain in any form any such Document or any summary, compilation, synopsis or abstract of any Document or Bank Information.

8.4. Restrictions on Competition, Solicitation, and Interference During Employment. Executive agrees that during the course of Executive's employment, Executive shall not, in any capacity, take any action to compete with the Bank Entities, and shall not: (a) perform services that compete with the Bank Entities for any bank, bank holding company, or any other financial institution that provides products or services that are the same as or substantially similar to, and competitive with, those products or services provided by the Bank Entities; (b) solicit, divert from the Bank Entities, or transact business with any customer of any of the Bank Entities, for the purpose of providing products or services that are the same as or substantially similar to, and competitive with, those provided by the Bank Entities; (c) hire, assist others in hiring, or solicit for hire any employee of any of the Bank Entities, or encourage any such employee to terminate employment with any of the Bank Entities; or (d) induce or attempt to induce any supplier, contractor, agent, representative or any other Person that has a business relationship with any of the Bank Entities to discontinue, terminate, or reduce, the extent of such Person's relationship with any Bank Entity, or to take any action that would disrupt or otherwise damage such relationship.

8.5. Non-Interference.

8.5.1. Executive hereby covenants and agrees that during one (1) year period immediately following the cessation of employment for any reason (the "Restricted Period"), Executive will not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), solicit, divert from any of the Bank Entities or transact business with any "Customer" of the Bank Entities with whom Executive had "Material Contact" during the last twenty-four (24) months of Executive's employment or about whom Executive obtained non-public information while acting within the scope of Executive's employment during the last twenty-four (24) months of such employment,

if the purpose of such solicitation, diversion or transaction is to provide products or services that are the same as or substantially similar to, and competitive with, those offered by the Bank Entities at the time Executive's employment ceases. "Material Contact" for the purpose of this Section 8.5.1 means that Executive personally communicated with the Customer, either orally or in writing, for the purpose of providing, offering to provide or assisting in providing products or services of the Bank Entities. "Customer" means any person or entity with whom the Bank Entities had a depository, lending or other contractual relationship, pursuant to which the Bank Entities provided products or services during the last twenty-four (24) months of Executive's employment. The prohibition on "solicitation" set forth herein shall not apply to solicitations to the general public not disproportionately directed to Customers.

8.5.2. Executive hereby covenants and agrees that during the Restricted Period, Executive will not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity) hire, assist others in hiring, or solicit for hire any person, or induce or encourage any person to terminate employment with the Bank Entities, if such person was known by Executive to have been an employee of the Bank Entities at any time during the last six (6) months of Executive's employment and the purpose of such hire, solicitation, or inducement is to compete with any of the Bank Entities.

8.5.3. Executive hereby covenants and agrees that during the Restricted Period, Executive will not, directly or indirectly, for Executive or any other Person (whether as a proprietor, owner, agent, officer, director, shareholder, organizer, partner, principal, member, manager, employee, contractor, consultant or any other capacity), induce or attempt to induce any Supplier, contractor, agent, representative, or any other Person that has a business relationship with any of the Bank Entities, and with whom Executive had "Material Contact" during the last twenty-four (24) months of Executive's employment or about whom Executive obtained non-public information while acting within the scope of Executive's employment during the last twenty-four (24) months of Executive's employment, to discontinue, terminate, or reduce the extent of such Person's relationship with any Bank Entity or to take any action that would disrupt or otherwise damage such relationship. "Material Contact" for the purpose of this Section 8.5.3 means that Executive personally communicated with the persons or entities referenced in this Section 8.5.3, either orally or in writing. "Supplier" means any Person which, during the six (6) month period prior to the end of Executive's employment (A) had sold any products or services to any of the Bank Entities or (B) had submitted to the Bank Entities a proposal for the sale of any products or services.

8.6. Injunction. In the event of any breach or threatened or attempted breach of any provision of this Article 8 by Executive, the Bank Entities shall, in addition to and not to the exclusion of any other rights and remedies at law or in equity, be entitled to seek and receive from a court of competent jurisdiction, and in accordance with Section 12 below, (i) full temporary and permanent injunctive relief enjoining and restraining Executive and each and every other Person concerned therein from the continuation of such violative acts and (ii) a decree for specific performance of the applicable provisions of this Agreement, without being required to furnish any bond or other security.

8.7. Reasonableness.

8.7.1. Executive has carefully read and considered the provisions of this Agreement and, having done so, acknowledges that Executive fully understands them, that Executive has had an opportunity to consult with counsel of Executive's own choosing regarding the meaning and effect of such provisions, at Executive's election, and Executive agrees that the restrictions and agreements set forth in this Agreement are fair and reasonable and are reasonably required for the protection of the interests of the Bank Entities and their respective businesses,

shareholders, directors, officers and employees. Executive agrees that the restrictions set forth in this Agreement are independent and divisible and will not impair or unreasonably restrain Executive's ability to earn a livelihood. Executive further acknowledges that Executive's services have been and shall continue to be of special, unique and extraordinary value to the Bank Entities.

8.7.2. If any court of competent jurisdiction should determine that the duration, geographical area or scope of any provision or restriction set forth in this Article 8 exceeds the maximum duration, geographic area or scope that is reasonable and enforceable under applicable law, the parties agree that said provision shall automatically be modified and shall be deemed to extend only over the maximum duration, geographical area and/or scope as to which such provision or restriction said court determines to be valid and enforceable under applicable law, which determination the parties direct the court to make, and the parties agree to be bound by, such modified provision or restriction.

8.8. Additional Obligations.

8.8.1. Non-disparagement. Executive shall not during or after Executive's employment disparage any officers, directors, employees, business, products, or services of the Bank Entities, except when compelled to do so in connection with a government investigation or judicial proceeding, or as otherwise may be required or protected by law. For the avoidance of doubt, nothing in this Section 8.8.1 shall be construed so as to impede Executive from making disclosures that are permitted under Section 8.2.1 herein.

8.8.2. Cooperation. During and after Executive's employment, Executive shall fully cooperate with the reasonable requests of the Bank Entities, including providing information, with regard to any matter that Executive has knowledge of as a result of Executive's employment or prior employment with the Bank Entities. Executive further agrees to comply with any reasonable request by the Bank Entities to assist in relation to any investigation into any actual or potential irregularities, including without limitation assisting with any threatened or actual litigation concerning the Bank Entities, giving statements/affidavits, meeting with legal and/or other professional advisors, and attending any legal hearing and giving evidence; provided that the Bank Entities shall reimburse Executive for any reasonable out-of-pocket expenses properly incurred by Executive in giving such assistance. Subject to Section 8.2.1, Executive agrees to notify the Bank immediately if Executive is contacted by any third parties for information or assistance with any matter concerning the Bank Entities and agrees to co-operate with the Bank Entities with regard to responding to such requests.

9. CHANGE IN CONTROL.

9.1. Definition. "Change in Control" means and shall be deemed to have occurred if:

(a) there shall be consummated (i) any consolidation, merger, share exchange, or similar transaction relating to Bancorp, or pursuant to which shares of Bancorp's capital stock are converted into cash, securities of another Entity and/or other property, other than a transaction in which the holders of Bancorp's voting stock immediately before such transaction shall, upon consummation of such transaction, own at least fifty percent (50%) of the voting power of the surviving Entity, or (ii) any sale of all or substantially all of the assets of Bancorp, other than a transfer of assets to a related Person which is not treated as a change in control event under § 1.409A-3(i)(5)(vii)(B) of the U.S. Treasury Regulations;

(b) any person, entity or group (each within the meaning of Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"))

shall become the beneficial owner (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of securities of Bancorp representing more than fifty percent (50%) of the voting power of all outstanding securities of Bancorp entitled to vote generally in the election of directors of Bancorp (including, without limitation, any securities of Bancorp that any such Person has the right to acquire pursuant to any agreement, or upon exercise of conversion rights, warrants or options, or otherwise, which shall be deemed beneficially owned by such Person); or

(c) over a twelve (12) month period, a majority of the members of the Bancorp Board are replaced by directors whose appointment or election was not endorsed by a majority of the members of the Bancorp Board in office prior to such appointment or election.

