

Eagle Bancorp Montana, Inc.  
Form FWP  
March 22, 2010

Second Step Conversion and Offering  
March 2010  
Issuer Free Writing Prospectus  
Dated March 22, 2010  
Filed Pursuant to Rule 433  
Registration Statement No. 333-163790

Offering Summary  
Stifel, Nicolaus & Company, Incorporated  
Bookrunner:  
D.A. Davidson & Co.  
Co-Manager:  
Early April 2010  
Expected Close / Pricing:  
\$250,000 / \$500,000  
Maximum Purchase Limitations:  
(Individual / Group)

\$33.8 million -

\$45.7 million

Pro Forma Market Value:

Yet to be announced

Subscription & Community Results:

\$20.4 million -

\$27.6 million(2)

Gross Proceeds:

2,040,000

2,760,000(2)

Shares Offered:

\$10.00

Price Per Share:

Nasdaq

Global Market / EBMT (1)

Listing / Ticker:

Eagle Bancorp Montana, Inc.

Issuer:

(1)

For the first twenty trading days, shares will trade under the symbol EBMTD

(2)

Based

on

the

range

from

the

minimum

to

the

maximum

of

the

independent

valuation

appraisal

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Forward-Looking Statements

This presentation contains forward-looking statements, which can be identified by the use of words such as estimate, project, believe, intend,

anticipate,  
plan,  
seek,  
expect

and words of similar meaning. These forward-looking statements include, but are not limited to: statements of our goals, intentions and expectations; statements regarding our business plans, prospects, growth and operating strategies; statements regarding the asset quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits.

These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic

and competitive uncertainties and contingencies, many of which are beyond our control. In addition, these forward-looking statements are based on assumptions with respect to future business strategies and decisions that are subject to change.

The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations set forth in our forward-looking statements:

changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees

and  
capital  
requirements;  
general  
economic  
conditions,  
either  
nationally  
or  
in  
our  
market  
areas,  
that  
are  
worse  
than  
expected;  
competition among depository and other financial institutions;  
inflation and changes in the interest rate environment that reduce our margins or reduce the fair value of financial instruments;  
adverse changes in the securities markets;  
our  
ability  
to  
enter  
new  
markets  
successfully  
and  
capitalize  
on  
growth  
opportunities;  
our ability to successfully integrate acquired entities, if any;  
changes in consumer spending, borrowing and savings habits;  
changes in our organization, compensation and benefit plans;  
our ability to continue to increase and manage our commercial and residential real estate, multi-family, and commercial and industrial  
possible impairments of securities held by us, including those issued by government entities and government sponsored enterprises;  
the level of future deposit premium assessments;  
the  
impact  
of  
the  
current  
recession  
on  
our  
loan  
portfolio  
(including

cash  
flow  
and  
collateral  
values),  
investment  
portfolio,  
customers  
and  
capital  
market activities;

the impact of the current governmental effort to restructure the U.S. financial and regulatory system;

changes in the financial performance and/or condition of our borrowers; and

the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Securities and Exchange Commission, the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by these

Please

see

Risk

Factors

beginning

on

page

14

of

the

prospectus.

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This presentation is for informational purposes only and does not constitute an offer to sell nor a solicitation of an offer to buy shares of common stock of Eagle Bancorp Montana, Inc. The offer is made only by the prospectus, as supplemented.

Please refer to the prospectus dated February 16, 2010.

The shares of common stock of Eagle Bancorp Montana, Inc. are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Eagle  
Bancorp



Montana,  
Inc.  
has  
filed  
a  
registration  
statement  
(including  
a  
prospectus)  
with  
the  
SEC  
for  
the  
offering  
to  
which  
this  
communication  
relates.

Before  
you  
invest,  
you  
should  
read  
the

prospectus in that registration statement and other documents the issuer has filed with the SEC for more complete information about the issuer and this offering. You may get these documents for free by visiting EDGAR on the SEC Web site at [www.sec.gov](http://www.sec.gov). Alternatively, the issuer, any underwriter or any dealer participating in the offering will arrange to send you the prospectus if you request it by calling toll-free 1-866.699.6332.

