PUBLIC DISCLOSURE

October 28, 2024

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

EagleBank

Bethesda, Maryland

Federal Reserve Bank of Richmond
Richmond, Virginia

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2652092

7830 Old Georgetown Road

Bethesda, MD 20814

Federal Reserve Bank of Richmond
P. O. Box 27622
Richmond, Virginia 23261

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Federal financial supervisory agency concerning the safety and soundness of this financial institution.

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INSTITUTION RATING

INSTITUTION'S CRA RATING: EagleBank is rated "**SATISFACTORY**"

The following table indicates the performance level of EagleBank with respect to the lending, investment, and service tests.

PERFORMANCE LEVELS	EagleBank		
	PERFORMANCE TESTS		
	Lending Test*	Investment Test	Service Test
Outstanding		X	
High Satisfactory	X		X
Low Satisfactory			
Needs to Improve			
Substantial Noncompliance			

**The lending test is weighted more heavily than the investment and service tests in determining the overall rating.*

The major factors supporting the institution's rating include:

- Lending activity is consistent with the bank's capacity and the level reflects an adequate responsiveness to the bank's assessment area credit needs.
- A majority of the bank's loans are originated within its assessment area.
- The geographic distribution of loans reflects good penetration throughout the assessment area.
- The distribution of borrowers reflects, given the product lines offered, good penetration among customers of different income levels and businesses of different sizes.
- During the evaluation period, the bank made a relatively high level of community development loans.
- The bank makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs.
- The bank maintains an excellent level of qualified community development investments and grants/donations, particularly those not routinely provided by private investors, often in a leadership position.

- The bank makes extensive use of innovative and/or complex investments to support community development initiatives and exhibits excellent responsiveness to credit and community development needs through its investment activity.

- Delivery systems and branch locations are accessible to all segments of the bank's geographies and individuals of different income levels in its assessment area.

- The bank's record of opening and closing branches generally has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate-income geographies and/or low- and moderate-income individuals.

- Banking hours and services do not vary in a way that inconveniences its assessment area, particularly low- and moderate-income geographies and/or low- and moderate-income individuals.

- During the evaluation period, the bank provided a relatively high level of qualified community development services given its capacity and available opportunities.

- There have been no complaints regarding the bank's CRA performance since the previous evaluation.

- There was no evidence of discriminatory or other illegal credit practices that would have adversely affected the evaluation the bank's CRA performance.

INSTITUTION

DESCRIPTION OF INSTITUTION

EagleBank (EB) is headquartered in Bethesda, Maryland, and is a wholly owned subsidiary of Eagle Bancorp, Incorporated, a single bank holding company also headquartered in Bethesda, Maryland. The bank has three active subsidiaries that include: Eagle Insurance Services, LLC, which offers access to insurance products and services; Landroval Municipal Finance, Inc., which focuses on municipality lending; and Bethesda Leasing, LLC, which holds title to and manages other real estate owned assets.

The bank operates 12 full-service branch offices with automated teller machines (ATM), two loan production offices (with one full-service ATM), seven cash-only stand-alone ATMs, and a corporate office in its defined assessment area. Since the previous examination, five full-service branches and two cash-only stand-alone ATMs were closed. The closures did not impact the bank's assessment area delineation.

As of September 30, 2024, EB held total assets of approximately $11.2 billion, of which 70% were net loans and 20.9% were securities. Total deposits were $8.6 billion as of this same period. The bank's loan portfolio consists primarily of traditional business and commercial real estate secured loans, including owner occupied, non-owner occupied, and acquisition, development and construction loans.

Composition of Loan Portfolio

Loan Type	9/30/2024	
	$(000s)	%
Secured by 1-4 Family dwellings	284,785	3.6
Multifamily	1,013,284	12.7
Construction and Development	1,838,976	23.0
Commercial & Industrial/ NonFarm NonResidential	4,196,586	52.5
Consumer Loans and Credit Cards	901	0.0
Agricultural Loans/ Farmland	0	0.0
All Other	656,921	8.2
Total	***7,991,453***	***100.0***

As indicated in the preceding table, commercial and construction and development loans represent the largest loan types within the bank's loan portfolio or approximately 75.5%. The bank is also active in the origination of small business loans. Since the previous examination, EB has discontinued its residential mortgage lending.

EB received a Satisfactory rating at its previous evaluation dated March 28, 2022. Based on the bank's financial capacity, there are no significant limitations on the bank's ability to meet credit needs within the communities it serves.

SCOPE OF EXAMINATION

The institution was evaluated using the interagency examination procedures developed by the Federal Financial Institutions Examination Council (FFIEC) for large institutions. EB is required to report certain information regarding its home mortgage lending in accordance with the Home Mortgage Disclosure Act (HMDA). Accordingly, the bank's 2022 and 2023 HMDA loan originations were considered in the evaluation. EB is also required to collect and report data for small business loans in accordance with the CRA. Therefore, the evaluation incorporates an analysis of all small business loans originated by the bank during 2022 and 2023. The evaluation also considers any qualified community development loans, investments, and services originated, purchased, or provided since the previous evaluation dated March 28, 2022. In addition, all qualified investments outstanding as of the evaluation date were considered, regardless of when made. It was noted that the bank did not report any small farm loans during the evaluation period.

To help determine the availability of community development opportunities in the assessment area, the CRA public evaluations of other financial institutions operating within the assessment area were reviewed. Additionally, an official working in a government agency located in EB's assessment area was contacted to discern information about local economic conditions, credit needs, performance of banks in the assessment area, and potential community development opportunities.

DESCRIPTION OF WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD ASSESSMENT AREA

EB's assessment area is located within the Washington-Arlington-Alexandria, DC-VA-MD-WV MSA. The MSA is comprised of two metropolitan divisions. The bank takes a portion of both the Frederick-Gaithersburg-Rockville, MD and Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Divisions as part of its assessment area. The bank has not made any changes to its assessment area since the previous examination. Refer to Appendix C for the assessment area composition.

The Washington-Arlington-Alexandria, DC-MD-VA assessment area is a demographically diverse geography when considering both income and minority population levels. The bank benefits from a market that is economically diverse with stable economic conditions. This is primarily due to its proximity to a major metropolitan area such as Washington, D.C. However, the bank also faces strong competition from several local, regional, and national banks due to its location.

According to 2020 American Community Survey (ACS) data, the bank's assessment area had a total population of 4.7 million and median housing value of $489,089. The owner-occupancy rate for the assessment area (56.9%) is higher than the owner-occupancy rate for the District of Columbia (38.4%) but comparable to the rates for the State of Maryland (60.8%) and the Commonwealth of Virginia (60%). The owner-occupancy rate for the assessment area is also lower than both the rates in the Frederick-Gaithersburg-Rockville, MD metropolitan division (64.6%) and the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (59.1%).

The percentage of families living below the poverty level in the assessment area (5.2%) is lower than the percentage of families in the District of Columbia (11.3%), the Commonwealth of Virginia (6.8%), and Maryland (5.9%). The percentage of families living below poverty in the assessment area is lower than the percentage of families below poverty in the Frederick-Gaithersburg-Rockville, MD metropolitan division (4.4%), and is comparable to the percentage of families below poverty in the Washington-Arlington-Alexandria, DC-VA-MD-WV metropolitan division (5.2%).