Notwithstanding the foregoing, if the event purportedly constituting a Change in Control under Section 9.1(a), Section 9.1(b), or Section 9.1(c) does not also constitute a "change in ownership" of Bancorp, a "change in effective control" of Bancorp or a "change in the ownership of a substantial portion of the assets" of Bancorp within the meaning of Section 409A, then such event shall not constitute a "Change in Control" hereunder.

9.2. Change in Control Termination. For purposes of this Agreement, a "Change in Control Termination" means that while this Agreement is in effect:

(a) Executive's employment with the Bank is terminated without Cause (i) within one hundred twenty (120) days immediately prior to and in conjunction with a Change in Control or (ii) within twelve (12) months following consummation of a Change in Control; or

(b) Within twelve (12) months following consummation of a Change in Control, Executive's title, duties and or position have been materially reduced such that Executive is not in comparable positions in the publicly traded holding company and in the bank (with materially comparable compensation, benefits, contractual terms and conditions and responsibilities to the position Executive held immediately prior to the Change in Control, and with a primary worksite that is within twenty-five (25) miles of Executive's primary worksite as of the date hereof), and within thirty (30) days after notification of such reduction Executive notifies the Bank that Executive is terminating Executive's employment due to such change in Executive's employment unless such change is cured within thirty (30) days of such notice by providing Executive with a comparable position (including materially comparable compensation and benefits and a primary worksite within twenty-five (25) miles of Executive's primary worksite as of the date hereof). If Executive's employment is terminated under this Section, Executive's last day of employment shall be mutually agreed to by Executive and the Bank, but shall be not more than sixty (60) days after such notice is given by Executive.

9.3. Change in Control Payment. If there is a Change in Control Termination pursuant to Section 9.2, then subject to Executive's fulfillment of the Release Requirement, Executive shall receive a lump sum cash payment within sixty (60) days after the later of (i) the Termination Date or the (ii) Change in Control, equal to:

9.3.1. 1.99 times the sum of (a) Executive's Salary at the highest rate in effect during the twelve (12) month period immediately preceding Executive's Termination Date and (b) Executive's cash bonus(es) paid in the most recent twelve (12) months; and

9.3.2. thirty-six (36) times Executive's full total monthly premium (i.e., Executive's portion and the Bank's portion) of Executive's Healthcare Coverage; provided, however, that such amount shall be reduced by any amount paid or payable as the result of a

termination without Cause under Section 7.7, if that termination without Cause under Section 7.7 becomes a Change in Control Termination (i.e., because the Change in Control occurs within one hundred twenty (120) days after the termination without Cause).

9.3.3. Notwithstanding anything to the contrary in this Section 9.3, any payment pursuant to this Section 9.3 shall be subject to (i) any delay in payment required by Section 10.2 hereof and (ii) any reduction required pursuant to Section 10.1 hereof, as applicable.

10. COMPLIANCE WITH CERTAIN RESTRICTIONS.

10.1. Section 280G. If any payment or distribution by the Bank Entities to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise pursuant to or by reason of any other agreement, policy, plan, program or arrangement or the lapse or termination of any restriction on or the vesting or exercisability of any payment or benefit (each a "280G Payment"), would be subject to the excise tax imposed by Section 4999 of the Code (or any successor provision thereto) or to any similar tax imposed by state or local law (such tax or taxes are hereafter collectively referred to as the "Excise Tax"), then the aggregate amount of 280G Payments payable to Executive shall be reduced to the aggregate amount of 280G Payments that may be made to Executive without incurring an excise tax (the "Safe-Harbor Amount") in accordance with the immediately following sentence; provided that such reduction shall only be imposed if the aggregate after-tax value of the 280G Payments retained by Executive (after giving effect to such reduction) is equal to or greater than the aggregate after-tax value (after giving effect to the Excise Tax) of the 280G Payments to Executive without any such reduction. Any such reduction shall be made in the following order: first, by reduction of cash payments; second, by cancellation of accelerated vesting of equity awards; and third, by reduction of other benefits payable to Executive, in each case, in reverse chronological order, beginning with payments or benefits that are to be paid latest. All determinations required to be made under this Section 10.1 shall be made by a nationally accredited accounting firm selected by the Bank in its sole discretion. Such determinations shall be final and binding on all of the parties hereto. The Bank Entities shall be responsible for all fees and expenses incurred by the accounting firm under this Section 10.1.

10.2. Section 409A.

10.2.1. It is the intention of the parties hereto that this Agreement and the payments provided for hereunder shall be exempt from or comply with Section 409A, and thus avoid the imposition of any tax and interest on Executive pursuant to Section 409A, and this Agreement shall be interpreted and construed consistent with this intent. Executive acknowledges and agrees that Executive shall be solely responsible for the payment of any tax or penalty which may be imposed or to which Executive may become subject as a result of the payment of any amounts under this Agreement.

10.2.2. Any payments hereunder to be made upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

10.2.3. Notwithstanding any provision of this Agreement to the contrary, if Executive is a "specified employee" at the time of Executive's "separation from service," any payment of "nonqualified deferred compensation" (with each term defined in accordance with Section 409A) that is otherwise to be paid to Executive within six (6) months following Executive's separation from service (whether pursuant to this Agreement or any other arrangement between Executive and the Bank Entities), shall, to the extent that such payment would otherwise be subject to interest and additional tax under Section 409A, be delayed and shall be paid on the first business day of the seventh calendar month following Executive's

separation from service, or, if earlier, upon Executive's death. Any deferral of payments pursuant to the foregoing sentence shall have no effect on any payments that are scheduled to be paid more than six (6) months after the date of separation from service.

10.2.4. If any of the payments hereunder are subject to the Release Requirement, and the period in which Executive may consider executing the release begins in one calendar year and ends in the following calendar year, the date on which such payments will be made shall be no earlier than the first day of the second calendar year within such period.

10.2.5. All reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with the requirements of Section 409A to the extent that such reimbursements or in-kind benefits are subject to Section 409A, including, where applicable, the requirements that (i) any reimbursement is for expenses incurred during Executive's lifetime (or during a shorter period of time specified in this Agreement), (ii) the amount of expenses eligible for reimbursement during a calendar year may not affect the expenses eligible for reimbursement in any other calendar year, (iii) the reimbursement of an eligible expense will be made on or before the last day of the calendar year following the year in which the expense is incurred and (iv) the right to reimbursement is not subject to set off or liquidation or exchange for any other benefit.

10.2.6. For purposes of the application of Section 409A, each payment in a series of payments will be deemed a separate payment.

10.3. Withholding. The Bank Entities may withhold from any amounts payable under this Agreement required federal, state, local and foreign taxes.

11. ASSIGNABILITY. Executive shall have no right to assign this Agreement or any of Executive's rights or obligations hereunder to another party or parties. The Bank or Bancorp may assign this Agreement to any of their Affiliates or to any Person that acquires a substantial portion of the operating assets of the Bank or Bancorp. Upon any such assignment, references in this Agreement to the Bank or Bancorp shall automatically be deemed to refer to such assignee instead of, or in addition to, the Bank or Bancorp, as appropriate in the context.

12. GOVERNING LAW; VENUE. This Agreement shall be governed by and construed in accordance with the laws of the State of Maryland applicable to contracts executed and to be performed therein, without giving effect to the choice of law rules thereof. Any action to enforce any provision of this Agreement may be brought only in a court of the State of Maryland within Montgomery County or in the United States District Court for the District of Maryland. Accordingly, each party (a) agrees to submit to the jurisdiction of such courts and to accept service of process at its address for notices and in the manner provided in Section 13 for the giving of notices in any such action or proceeding brought in any such court and (b) irrevocably waives any objection to the laying of venue of any such proceeding brought in such a court and any claim that any such proceeding brought in such a court has been brought in an inconvenient or inappropriate forum.

