

EAGLE BANCORP INC  
Form 424B2  
August 01, 2014

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Filed pursuant to Rule 424(b)(5)  
Registration Statement Number 333-183054

**Prospectus Supplement**

To the Prospectus Dated October 5, 2012

**\$70,000,000 Subordinated Notes**

**5.75% Subordinated Notes due September 1, 2024**

We are offering up to \$70,000,000 principal amount of our 5.75% subordinated notes due 2024, which we refer to as the Subordinated Notes. The Subordinated Notes will mature on September 1, 2024 and bear interest at 5.75% per annum, payable semi-annually in arrears on March 1, and September 1 of each year, commencing on March 1, 2015. The Subordinated Notes will not be redeemable by us prior to maturity unless certain special events occur as described under "Description of the Subordinated Notes-Redemption" in this prospectus supplement. 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 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.

	<b>Per Subordinated Note(1)</b>	<b>Total</b>
Public offering price	100.000%	\$70,000,000
Underwriting discount	1.125%	\$ 787,500
Proceeds to us, before expenses	98.875%	\$69,212,500

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

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The underwriter expects 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 August 5, 2014.

**Investing in the Subordinated Notes involves risks. Please carefully read the "Risk Factors" beginning on page S-22 of this prospectus supplement and appearing in our Annual Report on Form 10-K for the year ended December 31, 2013 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.

The date of this prospectus is July 31, 2014

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You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. We have not, and Sandler O'Neill + Partners, L.P., or Sandler O'Neill, has 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 Sandler O'Neill is not, making an offer to sell the Subordinated Notes in any jurisdiction where the offer or sale is not permitted.

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**You should assume that the information appearing in this prospectus supplement, the accompanying prospectus, or any documents incorporated by reference herein, is accurate 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 underwriter 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 underwriter 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;

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;

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; and

Unanticipated regulatory or judicial proceedings.

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, 2014, we had total assets of approximately \$3.8 billion, net loans of approximately \$3.02 billion, total deposits of approximately \$3.27 billion, total shareholders' equity of approximately \$410.4 million, and total common shareholders' equity of approximately \$353.8 million. At March 31, 2014, our nonperforming assets (consisting of nonaccrual loans, loans past due 90 or more days and other real estate owned) were approximately \$45.1 million, or 1.19% of total assets. For the three months ended March 31, 2014, we had earnings of \$12.4 million, or \$0.47 per diluted common share. We currently operate from 18 branch offices, seven in Montgomery County, Maryland, five in the District of Columbia, and six offices in Northern Virginia.

On June 9, 2014 we entered into a definitive agreement for the merger of Virginia Heritage Bank, or Virginia Heritage, with and into EagleBank, with EagleBank as the surviving institution, or the Merger, in a cash and stock transaction valued at approximately \$182.9 million. Virginia Heritage is a \$917.4 million asset, Virginia chartered commercial bank with six banking offices, headquartered in Fairfax, Virginia. For additional information regarding the Merger, please see "Recent Developments" below and "Unaudited Pro Forma Combined Financial Information" at page S-30.

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**

**Merger with Virginia Heritage.** On June 9, 2014, the Company, EagleBank and Virginia Heritage entered into a definitive agreement relating to the Merger, or the Merger Agreement, pursuant to which Virginia Heritage will be merged into EagleBank, subject to the terms and conditions of the Merger Agreement. We believe the Merger will accelerate Eagle's growth with the addition of Virginia Heritage's branches, which are all located in the attractive Northern Virginia market, and may provide opportunities

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for consolidation. At March 31, 2014, Virginia Heritage had approximately \$917.4 million in assets, \$715.8 million in net loans and \$737.1 million in deposits. We expect the Merger to close as early as the fourth quarter of 2014. Please refer to our Current Report on Form 8-K filed with the SEC on June 10, 2014 for additional information regarding the Merger.

**Second Quarter Results Eagle.** On July 22, 2014, we issued our earnings release for the three and six month periods ended June 30, 2014. At June 30, 2014, we had total assets of approximately \$3.91 billion, a 14.8% increase from June 30, 2013; net loans of approximately \$3.24 billion, a 22.0% increase over June 30, 2013, total deposits of approximately \$3.37 billion, an increase of 16.6% over June 30, 2013, total shareholders' equity of approximately \$426.8 million a 15.5% increase over 2013, and total common shareholders' equity of approximately \$370.2 million, an 18.4% increase over June 30, 2013. At June 30, 2014, our nonperforming assets (consisting of nonaccrual loans, loans past due 90 or more days and other real estate owned) were approximately \$31.3 million, or 0.80% of total assets. Net income for the three and six months periods ended June 30, 2014 were approximately \$12.9 million and \$25.4 million, respectively, including the effect of approximately \$576 thousand of merger related expenses, representing increases of 10.9% and 9.4% over net income for the same periods in 2013. For the three and six months ended June 30, 2014, we had earnings of \$0.48 and \$0.95 per diluted common share, representing increases of 9.1% and 8.0%, respectively, over the same periods in 2013. Excluding the effect of the merger related expenses, operating earnings were approximately \$13.4 million and \$25.7 million, respectively, for the three and six month periods, or \$0.50 and \$0.97 per diluted common share.

The following table sets forth selected financial highlights data for the Company as of and for each of the three and six month periods ended June 30, 2014 and 2013. 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, 2013 and in our Quarterly Report on Form 10-Q for the three months ended March 31, 2014, 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 23, 2014, which is also incorporated by reference herein. Information for the three and six month periods ended June 30, 2014 and 2013 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 three and six month periods ended June 30, 2014 do not necessarily indicate the results which may be expected for any future period or for the full year.

(dollars in thousands except per share data)	Six months ended June 30,	
	2014	2013
<b><i>Balance Sheets</i></b>		
<b><i>Period End</i></b>		
Securities	\$ 378,990	\$ 335,779
Loans held for sale	35,411	104,767
Loans	3,279,429	2,691,358
Allowance for credit losses	43,552	39,640
Intangible assets, net	3,379	3,690
Total assets	3,914,444	3,410,568
Deposits	3,367,927	2,888,236
Borrowings	99,946	136,627
Total liabilities	3,487,623	3,041,178
Preferred shareholders' equity	56,600	56,600
Common shareholders' equity	370,221	312,790
Total shareholders' equity	426,821	369,390
Tangible common equity(1)	366,842	309,100



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(dollars in thousands except per share data)	Six months ended June 30,	
	2014	2013
<b>Statements of Operations</b>		
Interest income	\$ 87,596	\$ 75,918
Interest expense	5,569	6,545
Provision for credit losses	5,068	5,722
Noninterest income	8,274	15,176
Noninterest expense(1)	45,233	41,382
Income before taxes	40,000	37,445
Income tax expense	14,557	14,198
Net income(1)	25,443	23,247
Preferred dividends	283	283
Net income available to common shareholders	25,160	22,964
<b>Per Common Share Data</b>		
Net income, basic(1)	\$ 0.97	\$ 0.90
Net income, diluted(1)	0.95	0.88
Book value	14.25	12.14
Tangible book value(2)	14.12	12.00
Common shares outstanding	25,985,659	25,764,542
Weighted average common shares outstanding, basic	25,954,912	25,641,067
Weighted average common shares outstanding, diluted	26,599,594	26,234,030
<b>Ratios</b>		
Net interest margin	4.47%	4.23%
Efficiency ratio(1)(3)	50.09%	48.94%
Return on average assets(1)	1.35%	1.40%
Return on average common equity(1)	14.23%	15.01%
Total capital (to risk weighted assets)	12.71%	12.53%
Tier 1 capital (to risk weighted assets)	11.29%	11.12%
Tier 1 capital (to average assets)	10.89%	10.81%
Tangible common equity(2)	9.38%	9.07%
<b>Asset Quality</b>		
Nonperforming assets and loans 90+ past due	\$ 31,350	\$ 35,720
Nonperforming assets and loans 90+ past due to total assets	0.80%	1.05%
Allowance for credit losses to loans	1.33%	1.47%
Allowance for credit losses to nonperforming loans	193.50%	168.63%
Net charge-offs	\$ 2,436	\$ 3,574
Net charge-offs (annualized) to average loans	0.16%	0.28%

(1)

The reported figures include the effect of approximately \$576 thousand of merger related expenses. As the magnitude of these merger related expenses distorts the operational results of the Company, we present in the reconciliation below and in the accompanying discussion certain performance metrics excluding the effect of the merger expenses during the three and six months ended June 30, 2014.