The 2022 and 2023 FFIEC estimated median family income for the two metropolitan divisions are $139,700 and $150,100, respectively, for Washington-Arlington-Alexandria, DC-VA-MD-WV and $143,900 and $151,400, respectively, for Frederick-Gaithersburg-Rockville, MD. The following table provides pertinent demographic data for the assessment area.

2023 WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	107	9.5	86,289	8.1	16,598	19.2	227,289	21.3
Moderate	230	20.4	207,586	19.5	16,854	8.1	169,343	15.9
Middle	338	30.0	333,183	31.2	13,044	3.9	205,877	19.3
Upper	433	38.4	435,410	40.8	8,116	1.9	464,062	43.5
Unknown	20	1.8	4,103	0.4	490	11.9	0	0.0
Total AA	**1,128**	**100.0**	**1,066,571**	**100.0**	**55,102**	**5.2**	**1,066,571**	**100.0**
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	170,226	43,169	4.2	25.4	114,252	67.1	12,805	7.5
Moderate	366,592	163,926	16.0	44.7	178,889	48.8	23,777	6.5
Middle	568,265	338,296	33.0	59.5	201,290	35.4	28,679	5.0
Upper	686,885	478,601	46.6	69.7	173,859	25.3	34,425	5.0
Unknown	11,361	2,392	0.2	21.1	7,585	66.8	1,384	12.2
Total AA	**1,803,329**	**1,026,384**	**100.0**	**56.9**	**675,875**	**37.5**	**101,070**	**5.6**
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	13,588	5.1	12,776	5.2	693	3.3	119	5.0
Moderate	45,888	17.1	41,482	16.9	4,049	19.3	357	14.9
Middle	84,763	31.6	77,321	31.6	6,836	32.6	606	25.4
Upper	121,355	45.2	111,258	45.4	9,018	43.0	1,079	45.2
Unknown	2,658	1.0	2,066	0.8	365	1.7	227	9.5
Total AA	**268,252**	**100.0**	**244,903**	**100.0**	**20,961**	**100.0**	**2,388**	**100.0**
Percentage of Total Businesses:				**91.3**		**7.8**		**0.9**
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	37	3.0	37	3.1	0	0.0	0	0.0
Moderate	113	9.2	108	9.0	5	23.8	0	0.0
Middle	362	29.5	355	29.4	7	33.3	0	0.0
Upper	715	58.2	704	58.4	9	42.9	2	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	**1,229**	**100.0**	**1,206**	**100.0**	**21**	**100.0**	**2**	**100.0**
Percentage of Total Farms:				**98.1**		**1.7**		**0.2**

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

EB's assessment area is predominately urban and offers a variety of employment opportunities, with the local economy primarily driven by federal and local government employers. Additional employment in the private sector includes professional and technical services, healthcare and social assistance, retail trade, and accommodation and food services. The largest employers in the assessment area, besides the U.S. Government and local school districts, include Marriott International Inc., Booz Allen Hamilton, Northrop Grumman, Lockheed Martin, Deloitte, Verizon Communications, University of Maryland, Giant Food, CSRA Inc., Leidos Holdings Inc., Joint Base Andrews, and George Mason University. Recent and historical unemployment rates are presented in the following table.

WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD assessment area Unemployment Rates					
Area	**2019**	**2020**	**2021**	**2022**	**2023**
Washington-Arlington-Alexandria, DC-VA-MD	3.1%	6.6%	4.9%	3.1%	2.7%
District of Columbia, DC	5.5%	7.9%	6.8%	4.7%	4.9%
Montgomery County, MD	2.8%	6.1%	5.1%	2.9%	1.9%
Prince George's County, MD	3.6%	7.8%	6.8%	3.5%	2.2%
Arlington County, VA	1.9%	4.6%	3.0%	2.1%	2.1%
Fairfax County, VA	2.3%	6.0%	3.5%	2.5%	2.5%
Loudoun County, VA	2.3%	5.5%	3.1%	2.4%	2.5%
Alexandria city, VA	2.1%	6.2%	3.8%	2.4%	2.3%
Fairfax city, VA	2.1%	6.0%	3.4%	2.4%	2.4%
Falls Church city, VA	2.1%	4.0%	2.7%	2.2%	2.3%
District of Columbia	5.5%	7.9%	6.8%	4.7%	2.8%
Maryland	3.4%	6.5%	5.3%	3.2%	4.9%
Virginia	2.8%	6.5%	3.9%	2.9%	2.1%
Source: Bureau of Labor Statistics (BLS), Local Area Unemployment Statistics *Note: The COVID Pandemic had an impact on unemployment rates in 2020 and 2021*					

An official from a government agency was contacted to discuss economic conditions in EB's assessment area and community credit needs. The official stated the demand for housing in areas like the District of Columbia (D.C.) has continued to soar while supply of affordable units remains inadequate. The contact shared that its agency facilitates community listening sessions to better understand issues faced as well as desires and visions for the future. While the agency stated that it focuses primarily on lower income individuals and communities, community members of all income levels consistently raise concerns regarding challenges of finding affordable housing. Many neighborhoods have undergone revitalization, which in some cases has resulted in gentrification – driving up rents and home prices, and the displacement of residents.

Data from the U.S. Department of Housing and Urban Development's (HUD) Comprehensive Housing Affordability Strategy shows recent housing cost burden for both D.C. and the assessment area. HUD defines cost burden as housing costs that are 30% or more of a household's income. *See table below.*

WASHINGTON-ARLINGTON-ALEXANDRIA, DC-VA-MD assessment area Housing Cost Burden						
	Cost Burden - Renters			**Cost Burden - Owners**		
Area	**Low Income**	**Moderate Income**	**All Renters**	**Low Income**	**Moderate Income**	**All Owners**
District of Columbia	69.2%	46.9%	40.7%	65.5%	43.1%	20.9%
Washington-Arlington-Alexandria, DC-VA-MD assessment area	79.1%	55.9%	42.4%	71.4%	49.9%	21.4%

As shown in the table above, cost burden rates for low-income individuals are much higher than that of the moderate-income individuals and the overall resident populations for renters and homeowners. As noted in the former table, unemployment rates have declined overall since the start of the COVID Pandemic. However, the contact stated the income that residents earn is often not meeting their financial needs, in terms of housing. The housing cost burden data affirms this sentiment; while unemployment is lower than it was in prior years, many residents in the community continue to struggle to secure affordable housing.

Efforts have been made to address the lack of affordable housing and displacement through affordable housing initiatives, including the mayor of D.C.'s goal to build 36,000 new housing units (which the contact shared was fulfilled in 2024), with 12,000 designated as affordable. The contact's agency also offers special programs and services to support low-to moderate income residents. However, the high cost of development, limited land, and height restrictions in D.C. make producing affordable housing difficult.

The contact also stated that financial institutions are often willing to support programs and projects to assist with meeting the affordable housing needs. However, continued funding and investment from the institutions who specialize in community development is essential to meeting the needs of the area. The contact also added that he was unaware of any discrimination in the area by financial institutions. When asked if any financial institutions in the area were particularly active in community investment or effective in their outreach involvement, the contact stated that institutions specifically with community development arms came to mind (with banks over $100 billion in assets mentioned as examples).