13. NOTICES. All notices, demands or other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered in person, by e-mail or fax, by United States mail, certified or registered with return receipt requested, or by a nationally recognized overnight courier service, or otherwise actually delivered: (a) if to Executive, at the most recent address contained in the Bank's personnel files; (b) if to the Bank (and Bancorp), to the attention of its Chief Legal Officer and Chief Executive Officer at the address of its principal executive office; or (c) or at such other address as may have been furnished by such person in writing to the other party. Any such notice, demand or communication shall be deemed given on the date given, if delivered in person, e-mailed or faxed, on the date received, if given by

registered or certified mail, return receipt requested or by overnight delivery service, or three days after the date mailed, if otherwise given by first class mail, postage prepaid.

14. ENTIRE AGREEMENT. This Agreement contains all of the agreements and understandings between the parties hereto with respect to the employment of Executive by the Bank, and supersede all prior agreements, arrangements and understandings related to the subject matter hereof, including but not limited to any offer letters. No oral agreements or written correspondence shall be held to affect the provisions hereof. No representation, promise, inducement or statement of intention has been made by any of the parties that is not set forth in this Agreement, and no party shall be bound by or liable for any alleged representation, promise, inducement or statement of intention not so set forth.

15. HEADINGS. The Article and Section headings contained in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

16. SEVERABILITY. Should any part of this Agreement for any reason be declared or held illegal, invalid or unenforceable, such provision or portion of such provision shall be deemed severed herefrom and such determination shall not affect the legality, validity or enforceability of any remaining portion or provision of this Agreement, which remaining portions and provisions shall remain in force and effect as if this Agreement has been executed with the illegal, invalid or unenforceable portion thereof eliminated.

17. AMENDMENT; WAIVER. Neither this Agreement nor any provision hereof may be amended, modified, changed, waived, discharged or terminated except by an instrument in writing signed by the party against which enforcement of the amendment, modification, change, waiver, discharge or termination is sought. The failure of any party at any time or times to require performance of any provision hereof shall not in any manner affect the right at a later time to enforce the same. No waiver by any party of the breach of any term, provision or covenant contained in this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or construed as, a further or continuing waiver of any such breach, or a waiver of the breach of any other term, provision or covenant contained in this Agreement.

18. GENDER AND NUMBER. As used in this Agreement, the masculine, feminine and neuter gender, and the singular or plural number, shall each be deemed to include the other or others whenever the context so indicates.

19. BINDING EFFECT. This Agreement is and shall be binding upon, and inures to the benefit of, the Bank and Bancorp, their successors and assigns, and Executive and Executive's heirs, executors, administrators, and personal and legal representatives.

20. NO CONSTRUCTION AGAINST ANY PARTY. This Agreement is the product of informed negotiation between Executive on the one hand, and the Bank and Bancorp on the other hand. If any part of this Agreement is deemed to be unclear or ambiguous, it shall be construed as if it were drafted jointly by all parties. The parties agree that none of them was in a superior bargaining position regarding the substantive terms of this Agreement.

20. COUNTERPARTS. This Agreement may be executed in separate counterparts (including by facsimile, portable document format or other electronic signature), any one of which need not contain signatures of more than one party, but all of which taken together will constitute one and the same Agreement.

[Signatures on following page]

IN WITNESS WHEREOF, the parties have executed this Agreement, effective as of the date first written above.

EAGLEBANK

By: ____
Name:
Title:

EAGLE BANCORP, INC.

By: ____
Name:
Title:
Executive:

______
Kevin Geoghegan

Exhibit A

Form of
General Release and Waiver of All Claims

Kevin Geoghegan ("you") executes this General Release and Waiver of All Claims (the "Release") as a condition of receiving certain payments and other benefits in accordance with the terms of [Section 7.7 and Section 9.3 of that certain Employment Agreement dated as of 9/3/2024 (the "Employment Agreement")] and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged. All capitalized terms used but not otherwise defined herein shall have the same meaning as in your [Employment Agreement].

1. RELEASE.

You hereby release and forever discharge EagleBank and Eagle Bancorp, Inc. (each, a "Company") and each and every one of their former or current subsidiaries, parents, affiliates, directors, officers, employees, agents, successors, predecessors, assigns and attorneys (the "Released Parties") from any and all complaints, charges, claims, demands, liabilities, obligations, agreements, promises, suits, rights, debts, damages, injury and actions of any nature whatsoever, known or unknown, suspected or unsuspected, in law or equity or by statute, which you or your heirs, successors, executors, or other representatives ever had, now have, or may in the future have by reason of any act, omission, matter, cause or thing through the date of your execution of this Release. You understand that this Release is a general release of all claims you may have against the Released Parties based on any act, omission, matter, case or thing through the date of your execution of this Release.

2. WAIVER.

You realize there are many laws and regulations governing the employment relationship. These include, but are not limited to, Title VII of the Civil Rights Acts of 1964 and 1991; the Age Discrimination in Employment Act of 1967 ("ADEA"); the Americans with Disabilities Act; the National Labor Relations Act; 42 U.S.C. § 1981; the Family and Medical Leave Act; the Employee Retirement Income Security Act of 1974 (other than any accrued benefit(s) to which you have a non-forfeitable right under any pension benefit plan); the Older Workers Benefit Protection Act; the Equal Pay Act; the Family and Medical Leave Act; the Maryland Civil Rights Act; the Maryland Collective Bargaining Law; and any other state, local and federal employment and related laws; and any amendments to any of the foregoing. You also understand there may be other statutes and laws of contract and tort that also relate to your employment with the Companies. By signing this Release, you waive and release any rights you may have against the Released Parties under these and any other laws, except those as to which a waiver and release is not permitted as a matter of law, based on any act, omission, matter, cause or thing through the date of your execution of this Release; provided however, that this Release does not release or discharge the Released Parties from either Company's obligations to you under or pursuant to (a) Section 7.7 and Section 9.3 of the Employment Agreement, (b) vested benefits under the Company's employee welfare benefit plans and employee pension benefit plans (excluding any severance benefits), subject to the terms and conditions of those plans, (c) any securities of the

Company that you own outright or (d) claims for indemnification under the Company's by-laws or policies of insurance.

You also agree not to initiate, join, or voluntarily participate in any action or suit in any court or to accept any damages or other relief from any such proceeding brought by anyone else based on any act, omission, matter, cause or thing through the date of your execution of this Release, provided that nothing in this Release shall be construed to prohibit you from filing a charge with or participating in any investigation or proceeding conducted by, or providing information to, the EEOC, NLRB, SEC, DOJ or any comparable state or local agency ("Government Agencies"). Notwithstanding the foregoing, you hereby waive your right to recover individual relief with respect to any charge, complaint, or lawsuit filed by you or anyone on your behalf, and you agree that you will not accept any benefit that you may be entitled to receive in connection with any action taken by any other person or agency against the Companies; provided however, that nothing in this Release limits your right to receive an award for information provided to any Government Agencies, and nothing in this Release limits your ability to collect a reward from the SEC or other Government Agencies under their whistleblower programs. Additionally, you represent that you have no pending complaints or charges filed against the Companies, provided that disclosures to the SEC or other Government Agencies under any whistleblower program shall not be considered a complaint or charge for the purposes of this representation.

By execution of this Release and in consideration of the benefits provided herein, you understand that you are specifically waiving any rights or claims that you may have under the ADEA, 29 U.S.C. §§ 621, et seq. You state that your waiver of these ADEA claims is knowing and voluntary, and you understand that you are forever releasing the Companies (and their affiliates and related persons who are Released Parties) with respect to all such claims. This waiver does not apply to any rights or claims that relate to events which may occur after the date this Release becomes effective, or to any rights or claims to test the knowing and voluntary nature of this Release, solely to the extent required under the ADEA and Older Workers Benefit Protection Act ("OWBPA").

3. NOTICE PERIOD.

This document is important. We advise you to review it carefully and consult an attorney before signing it, as well as any other professional whose advice you value, such as an accountant or financial advisor. If you agree to the terms of this Release, sign in the space indicated below for your signature. You will have twenty-one (21) **[45 days if deemed to be a group termination under OWBPA]** calendar days from the date you receive this document to consider whether to sign this Release. If you choose to sign the Release before the end of that twenty-one day period, you certify that you did so voluntarily for your own benefit and not because of any coercion. No change to this Release, material or otherwise, shall restart the 21-day **[45 days if deemed to be a group termination under OWBPA]** period.