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	Six months ended	Three months ended
GAAP Reconciliation (Unaudited) (dollars in thousands except per share data)	June 30, 2014	June 30, 2014
<b>Net income</b>	\$ 25,443	\$ 12,944
Adjustments to net income		
Merger-related expenses	576	576
Operating net income	\$ 26,019	\$ 13,520
<b>Net income available to common shareholders</b>	\$ 25,160	\$ 12,802
Adjustments to net income available to common shareholders		
Merger-related expenses	576	576
Operating earnings	\$ 25,736	\$ 13,378
<b>Earnings per weighted average common share, basic</b>	\$ 0.97	\$ 0.49
Adjustments to earnings per weighted average common share, basic		
Merger-related expenses	0.02	0.02
Operating earnings per weighted average common share, basic	\$ 0.99	\$ 0.51
<b>Earnings per weighted average common share, diluted</b>	\$ 0.95	\$ 0.48
Adjustments to earnings per weighted average common share, diluted		
Merger-related expenses	0.02	0.02
Operating earnings per weighted average common share, diluted	\$ 0.97	\$ 0.50
<b>Summary Operating Results:</b>		
Noninterest expense	\$ 45,233	\$ 22,135
Merger-related expenses	576	576
Adjusted noninterest expense	\$ 44,657	\$ 21,559

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Adjusted efficiency ratio		49.45%		47.04%
Adjusted noninterest expense as a % of average assets		2.37%		2.24%
<b>Return on average assets</b>				
Net income	\$	25,443	\$	12,944
<b>Adjustments to net income</b>				
Merger-related expenses		576		576
Operating net income		26,019	\$	13,520
Adjusted return on average assets		1.38%		1.41%
<b>Return on average common equity</b>				
Net income available to common shareholders	\$	25,160	\$	12,802
<b>Adjustments to net income available to common shareholders</b>				
Merger-related expenses		576		576
Operating earnings	\$	25,736	\$	13,378

Adjusted return on average common equity 14.56% 14.72%

(2)

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," defined as total common shareholders' equity reduced by goodwill and other intangible 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

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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.

<b>GAAP Reconciliation</b> (dollars in thousands except per share data)	<b>June 30,</b>	
	<b>2014</b>	<b>2013</b>
Common shareholders' equity	\$ 370,221	\$ 312,790
Less: Intangible assets	(3,379)	(3,690)
<b>Tangible common equity</b>	<b>\$ 366,842</b>	<b>\$ 309,100</b>
Book value per common share	\$ 14.25	12.14
Less: Intangible book value per common share	(0.13)	(0.14)
<b>Tangible book value per common share</b>	<b>\$ 14.12</b>	<b>\$ 12.00</b>
Total Assets	\$ 3,914,444	\$ 3,410,568
Less: Intangible Assets	(3,379)	(3,690)
<b>Tangible assets</b>	<b>\$ 3,911,065</b>	<b>\$ 3,406,878</b>
<b>Tangible common equity ratio</b>	<b>9.38%</b>	<b>9.07%</b>

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

**Second Quarter Results Virginia Heritage.** On July 25, 2014, Virginia Heritage issued its earnings release for the three and six month periods ended June 30, 2014. At June 30, 2014, Virginia Heritage had total assets of approximately \$955.7 million, a 6.8% increase from December 31, 2013, gross loans of approximately \$755.1 million, a 7.0% increase over December 31, 2013, total deposits of approximately \$776.1 million, an increase of 9.1% over December 31, 2013, total shareholders' equity of approximately \$103.3 million, a 7.4% increase over December 31, 2013, and total common shareholders' equity of approximately \$88.0 million, an 8.8% increase over December 31, 2013. At June 30, 2014, Virginia Heritage's nonperforming assets (consisting of nonaccrual loans, troubled debt restructured loans, loans past due 90 days or more and still accruing interest and other real estate owned) were approximately \$4.1 million, or 0.42% of total assets. Virginia Heritage's net income available to common stockholders for the three and six months periods ended June 30, 2014 were approximately \$2.0 million and \$4.2 million, respectively, including the effect of approximately \$440 thousand of merger related expenses, or \$0.33 and \$0.68 per diluted common share, respectively. Excluding the effect of the merger related expenses, adjusted earnings were approximately \$2.5 million and \$4.7 million, respectively, for the three and six month periods, or \$0.40 and \$0.75 per diluted common share.



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The following table sets forth selected financial highlights data for Virginia Heritage as of and for each of the three and six month periods ended June 30, 2014 and 2013. Information for the three and six month periods ended June 30, 2014 and 2013 is derived from unaudited interim 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 three and six month periods ended June 30, 2014 do not necessarily indicate the results which may be expected for any future period or for the full year.

(Dollars in thousands, except per share data)	At or for the six months ended June 30,	
	2014	2013
(Unaudited)		
<b>Statement of Operations Data:</b>		
Interest income	\$ 18,579	\$ 16,455
Interest expense	2,650	2,670
Net interest income	15,929	13,785
Provision for loan losses	760	1,152
Total noninterest income	3,501	6,952
Total noninterest expense(1)	11,982	12,844
Net income before taxes	6,688	6,741
Income tax expense	2,402	2,207
Net income after taxes	4,286	4,534
Preferred dividends paid	76	76
Net income available to common shareholders(1)	\$ 4,210	\$ 4,458

**Per Share Data and Shares Outstanding:**

Net income (basic)(1)	\$ 0.70	\$ 1.01
Net income (diluted)(1)	0.68	0.98
Common equity book value at period end	14.62	12.91
Weighted average shares (basic)	6,016,572	4,413,319
Weighted average shares (diluted)	6,231,350	4,540,416
Shares outstanding at period end	6,020,301	5,783,209

**Balance Sheet Data:**

Assets	\$ 955,685	\$ 847,753
Loans, net	744,765	619,692
Loans held for sale	21,471	28,550
Securities available for sale, at fair value	114,256	123,248
Deposits	776,116	729,530
Preferred stockholders' equity	15,300	15,300
Common stockholders' equity	88,004	74,640
Total stockholders' equity	103,304	89,940

**Performance Ratios:**

Annualized return on average assets	0.93%	1.15%
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Annualized return on average common stockholders' equity	9.87%	15.67%
Net interest rate spread	3.33%	3.26%
Net interest margin	3.58%	3.57%
Efficiency ratio(1)	61.67%	61.94%

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(Dollars in thousands, except per share data)	At or for the six months ended June 30,	
	2014	2013
	(Unaudited)	
<b>Asset Quality Ratios:</b>		
Nonperforming assets to total assets(2)	0.42%	0.65%
Total allowance for loan losses to total loans outstanding(3)	1.37%	1.49%
Annualized net loan charge-offs to average loans outstanding	0.05%	0.01%
<b>Capital Ratios:</b>		
Total risk-based capital ratio	14.62%	15.60%
Tier 1 risk-based capital ratio	13.37%	14.35%
Leverage ratio	11.32%	11.62%
<b>Other Data:</b>		
Number of banking offices	6	5

(1)

The selected financial highlights contain certain non-GAAP financial measures that Virginia Heritage believes, when considered together with GAAP financial measures, provide investors with important information regarding its operational performance. An analysis of any non-GAAP financial measure should be used in conjunction with results presented in accordance with GAAP. Adjusted operating earnings is a non-GAAP financial measure that reflects net income available to common stockholders excluding merger related expenses and certain other non-recurring items. These excluded items are difficult to predict and Virginia Heritage believes that adjusted operated earnings provides Virginia Heritage and its investors with a valuable measure of Virginia Heritage's operational performance and a valuable tool to evaluate its financial results. The calculations of adjusted operating earnings for the three and six months ended June 30, 2014, respectively, are as follows (dollars amounts in thousands except per share data):

