

Eagle Bancorp Montana, Inc.
Form 10-Q
May 16, 2011

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

FORM 10-Q

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

For the quarterly period ended March 31, 2011

TRANSITION REPORT PURSUANT TO 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)

Delaware
(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

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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 [X]
(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (defined in Rule 12b-2 of the Exchange Act). Yes [] 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 4,081,517 shares outstanding
As of May 16, 2011

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

TABLE OF CONTENTS

PART I.	FINANCIAL INFORMATION	PAGE
Item 1.	Financial Statements	
	<u>Consolidated Statements of Financial Condition as of March 31, 2011 (unaudited) and June 30, 2010</u>	1
	<u>Consolidated Statements of Income for the three and nine months ended March 31, 2011 and 2010 (unaudited)</u>	3
	<u>Consolidated Statements of Changes in Stockholders' Equity for the nine months ended March 31, 2011 and 2010 (unaudited)</u>	5
	<u>Consolidated Statements of Cash Flows for the nine months ended March 31, 2011 and 2010 (unaudited)</u>	6
	<u>Notes to Consolidated Financial Statements</u>	8
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	24
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	31
Item 4.	<u>Controls and Procedures</u>	32
PART II.	OTHER INFORMATION	
Item 1.	<u>Legal Proceedings</u>	33
Item 1A.	<u>Risk Factors</u>	33
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	33
Item 3.	<u>Defaults Upon Senior Securities</u>	33
Item 4.	<u>(Removed and Reserved)</u>	34
Item 5.	<u>Other Information</u>	34
Item 6.	<u>Exhibits</u>	34
	<u>Signatures</u>	35
	<u>Exhibit 31.1</u>	
	<u>Exhibit 31.2</u>	
	<u>Exhibit 32.1</u>	

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars in Thousands, Except for Per Share Data)

	March 31, 2011 (Unaudited)	June 30, 2010 (Audited)
ASSETS		
Cash and due from banks	\$2,134	\$2,543
Interest-bearing deposits with banks	6,982	966
Federal funds sold	4,951	-
Total cash and cash equivalents	14,067	3,509
Securities available-for-sale, at market value	101,702	114,528
Securities held-to-maturity, at cost	-	125
Federal Home Loan Bank stock, at cost	2,003	2,003
Investment in Eagle Bancorp Statutory Trust I	155	155
Mortgage loans held-for-sale	926	7,695
Loans receivable, net of deferred loan expenses and allowance for loan losses of \$1,650 at March 31, 2011 and \$1,100 at June 30, 2010	185,866	169,502
Accrued interest and dividends receivable	1,574	1,610
Mortgage servicing rights, net	2,173	2,337
Premises and equipment, net	15,993	15,848
Cash surrender value of life insurance	6,849	6,691
Real estate & other repossessed assets acquired in settlement of loans, net of allowance for losses	1,321	619
Other assets	1,973	1,117
Total assets	\$334,602	\$325,739

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, 2011 (Unaudited)	June 30, 2010 (Audited)
LIABILITIES		
Deposit accounts:		
Noninterest bearing	\$ 19,843	\$ 18,376
Interest bearing	190,833	179,563
Total deposits	210,676	197,939
Accrued expenses and other liabilities	2,875	2,989
Federal funds purchased	-	-
FHLB advances and other borrowings	62,946	67,224
Subordinated debentures	5,155	5,155
Total liabilities	281,652	273,307
EQUITY		
Preferred stock (no par value, 1,000,000 shares authorized, none issued or outstanding)	-	-
Common stock (par value \$0.01 per share; 8,000,000 shares authorized; 4,083,127 shares issued and outstanding at March 31, 2011 and June 30, 2010)	41	41
Additional paid-in capital	22,103	22,104
Unallocated common stock held by employee stock ownership plan ("ESOP")	(1,764)	(1,889)
Retained earnings	31,722	30,652
Accumulated other comprehensive income	848	1,524
Total equity	52,950	52,432
Total liabilities and equity	\$ 334,602	\$ 325,739

