EAGLE BANCORP INC
Form 424B2
July 22, 2016

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Filed pursuant to Rule 424(b)(2)
Registration Statement Number 333-202405

Prospectus Supplement
To the Prospectus Dated March 2, 2015

$150,000,000

5.00% Fixed-to-Floating Rate Subordinated Notes due August 1, 2026

We are offering up to $150,000,000 principal amount of our 5.00% fixed-to-floating rate subordinated notes due August 1, 2026, which we refer to as the Subordinated Notes. The Subordinated Notes will mature on August 1, 2026 and bear interest at 5.00% per annum, payable semi-annually in arrears on February 1, and August 1, of each year, commencing on February 1, 2017, to, but excluding, August 1, 2021. From and including August 1, 2021, the Subordinated Notes will bear interest at a floating rate per annum equal to three-month LIBOR (provided, however, that in the event three-month LIBOR is less than zero, three-month LIBOR shall be deemed to be zero) plus 3.85% payable quarterly in arrears on February 1, May 1, August 1 and November 1 of each year beginning on August 1, 2021, through maturity or earlier redemption of the Subordinated Notes. The Subordinated Notes will be redeemable by us in whole, or in part, prior to maturity upon the occurrence of certain special events as described under "Description of the Subordinated Notes Redemption" in this prospectus supplement. On and after August 1, 2021, we may redeem the Subordinated Notes in whole or in part prior to maturity on any interest payment date. There is no sinking fund for the Subordinated Notes. The Subordinated Notes will not be convertible or exchangeable.

The Subordinated Notes are unsecured and will rank equally with all our other unsecured subordinated indebtedness currently outstanding or issued in the future. The Subordinated Notes will be subordinated in right of payment to all of our senior indebtedness, and other specified Company obligations. The Subordinated Notes will be structurally subordinate to all of our subsidiaries' existing and future indebtedness, including the deposit obligations of our subsidiary bank. The Subordinated Notes are obligations of Eagle Bancorp, Inc. only and are not obligations of, and are not guaranteed by, any of our subsidiaries.

The Subordinated Notes will not be listed on any securities exchange. Currently, there is no public trading market for the Subordinated Notes.

	Per Subordinated Note(1)	**Total**
Public offering price	100.0%	$ 150,000,000
Underwriting discount	1.5%	$ 2,250,000
Proceeds to us, before expenses	98.5%	$ 147,750,000

(1) Plus accrued interest, if any, from the original issue date.

The underwriters expect to deliver the Subordinated Notes to purchasers in book-entry form through the facilities of The Depository Trust Company, or DTC, and its direct participants, against payment therefore in immediately available funds, on or about July 26, 2016.

Investing in the Subordinated Notes involves risks. Please carefully read the "Risk Factors" beginning on page S-15 of this prospectus supplement and appearing in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Reports on Form 10-Q for a discussion of certain factors that you should consider before making your investment decision.

Neither the Securities and Exchange Commission, or SEC, nor any state securities commission has approved or disapproved of the Subordinated Notes or determined if this prospectus supplement and the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The Subordinated Notes are not deposits, savings accounts, or other obligations of a depository institution and are not insured by the Federal Deposit Insurance Corporation, or FDIC, or any other governmental agency or instrumentality.

Book-Running Manager

Co-Manager

Keefe, Bruyette & Woods

A Stifel Company

The date of this prospectus supplement is July 21, 2016

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Prospectus Supplement

Prospectus

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the Subordinated Notes in any jurisdiction where the offer or sale is not permitted.

You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, or any documents incorporated by reference herein, is accurate only as of their respective dates. Our business, financial condition, results of operations, and prospects may have changed since those dates. This prospectus supplement supersedes the accompanying prospectus to the extent it contains information that is different from or in addition to the information in that prospectus.

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ABOUT THIS PROSPECTUS SUPPLEMENT

This document consists of two parts. The first part is this prospectus supplement, which describes the specific terms of this offering, and updates and adds to the information contained in the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and the accompanying prospectus. The second part is the accompanying prospectus, which provides more general information about us and other securities we may offer from time to time, some of which may not apply to this offering. You should read both this prospectus supplement and the accompanying prospectus, together with additional information described below under the headings "Where You Can Find Additional Information" and "Incorporation of Certain Information by Reference." Generally, when we refer to this "prospectus" we mean this prospectus supplement together with the accompanying prospectus.

We and the underwriters are offering to sell, and seeking offers to buy, the Subordinated Notes only in jurisdictions where such offers and sales are permitted. The distribution of this prospectus supplement and the accompanying prospectus and the offering of the Subordinated Notes in certain jurisdictions may be restricted by law. We and the underwriters require persons into whose possession this prospectus supplement and the accompanying prospectus come to inform themselves about and to observe any applicable restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used for or in connection with, an offer to sell, or a solicitation of an offer to buy, any Subordinated Notes offered by this prospectus supplement and the accompanying prospectus by any person in any jurisdiction in which it is unlawful for such person to make such an offer or solicitation, and this prospectus supplement and the accompanying prospectus may not be delivered to any person to whom it is unlawful to make such offer or solicitation. See "Underwriting" in this prospectus supplement.