GAAP Reconciliation (Unaudited) (dollars in thousands except per share data)	Six months ended	Three months ended
	June 30, 2014	June 30, 2014
<b>Net income available to common stockholders</b>	\$ 4,210	\$ 2,044
Adjustments to net income available to common stockholders:		
Merger related expenses	440	440
Adjusted operating earnings	\$ 4,650	\$ 2,484
<b>Earnings per common share basic</b>	\$ 0.70	\$ 0.34
Adjustments to earnings per common share basic:		
Merger related expenses	0.07	0.07
Adjusted operating earnings per common share basic	\$ 0.77	\$ 0.41
<b>Earnings per common share diluted</b>	\$ 0.68	\$ 0.33
Adjustments to earnings per common share diluted:		
Merger related expenses	0.07	0.07
Adjusted operating earnings per common share diluted	\$ 0.75	\$ 0.40



The adjusted efficiency ratio is a non-GAAP financial measure that is computed by dividing noninterest expense excluding merger related expenses and certain other non-recurring items, by the sum of net interest income and noninterest income. Virginia Heritage believes that this measure provides investors with important information about our operating efficiency. Calculation of the

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adjusted efficiency ratio for the three and six months ended June 30, 2014, respectively, are as follows (dollar amounts in thousands):

GAAP Reconciliation (Unaudited) (dollars in thousands except per share data)	Six months ended	Three months ended
	June 30, 2014	June 30, 2014
<b>Summary Operating Results</b>		
Noninterest expense	\$ 11,982	\$ 6,516
Merger related expenses	440	440
Adjusted noninterest expense	\$ 11,542	\$ 6,076
Total net interest and noninterest income	\$ 19,430	\$ 10,145
Efficiency ratio, adjusted	59.40%	59.89%

- (2) Nonperforming assets nonaccrual loans, troubled debt restructured loans and loans past due 90 days or more and still accruing interest and other real estate owned. Nonperforming assets for the six months ended June 30, 2013 have been restated to include performing troubled debt restructured loans.
- (3) Excludes loans held for sale.

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**The Offering**

<i>Issuer</i>	Eagle Bancorp, Inc., a Maryland corporation
<i>Securities Offered</i>	5.75% Subordinated Notes, due September 1, 2024
<i>Aggregate Principal amount</i>	\$70,000,000
<i>Maturity Date</i>	September 1, 2024
<i>Interest Rate</i>	5.75% per annum
<i>Interest Payment Date(s)</i>	Each March 1 and September 1, commencing March 1, 2015
<i>Record Dates</i>	Interest on each Subordinated Note will be payable to the person in whose name such Subordinated Note is registered on the February 15 or August 15 immediately preceding the applicable interest payment date.
<i>Subordination, Ranking</i>	<p>The Subordinated Notes offered by this prospectus supplement will be issued by the Company pursuant to the First Supplemental Indenture, or the First Supplement, dated as of July 31, 2014 between the Company and Wilmington Trust, National Association, not in its individual capacity but solely as Trustee, to the Subordinated Indenture, dated as of July 31, 2014, between the Company and Wilmington Trust, National Association, as Trustee, which we refer to as the Base Indenture. We refer to the Base Indenture and the First Supplement collectively as the Indenture.</p> <p>The Subordinated Notes will be unsecured, subordinated and:</p> <p>will rank junior in right of payment and upon our liquidation to our existing and all of our future senior indebtedness (as defined in the Indenture and described below under "Description of the Subordinated Notes" in this prospectus supplement);</p> <p>will rank equally in right of payment and upon our liquidation with our existing and all of our future indebtedness the terms of which provide that such indebtedness ranks equally with promissory notes, bonds, debentures and other evidences of indebtedness of types that include the Subordinated Notes;</p> <p>will rank equally in right of payment and upon our liquidation to our outstanding 8.5% subordinated notes, due 2021;</p> <p>will rank senior in right of payment and upon our liquidation to any indebtedness the terms of which provide that such indebtedness ranks junior to promissory notes, bonds, debentures and other evidences of indebtedness of types that include the Subordinated Notes; and</p>

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will be effectively subordinated to all of the existing and future indebtedness, deposits and other liabilities of EagleBank and our other current and future subsidiaries, including without limitation EagleBank's liabilities to depositors in connection with the deposits in EagleBank, liabilities to general and trade creditors and liabilities arising during the ordinary course or otherwise.

As of March 31, 2014, at the holding company level, we had \$9.3 million principal amount of 8.5% subordinated notes, due 2021 that will rank equally with the Subordinated Notes. As of March 31, 2014 at the holding company level we had a \$50 million line of credit, which is secured by a portion of the stock of EagleBank, on which we had no outstanding draws, which would rank senior to the Subordinated Notes, and liabilities of approximately \$404 thousand to general creditors.

The Indenture does not contain any limitation on the amount of debt or other obligations ranking senior to or equally with the indebtedness evidenced by the Subordinated Notes that we may incur hereafter.

The Subordinated Notes will rank subordinate to all senior indebtedness of the Company, whether now existing or hereinafter incurred; and will rank equally in right of payment and upon liquidation with the Company's 8.5% Subordinated Notes due 2021.

Because we are a holding company, our cash flows and, consequently, our ability to pay and discharge our obligations, including the principal of, and premium, if any, and interest on, our debt securities depends on the dividends paid and distributions and other payments made to us by our subsidiaries, and funds we obtain from our corporate borrowings or by selling our securities. Accordingly, our right to receive any payments or assets of our subsidiaries upon their liquidation or reorganization, and the consequent right of the holders of the Subordinated Notes to participate in the proceeds of those payments or assets, will be effectively subordinated to the claims of our subsidiaries' respective creditors and preferred equity holders, if any. As of March 31, 2014, EagleBank and our other subsidiaries had outstanding indebtedness, total deposits and other liabilities of approximately \$3.4 billion, excluding intercompany liabilities. For more information, see "Description of Subordinated Notes Ranking" in this prospectus supplement.

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*Redemption Upon Certain Events*

The Subordinated Notes may not be redeemed prior to maturity, except that we may redeem the Subordinated Notes, at our option, in whole, at any time, or in part from time to time, if (i) a change or prospective change in law occurs that could prevent us from deducting interest payable on the notes for U.S. federal income tax purposes, (ii) a subsequent event occurs that precludes the notes from being recognized as Tier 2 capital for regulatory capital purposes, or (iii) we are required to register as an investment company under the Investment Company Act of 1940, as amended, in each case, at a redemption price equal to 100% of the principal amount of the Subordinated Notes plus any accrued and unpaid interest through, but excluding, the redemption date. For more information, see "Description of the Notes Redemption" in this prospectus supplement.

*Events of Default; Remedies*

The Subordinated Notes will contain customary payment, covenant and insolvency events of default. The trustee and the holders of the Subordinated Notes may *not* accelerate the maturity of the Subordinated Notes upon the occurrence of any payment or covenant event of default. However, if an insolvency-related event of default occurs, the principal of, and accrued and unpaid interest on, the Subordinated Notes will become immediately due and payable without any action of the trustee or the holders of the Subordinated Notes. In the event of such an acceleration of the maturity of the Subordinated Notes, all of our obligations to holders of our senior indebtedness will be entitled to be paid in full before any payment or distribution, whether in cash, securities or other property, can be made on account of the principal of, or interest on, the Subordinated Notes. See "Description of Subordinated Notes Events of Default; Acceleration of Payment; Limitation on Suits" in this prospectus supplement.