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,	
	2011	2010	2011	2010
	(Unaudited)		(Unaudited)	
Interest and Dividend Income:				
Interest and fees on loans	\$2,877	\$2,719	\$8,494	\$8,207
Securities available-for-sale	890	958	2,754	2,970
Securities held-to-maturity	-	2	-	9
Interest on deposits with banks	6	7	15	22
Total interest and dividend income	3,773	3,686	11,263	11,208
Interest Expense:				
Deposits	326	486	1,090	1,686
FHLB advances & other borrowings	626	655	1,909	1,999
Subordinated debentures	22	75	164	225
Total interest expense	974	1,216	3,163	3,910
Net Interest Income	2,799	2,470	8,100	7,298
Loan loss provision	276	214	793	456
Net interest income after loan loss provision	2,523	2,256	7,307	6,842
Noninterest income:				
Service charges on deposit accounts	156	171	553	571
Net gain on sale of loans	333	190	1,962	979
Mortgage loan servicing fees	215	187	603	570
Net gain on sale of available for sale securities	-	-	-	29
Net gain (loss) on securities FASB ASC 825	-	-	-	84
Other	240	173	658	487
Total noninterest income	944	721	3,776	2,720

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,	
	2011	2010	2011	2010
	(Unaudited)		(Unaudited)	
Noninterest expense:				
Salaries and employee benefits	1,322	1,187	3,740	3,537
Occupancy and equipment expense	342	319	1,005	837
Data processing	198	110	409	299
Advertising	127	109	374	339
Amortization of mortgage servicing rights	334	102	1,033	365
Federal insurance premiums	66	65	193	196
Postage	26	25	96	112
Legal, accounting, and examination fees	67	68	276	236
Consulting fees	36	33	94	131
ATM processing	15	20	49	49
Other	330	216	1,039	741
Total noninterest expense	2,863	2,254	8,308	6,842
Income before provision for income taxes	604	723	2,775	2,720
Provision for income taxes	196	244	847	843
Net income	\$408	\$479	\$1,928	\$1,877
Basic earnings per common share	\$0.10	\$0.12	\$0.49	\$0.46
Diluted earnings per common share	\$0.10	\$0.10	\$0.49	\$0.40
Weighted average shares outstanding (basic eps)*	3,904,017	4,083,127	3,899,808	4,080,128
Weighted average shares outstanding (diluted eps)*	3,904,017	4,649,574	3,899,808	4,646,188

* For periods, June 30, 2010 and earlier, the per share data is calculated on a converted basis using a 3.8 to 1.0 exchange ratio in the second-step conversion.

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)

For the Nine Months Ended March 31, 2011 and 2010

(Dollars in Thousands, Except for Per Share Data)

	PREFERRED STOCK	COMMON STOCK	ADDITIONAL UNALLOCATED PAID-IN CAPITAL	ESOP SHARES	TREASURY STOCK	RETAINED EARNINGS	ACCUMULATED OTHER COMPREHENSIVE INCOME(LOSS)	TOTAL
Balance, June 30, 2009	\$ -	\$ 12	\$ 4,564	\$ (18)	\$ (5,034)	\$ 28,850	\$ (582)	\$ 27,792
Net income						1,877		1,877
Other comprehensive income							1,482	1,482
Total comprehensive income								3,359
Dividends paid (\$0.26 per share)						(333)		(333)
Treasury stock purchased (805 shares @ \$28.25)					(22)			(22)
ESOP shares allocated or committed to be released for allocation (1.150 shares)			50	18				68
Balance, March 31, 2010	\$ -	\$ 12	\$ 4,614	\$ -	\$ (5,056)	\$ 30,394	\$ 900	\$ 30,864
Balance, June 30, 2010	\$ -	\$ 41	\$ 22,104	\$ (1,889)	\$ -	\$ 30,652	\$ 1,524	\$ 52,432
Net income						1,928		1,928
Other comprehensive income							(676)	(676)
Total comprehensive income								1,252
Dividends paid (\$0.21 per share)						(858)		(858)