Summary Mechanics of a Second Step Conversion

Eagle

Financial

MHC

(own 60.4% of common stock)

Public

Stockholders

(own 39.6% of common stock)

Eagle Bancorp

American Federal

Savings Bank  
Current Structure  
Public  
Stockholders  
(own  
100%  
of  
common  
stock)  
Eagle Bancorp  
Montana, Inc.  
American Federal  
Savings Bank  
Structure Following the  
Conversion and Offering  
5

Rationale for the Conversion and Offering

To support continued organic growth in the communities that we serve

To bolster our capital position

To pursue potential acquisition opportunities

To create more liquidity in our common stock

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Investment Highlights

Opportunity to invest in a profitable, growing franchise that has been a long-time operator in a stable market area

Consistently strong asset quality profile

Experienced management team with a demonstrated ability to generate shareholder value

Attractive footprint in stable, growing communities

Unemployment rate lower than national average

Stable employment sectors

Favorable growth trends in key markets

Attractive dividend yield

Our quarterly cash dividend upon completion of the offering and reorganization will provide a 2.8% yield at the midpoint

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Corporate Overview

Corporate Overview

American Federal Savings Bank is a federally-chartered savings bank headquartered in Helena, Montana

We currently conduct business through seven branches located in Lewis and Clark, Silver Bow, Gallatin and Broadwater counties in Montana

Branches in Helena, Butte, Bozeman and Townsend, Montana

Core lines of business include:



Retail lending

Commercial lending

Deposit products and services

Mortgage servicing

Eagle Bancorp had assets of \$306.1 million, net loans of \$171.3 million, deposits of \$202.2 million and shareholders equity of

\$30.3 million as of December 31, 2009

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Branch Map

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Corporate & Main Office

1400 Prospect Avenue

Helena, MT 59601

Branch Offices

Helena Downtown

28 Neill Avenue

Helena Skyway

2090 Cromwell Dixon Lane

Townsend  
416 Broadway Street  
Bozeman  
606 North Seventh Avenue  
1455 West Oak Street  
Butte  
3401 Harrison Avenue

Bank  
failure  
information  
available  
since  
October  
1,  
2000  
per  
the

FDIC

Market Area Overview

Headquartered in Helena, Montana's capital

Healthy economic climate

6.8% unemployment rate in Montana versus 9.7% for the nation

There have been no bank failures in the state of Montana in recent years

Stable employment sectors

State and Federal government

Medical / healthcare services

Financial and professional services

Trade center activities

Favorable growth characteristics in some of our markets

Projected population growth in Helena and Bozeman MSAs

expected to exceed projected growth

rates of both the state of Montana and the United States

11

55%

25%

20%

Helena

Butte-Silver Bow

Bozeman

Source: SNL Financial, FDIC

Unemployment data as of January 2010, seasonally adjusted

Deposit

Composition

by MSA as of

December 31, 2009

Business Strategy

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Continue to diversify our loan portfolio into commercial real estate

Attract and retain lower-cost core deposits

Expand our franchise through selective acquisitions and branch additions

Maintain high asset quality levels

Continue to operate as a community-oriented financial institution

Experienced Board & Management

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Name

Age

Positions Held in

Eagle Bancorp

Director

Since

Don O. Campbell

76

Vice Chairman  
1994  
Lynn E. Dickey  
63  
Director  
2005  
Larry A. Dreyer  
64  
Chairman  
1990  
Rick F. Hays  
57  
Director  
2007  
Peter J. Johnson  
52  
Director  
2007  
James A. Maierle  
62  
Director  
1997  
Thomas J. McCarvel  
60  
Director  
1998  
Board of Directors  
Years at  
Executive Management  
Age  
Title  
Eagle  
Peter J. Johnson  
52  
President and Chief Executive Officer  
28  
Clinton J. Morrison  
39  
SVP and Chief Financial Officer  
8  
Michael C. Mundt  
55  
SVP and Chief Lending Officer  
21  
Robert M. Evans  
61  
SVP and Chief Information Officer  
24  
Rachel R. Amdahl  
41



SVP/Operations  
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Financial Highlights

Balance Sheet Growth

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Consistent balance sheet growth over the past several years

\$206,414

\$226,178

\$244,686

\$279,907

\$289,709

\$306,108

\$174,342

\$172,497

\$179,647

\$178,851

\$187,199

\$202,223

\$0

\$50,000

\$100,000

\$150,000

\$200,000

\$250,000

\$300,000

\$350,000

6/30/2005

6/30/2006

6/30/2007

6/30/2008

6/30/2009

12/31/2009

Assets

Deposits

Dollars in thousands

Loan Composition

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Recent emphasis on higher-yielding commercial products

This initiative has been a key component in driving our margin expansion over the past several years

Margin expanded from 3.06% for the year ended June 30, 2007 to 3.55% for the six months ended December 31, 2009

Loan

Portfolio  
Composition

12/31/2009

Loan Portfolio Composition Over Time

53%

54%

52%

51%

47%

45%

19%

19%

20%

21%

26%

28%

10%

20%

30%

40%

50%

60%

6/30/05

6/30/06

6/30/07

6/30/08

6/30/09

12/31/09

1-4 Family

Commercial

Commercial RE &

Land, 23%

Home Equity,

17%

Commercial

Business, 5%

Consumer, 6%

1-4 Family, 45%

RE Construction,

5%

Commercial loans comprised of Commercial RE & Land and Commercial Business loans

Deposit Composition

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Deposit Composition

12/31/2009

Attractive funding base with checking, savings and NOW accounts  
representing approximately 42% of total deposits

For the quarter ended December 31, 2009 the combined average cost of deposits  
was 1.18%

NOW & Int.