*Denomination; Form*

The Subordinated Notes will be issued only in fully registered form without coupons, in denominations of \$1,000 and integral multiples of \$1,000. The Subordinated Notes will be evidenced by a global note deposited with the trustee for the Subordinated Notes, as custodian for DTC. Beneficial interests in the global note will be shown on, and transfers of those beneficial interests can only be made through, records maintained by DTC and its participants. See "Description of Subordinated Notes Delivery and Form."

*Sinking Fund*

None

*Security*

None. The Subordinated Notes are unsecured subordinated obligations of the Company.

*Use of Proceeds*

We estimate that the net proceeds of this offering will be approximately \$68.9 million, after deducting the underwriting discount and the payment of the transaction expenses payable by us.

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	<p>We intend to use the proceeds of the offering to fund the cash consideration to be paid in the Merger, and for general corporate purposes, including but not limited to contribution of capital to our subsidiaries, including EagleBank. If, for any reason, the acquisition of Virginia Heritage is not consummated, we will use the net proceeds of the Subordinated Notes that would have been used in connection with the Virginia Heritage acquisition for general corporate purposes, which may include the payment of the redemption price of the Company's 8.5% subordinated notes due 2021 and the Series B Non-Cumulative Preferred Stock, or Series B Preferred Stock, issued to the U.S. Department of the Treasury, or Treasury, pursuant to the Small Business Lending Fund, or SBLF, or for the payment of all or a part of the acquisition consideration of one or more future acquisitions. For additional details, see "Use of Proceeds" at page S-28.</p>
<i>Risk Factors</i>	<p>Investing in the Subordinated Notes involves risks. You should carefully consider the information under "Risk Factors" beginning on page S-22 and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus before investing in the Subordinated Notes.</p>
<i>Trustee Listing</i>	<p>Wilmington Trust, National Association, acts as the trustee, or Trustee, under the Indenture. The Subordinated Notes will not be listed on any national securities exchange or included in any automated dealer quotation system. Currently, there is no market for the Subordinated Notes, and there can be no assurances that any public market for the Subordinated Notes will develop.</p>
<i>Governing Law</i>	<p>The Subordinated Notes and the Indenture will be governed by Maryland law, except that the rights, duties, powers, liabilities and immunities of the Trustee under the Indenture shall be governed by New York law.</p>

Table of Contents**SELECTED HISTORICAL FINANCIAL DATA OF THE COMPANY**

The following table sets forth selected historical consolidated financial data for the Company as of and for each of the five years ended December 31, 2013 (which has been derived from our audited consolidated financial statement), and as of and for the three months ended March 31, 2014 and 2013. You should read this table together with the historical consolidated financial information contained in our consolidated financial statements and related notes, as well as 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, 2013 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2014 which have been filed with the SEC and are incorporated by reference in this prospectus supplement. Information for the three month periods ended March 31, 2014 and 2013 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 three month period ended March 31, 2014 do not necessarily indicate the results which may be expected for any future period or for the full year.

(dollars in thousands except per share data)	At or for the three months ended March 31,			At or for the year ended December 31,			
	2014 (Unaudited)	2013	2013	2012	2011	2010	2009
<b>Balance Sheets</b>							
<b>Period End</b>							
Securities	\$ 398,389	\$ 329,585	\$ 389,405	\$ 310,514	\$ 324,053	\$ 237,576	\$ 245,644
Loans held for sale	21,862	132,698	42,030	226,923	176,826	80,571	1,550
Loans	3,063,975	2,548,024	2,945,158	2,493,095	2,056,256	1,675,500	1,399,311
Allowance for credit losses	42,018	38,811	40,921	37,492	29,653	24,754	20,619
Intangible assets, net	3,482	3,659	3,510	3,785	4,145	4,188	4,379
Total assets	3,803,952	3,324,865	3,771,503	3,409,441	2,831,255	2,089,370	1,805,504
Deposits	3,273,689	2,812,930	3,225,414	2,897,222	2,392,095	1,726,798	1,460,274
Borrowings	105,737	131,964	119,771	140,638	152,662	146,884	150,090
Total liabilities	3,393,570	2,963,013	3,377,640	3,059,465	2,564,544	1,884,654	1,617,183
Preferred shareholders' equity	56,600	56,600	56,600	56,600	56,600	22,582	22,612
Common shareholders' equity	353,782	305,252	337,263	293,376	210,111	182,134	165,709
Total shareholders' equity	410,382	361,852	393,863	349,976	266,711	204,716	188,321
Tangible common equity(1)	350,300	301,593	333,753	289,591	205,966	177,946	161,330
<b>Statements of Operations</b>							
Interest income	\$ 42,837	\$ 37,933	\$ 157,294	\$ 141,943	\$ 119,124	\$ 96,658	\$ 84,338
Interest expense	2,830	3,424	12,504	14,414	20,077	19,832	24,809
Provision for credit losses	1,934	3,365	9,602	16,190	10,983	9,308	7,669
Noninterest income	4,463	8,111	24,716	21,364	13,501	9,242	7,297
Noninterest expense	23,098	20,697	84,579	76,531	63,276	51,005	42,773
Income before taxes	19,438	18,558	75,325	56,172	38,289	25,755	16,384
Income tax expense	6,939	6,986	28,318	20,883	13,731	9,098	5,965
Net income	12,499	11,572	47,007	35,289	24,558	16,657	10,419
Preferred dividends	141	141	566	566	1,511	1,299	2,307
Net income available to common shareholders	12,358	11,431	46,441	34,723	23,047	15,358	8,112

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(dollars in thousands except per share data)	At or for the three months ended March 31,			At or for the year ended December 31,			
	2014	2013	2013	2012	2011	2010	2009
	(Unaudited)						
<b>Per Common Share Data(2)</b>							
Net income, basic	\$ 0.48	\$ 0.45	\$ 1.81	\$ 1.50	\$ 1.05	\$ 0.71	\$ 0.50
Net income, diluted	0.47	0.44	1.76	1.46	1.04	0.70	0.50
Book value	13.62	11.86	13.03	11.62	9.57	8.41	7.71
Tangible book value(1)	13.49	11.72	12.89	11.47	9.38	8.21	7.51
Common shares outstanding(2)	25,975,186	25,728,162	25,885,863	25,250,378	21,948,128	21,670,426	21,487,649
Weighted average common shares outstanding, basic(2)	25,927,888	25,518,523	25,726,062	23,135,886	21,819,087	21,613,450	16,107,623
Weighted average common shares outstanding, diluted(2)	26,575,155	26,222,041	26,358,611	23,743,815	22,316,593	22,046,554	16,236,094
<b>Ratios</b>							
Net interest margin(3)	4.45%	4.20%	4.30%	4.32%	3.99%	4.09%	3.85%
Efficiency ratio(4)	51.94%	48.56%	49.90%	51.40%	56.22%	59.26%	64.01%
Return on average assets	1.36%	1.39%	1.37%	1.18%	0.97%	0.86%	0.65%
Return on average common equity	14.38%	15.29%	14.60%	14.14%	11.71%	8.74%	6.52%
Total capital (to risk weighted assets)	13.04%	12.50%	13.01%	12.20%	11.84%	11.64%	13.57%
Tier 1 capital (to risk weighted assets)	11.57%	11.08%	11.53%	10.80%	10.33%	9.91%	11.82%
Tier 1 capital (to average assets)	10.83%	10.39%	10.93%	10.44%	8.21%	9.32%	10.29%
Tangible common equity(1)	9.22%	9.08%	8.86%	8.50%	7.29%	8.53%	8.96%
<b>Asset Quality</b>							
Nonperforming assets and loans 90+ past due	\$ 45,135	\$ 37,365	\$ 33,927	\$ 35,983	\$ 36,019	\$ 31,988	\$ 27,131
Nonperforming assets and loans 90+ past due to total assets	1.19%	1.12%	0.90%	1.06%	1.27%	1.53%	1.50%
Allowance for credit losses to loans	1.37%	1.52%	1.39%	1.50%	1.44%	1.48%	1.47%
Allowance for credit losses to nonperforming loans	115.67%	137.80%	165.66%	122.19%	90.42%	97.18%	93.62%
Net charge-offs	\$ 837	\$ 2,046	\$ 6,173	\$ 8,351	\$ 6,084	\$ 5,173	\$ 5,453
Net charge-offs (annualized) to average loans	0.11%	0.33%	0.23%	0.37%	0.32%	0.35%	0.42%