4. RETURN OF PROPERTY.

You certify that you have fully complied with Section 8.3 of your Employment Agreement.

5. REVOCATION.

You should also understand that even after you have signed this Release, you still have seven (7) days to revoke it. To revoke your acceptance of this Release, the Chief Legal Officer of the Companies must receive your written notice of revocation before the end of the seven (7)-day period. In the event you revoke or do not accept this Release, you will not be entitled to any of the payments or benefits that you would have been entitled to under the Employment Agreement by virtue of executing this Release. If you do not revoke this Release within seven (7) days after you sign it, it will be final, binding, and irrevocable.

IN WITNESS WHEREOF, you have knowingly and voluntarily executed this Release, as of the day and year first set forth below.

____

Kevin Geoghegan Date

#60-130

Insider Trading Policy

Version No. 10

Department	Legal
Policy Owner	Ethics Officer
Executive Sponsor	Chief Legal Officer
Approving Bodies	ERMC Risk Committee
Approval Date	February 24, 2025

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PURPOSE

This Policy sets forth the duties and responsibilities of employees, officers, and directors of Eagle Bancorp, Inc. and its subsidiaries (collectively, the "Company") to ensure their compliance with insider trading laws. The federal securities laws prohibit any officer, director, or employee of the Company from (a) purchasing or selling Company Securities (as defined below) based upon "Material Nonpublic Information" (MNPI) concerning the Company or (b) communicating, "tipping," or disclosing MNPI to outsiders so that they may trade Company Securities based on that information. To prevent even the appearance of improper insider trading or tipping, the Company has adopted this Insider Trading Policy (this "Policy") for all Insiders (as defined below) of the Company.

In addition, the Company may not conduct or execute any transactions involving Company Securities while in possession of MNPI concerning the Company, provided that this restriction does not apply to transactions pursuant to pre-authorized trading plans or arrangements for trading securities that comply with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

SCOPE

A. Covered Persons

This Policy covers all employees, officers and directors of the Company ("Covered Persons" or "Insiders"), as well as their respective Immediate Family Members and members of their Households (as defined below); any outsiders, including but not limited to independent contractors, accountants, attorneys, consultants, contingent workers, vendors, and other third party service providers; and anyone else whom the Chief Legal Officer or his/her designee may designate because he or she has access to MNPI concerning the Company. "Immediate Family Members" is defined to include, but is not necessarily limited to, a person's spouse, sibling, parent or child. "Household" is defined as those, whether related or unrelated, who dwell under the same roof and compose a "family" or "social unit." Former officers, employees, and members of the Board may also be considered Insiders if they possess or are aware of MNPI, even after their employment/service by/to the Company has ceased.

B. Covered Securities & Transactions

This Policy applies to any and all transactions in the Company's securities. For purposes of this Policy, the Company's securities include its common stock, options to purchase or sell common stock, and any other type of securities that the Company may issue, such as preferred stock, convertible debentures, debt securities, warrants, and exchange-traded options, or other derivative securities and short sales (collectively, "Company Securities"). Transactions in Company Securities include not only market transactions, but also private sales of Company Securities, pledges of Company Securities to secure a loan or margin account, and charitable donations of Company Securities. As set forth below, this Policy also generally prohibits Covered Persons from engaging in transactions in the securities of other companies that are on the basis of material nonpublic information obtained or used in breach of a duty of confidentiality owed to another.

C. Section 16 Persons

Each member of the Company's Board of Directors (the "Board"), those officers of the Company designated by the Board to be Section 16 officers of Eagle Bancorp, Inc., and any person identified by the Chief Legal Officer to fall within the scope of Section 16 of the Securities Exchange Act of 1934 (together, the "Section 16 Persons"), are subject to the reporting and short-swing profit provisions of Section 16 and the underlying rules and regulations promulgated by the U.S. Securities and Exchange Commission (the "SEC"). Section 16 Persons must obtain prior written approval of all trades in Company Securities from the Company's Chief Legal Officer or his or her designee as described further below in this Policy.

D. Designated Employee

In addition to Section 16 Persons, the Chief Legal Officer or his or her designee may designate additional officers, employees, or others as "Designated Employees." Designated Employees are those officers or employees or outside consultants, accountants, attorneys, contractors, contingent workers or other third party service providers that the Company considers, because of their duties, to have regular access to MNPI.

ROLES AND RESPONSIBILITIES

The roles and responsibilities for the governing bodies and senior managers involved in the oversight, compliance, and monitoring with respect to this Policy are described in this section.

The Board is responsible for:

- Approving Company share repurchase programs;
- Approving the use of trading plans established pursuant to Rule 10b5-1 in connection with such Company share repurchase programs;
- Authorizing a person or persons to repurchase shares on behalf of the Company in connection with the Company's share repurchase program; and
- Ratifying the Risk Committee's approval of this Policy, if appropriate.

The Risk Committee of the Board is responsible for:

- Being informed on the administration of this Policy through periodic reporting from the Ethics Officer; and
- Reviewing, challenging, and approving this Policy on an annual basis or more frequently as needed.

The Enterprise Risk Management Committee is responsible for:

- Receiving and evaluating allegations of violations of this Policy referred to it by the Chief Legal Officer, Chief Risk Officer, Chief Compliance Officer, and Ethics Officer; and
- Reviewing, challenging, and approving this Policy on an annual basis or more frequently as needed.

The Chief Legal Officer (the "CLO") is the Executive Sponsor of this policy and is, or is or her designee is, responsible for:

- Providing administration relating to compliance with insider laws and regulations;
- Establishing Trading Window, Blackout, Special Blackout, and Quiet Periods;
- Designating who should be considered an Insider or Designated Employee;
- Designating who, other than directors and Board-designated Section 16 officers, falls within the scope of Section 16;
- Facilitating SEC filings relating to trading of Company Securities;
- Determining whether the Company has MNPI, such that it can enter into a Repurchase Plan;
- Reviewing and approving Repurchase Plan Agreements prior to their execution;
- Reviewing and approving amendments to, or early termination of, any Repurchase Plan Agreement prior to the execution of any such amendment or early termination;
- Approving brokers with whom the Company enters into a Repurchase Plan Agreement;
- Approving exceptions to the Policy with respect to the duration of any Repurchase Plan;
- Determining whether a gift requested to be made outside an Open Trading Window is a "bona fide" gift and, if it is, approving such bona fide gift subject to any requirements he or she deems appropriate; and
- Together with the CLO, CCoO, and Ethics Officer, determining the proper action to be taken when this Policy is violated or determining that referral to the ERMC is necessary.

The Chief Risk Officer (the "CRO") is responsible for:

- Providing advice and counsel to the CLO with respect to the implementation of this Policy;
- Reviewing and recommending updates to this Policy on an annual basis or more frequently as needed; and
- Together with the CLO, CCoO, and Ethics Officer, determining the proper action to be taken when this Policy is violated or determining that referral to the ERMC is necessary.

The Chief Compliance Officer (the "CCoO") is responsible for:

- Working with the Ethics Officer, CLO, and CRO to review and update this Policy on an annual basis or more frequently as needed; and
- Together with the CLO, CRO, and Ethics Officer, determining the proper action to be taken when this Policy is violated.

The Ethics Officer is the Policy Owner and responsible for:

- Administering the Company's Insider Trading Pre-Clearance process;
- Evaluating requested exceptions to this Policy;
- Together with the CLO, CRO, and CCoO, determining the proper action to be taken when this Policy is violated or determining that referral to the ERMC is necessary;
- Reporting violations of this Policy, as well as the disciplinary and remedial measures taken, if any, to the Risk Committee;
- Providing input on any changes needed to this Policy;
- Working with Section 16 Persons with respect to the filing of SEC Forms 3, 4, and 5; and
- Conducting training and awareness programs regarding this Policy.

The CFO is responsible for:

- Consulting with the Chief Legal Officer or his or her designee regarding the imposition of Special Blackout Periods; and
- Approving 10b5-1 Plans with the CLO or his or her designee.