Bearing  
Checking, 19%  
Money Market,  
13%  
Certificates of  
Deposit, 46%  
Noninterest  
Checking, 9%  
Statement  
Savings, 14%



Disciplined Credit Culture

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Non-Performing Assets / Total Assets

0.24%

0.20%

0.09%

0.01%

0.43%

0.75%

0.40%

0.30%  
0.49%  
0.58%  
1.11%  
1.46%  
0.00%  
0.20%  
0.40%  
0.60%  
0.80%  
1.00%  
1.20%  
1.40%  
1.60%  
6/30/2005  
6/30/2006  
6/30/2007  
6/30/2008  
6/30/2009  
12/31/2009  
EBMT  
High Performance Peer Median  
Credit Quality Trends  
December 31,  
2005  
2006  
2007  
2008  
2009  
2009  
NPLs / Net Loans  
0.47%  
0.33%  
0.13%  
0.02%  
0.75%  
1.25%  
NPAs / Assets  
0.24%  
0.20%  
0.09%  
0.01%  
0.43%  
0.75%  
Allowance / Net Loans  
0.54%  
0.38%  
0.33%  
0.18%  
0.31%

0.41%

Charge-Offs / Average Loans, net

-0.05%

-0.02%

-0.01%

-0.03%

-0.02%

0.08%

At June 30,

High performance peer group includes institutions located in the West (excluding California) and Mid-West with assets between

Information for December 31, 2009 represents data for the 6 months ended December 31, 2009, annualized where appropriate

Source: SNL Financial, where data was available

Consistent Profitability

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ROAA

ROAE

Net Interest Margin

Efficiency Ratio

EBMT

High Performance Peer Median

Source: SNL Financial, where data was available

Represents data for the 6 months ended December 31, 2009, annualized where appropriate

0.75%  
0.84%  
1.00%  
0.96%  
0.91%  
0.72%  
0.83%  
0.94%  
0.83%  
0.86%  
0.84%  
0.77%  
0.70%  
0.75%  
0.80%  
0.85%  
0.90%  
0.95%  
1.00%  
1.05%  
6/30/05  
6/30/06  
6/30/07  
6/30/08  
6/30/09  
12/31/09  
10.13%  
9.78%  
8.74%  
7.40%  
8.94%  
7.41%  
7.48%  
8.25%  
9.62%  
7.88%  
9.09%  
7.24%  
6.00%  
7.00%  
8.00%  
9.00%  
10.00%  
11.00%  
6/30/05  
6/30/06  
6/30/07  
6/30/08  
6/30/09  
12/31/09

3.84%  
3.92%  
3.41%  
3.55%  
3.15%  
3.51%  
3.06%  
3.52%  
3.77%  
3.70%  
3.66%  
3.95%  
2.75%  
3.00%  
3.25%  
3.50%  
3.75%  
4.00%  
4.25%  
6/30/05  
6/30/06  
6/30/07  
6/30/08  
6/30/09  
12/31/09  
68.1%  
72.8%  
57.2%  
71.8%  
72.4%  
73.9%  
71.5%  
68.4%  
67.3%  
66.7%  
66.4%  
67.4%  
50.00%  
60.00%  
70.00%  
80.00%  
90.00%  
6/30/05  
6/30/06  
6/30/07  
6/30/08  
6/30/09  
12/31/09

Stock Performance and Per Share Information

Stock Price Performance Since IPO

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Since our IPO in 2000, we have outperformed both the Nasdaq Bank Index as well as the S&P 500

Investors who purchased shares of common stock at \$8.00 in our IPO have enjoyed a 343% price appreciation in the stock price as well as received \$7.00 per share in dividends

Source: SNL Financial as of March 18, 2010

0.00



1.00

2.00

3.00

4.00

5.00

6.00

EBMT

NASDAQ Bank

S&P 500

Strong Track Record of Generating Shareholder Value

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Tangible Book Value Per Share