(1) The Selected Financial Data contains certain non-GAAP financial measures: "tangible common equity," defined as total common shareholders' equity reduced by goodwill and other intangible 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





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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)	At or for the three months ended March 31,		At or for the year ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
Common shareholders' equity	\$ 353,782	\$ 305,252	\$ 337,263	\$ 293,376	\$ 210,111	\$ 182,134	\$ 165,709
Less: Intangible assets	(3,482)	(3,659)	(3,510)	(3,785)	(4,145)	(4,188)	(4,379)
<b>Tangible common equity</b>	<b>\$ 350,300</b>	<b>\$ 301,593</b>	<b>\$ 333,753</b>	<b>\$ 289,591</b>	<b>\$ 205,966</b>	<b>\$ 177,946</b>	<b>\$ 161,330</b>
Book value per common share	\$ 13.62	\$ 11.86	\$ 13.03	\$ 11.62	\$ 9.57	\$ 8.41	\$ 7.71
Less: Intangible book value per common share	(0.13)	(0.14)	(0.14)	(0.15)	(0.19)	(0.20)	(0.20)
<b>Tangible book value per common share</b>	<b>\$ 13.49</b>	<b>\$ 11.72</b>	<b>\$ 12.89</b>	<b>\$ 11.47</b>	<b>\$ 9.38</b>	<b>\$ 8.21</b>	<b>\$ 7.51</b>
Total Assets	\$ 3,803,952	\$ 3,324,865	\$ 3,771,503	\$ 3,409,441	2,831,255	2,089,370	1,805,504
Less: Intangible Assets	(3,482)	(3,659)	(3,510)	(3,785)	(4,145)	(4,188)	(4,379)
<b>Tangible assets</b>	<b>\$ 3,800,470</b>	<b>\$ 3,321,206</b>	<b>\$ 3,767,993</b>	<b>\$ 3,405,656</b>	<b>\$ 2,827,110</b>	<b>\$ 2,085,182</b>	<b>\$ 1,801,125</b>
<b>Tangible common equity ratio</b>	<b>9.22%</b>	<b>9.08%</b>	<b>8.86%</b>	<b>8.50%</b>	<b>7.29%</b>	<b>8.53%</b>	<b>8.96%</b>

(2) Presented giving retroactive effect to the 10% stock dividend paid on the common stock on June 14, 2013.

(3) The reported figure includes the effect of a \$618 million deposit, or the settlement deposit, received on September 13, 2011 in connection with a class action settlement, which was disbursed by year end. The deposit was invested in excess reserves at the Federal Reserve Bank. As the magnitude of the settlement deposit distorts the operational results of the Company, the GAAP reconciliation below presents certain performance ratios excluding the effect of the settlement deposit, notably the net interest margin and the return on average assets which resulted in approximately \$326,000 of interest income and \$170,000 of income, net of tax, during the twelve month period ended December 31, 2011. We believe this information is important to enable shareholders and other interested parties to assess the core operational performance of the Company.

At or for the year ended December 31,

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GAAP Reconciliation (Unaudited) (dollars in thousands except per share data)	2012			2011		
	Average Balance	Interest	Average Yield/Rate	Average Balance	Interest	Average Yield/Rate
<b>Total earning assets</b>	\$ 2,953,417	\$ 141,943	4.81%	\$ 2,482,625	\$ 119,124	4.80%
Less: settlement deposit				(117,990)	(326)	(0.28)%
<b>Adjusted earning assets</b>	\$ 2,953,417	\$ 141,943	4.81%	\$ 2,364,635	\$ 118,798	5.02%
Total interest bearing liabilities	\$ 1,903,453	\$ 14,414	0.76%	\$ 1,679,855	\$ 20,077	1.20%
<b>Adjusted interest spread</b>			4.05%			3.82%
<b>Adjusted interest margin</b>			4.32%			4.17%

GAAP Reconciliation (Unaudited) (dollars in thousands except per share data)	At or for the year ended December 31,	
	2012	2011
Net income	\$ 35,289	\$ 24,558
Less: settlement deposit		(170)
<b>Adjusted net income</b>	\$ 35,289	\$ 24,388

Average total assets	\$ 2,997,994	\$ 2,523,592
Less: settlement deposit		(117,990)
<b>Adjusted average total assets</b>	\$ 2,997,994	\$ 2,405,602

<b>Adjusted return on average assets</b>	1.18%	1.01%
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(4) Computed by dividing noninterest expense by the sum of net interest income and noninterest income.

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The following table sets forth selected historical consolidated financial data for Virginia Heritage as of and for each of the five years ended December 31, 2013 (which has been derived from Virginia Heritage's audited consolidated financial statement), and as of and for the three months ended March 31, 2014 and 2013. You should read this table together with the historical consolidated financial information contained in Virginia Heritage's consolidated financial statements and related notes. Information for the three month periods ended March 31, 2014 and 2013 is derived from Virginia Heritage's unaudited interim financial statements and has been prepared on the same basis as its audited financial statements and includes, in the opinion of Virginia Heritage's management, all adjustments, consisting of only normal recurring adjustments, necessary to present fairly the data for such period. The results of operations for the three month period ended March 31, 2014 do not necessarily indicate the results which may be expected for any future period or for the full year.

(Dollars in thousands, except per share data)	At or for the three months ended March 31,		At or for the year ended December 31,				
	2014 (Unaudited)	2013	2013	2012	2011	2010	2009
<b>Statement of Operations Data:</b>							
Interest income	\$ 9,204	\$ 8,114	\$ 33,937	\$ 30,814	\$ 26,140	\$ 21,479	\$ 15,753
Interest expense	1,322	1,353	5,240	6,147	6,895	6,463	5,164
Net interest income	7,882	6,761	28,697	24,667	19,245	15,016	10,589
Provision for loan losses	456	634	1,764	3,410	2,037	2,002	2,021
Total noninterest income	1,402	3,323	10,676	14,641	7,141	5,609	4,280
Total noninterest expense	5,465	6,366	24,263	24,627	16,610	14,105	11,346
Net income before taxes	3,363	3,084	13,346	11,271	7,739	4,518	1,502
Income tax expense (benefit)	1,159	1,042	4,346	3,625	2,601	(629)	
Net income after taxes	2,204	2,042	9,000	7,646	5,138	5,147	1,502
Preferred dividends paid	38	38	153	289	77		
Net income available to common shareholders	\$ 2,166	\$ 2,004	\$ 8,847	\$ 7,357	\$ 5,061	\$ 5,147	\$ 1,502
<b>Per Share Data and Shares Outstanding:</b>							
Net income (basic)	\$ 0.36	\$ 0.46	\$ 1.70	\$ 1.70	\$ 1.17	\$ 1.33	\$ 0.40
Net income (diluted)	0.35	0.45	1.65	1.68	1.17	1.32	0.40
Common equity book value at period end	14.10	12.82	13.45	12.47	10.89	9.55	8.18
	6,014,801	4,333,209	5,217,531	4,333,209	4,333,209	3,881,896	3,791,633

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Weighted average shares (basic)								
Weighted average shares (diluted)	6,208,605	4,457,935	5,359,521	4,371,355	4,337,566	3,885,276	3,795,768	
Shares outstanding at year end	6,016,801	4,333,209	6,014,801	4,333,209	4,333,209	4,333,209	3,791,633	
<b>Balance Sheet Data:</b>								
Assets	\$ 917,409	\$ 804,829	\$ 894,841	\$ 781,573	\$ 578,087	\$ 452,507	\$ 341,034	
Loans, net	715,781	594,259	696,097	579,284	434,294	362,451	296,750	
Loans held for sale	13,975	31,909	10,730	48,136	16,861	11,366	5,699	
Securities available for sale, at fair value	134,900	127,747	126,834	118,629	98,821	40,340	17,912	
Deposits	737,062	696,091	711,400	660,138	491,713	381,426	258,458	
Preferred stockholders' equity	15,300	15,300	15,300	15,300	15,300			
Common stockholders' equity	84,862	55,560	80,906	54,017	47,176	41,371	31,020	
Total stockholders' equity	100,162	70,860	96,206	69,317	62,476	41,371	31,020	

