

Eagle Bancorp Montana, Inc.
Form 10-Q
May 12, 2010

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

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2010

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____.

Commission file number 1-34682

Eagle Bancorp Montana, Inc.
(Exact name of small business issuer as specified in its charter)

United States
(State or other jurisdiction of incorporation or organization)

27-1449820
(I.R.S. Employer Identification No.)

1400 Prospect Avenue, Helena, MT 59601
(Address of principal executive offices)

(406) 442-3080
(Issuer's telephone number)

Website address: www.americanfederalsavingsbank.com

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company
(Do not check if smaller reporting company)

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Indicate by check mark whether the registrant is a shell company (defined in Rule 12b-2 of the Exchange Act). Yes o
No x

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

Common stock, par value \$0.01 per share	As of May 12, 2010	4,083,127 shares outstanding
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EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

TABLE OF CONTENTS

	PAGE
PART I. FINANCIAL INFORMATION	
Item 1. Financial Statements	
Consolidated Statements of Financial Condition as of March 31, 2010 (unaudited) and June 30, 2009	1 and 2
Consolidated Statements of Income for the three and nine months ended March 31, 2010 and 2009 (unaudited)	3 and 4
Consolidated Statements of Changes in Stockholders' Equity for the nine months ended March 31, 2010 and 2009 (unaudited)	5
Consolidated Statements of Cash Flows for the nine months ended March 31, 2010 and 2009 (unaudited)	6 and 7
Notes to Consolidated Financial Statements	8 to 17
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	18 to 24
Item 3. Quantitative and Qualitative Disclosures About Market Risk	25
Item 4. Controls and Procedures	26
PART II. OTHER INFORMATION	
Item 1. Legal Proceedings	27
Item 1A. Risk Factors	27
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	27
Item 3. Defaults Upon Senior Securities	27
Item 4. Submission of Matters to a Vote of Security Holders	28
Item 5. Other Information	28
Item 6. Exhibits	28
Signatures	29
Exhibit 31.1	
Exhibit 31.2	
Exhibit 32.1	

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars in Thousands, Except for Per Share Data)

	March 31, 2010 (Unaudited)	June 30, 2009 (Audited)
ASSETS		
Cash and due from banks	\$ 1,403	\$ 2,487
Interest-bearing deposits with banks	1,062	224
Federal funds sold	16,007	3,617
Total cash and cash equivalents	18,472	6,328
Securities available-for-sale, at market value	91,667	82,263
Securities held-to-maturity, at cost	125	375
Preferred stock - FASB ASC 825, at market value	-	25
Federal Home Loan Bank stock, at cost	2,003	2,000
Investment in Eagle Bancorp Statutory Trust I	155	155
Mortgage loans held-for-sale	2,896	5,349
Loans receivable, net of deferred loan expenses and allowance for loan losses of \$850 at March 31, 2010 and \$525 at June 30, 2009	171,693	167,197
Accrued interest and dividends receivable	1,613	1,399
Mortgage servicing rights, net	2,332	2,208
Premises and equipment, net	16,009	13,761
Cash surrender value of life insurance	6,640	6,496
Real estate & other repossessed assets acquired in settlement of loans, net of allowance for losses	620	-
Other assets	2,088	2,153
Total assets	\$ 316,313	\$ 289,709

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Continued)
(Dollars in Thousands, Except for Per Share Data)

	March 31 2010 (Unaudited)	June 30, 2009 (Audited)
LIABILITIES		
Deposit accounts:		
Noninterest bearing	\$ 17,325	\$ 15,002
Interest bearing	184,946	172,197
Total deposits	202,271	187,199
Accrued expenses and other liabilities	2,848	2,507
Common stock orders in process	14,369	-
Federal funds purchased	-	-
FHLB advances and other borrowings	60,806	67,056
Subordinated debentures	5,155	5,155
Total liabilities	285,449	261,917
EQUITY		
Preferred stock (no par value, 1,000,000 shares authorized, none issued or outstanding)	-	-
Common stock (par value \$0.01 per share; 9,000,000 shares authorized; 1,223,572 shares issued; 1,074,507 and 1,075,312 shares outstanding at March 31, 2010 and June 30, 2009, respectively)	12	12
Additional paid-in capital	4,614	4,564
Unallocated common stock held by employee stock ownership plan ("ESOP")	-	(18)
Treasury stock, at cost (149,065 and 148,260 shares at March 31, 2010 and June 30, 2009, respectively)	(5,056)	(5,034)
Retained earnings	30,394	28,850
Accumulated other comprehensive gain (loss)	900	(582)
Total equity	30,864	27,792
Total liabilities and equity	\$ 316,313	\$ 289,709

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands, Except for Per Share Data)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Interest and Dividend Income:				
Interest and fees on loans	\$ 2,719	\$ 2,862	\$ 8,207	\$ 8,654
Securities available-for-sale	958	959	2,970	2,899
Securities held-to-maturity	2	3	9	8
Interest on deposits with banks	7	5	22	15
FHLB dividends	-	(7)	-	5
Total interest and dividend income	3,686	3,822	11,208	11,581
Interest Expense:				
Deposits	486	770	1,686	2,462
FHLB advances & other borrowings	655	667	1,999	1,980
Subordinated debentures	75	75	225	225
Total interest expense	1,216	1,512	3,910	4,667
Net Interest Income	2,470	2,310	7,298	6,914
Loan loss provision	214	72	456	106
Net interest income after loan loss provision	2,256	2,238	6,842	6,808
Noninterest income:				
Service charges on deposit accounts	171	179	571	550
Net gain on sale of loans	190	849	979	1,270
Mortgage loan servicing fees	187	350	570	407
Net gain on sale of available for sale securities	-	-	29	57
Net gain (loss) on securities FASB ASC 825	-	(17)	84	(1,303)
Other	173	165	487	485
Total noninterest income	721	1,526	2,720	1,466

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME (Continued)
(Dollars in Thousands, Except for Per Share Data)

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2010	2009	2010	2009
	(Unaudited)		(Unaudited)	
Noninterest expense:				
Salaries and employee benefits	1,187	1,110	3,537	3,302
Occupancy expense	229	172	616	457