ESOP shares allocated or committed to be released for allocation (12,566 shares)			(1)	125				124		
Balance, March 31, 2011	\$	-	\$	41	\$22,103	\$(1,764)	\$-	\$31,722	\$848	\$52,950

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Dollars in Thousands, Except for Per Share Data)

	Nine Months Ended March 31,	
	2011	2010
	(Unaudited)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$1,928	\$1,877
Adjustments to reconcile net income to net cash from operating activities:		
Provision for loan losses	793	456
Provision for OREO valuation losses	60	-
Depreciation	548	481
Net amortization of marketable securities premium and discounts	450	248
Amortization of capitalized mortgage servicing rights	1,033	365
Gain on sale of loans	(1,962)	(979)
Net realized (gain) loss on sale of available-for-sale securities	-	(29)
Increase in cash surrender value of life insurance	(158)	(144)
(Gain)/Loss on sale of property & equipment	84	2
Loss on sale of OREO	1	-
Loss (gain) investment securities, Preferred Stock	-	(84)
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accrued interest and dividends receivable	36	(214)
Loans held-for-sale	8,399	3,407
Other assets	(856)	113
Increase (decrease) in liabilities:		
Accrued expenses and other liabilities	300	(754)
Net cash provided by operating activities	10,656	4,745
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of securities:		
Investment securities available-for-sale	(9,983)	(22,682)
Proceeds from maturities, calls and principal payments:		
Investment securities held-to-maturity	125	250
Investment securities available-for-sale	21,726	8,188
FHLB Stock purchased	-	(3)
Proceeds from sale of securities available-for-sale	-	7,148
Proceeds from sale of property and equipment	1	-
Net increase in loan receivable, excludes transfers to real estate acquired in settlement of loans	(18,954)	(5,622)
Proceeds from the sale of real estate acquired in the settlement of loans	166	25
Purchase of property and equipment	(780)	(2,743)
Net cash used in investing activities	(7,699)	(15,439)

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

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

	Nine Months Ended March 31,	
	2011	2010
	(Unaudited)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net increase in checking and savings accounts	\$12,737	\$15,072
Net increase in federal funds purchased	-	-
Payments on FHLB advances	(4,278)	(8,250)
FHLB advances	-	2,000
Purchase of Treasury Stock	-	(22)
Common stock orders in process	-	14,369
Dividends paid	(858)	(331)
Net cash provided by financing activities	7,601	22,838
Net increase in cash	10,558	12,144
CASH AND CASH EQUIVALENTS, beginning of period	3,509	6,328
CASH AND CASH EQUIVALENTS, end of period	\$14,067	\$18,472
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid during the period for interest	\$3,182	\$3,931
Cash paid during the period for income taxes	\$792	\$511
NON-CASH INVESTING ACTIVITIES:		
(Increase) decrease in market value of securities available-for-sale	\$631	\$(2,172)
Mortgage servicing rights capitalized	\$869	\$489

See accompanying notes to consolidated financial statements.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. However, such information reflects all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of results for the unaudited interim periods.

The results of operations for the nine month period ended March 31, 2011 are not necessarily indicative of the results to be expected for the fiscal year ending June 30, 2011 or any other period. The unaudited consolidated financial statements and notes presented herein should be read in conjunction with the audited consolidated financial statements and related notes thereto included in Eagle's Form 10-K for the fiscal year ended June 30, 2010.

The Company evaluated subsequent events for potential recognition and/or disclosure through May 16, 2011 the date the consolidated financial statements were issued.

On April 5, 2010, the Company completed its second-step conversion from the partially-public mutual holding company structure to the fully publicly-owned stock holding company structure. As part of that transaction it also completed a related offering of its common stock. As a result of the conversion and offering, the Company became the stock holding company for American Federal Savings Bank, and Eagle Financial MHC and Eagle Bancorp ceased to exist. The Company sold a total of 2,464,274 shares of common stock at a purchase price of \$10.00 per share in the offering for gross proceeds of \$24.6 million. Concurrent with the completion of the offering, shares of Eagle Bancorp common stock owned by the public were exchanged. Stockholders of Eagle Bancorp received 3.800 shares of the Company's common stock for each share of Eagle Bancorp common stock that they owned immediately prior to completion of the transaction. Accordingly, as of April 5, 2010, the Company had 8,000,000 shares of common stock authorized and 4,083,127 issued and outstanding.