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(Dollars in thousands, except per share data)	At or for the three months ended March 31,		At or for the year ended December 31,				
	2014	2013	2013	2012	2011	2010	2009
	(Unaudited)						
<b>Performance Ratios:</b>							
Annualized return on average assets	0.97%	1.05%	1.10%	1.13%	1.00%	1.29%	0.51%
Annualized return on average common stockholders' equity	10.36%	14.62%	12.91%	14.50%	11.46%	14.81%	4.94%
Net interest rate spread(1)	3.33%	3.25%	3.25%	3.33%	3.47%	3.43%	3.32%
Net interest margin(2)	3.59%	3.57%	3.56%	3.69%	3.79%	3.81%	3.21%
Annualized income as a percentage of average assets(3)	4.65%	5.87%	5.45%	6.71%	6.48%	6.77%	6.86%
Annualized noninterest income as a percentage of average assets	0.61%	1.71%	1.31%	2.16%	1.39%	1.40%	1.47%
Annualized noninterest expense to average assets	2.40%	3.27%	2.97%	3.63%	3.23%	3.53%	3.89%
Efficiency ratio(4)	58.86%	63.13%	61.62%	62.65%	62.95%	68.39%	76.31%
<b>Asset Quality Ratios:</b>							
Nonperforming assets to total assets	0.30%	0.57%	0.19%	0.23%	0.30%	0.31%	0.72%
Total allowance for loan losses to total loans outstanding	1.39%	1.47%	1.39%	1.41%	1.39%	1.31%	1.18%
Annualized net loan charge-offs to average loans outstanding	0.11%	0.03%	0.04%	0.24%	0.18%	0.21%	0.29%
<b>Capital Ratios:(5)</b>							
Total risk-based capital ratio	14.76%	12.45%	14.86%	12.06%	13.90%	12.29%	11.29%
Tier 1 risk-based capital ratio	13.51%	11.20%	13.61%	10.81%	12.72%	11.04%	10.13%
Leverage ratio	11.28%	9.17%	11.72%	9.28%	10.87%	9.08%	9.35%
Stockholders' equity to total assets ratio	10.92%	8.80%	10.76%	8.87%	10.81%	9.14%	9.10%
<b>Other Data:</b>							
Number of banking offices	5	5	5	5	5	4	4
Full-time equivalent employees	138	127	137	124	103	99	81

- (1) Net interest spread is the difference between the average yield on interest-earning assets and the average cost of interest-bearing liabilities.
- (2) Net interest margin is net interest income divided by average earning assets.
- (3) Income consists of interest income and noninterest income.
- (4) Efficiency ratio is noninterest expense divided by the sum of net interest income and noninterest income.
- (5) Capital ratios are calculated in accordance with regulatory accounting principles specified by regulatory agencies for supervisory reporting purposes.

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**RISK FACTORS**

*An investment in our common stock involves various risks. Before making an investment decision, you should carefully read and consider the risk factors described below as well as the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus, as the same may be updated from time to time by our future filings with the SEC under the Exchange Act. You should read these risk factors together with the risk factors contained in Eagle's Annual Report on Form 10-K for the year ended December 31, 2013, and any changes to those risk factors included in Eagle's Quarterly Reports on Form 10-Q, or other documents filed with the SEC, after the date of the Annual Report. Any of these risks, if they are realized, 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 this Offering and Ownership of the Subordinated Notes**

***The Subordinated Notes will be unsecured and subordinated to our existing and future senior indebtedness.***

The Subordinated Notes will be subordinated obligations of the Company. Accordingly, they will be junior in right of payment to our existing and future senior indebtedness. Our senior indebtedness includes:

The principal and any premium or interest for money borrowed or purchased by the Company;

The principal and any premium or interest for money borrowed or purchased by another person and guaranteed by the Company;

Any deferred obligation for the payment of the purchase price of property or assets evidenced by a note or similar instrument or agreement;

An obligation arising from direct credit substitutes;

Obligations to general and trade creditors; and

Any obligation associated with derivative products such as interest and foreign exchange rate contracts, commodity contracts and similar arrangements; in each case, whether outstanding on the date the Indenture becomes effective, or created, assumed or incurred after that date.

Senior indebtedness excludes any indebtedness that: (1) expressly states that it is junior to, or ranks equally in right of payment with, the Subordinated Notes; or (2) is identified as junior to, or equal in right of payment with, the Subordinated Notes in any resolution of the Board of Directors of the Company pursuant to the Indenture. The Subordinated Notes will rank equally with all other unsecured subordinated indebtedness of the Company issued in the future under the Indenture, as well as ranking equally with the outstanding \$9.3 million principal amount of subordinated notes due 2021.

In addition, the Subordinated Notes will not be secured by any of our assets. As a result they will be effectively subordinated to all of our secured indebtedness to the extent of the value of the assets securing such indebtedness. The Indenture does not limit the amount of senior indebtedness or other financial obligations or secured obligations that we or EagleBank may incur.

As a result of the subordination provisions described above, holders of Subordinated Notes may not be fully repaid in the event of bankruptcy, liquidation or reorganization of the Company.

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***The Subordinated Notes will not be guaranteed by the FDIC, any other governmental agency or EagleBank, and will be structurally subordinated to the indebtedness and other liabilities of EagleBank.***

The Subordinated Notes are not bank deposits and are not insured by the FDIC or any other governmental agency, nor are they obligations of, or guaranteed by, a bank. The Subordinated Notes will be obligations of the Company only and will not be guaranteed by EagleBank. The Subordinated Notes will be structurally subordinated to all existing and future indebtedness and other liabilities of EagleBank, which means that creditors of EagleBank generally will be paid from EagleBank's assets before holders of the Subordinated Notes would have any claims to those assets.

***The Indenture does not contain any limitations on our ability to incur additional indebtedness, sell or otherwise dispose of assets, pay dividends or repurchase our capital stock.***

The Indenture does not restrict our ability, or the ability of any of our subsidiaries, to incur additional indebtedness or other liabilities, including additional senior or subordinated indebtedness. If we incur additional indebtedness or liabilities, our ability to pay our obligations on the Subordinated Notes could be adversely affected. We expect that we will from time to time incur additional indebtedness and other liabilities. In addition, absent an event of default under the Indenture, we are not restricted under the Indenture governing the Subordinated Notes from paying dividends or issuing or repurchasing our securities.

In addition, there are no financial covenants in the Indenture. You are not protected under the Indenture in the event of a highly leveraged transaction, reorganization, default under our existing indebtedness, restructuring, merger or similar transaction that may adversely affect you. See, "Description of the Subordinated Notes" at page S-39.

***If EagleBank does not make dividend payments to the Company, the Company may not be able to pay interest and principal on the Subordinated Notes.***

We are a holding company and conduct substantially all of our operations through subsidiaries, including our principal subsidiary EagleBank. We may depend on dividends, distributions and other payments from our subsidiaries, principally on the dividends from EagleBank, to meet our obligations, including payments on the Subordinated Notes. EagleBank's state and federal regulators have significant discretion and authority to cause EagleBank to stop paying dividends to the Company, or to cause the Company to stop payments on its subordinated debt, including the Subordinated Notes. In the event EagleBank is unable to provide sufficient dividends to allow the Company to meet its obligations, the Company may not be able to pay interest or principal, or both interest and principal, on the Subordinated Notes. There is no sinking fund or similar segregated pool of funds which is dedicated to making payments of interest or principal on the Subordinated Notes.