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

The bank's overall Lending and Service Test performances are rated High Satisfactory while its overall Investment Test performance is rated Outstanding. The performance evaluation first discusses the bank's overall performance followed by an in-depth analysis of the bank's record of lending, investment, and service activities for the assessment area. Ratings for the lending, investment, and service test are assigned to the bank based on performance within its assessment area. Following the FFIEC procedures, the lending test performance accounts for half of the overall rating, while the investment and service tests are equally weighted and each account for one-quarter of the overall rating. Conclusions also take into consideration relevant performance context factors.

LENDING TEST

EB's Lending Test performance is considered High Satisfactory and is based on an evaluation of the bank's lending activity, the geographic and borrower distribution of lending, as well as the level of community development lending. These components are evaluated while considering the bank's market strategy, area demographic data, and aggregate HMDA and CRA loan data.

The geographic and borrower distribution performance of HMDA loans focused on performance for Home Purchase and Refinancing loan categories. Performance for the Home Improvement, Multifamily, Not Applicable, Other Closed, and Other Line of Credit loan categories was not evaluated because not all HMDA reporters are required to report each loan category, or the category contains no or relatively few loans overall.

When evaluating the bank's performance, relevant area demographic data from the 2020 American Community Survey (ACS) is used as a proxy for demand. While ACS data is collected and published by the U.S. Census Bureau on an annual basis, the demographic data relied upon in the performance evaluation is based on ACS data that is updated once every five years. Additionally, aggregate HMDA and CRA small business loan data reported from 2022 and 2023 is considered when evaluating the bank's performance. This aggregate data includes all activity reported by lenders subject to reporting HMDA and CRA loan data, including EB, within the bank's assessment area. D&B demographic data from 2022 and 2023 are also considered when evaluating the bank's performance.

During 2022 and 2023, the bank reported approximately $857.9 million in HMDA and $83.2 million in in small business loans. Of those totals, $709.2 million in HMDA and $70.1 million in small business loans were originated within the bank's assessment area. In assessing the bank's HMDA lending performance, consideration was given to the two major HMDA loan categories and the associated performance for each, and the proportion of each category relative to the bank's total reported HMDA activity. Those loan categories were analyzed independently, with overall conclusions giving greater weight to loan categories and the year with higher associated dollar volume. In addition, the bank's small business lending performance was analyzed independently and considered for the review period.

Lending Activity:

Combined residential real estate and small business lending activity from 2022 and 2023 from the bank's reported loan data is detailed in the following table.

Summary of Lending Activity

Loan Type	#	%	$(000)	% of $
Home Improvement	0	0	0	0
Home Purchase	566	56.1	302,509	32.1
Multi-Family Housing	22	2.2	462,346	49.1
Refinancing	175	17.3	92,908	9.9
Loan Purpose Not Applicable	1	0.1	152	0.1
Other Purpose Closed-End	0	0	0	0
Other Purpose LOC	0	0	0	0
Total HMDA related	**764**	**75.7**	**857,915**	**91.2**
Small Business	245	24.3	83,195	8.8
TOTAL LOANS	**1,009**	**100**	**941,110**	**100**

The bank's lending levels reflect adequate responsiveness to credit needs based on the lending activity analyzed under the Lending Test. The total number and dollar volume of loans was considered in arriving at the lending activity conclusion. Although the total number of lending drastically declined since the previous examination, it should be noted that during this review period, EB discontinued its residential mortgage lending product offering, both internally and its secondary market mortgage lending divisions.

Since March 31, 2022, the bank's assets and net loans have increased by .5% and 11.2%, respectively, while total deposits declined by 11%. As of June 30, 2024, EB ranked 9th out of 58 institutions in local deposit market share, having 3.2% of the available Federal Deposit Insurance Corporation (FDIC) insured deposits, excluding credit union deposits, within its assessment area.

According to 2022 aggregate data, EB ranked 66th out of 804 reporters in HMDA lending with .3% market share. According to 2023 aggregate data, EB ranked 126th out of 718 reporters in HMDA lending with .08% market share. Regarding small business lending, the bank was ranked 43rd out of 218 reporters with .06% market share according to 2023 aggregate data. Similarly, the bank ranked 41st out of 225 reporters for small business lending with .08% market share according to 2022 aggregate data. All market share rankings consider originated and purchased loans.

Considering relevant performance context factors such as bank size, financial condition, and local area credit needs, the bank's lending activity is consistent with its capacity. In addition, the bank's overall lending activity reflects adequate responsiveness to the bank's assessment area credit needs, based on the lending activity analyzed under the Lending Test.

Assessment Area Concentration:

The bank's lending activity for HMDA and small business loans originated inside and outside of its assessment area between January 1, 2022 and December 31, 2023 is represented by the table below.

Comparison of Credit Extended Inside and Outside of Assessment Area(s)

Loan Type	Inside				Outside			
	#	%	$(000)	%	#	%	$(000)	%
Home Purchase	340	60.1	210,503	69.6	226	39.99	92,006	30.4
Home Improvement	0	0.0	0	0.0	0	0.0	0	0.0
Refinancing	110	62.9	64,290	69.2	65	37.1	28,618	30.8
Multi-Family Housing	18	81.8	434,423	94.0	4	18.2	27,923	6.0
Loan Purpose Not Applicable	0	0.0	0	0.0	1	100.0	152	100.0
Other Purpose Closed/Exempt	0	0.0	0	0.0	0	0.0	0	0.0
Other Purpose LOC	0	0.0	0	0.0	0	0.0	0	0.0
Total HMDA related	**468**	**62.3**	**709,216**	**82.7**	**296**	**38.7**	**148,699**	**17.3**
Small Business	210	85.7	70,077	84.2	35	14.3	13,118	15.8
TOTAL LOANS	**678**	**67.2**	**779,293**	**82.8**	**331**	**32.8**	**161,817**	**17.2**

As noted in the preceding table, overall, the bank originated a majority of loans, by number and dollar, inside its assessment area.

Geographic Distribution:

Overall, the bank's geographic distribution of loans reflects good penetration throughout the assessment area. EB's geographic distribution of HMDA loans is considered excellent and small business is considered good. In reaching the overall conclusion, greater weight was given to the bank's HMDA lending given the larger dollar volume of such loans during the evaluation period. Lending patterns do not reveal any unexplained gaps in any of the assessment area.

HMDA Lending

The geographic distribution of HMDA lending is considered excellent overall. The performance for home purchase lending is considered excellent while refinance lending is considered adequate. Since the bank did not originate any home improvement loans and very few multifamily loans during the evaluation period, no further analysis was conducted for these loan categories given the small volume of such loans.