STATEMENT OF POLICY

The Company's Insider Trading Policy is as follows:

A. **No Trading on Inside Information**. Covered Persons may not purchase, sell or otherwise trade the Company's Securities, either directly or indirectly, through family members or other Covered Persons, if:

   i. they are aware of material information relating to the Company's Securities; and

   ii. that material information is not generally known or available to the public;

B. **No Tipping**. Covered Persons may not disclose, pass or "tip" MNPI to others or recommend to anyone the purchase or sale of Company Securities when they are aware of such information. This includes any investment clubs in which a Covered Person is a member. This practice, known as "tipping," also violates the securities laws and can result in the same civil and criminal penalties that apply to insider trading, even though a person did not trade and did not gain any direct financial benefit from another's trading. Tippers can be held liable for disgorgement of their tippees' profits.

C. **No Exception for Hardship**. The existence of a personal financial emergency does not excuse you from compliance with this Policy.

DEFINITION OF MATERIAL NONPUBLIC INFORMATION

A. **Material Information**.

Information is material if (a) there is a substantial likelihood that a reasonable investor would consider it important in making an investment decision to buy, hold or sell a security; or (b) it substantially alters the total mix of information already available to investors. Any information that could reasonably be expected to affect the price of the security is likely to be considered material. Common examples of information with respect to the Company likely to be considered material include, but are not limited to:

- Financial performance, especially quarterly and year-end earnings;
- Projections of future earnings or losses;
- Significant changes in financial performance outlook or liquidity of the Company as a whole or of a reporting segment of the Company's business;
- Company projections that significantly differ from external expectations;
- Potential mergers and acquisitions or the sale of significant Company assets or subsidiaries;
- New major contracts, orders, suppliers, customers, or finance sources, or the loss thereof;
- Major discoveries or significant changes or developments in products or product lines, research, or technologies;
- Approvals or denials of requests for regulatory approval by government agencies of products, patents, or trademarks;
- Significant changes or developments in supplies or inventory, including significant product defects, recalls, or product returns;
- Results of product development or new product announcement;
- Significant pricing changes;
- Stock splits, public or private securities/debt offerings, or changes in Company dividend policies or amounts;
- New equity or debt offerings;
- Significant changes in management;
- Significant labor disputes or negotiations, including possible strikes;
- Significant information regarding a borrower's or guarantor's credit standing or ability to repay a significant loan or information with respect to any Company reserves or allowances for loan losses;
- Significant information regarding a depositor's intentions to withdraw deposits that have a significant impact on the liquidity of the Company;

- Actual or potential exposure to, or significant developments concerning, major litigation or government investigation, or the resolution of such litigation government investigation;
- Possible proxy contests;
- Imminent or potential changes in the Company's credit rating by a rating agency;
- Voluntary calls of debt or preferred stock of the Company;
- The contents of forthcoming publications that may affect the market price of Company Securities;
- Statements by stock market analysts regarding the Company and/or its securities;
- Significant changes in sales volumes, market share, production scheduling, product pricing, or mix of sales;
- Analyst upgrades or downgrades of a Company Security;
- Significant changes in accounting treatment, write-offs, or effective tax rate;
- Impending bankruptcy or financial liquidity problems of the Company or one of its subsidiaries or significant business partners;
- Gain or loss of a substantial customer or supplier; or
- A significant cybersecurity incident experienced by the Company that has not yet been made public.

Both positive and negative information can be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided. When in doubt, a Covered Person should seek guidance from the Chief Legal Officer or Ethics Officer.

B. **Nonpublic Information**.

Information is considered "nonpublic" if it has not been widely disseminated to the public by authorized personnel of the Company through official channels such as SEC filings, major newswire services, national news services and financial news services and there has been insufficient time for the market to absorb the information and discount it into the price of the stock. For the purposes of this Policy, information is considered nonpublic until the second full trading day after the information is released.

C. **Confidentiality of Nonpublic Information**

Covered Persons have an express duty of confidentiality to preserve and protect the confidentiality of the Company's nonpublic information. Nonpublic information relating to the Company is the property of the Company and the unauthorized disclosure of such information is forbidden and may result in disciplinary actions up to and including termination, in addition to any possible civil and/or criminal prosecution.

I. PROCEDURAL REQUIREMENTS

A. Pre-Clearance of Trading in the Company's Securities

Covered Persons (including Section 16 Persons and Designated Employees) may not engage in any transaction involving the Company's Securities without first obtaining written pre-clearance of the transaction from the Ethics Officer. An e-mail qualifies as appropriate written pre-clearance. An example of a form that is sufficient for a pre-clearance request is provided as **Exhibit A**, though the Ethics Officer may amend the form or adopt a different form as necessary depending on the facts and circumstances of the particular request. The Ethics Officer is under no obligation to approve any trade or to explain why a trade request may be denied. Pre-clearance of any transaction is valid only for four trading days following receipt of pre-clearance. If the transaction order is not placed within that period, pre-clearance must be requested and approved in writing again. Requesting persons must treat denials of pre-clearance requests as confidential. To the extent possible, Covered Persons should retain all records and documents that support their reasons for making each trade.

Pre-clearance in no way relieves the Covered Person of their legal obligation to refrain from trading while in possession of material nonpublic information. Pre-clearance is required for transactions in Company Securities regardless of where the Covered Person's brokerage, advisory or other custodial account or possession of the Company Security is maintained.

B. Quarterly Blackout Periods

Covered Persons are prohibited from trading in the Company's Securities during quarterly blackout periods which begin 10 trading days before the end of the issuer's fiscal quarter and end after the second full trading day following the release of quarterly financial results to the public by the Company. In addition to being subject to the other limitations set forth in this Policy, Covered Persons, whether or not in possession of material, nonpublic information, shall not engage in transactions involving the purchase or sale of the Company's securities during quarterly Blackout Periods and may trade only during a limited Window Period (as set forth below) each quarter.

C. Special Blackout Periods

From time to time, the Company may also determine that Covered Persons (including Section 16 Persons, Designated Employees and others) must suspend trading during periods outside the quarterly Blackout Periods described above because of developments known to the Company and not yet disclosed to the public. These are referred to as "Special Blackout Periods." The imposition of any Special Blackout Period, as well as those Insiders who shall be subject to the Special Blackout Period, shall be determined by the Chief Legal Officer in consultation with the Chief Financial Officer. Any Covered Person under a Special Blackout Period is prohibited from trading in Company Securities. Such persons must also not disclose to others the fact of such suspension of trading without prior permission of the Chief Legal Officer.

D. Open Trading Windows

The Company's blackout periods generally dictate when trading windows are open and it is otherwise appropriate for Covered Persons to trade the Company's Securities. Transactions involving the purchase or sale of the Company's securities may commence on the third (3rd) trading day after the Company's public release of financial results for a completed fiscal quarter or year and continue until 10 trading days prior to the end of the next fiscal quarter in which the earnings are announced (the "Window Period"). For purposes of determining Window and Blackout Periods pursuant to this Section, "trading day" refers to any day on which the Company's stock trades on its primary exchange.

E. Prohibited Activities

1. **Section 16 Person and Designated Employee Trading**: No Section 16 Person or Designated Employee may trade in Company Securities outside of an Open Trading Window described in this Policy, unless an exception is expressly granted by the Chief Legal Officer or his or her designee.

2. "**Need-to-Know**:" Insiders must maintain the confidentiality of nonpublic information on a need-to-know basis. This means that no Insider may "tip" or disclose MNPI concerning the Company to any other Insider (such as a family member) or any outside person, even if that person is expected to hold such "tip" in confidence, unless required as part of that Insider's regular duties for the Company or authorized by the Chief Legal Officer or his or her designee.

3. **Inadvertent Disclosure**: In the case of inadvertent disclosure to an outside person, the Insider must advise the Chief Legal Officer or his/her designee immediately after the inadvertent disclosure has been made. Depending on the nature of the inadvertent disclosure, the Company may be required per Regulation FD to rectify any inadvertent disclosures of MNPI by a public filing **within 24 hours** of the inadvertent disclosure being made. Therefore, **timing is of the essence**. To protect against inadvertent disclosures, all inquiries from outsiders regarding MNPI about the Company must be forwarded to the Chief Legal Officer or his or her designee.