***Regulatory guidelines may restrict our ability to pay the principal of, and accrued and unpaid interest on, the Subordinated Notes, regardless of whether we are the subject of an insolvency proceeding.***

As a bank holding company, our ability to pay the principal of, and interest on, the Subordinated Notes is subject to Federal Reserve guidelines regarding capital adequacy. We intend to treat the notes as "Tier 2 capital" under the Federal Reserve's regulatory capital rules and guidelines. The Federal Reserve guidelines generally require us to review the effects of the cash payment of Tier 2 capital instruments such as the Subordinated Notes on our overall financial condition. The guidelines also require that we review our net income for the current and past four quarters, and the amounts we have paid on Tier 2 capital instruments for those periods, as well as our projected rate of earnings retention. Moreover, under Federal Reserve policy, a bank holding company is required to act as a source of financial and managerial strength to each of its banking subsidiaries and commit resources to their support, including the guarantee of capital plans of an undercapitalized bank subsidiary. Such support may be required at times when a



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holding company may not otherwise be inclined to provide it. As a result of the foregoing, we may be unable to pay accrued interest on the Subordinated Notes on one or more of the scheduled interest payment dates or at any other time or the principal of the notes at the maturity of the Subordinated Notes.

If we were to be the subject of a bankruptcy proceeding under Chapter 11 of the U.S. Bankruptcy Code, the bankruptcy trustee would be deemed to have assumed and would be required to cure immediately any deficit under any commitment we have to any of the federal banking agencies to maintain the capital of EagleBank and any other insured depository institution for which we have such a responsibility, and any claim for breach of such obligation would generally have priority over most other unsecured claims.

***The Indenture includes limited events of default.***

As described in "Description of the Subordinated Notes Events of Default; Acceleration of Payment; Limitation on Suits" beginning on page S-40, the Subordinated Notes contain limited events of default and remedies. As a result of our intended treatment of the Subordinated Notes as Tier 2 capital, the ability of the Trustee under the Indenture that governs the Subordinated Notes and the holders of the Subordinated Notes to accelerate the maturity of and our obligation to pay immediately the principal of, and any accrued and unpaid interest on, the Subordinated Notes will be limited to the events of default that occur upon:

the entry of a decree or order for the appointment of appointing a receiver, liquidator, trustee, or similar official in any receivership, insolvency, liquidation, or similar proceeding relating to the Company, and such decree or order shall remain unstayed and in effect for a period of 60 consecutive days;

the Company consenting to the appointment of a receiver, liquidator, trustee or other similar official in any receivership, insolvency, liquidation or similar proceeding with respect to the Company; or

a "major subsidiary depository institution" of the Company becomes the subject of a receivership, insolvency, liquidation or similar proceeding.

Consequently, neither the trustee nor the holders of the Subordinated Notes will have the right to accelerate the maturity of the Subordinated Notes in the case of our failure to pay the principal of, or interest on, the Subordinated Notes or our non-performance of any other covenant or warranty under the Subordinated Notes or the Indenture. The holders of our outstanding subordinated debentures are subject to similar limitations, but the holders of our senior indebtedness will not be subject to limitations of that type. If the holders of our senior indebtedness are able to accelerate the maturity our senior indebtedness at a time when a non-insolvency default has occurred, but an insolvency default has not occurred, with respect to the Subordinated Notes, such holders of our senior indebtedness may be able to accelerate the maturity of, and pursue the payment in full of, that senior indebtedness while the holders of the Subordinated Notes would be unable to pursue similar remedies with respect to the Subordinated Notes.

***The Subordinated Notes do not place any limit on our ability to pay dividends on our capital stock when there is no event of default.***

Although EagleBank and Company are subject to regulatory guidelines, limitations and legal limits on the ability to pay dividends, the Subordinated Notes do not contain any limitations on the ability of the Company to pay dividends to the holders of its equity securities, except when an event of default, as defined in the Indenture, exists. As such, we may be able to pay dividends in an amount which is within our legal authority and to which our regulators do not object, which would preclude additional capital accumulation, which would make it more difficult for us to comply with our obligations under the Subordinated Notes.

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***Changes in our credit ratings may affect the value of the Subordinated Notes.***

Credit ratings are an assessment by third party credit ratings services of our ability to pay our obligations as they become due and the default risks of the Subordinated Notes. Consequently, actual or anticipated changes in our credit ratings may affect the market value of notes we have issued. Because your return on the Subordinated Notes depends upon factors in addition to our ability to pay our obligations, an improvement in our credit rating will not reduce the important risks related to the Subordinated Notes. Furthermore, financial regulatory reforms required by the Dodd-Frank Wall Street and Consumer Protection Act of 2010, or the Dodd-Frank Act, affect the manner of disclosure of credit ratings, the type of rating provided, and the use of credit ratings in evaluation of securities by investors; these factors could likewise affect the trading value of the Subordinated Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

***An active trading market for the Subordinated Notes may not develop.***

The Subordinated Notes constitute a new issue of securities, for which there is no existing market. We do not intend to apply for listing of the Subordinated Notes on any securities exchange or for quotation of the Subordinated Notes in any automated dealer quotation system. We cannot provide you with any assurance regarding whether a trading market for the Subordinated Notes will develop, the ability of holders of the Subordinated Notes to sell their Subordinated Notes or the prices at which holders may be able to sell their Subordinated Notes.

***If a trading market for the Subordinated Notes develops, factors not within our control, could adversely affect the market price of the Subordinated Notes.***

In addition to our creditworthiness, many factors may affect the trading market for, and the trading value of, the Subordinated Notes. These factors include: the time remaining to the maturity of the Subordinated Notes, the ranking of the Subordinated Notes, the outstanding amount of Subordinated Notes with terms identical to the Subordinated Notes offered hereby, the prevailing interest rates being paid by other companies similar to us, our financial condition, financial performance and future prospects and the level, direction and volatility of market interest rates generally. The condition of the financial markets and prevailing interest rates have fluctuated significantly in the past and are likely to fluctuate in the future. If a trading market for the Subordinated Notes develops, such fluctuations could have an adverse effect on the price of the Subordinated Notes.

**Risks Related to the Pending Acquisition of Virginia Heritage**

***Completion of the Merger is subject to the receipt of approvals from regulatory authorities that may impose conditions that could have an adverse effect on us.***

Before the Merger may be completed, we must obtain various approvals or consents from the Federal Reserve Board and state bank regulatory authorities. These regulatory authorities may impose conditions on the completion of the Merger or require changes to the terms of the Merger. Although we do not currently expect the imposition of any conditions or changes, there can be no assurance that such conditions or changes will not be imposed. Such conditions or changes could have the effect of delaying completion of the Merger or imposing additional costs on or limiting our revenues following the Merger, any of which might have a material adverse effect on us following the Merger. Furthermore, we are not obligated to complete the Merger if the regulatory approvals received in connection with the Merger include any conditions that in our good faith judgment would have a material adverse effect on the value of the Merger to us, or would require us to enter into any regulatory agreements.

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***The Merger will not be completed unless important conditions are satisfied.***

Specified conditions set forth in the Merger Agreement must be satisfied or waived to complete the Merger. If the conditions are not satisfied or waived, to the extent permitted by law, the Merger will not occur or will be delayed and we may lose some or all of the intended benefits of the Merger. The following conditions, in addition to other closing conditions set forth in the Merger Agreement, must be satisfied or waived, before the Company and Virginia Heritage are obligated to complete the Merger:

the Merger Agreement must be duly approved by the requisite vote of Virginia Heritage's shareholders;

all required regulatory approvals must be obtained;

the registration statement filed with respect to the shares of our common stock to be issued in the Merger shall become effective under the Securities Act of 1933, as amended, or Securities Act, and no stop order shall have been initiated or threatened by the SEC;

the shares of our common stock to be issued in the Merger must be approved for listing on NASDAQ;

the representations and warranties of the parties must be true and correct, and the parties must have performed all of their respective obligations under the Merger Agreement; and

there shall not have been a material adverse change on the business, operations, assets liabilities or financial condition of the parties.