Distribution of 2022 and 2023 Home Mortgage Lending By Income Level of Geography Assessment Area: WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD													
Geographic Income Level	Bank And Aggregate Loans By Year												Owner Occupied Units %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	28	9.8	4.5	12,143	7.2	3.1	9	17.0	5.2	3,262	8.0	3.4	4.2
Moderate	62	21.6	16.4	25,008	14.8	11.4	3	5.7	17.2	1,024	2.5	12.1	16.0
Middle	83	28.9	34.1	39,068	23.0	28.4	13	24.5	33.9	6,300	15.4	28.8	33.0
Upper	114	39.7	44.6	93,319	55.0	56.8	28	52.8	43.3	30,379	74.2	55.2	46.6
Unknown	0	0.0	0.3	0	0.0	0.3	0	0.0	0.5	0	0.0	0.4	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	287	100.0	100.0	169,538	100.0	100.0	53	100.0	100.0	40,965	100.0	100.0	100.0
Refinance Loans													
Low	4	3.9	5.1	1,206	2.2	3.5	0	0.0	5.0	0	0.0	3.6	4.2
Moderate	15	14.7	16.7	5,854	10.5	11.4	0	0.0	17.0	0	0.0	12.4	16.0
Middle	26	25.5	33.5	9,861	17.7	27.4	0	0.0	33.3	0	0.0	28.5	33.0
Upper	57	55.9	44.6	38,839	69.7	57.5	8	100.0	44.6	8,530	100.0	55.3	46.6
Unknown	0	0.0	0.2	0	0.0	0.2	0	0.0	0.1	0	0.0	0.1	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	102	100.0	100.0	55,760	100.0	100.0	8	100.0	100.0	8,530	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	2.5	0	0.0	1.8	0	0.0	2.8	0	0.0	2.1	4.2
Moderate	0	0.0	10.2	0	0.0	7.3	0	0.0	11.1	0	0.0	7.2	16.0
Middle	0	0.0	27.7	0	0.0	21.7	0	0.0	30.4	0	0.0	23.1	33.0
Upper	0	0.0	59.5	0	0.0	69.1	0	0.0	55.5	0	0.0	67.3	46.6
Unknown	0	0.0	0.1	0	0.0	0.1	0	0.0	0.2	0	0.0	0.2	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Multifamily Loans													Multi-family Units %
Low	6	37.5	30.9	178,627	42.3	21.3	1	50.0	23.3	5,047	40.2	20.8	15.9
Moderate	2	12.5	20.9	51,690	12.3	23.6	0	0.0	19.2	0	0.0	19.6	25.3
Middle	3	18.8	15.7	73,451	17.4	24.9	0	0.0	20.1	0	0.0	20.1	30.3
Upper	5	31.3	31.7	118,108	28.0	28.8	1	50.0	36.5	7,500	59.8	37.5	27.1
Unknown	0	0.0	0.9	0	0.0	1.4	0	0.0	0.9	0	0.0	2.0	1.4
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	16	100.0	100.0	421,876	100.0	100.0	2	100.0	100.0	12,547	100.0	100.0	100.0
Total Home Mortgage Loans													Owner Occupied Units %
Low	38	9.4	4.5	191,976	29.7	4.5	10	15.9	4.8	8,309	13.4	5.2	4.2
Moderate	79	19.5	15.8	82,552	12.8	12.1	3	4.8	16.3	1,024	1.7	12.7	16.0
Middle	112	27.7	33.2	122,380	18.9	27.6	13	20.6	33.4	6,300	10.2	27.6	33.0
Upper	176	43.5	46.3	250,266	38.7	55.5	37	58.7	45.0	46,409	74.8	53.9	46.6
Unknown	0	0.0	0.2	0	0.0	0.3	0	0.0	0.4	0	0.0	0.6	0.2
Tract-Unk	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	0	0.0	0.0	
Total	405	100.0	100.0	647,174	100.0	100.0	63	100.0	100.0	62,042	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Home Purchase Lending

The geographic distribution of home purchase lending is considered good during 2023 and excellent during 2022. On a combined basis, performance is considered excellent overall based on the relative dollar volumes of lending and strength of performance each year.

During 2023, the bank's lending in low-income census tracts (17%) exceeded the aggregate lending level (5.2%) and the percentage of owner-occupied units (4.2%) in such tracts. Home purchase lending in moderate-income census tracts (5.7%) lagged both the aggregate lending level (17.2%) and the percentage of owner-occupied units (16%) in such tracts. The bank's home purchase performance in 2023 is considered to be good.

During 2022, EB's lending in low-income census tracts (9.8%) exceeded the aggregate lending level (4.5%) and the percentage of owner-occupied units (4,2%) located in such tracts. Bank lending in moderate-income census tracts (21.6%) exceeded the aggregate lending level (16.4%) and the percentage of owner-occupied units (16%) in such tracts. The bank's home purchase lending performance in 2022 is considered excellent.

Refinance Lending

The geographic distribution of refinance lending is considered very poor during 2023 and adequate during 2022. On a combined basis, performance is considered adequate overall based on the relative dollar volumes of lending and strength of performance each year.

During 2023, EB reported no refinance loans (0%) in low-income census tracts which lagged the aggregate lending level (5%) and the percentage of owner-occupied units (4.2%) in such tracts. In moderate-income tracts, bank lending (0%) also lagged the aggregate lending (17%) level and the percentage of owner-occupied units (16%) in such tracts. The bank's performance is considered to be very poor.

During 2022, the bank's refinance lending (3.9%) in low-income census tracts lagged the aggregate lending level (5.1%) and the percentage of owner-occupied units (4.2%) in such tracts. In moderate-income tracts, bank lending (14.7%) lagged the aggregate lending level (16.7%) and the percentage of owner-occupied units (16%) in such tracts. The bank's performance is considered to be adequate.

Small Business Lending

The geographic distribution of small business lending is considered good during 2023 and 2022.

Distribution of 2022 and 2023 Small Business Lending by Income Level of Geography
Assessment Area: WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD

Geographic Income Level	Bank And Aggregate Loans by Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Low	11	9.2	4.8	4,001	9.7	4.3	4	4.4	4.6	1,947	6.7	4.1	5.1
Moderate	19	15.8	16.9	5,488	13.3	16.2	16	17.8	16.4	4,628	16.0	16.2	17.1
Middle	34	28.3	33.5	12,620	30.6	33.7	32	35.6	33.4	8,024	27.8	32.7	31.6
Upper	56	46.7	44.2	19,101	46.4	44.9	38	42.2	44.8	14,268	49.4	46.1	45.2
Unknown	0	0.0	0.5	0	0.0	0.8	0	0.0	0.6	0	0.0	0.9	1.0
Tract-Unk	0	0.0	0.2	0	0.0	0.1	0	0.0	0.2	0	0.0	0.0	
Total	120	100.0	100.0	41,210	100.0	100.0	90	100.0	100.0	28,867	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 due to rounding.

During 2023, EB's lending to businesses in low-income census tracts (4.4%) approximates the aggregate lending level (4.6%) but lagged the percentage of businesses in low-income census tracts (5.1%). The bank's level of lending in moderate-income census tracts (17.8%) exceeded both the aggregate lending level (16.4%) and the percentage of businesses in the moderate-income census tracts (17.1%). The bank's 2023 performance is considered good and its performance during 2022 was similar.

Distribution of Lending by Borrower Income Level or Size of Business:

EB's borrower distribution performance is considered good overall for both HMDA and small business lending.

HMDA Lending

Borrower distribution performance for HMDA lending is considered good overall. The performance for home purchase lending is considered excellent while performance for refinance lending is considered adequate. The overall conclusion is driven by home purchase lending performance given a greater dollar volume of lending.

Given that the bank did not originate any home improvement loans during the evaluation period, performance of the bank's home improvement loans was not evaluated.