4. **No Trading Advice**: No Insider may give trading advice of any kind about the Company to anyone, whether or not such Insider is aware of MNPI about the Company.

5. **No Speculative Trading or Spreadbetting**: No Insider may speculate on the price of the Company's securities, engage in the practice of betting on the bid-ask spread of the Company's stock or trade in any interest or position relating to the future price of Company Securities, such as a put, call, or short sale.

6. **No Short Selling**: No Insider may sell the Company's Securities short.

F. Quiet Period

During certain periods of time, Company employees, officers and directors are required to limit their communications and interactions with the public due to their possession of MNPI. This includes but is not limited to any material news that has not yet been disclosed to the public. Unless otherwise instructed by the Chief Legal Officer, a Quiet Period will mirror the trading Blackout Period. Communication with analysts and investors must at all times be fair and accurate, not involve or constitute MNPI, and not omit material facts or otherwise create a misleading narrative. Certain communications may be permissible during a Quiet Period, but must be approved in advance by the Chief Legal Officer or his or her designee.

G. Individual Responsibility

Every Covered Person has the individual responsibility to comply with this Policy, regardless of whether the trade at issue was pre-cleared or occurs during an Open Trading Window.

Moreover, though the Company may assist Section 16 Persons with filing Forms 3, 4, and 5 regarding their purchase, sale, and/or holding of Company Securities, it is each Section 16 Person's individual responsibility under applicable federal securities laws (and this Policy) to file these forms with the SEC.

A Covered Person may also, from time to time, be required to forgo a proposed transaction in Company Securities even if he or she planned to make the transaction before learning of the MNPI and even though the Insider believes he or she may suffer an economic loss or forgo anticipated profit by waiting.

H. Applicability of Policy to Insider Information Regarding Other Companies

This Policy and restrictions described herein also apply to MNPI relating to other companies, including the Company's customers, vendors, or suppliers ("Business Partners"), when that information is obtained in the course of employment with, or other services performed on behalf of, the Company.

Civil and criminal penalties, and termination of employment or removal from the Company Board may result from trading on the basis of MNPI regarding the Company's Business Partners. All directors, officers and employees should treat MNPI about the Company's Business Partners with the same care required with respect to information related directly to the Company.

I. Certain Exceptions

As described below, the Company considers certain transactions to be exempt from this Policy. However, for the purpose of clarity, even where Company Securities had been acquired via (a) purchases under the Employee Stock Purchase Plan, (b) exercises of stock options, or (c) the vesting of restricted stock or performance-based restricted stock units, any sales on the open market of such Company Securities will be subject to this Policy. In other words, this Policy is triggered by, among other ways, the sale of Company Securities on the open market, no matter how the Company Securities were acquired. Additional exceptions to this Policy may be granted on a case-by-case basis by the Chief Legal Officer or his or her designee, upon review of a written request from the individual petitioning for an exception that details the facts and circumstances surrounding the transaction and the reason for requesting an exception. The Chief Legal Officer or his or her designee is under no obligation to approve any such requests or to explain the bases for denying such request.

1. Equity Plans

The trading prohibitions and restrictions set forth in this Policy do not apply to periodic contributions by the Company or employees to the Employee Stock Purchase Plan or the purchase of shares under the Employee Stock Purchase Plan pursuant to the terms and conditions of the plan. However, no officer or employee may alter his or her instructions regarding the purchase of Company Securities in such plan (including by withdrawing from participation in the plan or altering contribution elections under the plan) while in possession of MNPI or while any applicable trading window is closed or applicable Special Blackout Period is in effect. Individual Rule 10b5-1 Plans

Exchange Act Rule 10b5-1 was adopted by the SEC to protect persons from insider trading liability for transactions under a written trading plan previously established at a time when the insider did not possess MNPI. Under a properly established 10b5-1 plan (a "10b5-1 Plan"), transactions in Company Securities may be conducted on behalf of a Covered Person at any time, including during Blackout Periods, Special Blackout Periods, and outside trading windows or even when the Covered Person possesses MNPI, in accordance with established trading schedules and instructions set forth in the Insider's 10b5-1 Plan. Thus, a 10b5-1 Plan offers an opportunity for Insiders to establish a systematic program of transactions in Company Securities over periods of time that might include periods in which such transactions would otherwise be prohibited under the federal securities laws or this Policy. A variety of arrangements can be structured to meet the requirements of Rule 10b5-1. In particular, a 10b5-1 Plan can take the form of pre-scheduled stock option exercises and sales, pre-arranged trading instructions, and other brokerage and third-party arrangements over which the Insider has no control once the plan takes effect.

Insiders who desire to implement a 10b5-1 Plan must first obtain approval of the plan by the Chief Financial Officer and the Chief Legal Officer. To be eligible for approval, the 10b5-1 Plan:

- Must be established during a trading window (and not during any Blackout Period or applicable Special Blackout Period) and at a time when the Insider does not possess any MNPI;
- Must be in writing;

- Must either irrevocably set forth the future date or dates on which purchase or sale of securities are to be made, the prices at which the securities are to be purchased or sold, and the amount of shares to be purchased or sold on each designated trading day, or provide a formula for determining the amount and price of the securities to be purchased or sold and the date or dates on which the transactions are to be completed;
- Must set forth the broker who will be responsible for effecting the transactions (or method of transaction if not through a broker);
- May not permit the direct or indirect exercise of any influence by the Insider over the timing or terms of the purchase or sale; and
- May not take effect **until 30 days** after the plan is approved by the Chief Financial Officer and Chief Legal Officer.

Even if approved by the Chief Financial Officer and the Chief Legal Officer, any Insider implementing a 10b5-1 Plan does so at his or her own risk, and must individually ensure that such 10b5-1 Plan complies in all respects with the requirements set forth in Rule 10b5-1. The Company holds no responsibility for ensuring that any Insider's 10b5-1 Plan complies with any applicable legal and regulatory requirements.

The Chief Legal Officer or his or her designee will maintain a copy of all 10b5-1 Plans. The Insider must provide the Chief Financial Officer and the Chief Legal Officer written notice of any termination or modification (in which case, the modification must be approved in writing by the Chief Financial Officer and the Chief Legal Officer prior to effectiveness and may not take effect **until 30 days** after the termination or modification is approved by the Chief Financial Officer and the Chief Legal Officer).

2. Company Repurchases and Rule 10b5-1 Plans

Similar to Rule 10b5-1 Plans for Insiders, the Company may also establish a 10b5-1 Plan for purposes of conducting share repurchases (each such plan, a "Repurchase Plan") in connection with the Company's share repurchase program (as may be established by the Board from time to time). Under a properly established Repurchase Plan, repurchases of Company Securities may be conducted at any time, including during Blackout Periods, Special Blackout Periods, and outside trading windows, or even when the Company possesses MNPI, in accordance with established trading schedules and instructions set forth in the Repurchase Plan.

Before any Repurchase Plan can be established, the Board must have approved the use of trading plans established pursuant to Rule 10b5-1 in connection with any Board-approved Company share repurchase program. Only persons authorized by the Board to repurchase shares on behalf of the Company in connection with the Company's share repurchase program (each such person, an "Authorized Person") may establish a Repurchase Plan, in compliance with all requirements set forth by the Board and the requirements set forth under Rule 10b5-1. Only one Repurchase Plan can be established and effective at any given time. Additionally, any Repurchase Plan established by an Authorized Person:

- Must be established at a time when the Company does not possess any MNPI, and such a determination must be made by the Chief Legal Officer;
- Must be in writing, in a form reviewed and approved by the Chief Legal Officer or an authorized designee of the Chief Legal Officer (the "Repurchase Plan Agreement");
- Must either set forth the future date or dates on which purchases of securities are to be made, the prices at which the securities are to be purchased, and the amount of shares to be purchased on each designated trading day, or provide a formula for determining the amount and price of the securities to be purchased and the date or dates on which the transactions are to be completed;
- Must set forth the broker who will be responsible for effecting the transactions, and any such broker must be an independent third party approved by the Chief Legal Officer or an authorized designee of the Chief Legal Officer;
- May not permit the direct or indirect exercise of any influence by the Authorized Person or anyone else employed by or affiliated with the Company over the timing or terms of the purchase of securities (excluding the initial preparation of the trading schedule and instructions in connection with the Repurchase Plan);

- Notwithstanding any applicable provision in the Repurchase Plan Agreement with the broker, may not be amended (including with respect to the trading schedule and accompanying instructions) or terminated prior to the original termination date set forth in the Repurchase Plan Agreement, unless a request for an exception is made in writing to the Chief Legal Officer and such request is approved in writing; and
- Must have a duration no shorter than three (3) months and no longer than the earlier of (1) twelve (12) months or (2) the date of the expiration of the share repurchase program as established by the Board, unless a request for an exception is made in writing to the Chief Legal Officer and such request is approved in writing.