In addition, the Merger Agreement may be terminated in certain circumstances if the Merger is not consummated on or before March 31, 2015. We cannot assure you that all of the conditions precedent in the Merger Agreement will be satisfied, or to the extent legally permissible, waived, or that the acquisition of Virginia Heritage will be completed.

***Combining the Company and Virginia Heritage may be more difficult, costly or time-consuming than expected, or could result in the loss of customers.***

The Company and Virginia Heritage have operated, and until the completion of the Merger will continue to operate, independently. 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 each party's ability to maintain relationships with customers and employees or to achieve the anticipated benefits of the Merger. As with any merger of banking institutions, there also may be disruptions that cause the loss of customers or cause customers to withdraw their deposits, which could negatively affect the performance and earnings of the combined institution. We may decide to consolidate or sell branches. Certain customers' branches may be consolidated with other branches in the market area resulting in new office locations and new banking associates serving such customers. There can be no assurance that customers will readily accept changes to their banking arrangements after the Merger.

***Results after the Merger may materially differ from the pro forma information presented in this prospectus supplement.***

Results after the Merger may be materially different from those shown in the unaudited pro forma combined financial information included in this prospectus supplement, which only shows a combination of historical results of the Company and Virginia Heritage. The unaudited pro forma combined financial information is presented for illustrative purposes only, and makes assumptions about the exchange ratio and merger consideration based on the closing price of our common stock on June 6, 2014, which was the last trading day prior to announcement of the Merger. The exchange ratio and merger consideration may vary based on the average price of our common stock during a designated period prior to closing of the

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Merger. The unaudited pro forma combined financial information contained in this prospectus supplement does not indicate the financial results of the combined company had the companies actually been combined at the beginning of the periods presented and had the impact of possible revenue enhancements and expense efficiencies, among other factors, been considered. Any potential decline in the combined company's financial condition or results of operations may have an adverse impact on our financial ratings, our earnings, EagleBank's ability to pay dividends to the Company and our ability to pay interest on the Subordinated Notes.

**RATIO OF EARNINGS TO FIXED CHARGES AND PREFERRED DIVIDENDS**

Our consolidated ratio of earnings to combined fixed charges and preferred dividends for each of the five fiscal years ended December 31, 2013 and each of the three month periods ended March 31, 2014 and 2013 are as set forth in the following table.

The following table includes a pro forma consolidated ratio of earnings to fixed charges and preferred dividends for the period ended March 31, 2014, calculated to give effect to the acquisition of Virginia Heritage, as if such acquisition had been completed on January 1, 2014.

	<b>Pro forma three months ended March 31</b>	<b>Three months ended March 31,</b>		<b>Year ended December 31,</b>				
	<b>2014</b>	<b>2014</b>	<b>2013</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>
Ratio of earnings to fixed charges and preferred dividends:								
Including interest on deposits	6.09x	7.30x	6.02x	6.55x	4.61x	2.60x	2.09x	1.45x
Excluding interest on deposits	28.00x	31.16x	26.82x	27.61x	17.97x	7.93x	5.79x	2.71x

For purposes of calculating the ratio of earnings to fixed charges and preferred dividends, fixed charges are the sum of:

interest expenses, including interest on deposits, and, in the second alternative shown above, excluding interest on deposits;  
and

that portion of net rental expense deemed to be the equivalent to interest on long-term debt.

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**USE OF PROCEEDS**

We estimate that the net proceeds from the sale of the Subordinated Notes in the offering, after underwriting discounts and estimated expenses, will be approximately \$68.9 million.

We intend to use the proceeds of the offering to fund the cash portion of the consideration to be paid in the Merger. The precise amount of the net proceeds that we use to pay the cash portion of the consideration to be paid in the Merger and timing of that use will depend upon the final purchase price we pay for, and the date on which we consummate the acquisition of, Virginia Heritage. Pending the consummation of the proposed acquisition of Virginia Heritage, we expect to invest the approximately \$45.1 million of the net proceeds to be retained by us for the payment of the cash portion of the Merger consideration in that acquisition in short-term investments and deposit accounts. We currently expect to consummate the acquisition of Virginia Heritage in the fourth quarter of 2014, although delays could occur.

We expect to use the balance of the net proceeds for general corporate purposes, including but not limited to contribution of capital to our subsidiaries, including EagleBank, to support organic growth and other opportunistic acquisitions, should additional and appropriate acquisition opportunities arise.

If, for any reason, the acquisition of Virginia Heritage is not consummated, we will use the net proceeds of the Subordinated Notes that would have been used in connection with such acquisition for general corporate purposes, as described above, which may include the payment of the redemption price of the Company's 8.5% Subordinated Notes due 2021 and the Series B Preferred Stock, for the payment of all or a part of the acquisition consideration of one or more future acquisitions.

**CAPITALIZATION**

The following table sets forth our consolidated capitalization as of March 31, 2014:

on an actual historical basis;

on an as-adjusted basis as if the offering had been completed as of March 31, 2014;

on a pro forma basis calculated to give effect to the acquisition of Virginia Heritage and the issuance of shares of our common stock based on an exchange ratio of 0.6531, as if such acquisition and issuance had been completed on January 1, 2014; and

on a pro forma basis calculated to give effect to the acquisition of Virginia Heritage and the issuance of shares of our common stock based on an exchange ratio of 0.6531, as if such acquisition had been completed on March 31, 2014, and adjusted to give effect to this offering.

The following information should be read in conjunction with our consolidated financial statements for the year ended December 31, 2013, and the notes thereto, included in our Annual Report on Form 10-K, the unaudited consolidated financial statements for the three months ended March 31, 2014, and the notes thereto, included in our Quarterly Report on Form 10-Q, incorporated by reference herein, and the unaudited pro forma combined financial information included in this prospectus supplement.

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(dollars in thousands)	March 31, 2014			
	Actual	As Adjusted	Pro Forma (Unaudited)	Pro Forma As Adjusted
<b>Long Term Debt</b>				
Subordinated notes, due 2021	\$ 9,300	\$ 9,300	\$ 9,300	\$ 9,300
Subordinated notes, due 2024		70,000		70,000
<b>Stockholders' Equity:</b>				
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, Series B, \$1,000 liquidation preference, shares issued and outstanding 56,600 actual and as adjusted	\$ 56,600	\$ 56,600	\$ 56,600	\$ 56,600
Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, Series C, \$1,000 liquidation preference, shares issued and outstanding 15,300 on a pro forma basis			15,300	15,300
Common Stock, \$0.01 par value, shares authorized 50,000,000, shares issued and outstanding 25,975,186 actual and 29,904,759 on a pro forma basis	255	255	294	294
Warrant	946	946	946	946
Additional Paid in Capital	244,332	244,332	382,024	382,024
Retained Earnings	108,751	108,751	108,751	108,751
Accumulated Other Comprehensive (Loss) Income	(502)	(502)	(502)	(502)
<b>Total Stockholders' Equity</b>	\$ 410,382	\$ 410,382	\$ 563,413	563,413
<b>Total Capitalization</b>	\$ 419,682	\$ 489,682	\$ 572,713	\$ 642,713
<b>Total Common Stockholders' Equity</b>	\$ 353,782	\$ 353,782	\$ 491,513	\$ 491,513
<b>Capital Ratios for the Company(1)</b>				
Tier 1 capital to risk-weighted assets ratio	11.57%	11.53%	10.79%	10.75%
Total capital to risk-weighted assets ratio	13.04%	14.99%	12.00%	13.60%
Tier 1 capital to average assets ratio	10.83%	10.83%	9.89%	9.89%
Tangible common equity to tangible assets ratio	9.22%	9.05%	8.29%	8.17%

- (1) The pro forma capital ratios assume the initial deployment of the net proceeds of the offering in short term investments carrying a 20% risk weighting under applicable regulations.