Distribution of 2022 and 2023 Home Mortgage Lending By Borrower Income Level Assessment Area: WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD													
Borrower Income Level	Bank And Aggregate Loans By Year												Families by Family Income %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
Home Purchase Loans													
Low	34	11.8	7.0	8,771	5.2	3.1	7	13.2	6.8	1,218	3.0	2.8	21.3
Moderate	68	23.7	19.5	26,210	15.5	12.7	9	17.0	20.0	2,870	7.0	12.9	15.9
Middle	62	21.6	20.8	30,231	17.8	18.2	10	18.9	21.6	4,834	11.8	18.9	19.3
Upper	102	35.5	36.6	77,074	45.5	50.6	7	13.2	33.2	6,439	15.7	46.9	43.5
Unknown	21	7.3	16.1	27,252	16.1	15.5	20	37.7	18.4	25,604	62.5	18.4	0.0
Total	287	100.0	100.0	169,538	100.0	100.0	53	100.0	100.0	40,965	100.0	100.0	100.0
Refinance Loans													
Low	6	5.9	12.2	1,422	2.6	6.8	0	0.0	11.2	0	0.0	6.7	21.3
Moderate	21	20.6	20.4	6,703	12.0	14.8	0	0.0	21.1	0	0.0	15.1	15.9
Middle	25	24.5	22.1	12,658	22.7	19.8	3	37.5	22.4	2,249	26.4	18.5	19.3
Upper	43	42.2	31.8	30,784	55.2	43.9	4	50.0	33.1	4,631	54.3	41.2	43.5
Unknown	7	6.9	13.5	4,193	7.5	14.8	1	12.5	12.1	1,650	19.3	18.5	0.0
Total	102	100.0	100.0	55,760	100.0	100.0	8	100.0	100.0	8,530	100.0	100.0	100.0
Home Improvement Loans													
Low	0	0.0	5.5	0	0.0	3.3	0	0.0	6.0	0	0.0	3.0	21.3
Moderate	0	0.0	14.1	0	0.0	9.2	0	0.0	17.2	0	0.0	10.3	15.9
Middle	0	0.0	25.0	0	0.0	19.6	0	0.0	25.7	0	0.0	19.4	19.3
Upper	0	0.0	53.0	0	0.0	64.5	0	0.0	48.5	0	0.0	63.9	43.5
Unknown	0	0.0	2.4	0	0.0	3.4	0	0.0	2.6	0	0.0	3.3	0.0
Total	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	0	0.0	100.0	100.0
Total Home Mortgage Loans													
Low	40	10.3	8.3	10,193	4.5	4.0	7	11.5	7.4	1,218	2.5	3.3	21.3
Moderate	89	22.9	19.0	32,913	14.6	13.0	9	14.8	19.8	2,870	5.8	13.0	15.9
Middle	87	22.4	21.6	42,889	19.0	18.5	13	21.3	22.4	7,083	14.3	18.9	19.3
Upper	145	37.3	37.0	107,858	47.9	49.5	11	18.0	35.0	11,070	22.4	46.9	43.5
Unknown	28	7.2	14.2	31,445	14.0	15.1	21	34.4	15.4	27,254	55.1	17.9	0.0
Total	389	100.0	100.0	225,298	100.0	100.0	61	100.0	100.0	49,495	100.0	100.0	100.0

Source: 2023 FFIEC Census Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.
Multifamily loans are not included in the borrower distribution analysis.

Home Purchase Lending

The borrower distribution of home purchase lending is considered good during 2023 and excellent during 2022. On a combined basis, performance is considered good based on the relative dollar volumes of lending and strength of performance each year.

During 2023, EB's level of lending to low-income borrowers (13.2%) exceeded the aggregate lending level (6.8%) but lagged the percentage of area low-income families (21.3%). EB's home purchase lending to moderate-income borrowers (17%) lagged the aggregate lending level (20%) but exceeded the percentage of moderate-income families (15.9%). The bank's home purchase lending performance in 2023 is considered good.

During 2022, the bank's level of lending to low-income borrowers (11.8%) exceeded the aggregate lending level (7%) but lagged the percentage of area low-income families (21.3%). The bank's home purchase lending to moderate-income borrowers (23.7%) exceeded both the aggregate lending level and the percentage of moderate-income families (15.9%). The bank's home purchase lending performance in 2022 is considered excellent.

Refinance Lending

The borrower distribution of refinance lending is considered very poor during 2023 and adequate during 2022. On a combined basis, performance is considered based on the relative dollar volumes of lending and strength of performance each year.

During 2023, the bank's level of lending to low-income borrowers (0%) significantly lagged both the aggregate lending level (11.2%) and the percentage of low-income families (21.3%). Similarly, the bank's level of lending to moderate-income borrowers (0%) significantly lagged both the aggregate lending level (21.1%) and the percentage of moderate-income families (15.9%).

During 2022, the bank's level of lending to low-income borrowers (5.9%) lagged both the aggregate lending level (12.2%) and the percentage of low-income families (21.3%). The bank's level of lending to moderate-income borrowers (20.6%) approximates the aggregate lending level (20.4%) but exceeds the percentage of moderate-income families (15.9%). This level of performance is considered adequate.

Small Business Lending

EB's borrower distribution performance for small business lending is considered adequate overall.

Distribution of 2022 and 2023 Small Business Lending by Revenue Size of Businesses Assessment Area: WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD													
	Bank And Aggregate Loans by Year												Total Businesses %
	2022						2023						
	Bank		Agg	Bank		Agg	Bank		Agg	Bank		Agg	
	#	#%	#%	$(000)	$%	$%	#	#%	#%	$(000)	$%	$%	
By Revenue													
$1 Million or Less	46	38.3	51.5	14,280	34.7	33.8	37	41.1	55.1	7,730	26.8	34.3	91.3
Over $1 Million	71	59.2		25,856	62.7		52	57.8		20,917	72.5		7.8
Revenue Unknown	3	2.5		1,074	2.6		1	1.1		220	0.8		0.9
Total	120	100.0		41,210	100.0		90	100.0		28,867	100.0		100.0
By Loan Size													
$100,000 or Less	27	22.5	95.9	1,905	4.6	47.9	26	28.9	96.5	1,489	5.2	51.8	
$100,001 - $250,000	39	32.5	2.2	7,398	18.0	13.1	27	30.0	1.8	5,024	17.4	12.2	
$250,001 - $1 Million	54	45.0	1.9	31,907	77.4	39.0	37	41.1	1.6	22,354	77.4	36.0	
Total	120	100.0	100.0	41,210	100.0	100.0	90	100.0	100.0	28,867	100.0	100.0	
By Loan Size and Revenues $1 Million or Less													
$100,000 or Less	12	26.1		756	5.3		16	43.2		798	10.3		
$100,001 - $250,000	16	34.8		2,853	20.0		10	27.0		1,728	22.4		
$250,001 - $1 Million	18	39.1		10,671	74.7		11	29.7		5,204	67.3		
Total	46	100.0		14,280	100.0		37	100.0		7,730	100.0		

Source: 2023 FFIEC Census Data
2023 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100 percent due to rounding.

No data is available for Aggregate loans with Revenues over $1 million and those with Unknown revenues

D&B data from 2023, the bank's level of lending to businesses with annual revenues of $1 million or less (41.1%) lagged the aggregate lending level (55.1%) and the percentage of area businesses having revenues of $1 million or less (91.3%). The remaining percentage of small business loans reported by aggregate lenders either had revenue exceeding $1 million per year or revenues were unknown. With respect to the distribution by loan amount, 22.5% of the bank's small business loans were in amounts of $100,000 or less, compared to 95.9% of such lending by the aggregate reporters. Overall, based primarily on lending distribution by revenue, the bank's performance is considered adequate and its 2022 performance is similar.