In this prospectus supplement, 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 combined basis. References to "EagleBank" or "Bank" refer to EagleBank, Bethesda, Maryland, which is our principal subsidiary.

CAUTION ABOUT FORWARD LOOKING STATEMENTS

This prospectus supplement and the accompanying prospectus contain or incorporate by reference forward looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act. 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," "could," "should," "will," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," or words or phrases of similar meaning. We caution that the 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:

- The strength of the United States economy in general and the strength of the local economies in which we conduct operations;

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Geopolitical conditions, including acts or threats of terrorism, or 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;

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, or the Federal Reserve Board; 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 or to hold more capital;

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 global economic conditions and events, including Brexit, on interest rates, monetary policy, international economic conditions, government policies and spending, and on our customers;

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 users to substitute competitors' products and services for our products and services;

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 effect of changes in accounting policies and practices, as may be adopted from time-to-time by bank regulatory agencies, the Securities and Exchange Commission, or the SEC, the Public Company Accounting Oversight Board, the Financial Accounting Standards Board or other accounting standards setters;

Technological changes and social media;

Cybersecurity breaches and threats that cause the Bank to sustain financial losses;

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;

The growth and profitability of non-interest or fee income being less than expected;

Changes in the level of our non-performing assets and charge-offs;

Changes in consumer spending and savings habits;

Unanticipated regulatory or judicial proceedings; and

The factors discussed under the caption "Risk Factors" in our periodic reports filed with the SEC.

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 prospectus supplement and the accompanying prospectus, and in the information incorporated by reference herein and therein. Therefore, we caution you not to place undue reliance 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.

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PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights selected information contained or incorporated by reference in this prospectus supplement or the accompanying prospectus and may not contain all the information that you need to consider in making your investment decision. To understand this offering fully, you should read this prospectus supplement and the accompanying prospectus carefully. You should carefully read the sections titled "Risk Factors" in this prospectus supplement and in the accompanying prospectus and the documents identified in the section "Incorporation of Certain Information by Reference."

The Company

We are the registered bank holding company for EagleBank, Bethesda, Maryland, a Maryland chartered commercial bank which is a member of the Federal Reserve System. We were organized in October 1997 to be the holding company for EagleBank, which commenced operations in July 1998.

We are a growth-oriented company providing a high level of service and developing deep relationships with our customers. The Company offers a broad range of commercial banking services to its business and professional clients as well as full service consumer banking services to individuals living and/or working primarily in our service area. EagleBank was organized as an alternative to the super-regional financial institutions which dominate our market area. EagleBank's philosophy is to provide superior, personalized service to our customers. EagleBank focuses on relationship banking, providing each customer with a number of services, becoming familiar with and addressing the customer's needs in a proactive personalized fashion.

Our common stock is listed for trading on The Nasdaq Capital Market under the symbol "EGBN."

At March 31, 2016, we had total assets of approximately $6.13 billion, net loans of approximately $5.10 billion, total deposits of approximately $5.19 billion and shareholders' equity of approximately $762.5 million. At March 31, 2016, our nonperforming assets (consisting of nonaccrual loans, loans past due 90 or more days and other real estate owned) were approximately $25.8 million, or 0.42% of total assets. For the three months ended March 31, 2016, we had earnings of $23.3 million, or $0.68 per diluted common share. We currently operate from 20 offices, seven in Montgomery County, Maryland, four in the District of Columbia, and nine offices in Northern Virginia. We expect our fifth District of Columbia office, our Georgetown office, to reopen in a new location later this year.

Our principal executive offices are located at 7830 Old Georgetown Road, Third Floor, Bethesda, Maryland 20814 and our telephone number is (301) 986-1800. Our internet address is http://www.eaglebankcorp.com. The reference to our website does not constitute incorporation by reference of the information contained on the website, which should not be considered part of this prospectus supplement or the accompanying prospectus.

Recent Developments

Second Quarter Results Eagle. On July 20, 2016, we issued our earnings release for the six month period ended June 30, 2016. At June 30, 2016, we had totals assets of approximately $6.37 billion, a 10.6% increase from June 30, 2015; net loans of approximately $5.35 billion, an 18.8% increase over June 30, 2015, total deposits of approximately $5.34 billion, an increase of 10.6% over June 30, 2015, total common shareholders' equity of approximately $788.6 million, a 3.1% increase over June 30, 2015. At June 30, 2016, our nonperforming assets (consisting of nonaccrual loans, loans past due 90 or more days and other real estate owned) were approximately $24.5 million, or 0.39% of total assets. Net income available to common shareholders for the three and six months periods ended June 30, 2016 were approximately $24.1 million and $47.5 million, respectively, representing increases of 16.3% and 18.7% over net income for the same periods in 2015. For the three and six months ended June 30, 2016, we had earnings of $0.71 and $1.39 per

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diluted common share, representing increases of 16.4% and 13.9%, respectively, over the same periods in 2015.