Earnings & Dividends Per Share

\$16.37

\$17.96

\$19.42

\$19.82

\$20.17

\$20.65

\$22.21  
\$23.82  
\$25.85  
\$28.18  
\$10.00  
\$14.00  
\$18.00  
\$22.00  
\$26.00  
\$30.00  
06/30/01  
06/30/02  
06/30/03  
06/30/04  
06/30/05  
06/30/06  
06/30/07  
06/30/08  
06/30/09  
12/31/09  
\$1.03  
\$1.65  
\$1.57  
\$1.74  
\$1.45  
\$1.48  
\$1.47  
\$1.74  
\$1.96  
\$1.14  
\$0.52  
\$1.02  
\$0.96  
\$0.88  
\$0.80  
\$0.72  
\$0.64  
\$0.52  
\$0.40  
\$0.28  
\$0.00  
\$0.50  
\$1.00  
\$1.50  
\$2.00  
\$2.50  
06/30/01  
06/30/02  
06/30/03  
06/30/04

06/30/05

06/30/06

06/30/07

06/30/08

06/30/09

6 Mos.

Ended

12/31/09

Earnings Per Share

Dividends Per Share

Use of Proceeds and Capital Management

23

To support organic growth in the communities and markets we serve

To consider, as opportunities arise, acquisitions of other banking institutions in contiguous markets

Montana currently has over 50 banking institutions with assets less than \$200 million

To consider repurchasing shares of our outstanding common

stock

To maintain a strong balance sheet and capital position

We intend to use the proceeds received in the offering for the following:

Source: SNL Financial

Offering Information

Pro Forma Overview

25

2,040,000

2,400,000

2,760,000

3,174,000

Shares

Shares

Shares

Shares



Gross Proceeds of Stock Offering	
\$20,400	
\$24,000	
\$27,600	
\$31,740	
Market Value of Shares Issued in the Exchange	
\$13,401	
\$15,766	
\$18,131	
\$20,851	
Pro Forma Market Capitalization	
\$33,801	
\$39,766	
\$45,731	
\$52,591	
Estimated Net Proceeds	
\$18,754	
\$22,198	
\$25,643	
\$29,604	
Pro Forma Net Income	
\$812	
\$807	
\$800	
\$795	
Pro Forma Net Income Per Share	
\$0.26	
\$0.22	
\$0.19	
\$0.17	
Pro Forma Stockholders' Equity	
\$46,743	
\$49,755	
\$52,768	
\$56,232	
Less: Intangible Assets	
0	
0	
0	
0	
Pro Forma Tangible Stockholders' Equity	
\$46,743	
\$49,755	
\$52,768	
\$56,232	
Pro Forma Stockholders' Equity Per Share	
\$13.83	
\$12.51	
\$11.54	
\$10.69	

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Pro Forma Tangible Stockholders' Equity Per Share

\$13.83

\$12.51

\$11.54

\$10.69

Offering Price to Pro Forma Net Income Per Share

10.0x

11.9x

13.9x

15.6x

Offering Price / Pro Forma Stockholders' Equity Per Share

72.31%

79.93%

86.66%

93.55%

Offering Price / Pro Forma Tangible Stockholders' Equity Per Share

72.31%

79.93%

86.66%

93.55%

Pro Forma Tangible Equity / Tangible Assets

14.75%

15.55%

16.34%

17.22%

Exchange Ratio

3.1458

3.7009

4.2560

4.8944

Equivalent Per Share Current Market Price

(1)

\$31.45

\$37.00

\$42.56

\$48.94

At or for the Three Months Ended September 30, 2009

Based Upon the Sale at \$10.00 Per Share of

(Dollars in Thousands, except per share amounts)

(1) Represents the value of shares of Eagle Montana common stock received in the conversion by a holder of one share of Eagle Bancorp at the exchange ratio, assuming the market price of \$10.00 per share.

Attractive Relative Valuation

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The following information is based on the independent appraisal  
by Feldman Financial Advisors, Inc.

Source: SNL Financial as of March 18, 2010

Price/

Core

Book

Tangible Book

Earnings

Value  
Value  
Minimum  
9.8x  
72.31%  
72.31%  
Midpoint  
11.6x  
79.94%  
79.94%  
Maximum  
13.5x  
86.66%  
86.66%  
Maximum, as Adjusted  
15.6x  
93.55%  
93.55%  
Feldman Financial  
Peer Average  
25.6x  
89.51%  
91.61%  
Peer Group  
Peer Median  
16.0x  
93.22%  
93.72%  
High Performance  
Peer Average  
16.0x  
89.46%  
106.79%  
Peer Group  
Peer Median  
11.3x  
99.85%  
102.87%