Community Development Lending:

Information from individuals knowledgeable of the local market area and a review of the performance evaluations of other financial institutions having a local presence indicate that a variety of community development opportunities are available within this assessment area, and the bank's capacity for community development lending, is not constrained.

During the evaluation period, the bank made a relatively high level of loans that have a qualified community development (CD) purpose. The bank originated 21 CD loans totaling $442.8 million within the assessment area. This represents a decline since the previous evaluation, where the bank originated 78 CD loans totaling $618.9 million within the assessment area. However, the previous evaluation period was longer than the current examination period, or 4.2 years compared to 2.6 years, respectively. Although the total number of CD loans originated in the assessment area during the review period does not appear to compare favorably when compared to the total from the prior evaluation period, the difference in the dollar volume is not as great. In addition, to provide additional context to the bank's declining CD lending origination volume, it was noted that the commercial real estate market experienced a decline in 2023 due higher interest rates. It was also noted that the opportunities for community development related housing projects were low during 2023.

The majority of the CD loans originated were found to meet the affordable housing needs within the assessment area, as described to be one of the greatest needs in the assessment area by the community representative that was contacted during the evaluation period.

The bank's CD loans that were originated in the assessment area during the review period included:

- 18 loans totaling $411.0 million to various investors financing affordable multifamily housing projects within the bank's assessment area.
- Two loans to totaling $17.4 million for the purposes of economic development. One loan was originated to expand commercial property that will assist in revitalizing or stabilizing a low- or moderate-income census tract within the bank's assessment area. The other loan was extended to develop a school located in a low- or moderate-income census tract where the majority of students are from low- and moderate-income households.
- One loan totaled $14.4 million to an organization to expand their healthcare services in a low- and moderate-income geography within the bank's assessment area.

An example of one of the CD loans for the purposes of affordable housing included a $71.3 million loan that was extended for the purposes of financing the construction of a seven-story mixed use building that included affordable housing units. The project is located in a low-income census tract that is designated as a Prince George's County Opportunity Zone (or area designated to be an economically distressed community based on the census tract location). An example of one of the CD loans for the purposes of economic development included a $12.8 million loan that was extended to purchase a strip mall property and create a grocery store in a low- and moderate-income geography within Alexandria, VA. This project is also planned to attract a major new employer that will create long-term job opportunities within the bank's assessment area.

The bank makes extensive use of innovative and/or flexible lending practices in serving assessment area credit needs. To meet the credit needs of its assessment area, EB offers a broad range of financial products and services, including loan programs that have flexible criteria or are designed to meet special credit needs that often benefit small businesses. The following are loan programs the bank utilizes in an effort to be responsive to community credit needs (note, loans originated under these programs are included in the bank's reported HMDA and CRA data):

- Federal Home Loan Bank (FHLB) – includes the First-time Homebuyer Program (FHP) and Community Partners Program (CPP). The FHP is a grant program for eligible first-time homebuyers, as defined by the U.S. Department of Housing and Urban Development, in which funds can be used for down payment, closing costs and principal reduction for the purchase or rehabilitation of an existing unit. The CPP is a grant program for eligible borrowers who are current or retired law enforcement officers, educators, firefighters, health care workers, other first responders, veterans and active-duty members of the military or their surviving spouse. Funds can be used for down payment, closing costs and principal reduction for purchasing or renovating existing units. During the evaluation period, EB originated 57 FHLB loans totaling $477,500.

- Affordable Mortgage Programs for Home Purchases – includes the Home Purchase Assistance Program (HPAP), Employer Assisted Housing Program (EAHP), Negotiated Employee Affordable Home Purchase Program (NEAHP), and Landed Down Payment Program (Landed). The HPAP program is offered by the District of Columbia Department of Housing and Community Development to assist LMI residents to buy their first home. HPAP provides assistance in the form of down payment and closing cost assistance. The EAHP offers District of Columbia government employees a deferred, 0% interest loan and a matching funds grant for down payment and closing costs to purchase their first single family home, condominium, or cooperative unit in the District of Columbia. The NEAHP grant provides down payment and closing costs assistance to use towards the purchase of a primary residence in the District of Columbia. The amount of assistance is determined by the number years of service in the eligible collective bargaining unit. The Landed program is a shared equity down payment program founded to help educators of specific school districts buy homes. EB partners with D.C. Public Schools for this program. During the evaluation period, EB originated 59 affordable mortgage program loans totaling approximately $3.8 million.

- Small Business Administration (SBA) – this program provided loan guaranties to EB so that the bank could provide financial help to small businesses with terms that are more flexible than conventional financing. During the evaluation period, EB originated 20 SBA loans totaling about $3.5 million.

- FreddieMac "HomePossible" and Fannie Mae "HomeReady" Programs – the HomePossible program is a low-down payment conventional mortgage loan designed to help lower-income homebuyers achieve home ownership. The HomeReady program offers mortgages that are conventional loans backed by Fannie Mae for lower-income borrowers. They offer a low 3% down payment option and reduced mortgage insurance premiums. During the evaluation period, EB originated 18 HomePossible loans totaling approximately $5.9 million and 46 HomeReady loans totaling approximately $13.1 million.

EB is also one of two banks participating in Montgomery County's *Small Business Plus!* program, which is a partnership between Montgomery County, Maryland and community banks headquartered in the county to boost lending to local small businesses and spur job creation for the benefit of county residents. Through this program and in accordance with Montgomery County's Investment Policy, County deposits are placed with the participating banks at a competitive rate of return and the participating banks commit to an equal amount of lending to local small businesses. During the evaluation period, EB held between $34.2 million and $35.3 million in deposits, on an annual basis, that were earmarked for small business lending through this program.

EB is also one of five banks participating in the Washington Suburban Sanitary Commission's (WSSC) Water Business Investment and Growth (BIG) program, which was developed by WSSC to assist community banks in providing capital to small businesses in Montgomery and Prince George's counties in Maryland. Similar to the *Small Business Plus!* program, BIG deposits funds in community banks located in Prince George's and Montgomery counties in Maryland and uses the interest earned to assist with loans to small businesses for the purposes of economic development through job creation. During the evaluation period, EB held between $6 million and $6.5 million in deposits, on an annual basis, that were earmarked for small business lending through this program.

INVESTMENT TEST

EB's level of meeting community development needs through its investment activities is considered Outstanding. The bank maintains an excellent level of qualified community development investments and grants/donations, particularly those not routinely provided by private investors and often in a leadership position. This activity represents excellent responsiveness to CD needs through investment activity, as well as an extensive use of innovative and/or complex investments to support community development initiatives.

As of September 30, 2024, the bank reported $11.2 billion in total assets and held approximately $2.4 billion in securities. As of that same date, EB held 48 qualified investments totaling approximately $143.2 million, which represented approximately 1.3% of total assets and 6% of total securities. The number and dollar volume of qualified investments has increased since the previous evaluation, where 44 were held, totaling $122.4 million. This is primarily attributed to investments purchased during the previous period, when considered with those that all remain on the bank's balance sheet. The majority of these investments support affordable housing initiatives within the assessment area, as described to be one of the greatest needs in the assessment area by the community representative that was contacted during the evaluation period.

