WHEREAS, EagleBank, Bethesda, Maryland (“EagleBank” or the “Bank”) is a Maryland state-chartered bank that is a member of the Federal Reserve System;

WHEREAS, the Board of Governors of the Federal Reserve System (the “Board of Governors”) is the appropriate federal supervisor of EagleBank;

WHEREAS, the Board of Governors and the Federal Reserve Bank of Richmond (the “Reserve Bank”) have conducted an investigation of EagleBank’s practices, policies, and procedures related to insider lending and compliance with Regulation O, 12 C.F.R. §§ 215 et seq., conflicts of interest, corporate governance, and third-party risk management from May 1, 2015 to May 1, 2018 (the “Relevant Time Period”);

WHEREAS, during the Relevant Time Period, EagleBank engaged in violations of Regulation O, 12 C.F.R. §§ 215 et seq., by extending credit to the related interests of insiders, including entities owned or controlled by the Bank’s then-CEO without the requisite approval from a majority of the Bank’s directors;

WHEREAS, during the Relevant Time Period, EagleBank suffered from internal control deficiencies, including deficiencies related to the supervision of lending staff, which permitted the Bank’s then-CEO to engage in conflicts of interest, including on behalf of his
family trusts and wholly-owned real estate development company and for his own personal
gain, and resulted in the Bank’s extension of credit, in at least one instance, without adequate
director approval under applicable Bank lending policies;

WHEREAS, during the Relevant Time Period, EagleBank failed to maintain an
adequate third-party risk management program to evaluate and oversee the Bank’s entry into,
and extension of, services agreements with an entity owned and operated by a D.C. Council
member, who received a retainer fee from the Bank but performed no measurable services.

WHEREAS, these internal control deficiencies caused reputational harm and
heightened financial and legal risks to EagleBank;

WHEREAS, the violations of law and unsafe or unsound practices described above
warrant the assessment of a civil money penalty by the Board of Governors against EagleBank
under section 8(i)(2) of the Federal Deposit Insurance Act, as amended (the “FDI Act”)
(12 U.S.C. § 1818(i)(2));

WHEREAS, the Board of Governors, the Federal Reserve Bank of Richmond, and
EagleBank have the common goal to ensure that EagleBank conducts its activities in a safe and
sound manner and complies with U.S. laws, rules, and regulations that apply to the activities of
the Bank, and that EagleBank fosters a strong Bank-wide commitment towards compliance.

WHEREAS, EagleBank has undertaken substantial remediation related to the control
and third-party risk management program deficiencies described herein to ensure compliance
with safe and sound banking practices and applicable U.S. laws, rules, and regulations,
including Regulation O;

WHEREAS, EagleBank has fully cooperated with the Board of Governors and the
Reserve Bank;
WHEREAS, the Board of Governors is issuing this Consent Order of Assessment of a Civil Money Penalty (this “Order”);

WHEREAS, the board of directors of EagleBank, at a duly constituted meeting, adopted a resolution authorizing and directing the undersigned to enter into this Order on behalf of the Bank, thereby consenting to compliance with each and every provision of this Order by EagleBank and waiving all rights that the Bank may have pursuant to section 8 of the FDI Act, including, but not limited to: (i) the issuance of a notice of charges on any matters set forth in this Order; (ii) a hearing for the purpose of taking evidence on any matters set forth in this Order; (iii) judicial review of this Order; and (iv) challenge or contest, in any manner, the basis, issuance, validity, terms, effectiveness or enforceability of the Order or any provision hereof.

NOW, THEREFORE, before the filing of any notices, or taking of any testimony or adjudication of or finding on any issues of fact or law herein, and without EagleBank admitting or denying any allegation made or implied by the Board of Governors in connection herewith, and solely for the purpose of settling this matter without a formal proceeding being filed and without the necessity for protracted litigation or extended hearings or testimony, it is hereby ordered, pursuant to section 8(i)(2) of the FDI Act (12 U.S.C. §§ 1818 (i)(2)), that:

Assessment of Civil Money Penalty

1. The Board of Governors hereby assesses against EagleBank a civil money penalty in the amount of $9,524,000. The civil money penalty shall be remitted by the Bank at the time of the execution of this Order by Fedwire transfer of immediately available funds to the Federal Reserve Bank of Richmond, ABA No. 051000033, beneficiary, Board of Governors of the Federal Reserve System. The Federal Reserve Bank of Richmond, on behalf of the Board of Governors, shall distribute this sum to the U.S. Department of the
Treasury, pursuant to section 8(i) of the FDI Act (12 U.S.C. § 1818(i)). This penalty is a penalty paid to a government agency for a violation of law for purposes of 26 U.S.C. § 162(f) and 26 C.F.R. § 1.162-21.

Notices

2. All communications regarding this Order shall be sent to:

(a) Richard M. Ashton, Esq.
    Deputy General Counsel
    David Williams, Esq.
    Associate General Counsel
    Board of Governors of the Federal Reserve System
    20th & C Street, N.W.
    Washington, D.C. 20551

(b) Mr. Jason C. Schemmel
    Assistant Vice President
    Federal Reserve Bank of Richmond
    P.O. Box 27622
    Richmond, Virginia 23218

(c) Susan G. Riel
    Chief Executive Officer
    Paul Saltzman, Esq.
    Chief Legal Officer and Executive Vice President
    EagleBank
    7830 Old Georgetown Rd, 3rd Floor
    Bethesda, MD

    With a copy to:

(d) Robin M. Bergen, Esq.
    Cleary Gottlieb Steen & Hamilton LLP
    2112 Pennsylvania Avenue, NW
    Washington, DC 20037

Miscellaneous

3. Except as otherwise provided in this paragraph, the Board of Governors hereby agrees not to initiate any further enforcement actions, including for civil money penalties, against EagleBank, and its affiliates, successors, and assigns, with respect to the conduct
described in the WHEREAS clauses of this Order to the extent known by the Board of Governors as of the effective date of this Order. This release and discharge shall not preclude or affect: (i) any right of the Board of Governors to determine and ensure compliance with this Order, (ii) any proceedings brought by the Board of Governors to enforce the terms of this Order, or (iii) any proceedings brought by the Board of Governors against individuals who are or were institution-affiliated parties of EagleBank.

4. Except as provided in paragraph 3, the provisions of this Order shall not bar, estop, or otherwise prevent the Board of Governors, the Reserve Bank, or any other federal or state agency from taking any other action affecting EagleBank, any subsidiary thereof, or any of their current or former institution-affiliated parties and their successors and assigns.

By Order of the Board of Governors of the Federal Reserve System effective this 15th day of August, 2022.

EAGLEBANK
Bethesda, Maryland

By: /s/ Paul Saltzman
Paul Saltzman
EVP and Chief Legal Officer

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

By: /s/ Ann E. Misback
Ann E. Misback
Secretary of the Board