NOTE 2. INVESTMENT SECURITIES

Investment securities are summarized as follows:

(Dollars in thousands)

	March 31, 2011			June 30, 2010				
	(Unaudited)			(Audited)				
	GROSS		FAIR VALUE	GROSS		FAIR VALUE		
	AMORTIZED COST	UNREALIZED GAINS (LOSSES)		AMORTIZED COST	UNREALIZED GAINS (LOSSES)			
Available-for-sale:								
U.S. government and agency obligations	\$ 27,471	\$ 457	\$ (8)	\$ 27,920	\$ 31,852	\$ 418	\$ (29)	\$ 32,241
Municipal obligations	39,441	641	(978)	39,104	35,181	752	(521)	35,412

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Corporate obligations	7,000	300	-	7,300	7,110	341	-	7,451
Mortgage-backed securities -								
government backed	1,247	55	-	1,302	1,690	65	-	1,755
CMOs - private label	800	4	(71)	733	957	-	(115)	842
CMOs - government backed	24,538	808	(3)	25,343	35,902	963	(38)	36,827
Total	\$ 100,497	\$ 2,265	\$ (1,060)	\$ 101,702	\$ 112,692	\$ 2,539	\$ (703)	\$ 114,528

Held-to-maturity:

Municipal obligations	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ 125
Total	\$ -	\$ -	\$ -	\$ -	\$ 125	\$ -	\$ -	\$ 125

-8-

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 2. INVESTMENT SECURITIES - continued

The following table discloses, as of March 31, 2011 and June 30, 2010, the Company's investment securities that have been in a continuous unrealized-loss position for less than twelve months and those that have been in a continuous unrealized-loss position for twelve or more months:

	March 31, 2011			
	Less Than 12 Months (In thousands)		12 Months or Longer	
	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses
U.S. government and agency	\$1,880	\$5	\$896	\$3
Municipal obligations	15,186	553	1,683	425
CMOs - private label	-	-	401	71
Mortgage-backed and CMOs	1,011	3	-	-
Total	\$18,077	\$561	\$2,980	\$499

	June 30, 2010			
	Less Than 12 Months (In thousands)		12 Months or Longer	
	Estimated Market Value	Gross Unrealized Losses	Estimated Market Value	Gross Unrealized Losses
U.S. government and agency	\$3,679	\$27	\$872	\$2
Municipal obligations	5,712	129	3,884	392
CMOs - private label	467	14	374	101
Mortgage-backed & CMOs	6,729	38	-	-
Total	\$16,587	\$208	\$5,130	\$495

In evaluating debt securities for other-than-temporary impairment losses, management assesses whether the Company intends to sell or if it is more likely than not that it will be required to sell impaired debt securities. In so doing, management considers contractual constraints, liquidity, capital, asset/liability management and securities portfolio objectives. With respect to its impaired debt securities at March 31, 2011 and June 30, 2010, management determined that it does not intend to sell and that there is no expected requirement to sell any of its impaired debt securities.

As of March 31, 2011 and June 30, 2010, there were respectively, 58 and 48, securities in an unrealized loss position and were considered to be temporarily impaired and therefore an impairment charge has not been recorded. All of such temporarily impaired investments are debt securities.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 2. INVESTMENT SECURITIES - continued

At March 31, 2011, 53 U.S. Government and agency securities and municipal obligations had unrealized losses with aggregate depreciation of less than 4.78% from the Company's amortized cost basis of these securities. We believe these unrealized losses are principally due to interest rate movements and recent credit concerns in the municipal bond market. As such, the Company determined that none of such securities had other-than-temporary impairment.