The following table sets forth selected financial highlights data for the Company as of and for each of the six month periods ended June 30, 2016 and 2015. You should read this table together with the historical consolidated financial information contained in our consolidated financial statements and related notes and our "Management's Discussion and Analysis of Financial Condition and Results of Operation" included in our Annual Report on Form 10-K for the year ended December 31, 2015 and in our Quarterly Report on Form 10-Q for the three months ended March 31, 2016, incorporated by reference herein, as well as the additional financial information and analysis which are contained in our Current Report on Form 8-K filed on July 20, 2016, which is also incorporated by reference herein. Information for the six month periods ended June 30, 2016 and 2015 is derived from unaudited interim financial statements and has been prepared on the same basis as our audited financial statements and includes, in the opinion of management, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the data for such period. The results of operations for the six month period ended June 30, 2016 do not necessarily indicate the results which may be expected for any future period or for the full year.

	Six months ended June 30,	
(dollars in thousands except per share data)	**2016**	**2015**
Balance Sheets Period End		
Securities	$ 409,512	$ 423,709
Loans held for sale	59,323	132,683
Loans	5,403,429	4,550,897
Allowance for credit losses	56,536	48,921
Intangible assets, net	108,021	109,957
Total assets	6,365,320	5,752,669
Deposits	5,335,988	4,825,433
Borrowings	199,497	126,310
Total liabilities	5,576,692	4,987,608
Preferred shareholders' equity		71,900
Common shareholders' equity	788,628	693,161
Total shareholders' equity	788,628	765,061
Tangible common equity(1)	680,607	583,204
Statements of Operations		
Interest income	$ 137,579	$ 121,888
Interest expense	11,167	9,607
Provision for credit losses	6,931	6,781
Noninterest income	13,865	14,037
Noninterest expense(1)	56,397	54,671
Income before taxes	76,949	64,866
Income tax expense	29,482	24,510
Net income(1)	47,467	40,356
Preferred dividends		359
Net income available to common shareholders	47,467	39,997
Per Common Share Data		
Net income, basic	$ 1.41	$ 1.24
Net income, diluted	1.39	1.22
Book value	23.48	20.76
Tangible book value(1)	20.27	17.46
Common shares outstanding	33,584,898	33,394,563
Weighted average common shares outstanding, basic	33,553,570	32,231,398
Weighted average common shares outstanding, diluted	34,146,404	32,894,949

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(dollars in thousands except per share data)	Six months ended June 30, 2016	2015
Ratios		
Net interest margin	4.30%	4.37%
Efficiency ratio(2)	40.20%	43.28%
Return on average assets	1.56%	1.50%
Return on average common equity	12.39%	12.67%
CET 1 capital (to risk weighted assets)	10.74%	10.37%
Total capital (to risk weighted assets)	12.71%	13.75%
Tier 1 capital (to risk weighted assets)	10.74%	11.64%
Tier 1 capital (to average assets)	11.24%	12.03%
Tangible common equity (to tangible assets)	10.88%	10.34%
Asset Quality		
Nonperforming assets and loans 90+ past due	$ 24,532	$ 25,586
Nonperforming assets and loans 90+ past due to total assets	0.39%	0.44%
Allowance for credit losses to loans	1.05%	1.07%
Allowance for credit losses to nonperforming loans	264.44%	328.98%
Net charge-offs	$ 3,082	$ 3,935
Net charge-offs (annualized) to average loans	0.12%	0.18%

(1) The selected financial highlights contain certain financial information determined by methods other than in accordance with generally accepted accounting principles in the United States, or GAAP. These non-GAAP financial measures are "tangible common equity ratio," defined as total common shareholders' equity reduced by goodwill and other intangible assets and divided by tangible assets, and "tangible book value per common share," defined as tangible common shareholders' equity divided by total common share outstanding. Our management uses these non-GAAP measures in its analysis of our performance because it believes these measures are material and will be used as a measure of our performance by investors. 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. A reconciliation of these non-GAAP measures to their GAAP equivalents is set forth below.

GAAP Reconciliation (dollars in thousands except per share data)	**June 30, 2016**	**2015**
Common shareholders' equity	$ 788,628	$ 693,161
Less: Intangible assets	(108,021)	(109,957)
Tangible common equity	$ 680,607	$ 583,204
Book value per common share	$ 23.48	$ 20.76
Less: Intangible book value per common share	(3.21)	(3.30)
Tangible book value per common share	$ 20.27	$ 17.46
Total Assets	$ 6,365,320	$ 5,752,669
Less: Intangible Assets	(108,021)	(109,957)
Tangible assets		