The bank's CD investments that were purchased or maintained since the prior examination include:

- 15 pools of mortgage-backed loans totaling $45.8 million issued by the Federal National Mortgage Association (FNMA/Fannie Mae). The mortgage loans were made to low-and-moderate income borrowers or areas within the bank's assessment area.
- Nine pools of mortgage-backed loans totaling $27.8 million issued by Federal Home Loan Mortgage Corporation (FHLMC). The mortgage loans were made to low-and-moderate income borrowers or areas within the bank's assessment area.
- Six pools of mortgage-backed loans totaling $1.8 million issued by the Government National Mortgage Association (GNMA/Ginnie Mae). The mortgage loans were made to low-and-moderate income borrowers or areas within the bank's assessment area.
- Eight equity investments totaling $50.2 million which facilitate the acquisition and development of affordable multifamily housing that employ Low-Income Housing Tax credits within the assessment area.
- Five equity investments totaling $9.1 million in small business investment corporations which facilitate investments in small businesses nationwide, including companies located within the bank's assessment area.
- Five bonds totaling $8.1 million issued by local municipalities or states for the development of affordable housing for low-and-moderate individuals within the assessment area or statewide area.

An example of one of the qualified investments included a $17.5 million equity investment in a fund for the purposes of affordable housing. The fund's projects included the acquisition and development of an affordable multi-family residential that employed Low-Income Housing Tax credits in Washington, D.C., with 100% of the units deemed affordable rents and part of a revitalization project.

Another example of one of the qualified investments included a $1.5 million equity investment in a small business investment corporation that facilitates investments in small businesses nationwide, including companies located within the bank's assessment area.

In addition, the bank made 42 qualified grants/donations totaling approximately $100,700 during the evaluation period. These funds were provided to local organizations that promote affordable housing, economic development, and community services that assist LMI people or areas in the assessment area.

SERVICE TEST

The bank's performance under the Service Test is rated High Satisfactory. Delivery systems, branch locations, and hours of operation are considered accessible and convenient to all portions of the assessment area. Additionally, bank employees provided a relatively high level of support to organizations that provide community development services throughout the assessment area, given the size, location, and financial capacity of the institution.

Retail Services:

EB's delivery systems are accessible to geographies and individuals of different income levels throughout the bank's assessment area. The bank offers customers many ways to conduct banking business, along with branch offices and loan production offices. Alternative delivery systems include 24-hour digital banking options such as stand-alone automated teller machines (ATMs), telephone banking, mobile banking, online banking, and remote deposit capture. These options help to provide additional access, with the bank's website and mobile application offering full functionality features that extend the bank's ability to offer its products and services beyond its physical branch presence.

Overall, delivery systems are accessible and convenient to all portions of the assessment area. The bank operates 12 full-service branch offices with ATMs, two loan production offices (with one full-service ATM), and seven cash-only stand-alone ATMs in its assessment area. The 12 branch offices are located in the following type of census tracts: none in low-income, three (25%) in moderate-income, five in middle-income (41.7%), and four in upper-income (33.3%) census tracts. When branch distribution is compared to the demographics of the assessment area, the fact that none are in low-income census tracts compares unfavorably to the percentages of census tracts (9.5%) and households (9.4%) located in such tracts. However, the distribution of branches in moderate-income tracts (25%) exceeds the percentage of census tracts (20.4%) and households (20.3%) in such tracts.

EB's business hours and services offered do not vary in a way that would inconvenience low- and moderate-income individuals or areas, as all branch offices ae full-service and generally have consistent hours and availability across the assessment area. All locations are open from 8:30 a.m. until 4:00 p.m. Monday through Thursday and until 5:00 p.m. on Friday. Two branch offices are open on Saturdays from 9:00 a.m. until noon; however, none are located in a low- or moderate-income census tract. Of the two branch offices offering Saturday hours, one (Park Potomac) is located within two miles of a moderate-income census tract.

The bank's record of opening and closing branches generally has not adversely affected the accessibility of its delivery systems, particularly to low- and moderate- income geographies and/or low-and-moderate income individuals. Since the previous evaluation, the bank closed/consolidated the following five branch locations: Dupont Circle, Alexandria, Georgetown, Chantilly, Merrifield and Rosewood Hotel, with one branch located in a moderate-income census tract (Dupont Circle). However, that branch is within one mile of the consolidated branch location (K Street). Refer to Appendix B for details regarding branch closures.

Community Development Services:

During the evaluation period, the bank provided a relatively high level of community development service activities benefiting local organizations within the assessment area. Bank directors, officers, and employees provided a total of 40 community development services by serving on the board of directors, assisting with fundraising, or providing financial education or expertise to 26 organizations during the evaluation period. The type of community development services that was provided included 23 that provide community services to low- and moderate- income individuals, 12 that supported small businesses and facilitated economic development, and five that promoted affordable housing. Examples of these activities include, but are not limited to, the following:

- A bank employee presented a credit webinar to small business owners in partnership with a local Chamber of Commerce within the bank's assessment area.
- A board member of the bank serves on the board of directors of an organization that provides solutions to address the affordable housing crises nationwide.
- An officer of the bank serves on the loan committee of an organization that helps small businesses succeed through creative financing solutions and promoting economic development within the bank's assessment area.
- A bank employee presented a financial literacy/budgeting session to low- and moderate-income students at two high schools located in within the bank's assessment area.
- A bank officer serves as Board Secretary & Finance Committee Chair for an organization that provides health services to low- and moderate- income communities and people within the bank's assessment area.
- A bank officer serves on the Board and Loan Committee for a Community Development Financial Institution (CDFI) located within the bank's assessment area.

- A bank officer uses his banking expertise to assist the EagleBank Foundation Board with fundraising and providing charitable contributions to local hospitals and community organizations that serve low- and moderate- income individuals throughout the bank's assessment area.

EB also participates in the Virginia Interest on Lawyer Trust Account (IOLTA) program. The programs utilize interest from lawyers' trust accounts to provide civil legal aid to low- and moderate-income individuals. As of July 2024, IOLTA reported that from January through December 2023, the $8,802,718 monthly average balance of Virginia IOLTA accounts held by EB generated $324,439 in IOLTA funds for grants to legal aid providers. The bank's IOLTA revenue contribution had a significant community impact. Applying a conservative value of the return on investment multiplier, IOLTA estimates that the total funds provided by EB's IOLTA investment in through December 31, 2023 produced $4.9 million in total economic impact for low-income communities across Virginia IOLTA accounts.

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

The Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act) established the Consumer Financial Protection Bureau (CFPB). In general, the Dodd-Frank Act gives the CFPB, among other things, primary examination and enforcement authority over insured depository institutions with total assets of more than $10 billion when assessing compliance with the requirements of Federal consumer financial laws, including EagleBank. The Federal Reserve, however, retains authority to enforce compliance with the bank's CRA and certain other consumer compliance laws and regulations. During the review period of this evaluation from March 28, 2022 to October 28, 2024, the Federal Reserve did not cite violations involving discriminatory or other illegal credit practices that adversely affected the Federal Reserve's evaluation of the bank's CRA performance.

