

Eagle Bancorp Montana, Inc.
Form 424B3
February 22, 2010
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Prospectus Supplement

Filed pursuant to Rule 424(b)(3)
Registration File No. 333-163790

Interests in

AMERICAN FEDERAL SAVINGS BANK RESTATED PROFIT SHARING PLAN

and

Offering of Up to 596,700 Shares of EAGLE BANCORP MONTANA, INC.

Common Stock

In connection with the conversion of Eagle Financial MHC from the mutual to stock form of organization, Eagle Bancorp Montana, Inc. (Eagle Montana) is allowing participants in the American Federal Savings Bank Restated Profit Sharing Plan, or 401(k) Plan (the Plan), to invest all or a portion of their accounts in the common stock of Eagle Montana (other than amounts the participants presently have invested in the common stock of Eagle Bancorp). Based upon the value of the Plan assets at September 30, 2009, Eagle Montana has registered a number of participation interests through the Plan in order to enable the trustees to purchase or acquire up to 596,700 shares of Eagle Montana common stock, at \$10.00 per share. This prospectus supplement relates to the election of Plan participants to direct the trustees of the Plan to invest all or a portion of their Plan account in the Eagle Montana Common Stock Fund (the New Employer Stock Fund) at the time of the stock offering.

The prospectus of Eagle Montana dated February 16, 2010, accompanies this prospectus supplement. It contains detailed information regarding the conversion and stock offering of Eagle Montana and the financial condition, results of operations and business of Eagle Bancorp and American Federal Savings Bank. You should read this prospectus supplement, which provides information with respect to the Plan, together with the prospectus.

For a discussion of risks that you should consider before making an investment decision, see Risk Factors beginning on page 14 of the prospectus.

The interests in the Plan and the common stock being offered have not been approved or disapproved by the Office of Thrift Supervision, the Securities and Exchange Commission or any other federal or state agency. Any representation to the contrary is a criminal offense.

The securities offered in this prospectus supplement are not deposits or accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency.

This prospectus supplement may be used only in connection with offers and sales by Eagle Montana of participation interests in the Plan consisting of shares of common stock of Eagle Montana. No one may use this prospectus supplement to reoffer or resell interests or shares of common stock acquired through the Plan.

You should rely only on the information contained in this prospectus supplement and the accompanying prospectus. Eagle Montana, American Federal Savings Bank and the Plan have not authorized anyone to provide you with information that is different.

This prospectus supplement does not constitute an offer to sell or solicitation of an offer to buy any securities in any jurisdiction to any person to whom it is unlawful to make an offer or solicitation in that jurisdiction. Neither the delivery of this prospectus supplement and the prospectus nor any sale of common stock shall under any circumstances imply that there has been no change in the affairs of Eagle Montana, American Federal Savings Bank or the Plan since the date of this prospectus supplement, or that the information contained in this prospectus supplement or incorporated by reference is correct as of any time after the date of this prospectus supplement.

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The date of this prospectus supplement is February 16, 2010.

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THE OFFERING

Securities Offered and Purchase Price

Eagle Montana is offering participants in the Plan the opportunity to elect to purchase participation interests in the Plan consisting of shares of Eagle Montana common stock through the New Employer Stock Fund being established under the Plan in connection with the stock offering. At September 30, 2009, there were sufficient funds in the Plan to purchase or acquire up to 596,700 shares of Eagle Montana common stock at \$10.00 per share. The shares of Eagle Bancorp common stock currently held in the Plan will automatically be exchanged for shares of Eagle Montana pursuant to an exchange ratio, as is more fully discussed in the prospectus. Only employees of American Federal Savings Bank may become participants in the Plan. Your investment in the shares of common stock of Eagle Montana through the Plan in the offering is subject to the priorities listed below.

Information with regard to the Plan is contained in this prospectus supplement and information with regard to the financial condition, results of operations and business of Eagle Bancorp and American Federal Savings Bank and information about the common stock offering are contained in the accompanying prospectus. The address of the principal executive office of Eagle Montana and American Federal Savings Bank is 1400 Prospect Avenue, Helena, Montana 59601.

All questions about completing the Special Investment Election Form should be addressed to Alana Binde, Human Resources Officer; telephone number: (406) 457-4015; email: abinde@amfedsb.com.

Questions about the common stock being offered or about the prospectus may be directed to the Stock Information Center at 1-877-821-5778.

Election to Purchase Common Stock in the Offering: Priorities

In connection with the conversion and stock offering, you may elect to transfer (in increments of \$10.00) all or part of your account balances in the Plan (other than the amounts you currently have invested in the Eagle Bancorp Common Stock Fund (Old Employer Stock Fund)) to the New Employer Stock Fund, to be used to purchase common stock issued in the offering. The trustees of the Plan will purchase common stock in accordance with your directions and such stock will be held in the New Employer Stock Fund. However, such directions are subject to purchase priorities set forth in the plan of conversion and reorganization of Eagle Financial MHC.

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The shares of common stock are being offered at \$10.00 per share in a Subscription Offering and Community Offering. In the offering, the purchase priorities are as follows and apply in case more shares are ordered than are available for sale.

Subscription Offering:

- (1) Depositors of American Federal Savings Bank with \$50 or more as of close of business on November 30, 2008, get first priority.