A copy of all Repurchase Plans must be made available to and maintained in the Company's books and records by the Chief Legal Officer and the Chief Financial Officer. When a Repurchase Plan is in place, all purchases of the Company's stock in connection with the Company's stock repurchase program must be done through the Repurchase Plan. In the absence of an active Repurchase Plan, Authorized Persons may repurchase shares on behalf of the Company only with express written approval by the Chief Legal Officer or an authorized designee of the Chief Legal Officer for each purchase transaction. Approval shall be at the Chief Legal Officer's sole discretion, and be based on a determination of whether the Company has MNPI at the time of the purchase and any other factors that the Chief Legal Officer deems relevant.

3. Bona Fide Gifts

Bona fide gifts of the Company Securities may be made at any time, including during a Blackout Period, subject to the pre-clearance requirements detailed above. Bona fide gifts made outside an Open Trading Window shall also be pre-approved by the Chief Legal Officer or his or her designee.

The Chief Legal Officer or his or her designee determines whether a gift is "bona fide" depending on the circumstances surrounding the gift, including, but not limited to, the donor's relationship with the recipient, what the recipient does with the donated securities, and the nature of the tax benefit of the donor.

The Chief Legal Officer or his or her designee may approve a bona fide gift subject to certain conditions, including, for example, that the recipient of the bona fide gift agree not to sell the Company Securities except during an Open Trading Window.

In no event may any material nonpublic information be disclosed to the recipient of the gifted shares.

J. Additional Information – Directors and Officers

The Company is subject to the provisions set forth in Section 16 related to reporting of short-swing transactions and limitations on such transactions. The practical effect of these provisions is that executive officers and directors who purchase and sell (or sell and purchase) the Company's securities within a six-month period must disgorge all profits to the Company whether or not they had knowledge of any MNPI. Under these provisions, and so long as certain other criteria are met, neither the receipt of an option under the Company's option plans, nor the exercise of that option, nor the award or vesting of restricted stock is deemed a purchase under Section 16; however, the sale of any shares received under the option, including a market sale of options to pay the exercise price of the option, is a sale under Section 16. Moreover, no Insiders may ever make a short sale of the Company's stock. The Company has provided, or will provide as required, separate memoranda and other appropriate materials to its officers and directors regarding compliance with Section 16 and its related rules.

K. Acknowledgment

On an annual basis, all employees, officers, and directors are required to acknowledge the receipt of this Policy and understanding regarding the confidentiality and serious nature of the unauthorized disclosure of nonpublic information about the Company. In addition, on an as-needed basis, certain Insiders may be asked to sign an additional event-driven acknowledgement for non-disclosure of non-public information.

For officers and employees, the annual acknowledgment is part of the overall policy acknowledgment in the Company's policy review and training system (BVS). Directors acknowledge this Policy in their respective Director and Officer Questionnaires.

L. Internal Audit

In its role as the third line of defense, the CAE will ensure that risk-based independent audits are periodically conducted to ensure compliance with this Policy and to ensure the accuracy of regulatory reporting requirements, results of which will be reported to the Audit Committee.

I. EXCEPTIONS TO POLICY

Should an exception to this Policy be requested or warranted, it shall initially be evaluated by the Ethics Officer and remediated at the staff level if possible. Significant exceptions shall be escalated to the CLO CRO, and Chief Compliance Officer, as needed, and a remediation plan shall be prepared and approved for such instances. If they deem it necessary the CLO, CRO, Chief Compliance Officer, and the Ethics Officer may refer a violation and remediation to the ERMC. Also for such exceptions, the Risk Committee shall be informed as to the circumstances involved with the exception, and in particular the potential impact on disclosure requirements.

I. VIOLATIONS OF THIS POLICY

The Ethics Officer, together with the CLO, CRO, and CCoO, will determine the proper action to be taken when this Policy is violated. The Ethics Officer will report any such violations, as well as the disciplinary and remedial measures taken, if any, to the Risk Committee.

Please note that the consequences of trading on or tipping MNPI can be severe:

a. **Civil and Criminal Penalties**. Potential penalties for insider trading violations include (1) imprisonment for up to 20 years, (2) criminal fines of up to $5 million and (3) civil fines of up to three times the profit gained or loss avoided.

b. **Controlling Person Liability**. If a company fails to take appropriate steps to prevent illegal insider trading, the company may have "controlling person liability" for a trading violation, with civil penalties of up to three times the profit gained or loss avoided, as well as a criminal penalty of up to $25 million. The civil penalties can extend personal liability to the company's directors, officers and other supervisory personnel if they fail to take appropriate steps to prevent insider trading.

c. **Company Sanctions**. Failure to comply with this Policy also may subject you to Company-imposed sanctions, including termination, whether or not your failure to comply with this Policy results in a violation of law.

Both the SEC and the Financial Industry Regulatory Authority (FINRA) investigate and are very effective at detecting insider trading. The SEC, together with the U.S. Department of Justice, pursue insider-trading violations vigorously, particularly against employees of public companies who misuse confidential information entrusted to them. Cases have been successfully prosecuted against trading by employees through foreign accounts, trading by family members and friends, and trading involving only a small number of shares. For these reasons, employees, officers and directors should seek guidance from the Ethics Officer concerning any questions they have about compliance with this policy.

Any known or suspected violations of the Insider Trading Policy can be reported to the Ethics Office (Ethics@eaglebankcorp.com) or directly to the Audit Committee via EthicsPoint at www.ethicspoint.com or via phone at 888-331-0609. For more information, refer to 60-090 Complaints/Allegations of Suspected

Improper Activities (Whistleblower) Policy and 60-165 60-165 Business Conduct Ethics and Conflicts of Interest Policy and Program including the Code of Business Conduct and Ethics.

Exhibit 21

Name of Entity	Jurisdiction of Organization	Ownership Interest
Eagle Bancorp, Inc. - Registrant	Maryland	
EagleBank	Maryland	100%
Eagle Insurance Services, LLC	Maryland	100%
Fidelity & Trust Mortgage, Inc.	Maryland	100%
Bethesda Leasing LLC	Maryland	100%
Landroval Municipal Financing, Inc.	Washington, D.C.	100%
Eagle Commercial Ventures, LLC	Maryland	100%

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statements No. 333-187713, 333-159755, 333-135072, 333-199875, 333-211857, and 333-258657 on Form S-8 of Eagle Bancorp, Inc. of our report dated February 27, 2025 relating to the consolidated financial statements and effectiveness of internal control over financial reporting, appearing in this Annual Report on Form 10-K.

/s/ Crowe LLP

Washington, D.C.
February 27, 2025

Exhibit 31.1

CERTIFICATION

I, Susan G. Riel, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Susan G. Riel
Chair, President and Chief Executive Officer of the Company

Exhibit 31.2

CERTIFICATION

I, Eric R. Newell, certify that:

1. I have reviewed this annual report on Form 10-K of Eagle Bancorp, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 27, 2025

/s/ Eric R. Newell

Senior Executive Vice President and Chief Financial Officer of the Company

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Form 10-K of Eagle Bancorp, Inc. for the year ended December 31, 2024, I, Susan G. Riel, Chair, President and Chief Executive Officer of Eagle Bancorp, Inc., hereby certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

(1) such Form 10-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eagle Bancorp, Inc.