At March 31, 2011, 5 mortgage backed and CMO securities had unrealized losses with aggregate depreciation of less than 5.24% from the Company's cost basis of these securities. We believe these unrealized losses are principally due to the credit market's concerns regarding the stability of the mortgage market and potentially rising interest rates. One of the CMO securities is a non-agency security. At March 31, 2011 the fair value of this non-agency security totaled \$401,000 with an unrealized loss of \$71,000, or 15.04% of the Company's amortized cost basis. Management considers available evidence to assess whether it is more likely than not that all amounts due would not be collected. In such assessment, management considers the severity and duration of the impairment, the credit ratings of the security, the overall deal and payment structure, including the Company's position within the structure, underlying obligor, financial condition and near term prospects of the issuer, delinquencies, defaults, loss severities, recoveries, prepayments, cumulative loss projections, discounted cash flows and fair value estimates. There has been no disruption of the scheduled cash flows on any of the securities. Management's analysis as of March 31, 2011 revealed no expected credit losses on these securities.

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 3. LOANS RECEIVABLE

Loans receivable consist of the following:

	March 31, 2011 (Unaudited)	June 30, 2010 (Audited)
	(In thousands)	
First mortgage loans:		
Residential mortgage (1-4 family)	\$71,420	\$73,010
Commercial real estate	63,630	41,677
Real estate construction	4,799	7,016
Other loans:		
Home equity	28,493	29,795
Consumer	8,725	9,613
Commercial	10,640	9,452
Total	187,707	170,563
Less: Allowance for loan losses	(1,650)	(1,100)
Add: Deferred loan expenses	(191)	39
Total	\$185,866	\$169,502

Within the commercial real estate loan category above, \$18,891,000 and \$1,280,000 was guaranteed by the United States Department of Agriculture Rural Development, at March 31, 2011 and June 30, 2010, respectively.

The following is a summary of changes in the allowance for loan losses:

	Nine Months Ended March 31, 2011 (Unaudited)	Nine Months Ended March 31, 2010 (Unaudited)	Twelve Months Ended June 30, 2010 (Audited)
	(In thousands)		
Balance, beginning of period	\$1,100	\$525	\$525
Provision charged to operations	793	456	715
Charge-offs	(245)	(134)	(143)
Recoveries	2	3	3

Balance, end of period	\$ 1,650	\$ 850	\$ 1,100
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EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 3. LOANS RECEIVABLE - continued

Non-Performing Assets – The following table sets forth information regarding non-performing assets as of the dates indicated. As of March 31, 2011 and June 30, 2010 the Company has no loans considered to be troubled debt restructuring within the meaning of ASC 310.

	March 31, 2011 (Unaudited)	June 30, 2010 (Audited)		
	(Dollars in Thousands)			
Non-accrual loans	\$2,331	\$2,782		
Accruing loans delinquent 90 days or more	-	29		
Real estate owned and other repossessed assets, net	1,321	619		
Total	\$3,652	\$3,430		
Total non-performing assets as a percentage of total assets	1.09	%	1.05	%
Allowance for loan losses	\$1,650	\$1,100		
Percent of allowance for loan losses to non-performing assets	45.2	%	32.1	%

The following table sets forth information regarding loans and non-performing assets by geographical location as of the dates indicated (dollars in thousands).

	March 31, 2011 (Unaudited)					June 30, 2010 (Unaudited)				
	Helena	Bozeman	Butte	Townsend	Total	Helena	Bozeman	Butte	Townsend	Total
Non-accrual loans	\$1,205	\$1,084	\$9	\$33	\$2,331	\$1,094	\$1,683	\$-	\$5	\$2,782
Accruing loans delinquent 90 days or more	-	-	-	-	-	29	-	-	-	29
Real estate owned and other repossessed assets, net	306	934	-	81	1,321	-	396	-	223	619
	\$1,511	\$2,018	\$9	\$114	\$3,652	\$1,123	\$2,079	\$-	\$228	\$3,430
Total loans, net	\$97,022	\$42,192	\$45,351	\$1,301	\$185,866	\$92,379	\$43,901	\$32,036	\$1,186	\$169,502