CRA APPENDIX A

2022 ASSESSMENT AREA DEMOGRAPHIC TABLE

2022 WASHINGTON-ARLINGTON-ALEXANDRIA. DC-VA-MD AA Demographics

Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	107	9.5	86,289	8.1	16,598	19.2	227,289	21.3
Moderate	230	20.4	207,586	19.5	16,854	8.1	169,343	15.9
Middle	338	30.0	333,183	31.2	13,044	3.9	205,877	19.3
Upper	433	38.4	435,410	40.8	8,116	1.9	464,062	43.5
Unknown	20	1.8	4,103	0.4	490	11.9	0	0.0
Total AA	**1,128**	**100.0**	**1,066,571**	**100.0**	**55,102**	**5.2**	**1,066,571**	**100.0**

	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	170,226	43,169	4.2	25.4	114,252	67.1	12,805	7.5
Moderate	366,592	163,926	16.0	44.7	178,889	48.8	23,777	6.5
Middle	568,265	338,296	33.0	59.5	201,290	35.4	28,679	5.0
Upper	686,885	478,601	46.6	69.7	173,859	25.3	34,425	5.0
Unknown	11,361	2,392	0.2	21.1	7,585	66.8	1,384	12.2
Total AA	**1,803,329**	**1,026,384**	**100.0**	**56.9**	**675,875**	**37.5**	**101,070**	**5.6**

	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	13,576	5.0	12,749	5.1	702	3.3	125	4.9
Moderate	47,205	17.3	42,738	17.2	4,074	19.3	393	15.4
Middle	86,654	31.8	79,003	31.8	6,979	33.1	672	26.3
Upper	122,029	44.8	111,904	45.0	8,983	42.6	1,142	44.6
Unknown	2,634	1.0	2,049	0.8	359	1.7	226	8.8
Total AA	**272,098**	**100.0**	**248,443**	**100.0**	**21,097**	**100.0**	**2,558**	**100.0**
Percentage of Total Businesses:				**91.3**		**7.8**		**0.9**

	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = $1 Million		Over $1 Million		Revenue Not Reported	
	#	%	#	%	#	%	#	%
Low	39	3.2	39	3.2	0	0.0	0	0.0
Moderate	113	9.2	108	8.9	5	26.3	0	0.0
Middle	368	29.9	362	30.0	6	31.6	0	0.0
Upper	707	57.5	697	57.7	8	42.1	2	100.0
Unknown	2	0.2	2	0.2	0	0.0	0	0.0
Total AA	**1,229**	**100.0**	**1,208**	**100.0**	**19**	**100.0**	**2**	**100.0**
Percentage of Total Farms:				**98.3**		**1.5**		**0.2**

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

CRA APPENDIX B

BRANCH CLOSURES

The following table presents the branch closures for the bank since the previous CRA performance evaluation.

Branches Closed Since March 28, 2022						
Date	**Branch Name**	**Address**	**City**	**State**	**Zip Code**	**Income Level**
04/26/2024	Dupont Circle	1228 Connecticut Ave, NW	Washington	DC	20009	Moderate
03/31/2023	Alexandria	277 S. Washington Street	Alexandria	VA	22314	Upper
05/05/2023	Georgetown	3143 N. Street NW	Washington	DC	20007	Upper
05/26/2023	Chantilly	13986 Metrotech Drive	Chantilly	VA	20151	Upper
09/30/2022	Merrifield	2905 District Avenue	Washington	DC	20010	Upper

CRA APPENDIX C

Assessment Area Composition

Multistate Metropolitan Statistical Area		
Washington-Arlington-Alexandria, DC-VA-MD-WV MSA		
Metropolitan Division	**County/City, State**	**Tracts**
Frederick-Gaithersburg-Rockville, MD Metropolitan Division	Montgomery County, MD	All
Washington-Arlington-Alexandria, DC-VA-MD-WV Metropolitan Division	City of Alexandria, VA	All
	Arlington County, VA	All
	Washington, DC	All
	City of Fairfax, VA	All
	Fairfax County, VA	All
	City of Falls Church, VA	All
	Loudoun County, VA	All
	Prince Georges County, MD	All

CRA APPENDIX D

GLOSSARY

Aggregate lending: The number of loans originated and purchased by all reporting lenders in specified income categories as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Census tract: A small subdivision of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. Census tracts usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Community development: All Agencies have adopted the following language. Affordable housing (including multifamily rental housing) for low- or moderate-income individuals; community services targeted to low- or moderate-income individuals; activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of $1 million or less; or, activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definition of community development. Activities that revitalize or stabilize-

- (i) Low-or moderate-income geographies;
- (ii) Designated disaster areas; or
- (iii) Distressed or underserved nonmetropolitan middle-income geographies designated by the Board, Federal Deposit Insurance Corporation, and Office of the Comptroller of the Currency, based on-
  - (A) Rates of poverty, unemployment, and population loss; or
  - (B) Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community needs, including needs of low- and moderate-income individuals.

Consumer loan(s): A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories: motor vehicle loans, credit card loans, home equity loans, other secured consumer loans, and other unsecured consumer loans.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married-couple family or other family, which is further classified into 'male householder' (a family with a male householder and no wife present) or 'female householder' (a family with a female householder and no husband present).

Full-scope review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and total number and dollar amount of investments), and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the United States Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act (HMDA): The statute that requires certain mortgage lenders that do business or have banking offices in a metropolitan statistical area to file annual summary reports of their mortgage lending activity. The reports include such data as the race, gender, and the income of applications, the amount of loan requested, and the disposition of the application (for example, approved, denied, and withdrawn).

Home mortgage loans: Includes home purchase and home improvement loans as defined in the HMDA regulation. This definition also includes multifamily (five or more families) dwelling loans, loans for the purchase of manufactured homes and refinancings of home improvement and home purchase loans.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Limited-scope review: Performance under the Lending, Investment, and Service Tests is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, total number and dollar amount of investments, and branch distribution).

Low-income: Individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent, in the case of a geography.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the metropolitan area/assessment area.

Metropolitan area (MA): A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a population of at least 2.5 million may be divided into MDs.

Middle-income: Individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent, in the case of a geography.

Moderate-income: Individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent, in the case of a geography.

Multifamily: Refers to a residential structure that contains five or more units**.**

Other products: Includes any unreported optional category of loans for which the institution collects and maintains data for consideration during a CRA examination. Examples of such activity include consumer loans and other loan data an institution may provide concerning its lending performance.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified investment: A qualified investment is defined as any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: A rated area is a state or multistate metropolitan area. For an institution with domestic branches in only one state, the institution's CRA rating would be the state rating. If an institution maintains domestic branches in more than one state, the institution will receive a rating for each state in which those branches are located. If an institution maintains domestic branches in two or more states within a multistate metropolitan area, the institution will receive a rating for the multistate metropolitan area.

Small loan(s) to business(es): A loan included in 'loans to small businesses' as defined in the Consolidated Report of Condition and Income (Call Report) and the Thrift Financial Reporting (TFR) instructions. These loans have original amounts of $1 million or less and typically are either secured by nonfarm or nonresidential real estate or are classified as commercial and industrial loans. However, thrift institutions may also exercise the option to report loans secured by nonfarm residential real estate as "small business loans" if the loans are reported on the TFR as nonmortgage, commercial loans.

Small loan(s) to farm(s): A loan included in 'loans to small farms' as defined in the instructions for preparation of the Consolidated Report of Condition and Income (Call Report). These loans have original amounts of $500,000 or less and are either secured by farmland, or are classified as loans to finance agricultural production and other loans to farmers.

Upper-income: Individual income that is more than 120 percent of the area median income, or a median family income that is more than 120 percent, in the case of a geography.