/s/ Susan G. Riel

Susan G. Riel
Chair, President and Chief Executive Officer of the Company

February 27, 2025

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350

In connection with the Form 10-K of Eagle Bancorp, Inc. for the year ended December 31, 2024, I, Eric R. Newell, Senior Executive Vice President and Chief Financial Officer of Eagle Bancorp, Inc., hereby certify pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge and belief, that:

(1) such Form 10-K fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in such Form 10-K fairly presents, in all material respects, the financial condition and results of operations of Eagle Bancorp, Inc.

/s/ Eric R. Newell

Eric R. Newell
Senior Executive Vice President and Chief Financial Officer of the Company

February 27, 2025

EAGLE BANCORP, INC. CLAWBACK POLICY

I. BACKGROUND

Eagle Bancorp, Inc. (the "Company") has adopted this policy (this "Policy") to provide for the recovery or "clawback" of certain incentive compensation in the event of a Restatement (defined below). This Policy is intended to comply with, and will be interpreted to be consistent with, the requirements of the Nasdaq Stock Market ("Nasdaq") Listing Rule 5608. Certain terms used in this Policy are defined in Section VIII below.

II. STATEMENT OF POLICY

The Company shall recover reasonably promptly the amount of erroneously awarded Incentive-Based Compensation (defined below) in the event that the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (a "Restatement").

The Company shall recover erroneously awarded Incentive-Based Compensation in compliance with this Policy except to the extent provided under Section V below.

III. SCOPE OF POLICY

A. ***Covered Persons and Recovery Period.*** This Policy applies to Incentive-Based Compensation received by a person:

- after beginning service as an Executive Officer (defined below),
- who served as an Executive Officer at any time during the performance period for that Incentive-Based Compensation,
- while the Company has a class of securities listed on a national securities exchange, and
- during the three completed fiscal years immediately preceding the date that the Company is required to prepare a Restatement (the "Recovery Period").

Notwithstanding this look-back requirement, the Company is only required to apply this Policy to Incentive-Based Compensation received on or after October 2, 2023.

For purposes of this Policy, Incentive-Based Compensation shall be deemed "received" in the Company's fiscal period during which the Financial Reporting Measure (as defined herein) specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period.

B. Additional Covered Persons. In addition to the Covered Persons prescribed above, the Company may seek to recover erroneously awarded Incentive Compensation from a Senior Executive (as defined below) in the event that the Compensation Committee

of the Company's Board of Directors (the "Comp Committee") and the Audit Committee of the Company's Board of Directors (the "Audit Committee"), in their sole discretion, jointly determine that (1) the Senior Executive engaged in fraud or misconduct that caused or materially contributed to the need for the Restatement, and (2) it is in the best interests of the Company and its shareholders to seek to recover such erroneously awarded Incentive-Based Compensation

C. Transition Period. In addition to the Recovery Period, this Policy applies to any transition period (that results from a change in the Company's fiscal year) within or immediately following the Recovery Period (a "Transition Period"), provided that a Transition Period between the last day of the Company's previous fiscal year end and the first day of the Company's new fiscal year that comprises a period of nine to 12 months will be deemed a completed fiscal year.

D. Determining Recovery Period. For purposes of determining the relevant Recovery Period, the date that the Company is required to prepare the Restatement is the earlier to occur of:

- the date the board of directors of the Company (the "Board"), a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare a Restatement, and

- the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement.

For clarity, the Company's obligation to recover erroneously awarded Incentive-Based Compensation under this Policy is not dependent on if or when a Restatement is filed.

IV. AMOUNT SUBJECT TO RECOVERY

A. *Recoverable Amount.* The amount of Incentive-Based Compensation subject to recovery under this Policy is the amount of Incentive-Based Compensation received that exceeds the amount of Incentive-Based Compensation that otherwise would have been received had it been determined based on the restated amounts, computed without regard to any taxes paid.

B. *Covered Compensation Based on Stock Price or TSR.* For Incentive-Based Compensation based on stock price or total shareholder return ("TSR"), where the amount of erroneously awarded Incentive-Based Compensation is not subject to mathematical recalculation directly from the information in a Restatement, the recoverable amount shall be determined by the Comp Committee based on a reasonable estimate of the effect of the Restatement on the stock price or TSR upon which the Incentive-Based Compensation was received. In such event, the Company shall maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.

C. *Method of Recovery.* The Company will have discretion in determining how to accomplish recovery of erroneously awarded Incentive-Based Compensation under this Policy, recognizing that different means of recovery may be appropriate in different circumstances.

V. EXCEPTIONS

The Company shall recover erroneously awarded Incentive-Based Compensation in compliance with this Policy except to the extent that the conditions set out below are met and the Comp Committee and the Audit Committee of the Board, have jointly made a determination that recovery would be impracticable:

A. ***Direct Expense Exceeds Recoverable Amount.*** The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; provided, however, that before concluding it would be impracticable to recover any amount of erroneously awarded Incentive-Based Compensation based on expense of enforcement, the Company shall make a reasonable attempt to recover such erroneously awarded Incentive-Based Compensation, document such reasonable attempt(s) to recover, and provide that documentation to Nasdaq.

B. ***Recovery from Certain Tax-Qualified Retirement Plans*****.** Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of 26 U.S.C. § 401(a)(13) or 26 U.S.C. § 411(a) and regulations thereunder.

VI. PROHIBITION AGAINST INDEMNIFICATION

Notwithstanding the terms of any indemnification arrangement or insurance policy with any individual covered by this Policy, the Company shall not indemnify any Executive Officer or former Executive Officer or Senior Executive or former Senior Executive against the loss of erroneously awarded Incentive-Based Compensation, including any payment or reimbursement for the cost of insurance obtained by any such covered individual to fund amounts recoverable under this Policy.

VII. DISCLOSURE

The Company shall file all disclosures with respect to this Policy and recoveries under this Policy in accordance with the requirements of the U.S. Federal securities laws, including the disclosure required by the applicable Securities and Exchange Commission ("SEC") filings.

VIII. DEFINITIONS

Unless the context otherwise requires, the following definitions apply for purposes of this Policy:

"Executive Officer" means the Company's president, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president of the Company in charge of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person who performs similar policymaking functions for the Company. Executive officers of the Company's subsidiaries, as applicable, are deemed Executive Officers of the Company if they perform such policy making functions for the Company. Policy-making function is not intended to include policymaking functions that are not significant. Identification of an Executive Officer for purposes of this Policy will include at a minimum executive officers identified pursuant to 17 CFR 229.401(b).

“Financial Reporting Measures” means any of the following: (i) measures that are determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measures that are derived wholly or in part from such measures, (ii) stock price and (iii) TSR. A Financial Reporting Measure need not be presented within the Company’s financial statements or included in a filing with the SEC.

“Incentive-Based Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure.

“Senior Executive” means an employee of EagleBank, other than an Executive Officer, who is eligible to receive Incentive-Based Compensation under the Senior Executive Incentive Plan.

IX. ADMINISTRATION; AMENDMENT; TERMINATION

The Chief Legal Officer of the Company shall act as the Executive Sponsor of this Policy, which shall be overseen by the Comp Committee and Audit Committee. All determinations under this Policy will be made jointly by the Comp Committee and Audit Committee, including determinations regarding how any recovery under this Policy is affected. Any of their determinations will be final, binding, and conclusive and need not be uniform with respect to each individual covered by this Policy.

The Board may amend this Policy from time to time and may terminate this Policy at any time, in each case in its sole discretion.

X. EFFECTIVENESS; OTHER RECOUPMENT RIGHTS

This Policy shall be effective as of December 1, 2023. This Policy supersedes the Eagle Bancorp, Inc. Clawback Policy that was effective January 1, 2021 (the “Prior Policy”). Other than with respect to the Prior Policy, any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company and its subsidiaries and affiliates under applicable law or pursuant to the terms of any similar policy or similar provision in any employment agreement, equity award agreement or similar agreement. If any awards are subject to both this Policy and any other right to recoupment under any similar policy or similar provision in any applicable employment agreement, equity award agreement or similar agreement, and there is any conflict between the terms of this Policy and such other policy or provision, then such conflict or inconsistency shall be resolved by giving precedence to this Policy.