Percent of
non-performing

assets to loans	1.56	%	4.78	%	0.02	%	8.76	%	1.96	%	1.22	%	4.74	%	0.00	%	19.22%	2.02%
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EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 3. LOANS RECEIVABLE - continued

The following table sets forth information regarding the activity in the allowance for loan losses for the nine months ended March 31, 2011 (dollars in thousands):

	1-4 Family Real Estate	Commercial Real Estate	Construction	Home Equity	Consumer	Commercial	Total
Allowance for credit losses:							
Beginning balance, June 30, 2010	\$267	\$ 449	\$ 110	\$128	\$ 78	\$ 68	\$1,100
Charge-offs	(75)	(130)	-	(25)	(15)	-	(245)
Recoveries	-	-	-	-	2	-	2
Provision	153	82	77	363	10	108	793
Ending balance, March 31, 2011	\$345	\$ 401	\$ 187	\$466	\$ 75	\$ 176	\$1,650
Ending balance allocated to loans individually evaluated for impairment							
	\$100	\$ 50	\$ 171	\$368	\$ 3	\$ 125	\$817
Ending balance allocated to loans collectively evaluated for impairment							
	\$245	\$ 351	\$ 16	\$98	\$ 72	\$ 51	\$833
Loans receivable:							
Ending balance March 31, 2011							
	\$71,420	\$ 63,630	\$ 4,799	\$28,493	\$ 8,725	\$ 10,640	\$187,707
Ending balance of loans individually evaluated for impairment March 31, 2011							
	\$1,371	\$ 234	\$ 650	\$562	\$ 101	\$ 514	\$3,432
Ending balance of loans collectively evaluated for impairment March 31, 2011							
	\$70,049	\$ 63,396	\$ 4,149	\$27,931	\$ 8,624	\$ 10,126	\$184,275

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The following table sets forth information regarding the internal classification of the loan portfolio as of March 31, 2011 (dollars in thousands):

	1-4 Family Real Estate	Commercial Real Estate	Construction	Home Equity	Consumer	Commercial	Total
Grade:							
Pass	\$70,049	\$ 63,396	\$ 4,149	\$27,931	\$ 8,624	\$ 10,126	\$184,275
Special mention	496	-	-	80	-	-	576
Substandard	775	184	479	114	98	389	2,039
Doubtful	-	-	-	-	-	-	-
Loss	100	50	171	368	3	125	817
Total	\$71,420	\$ 63,630	\$ 4,799	\$28,493	\$ 8,725	\$ 10,640	\$187,707

Credit Risk Profile Based on Payment
Activity

Performing	\$70,517	\$ 63,445	\$ 4,149	\$28,128	\$ 8,699	\$ 10,438	\$185,376
Nonperforming	903	185	650	365	26	202	2,331
Total	\$71,420	\$ 63,630	\$ 4,799	\$28,493	\$ 8,725	\$ 10,640	\$187,707

EAGLE BANCORP MONTANA, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE 3. LOANS RECEIVABLE - continued

The following table sets forth information regarding the delinquencies within the loan portfolio as of March 31, 2011 (dollars in thousands):

	30-89 Days Past Due	90 Days and Greater	Total Past Due	Current	Total Loans	Recorded Investment >90 Days and Still Accruing
1-4 Family real estate	\$867	\$903	\$1,770	\$69,650	\$71,420	\$ -
Commercial real estate	-	185	185	63,445	63,630	-
Construction	-	650	650	4,149	4,799	-
Home equity	109	365	474	28,019	28,493	-
Consumer	117	26	143	8,582	8,725	-
Commerical	129	202	331	10,309	10,640	-
Total	\$1,222	\$2,331	\$3,553	\$184,154	\$187,707	\$ -

The following table sets forth information regarding impaired loans as of March 31, 2011 (dollars in thousands):

Recorded Investment	Unpaid Principal Balance	Related Allowance	Interest Income Recognized
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