- (2) Tax-qualified employee benefit plans of American Federal Savings Bank and its affiliates, including the Plan, get second priority.

- (3) Depositors of American Federal Savings Bank as of the close of business on February 3, 2010 and borrowers of American Federal Savings Bank as of April 4, 2000 whose borrowings remain outstanding as of February 3, 2010, get third priority.

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Community Offering:

If all shares are not subscribed for in the Subscription Offering, Eagle Montana expects to offer shares of common stock for sale in a Community Offering, to members of the general public, with a preference given in the following order:

- (1) Residents of Montana; and

- (2) Public stockholders of Eagle Bancorp as of February 8, 2010.

If you are an eligible customer in the Subscription Offering, as listed above, you have received, or soon will separately receive, offering materials in the mail, including a Stock Order Form. If you wish to purchase stock outside the Plan, you must complete and submit the Stock Order Form and payment at \$10.00 per share, using the reply envelope provided. Questions about completing Stock Order Forms may be directed to our Stock Information Center at 1-877-821-5778.

Additionally or instead of placing an order outside of the Plan through a Stock Order Form, you may place an order for the purchase of Eagle Montana common stock through the Plan, using the enclosed Special Investment Election Form, to be completed and submitted in the manner described on the next page.

After March 10, 2010, the closing of the election period, the portion of each investment fund you designated will be sold and the proceeds will be removed from your existing account(s) and transferred to an interest-bearing account pending the consummation of the offering.

Several weeks later, upon consummation of the conversion and stock offering, and subject to a determination of whether all or any portion of your order may be filled (based on your purchase priority in the event that the offering is oversubscribed), all or a portion of the amount that you have transferred will be used to purchase common stock in the stock offering. The stock will be placed in the New Employer Stock Fund within the Plan. Interest earned on your funds

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will be deposited into the Invesco Stable Value Fund, which you may reinvest at your discretion.

In the event the offering is cancelled or oversubscribed, i.e., there are more orders for common stock than shares available for sale in the offering, and the trustees are unable to use the full amount allocated by you to purchase common stock in the offering, the amount that cannot be invested in common stock, and any interest earned, will be reinvested in the other investment funds in accordance with your then existing investment election (in proportion to your investment direction for future contributions).

If you choose not to direct the investment of your account balance towards the purchase of any shares in the offering, your account balance will remain in the investment funds of the Plan as previously directed by you.

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Shares Currently Held in the Plan

All shares of Eagle Bancorp held in the Plan upon consummation of the conversion and offering (i.e., several weeks after the deadline for submitting your Special Investment Election Form), will automatically be converted into shares of Eagle Montana using the exchange ratio described in the Prospectus. No fractional shares of Eagle Montana will be issued. Rather, cash equal to the value of the fractional share interest, using the \$10.00 per share offering purchase price per share, will be paid to the holder. All shares of Eagle Bancorp that are converted to shares of Eagle Montana will be held in the Old Employer Stock Fund and shares of Eagle Montana that are acquired during the stock offering will be held in the New Employer Stock Fund. Cash for any fractional shares will be credited to the Invesco Stable Value Fund, to be reinvested by you in your discretion. As soon as practicable after the closing of the stock offering, the Old Employer Stock Fund will be merged into the New Employer Stock Fund.

Value of the Plan Assets

As of September 30, 2009, the market value of the assets of the Plan was approximately \$5.967 million. The Plan administrator informed each participant of the value of his or her account balance under the Plan as of December 31, 2009, by mailing the normally scheduled quarterly Plan statement.

Transferring Funds to Purchase Stock

Enclosed is a Special Investment Election Form on which you can elect to transfer all or a portion of your account balance in the Plan to the New Employer Stock Fund for the purchase of Eagle Montana common stock in the offering (other than amounts you currently have invested in the Old Employer Stock Fund). **If you do not wish to purchase Eagle Montana common stock in the offering through the Plan, you must still fill out the Special Investment Election Form and check the box for No Election in Section D of the form.**

The form is to be returned to Alana Binde as indicated on the Special Investment Election Form.

How to Order

You can elect to transfer funds in increments of \$10.00 to the New Employer Stock Fund for the purchase of stock in the offering. This is done by following the procedures described below. Please note the following stipulations concerning this election:

Your election, is subject to a minimum purchase of 25 shares which equates to \$250.00.

Your election, plus any stock order you placed outside the Plan, are together subject to a maximum purchase of 25,000 shares, which equates to \$250,000.

The election period closes at 4:00 p.m. Mountain time, on Wednesday, March 10, 2010.

During the stock offering period, you will continue to have the ability to transfer amounts that are ***not*** designated to be transferred to the New Employer Stock Fund, per your Special Election Form.

After the election period ends, the amounts you designated will be transferred to the Invesco Stable Value Fund.

The amount transferred to the Invesco Stable Value Fund will be held separately until the completion of the conversion when the common stock will be purchased. Therefore, this money is not available for distributions or withdrawals.

You are allowed only one election to transfer funds to the New Employer Stock Fund. Follow these steps to make your election to use all or part of your account balance in the Plan to purchase shares in the stock offering:

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You can only purchase in the offering through the Plan by returning your Special Investment Election Form to Alana Binde by the due date. You cannot purchase in the offering by means of telephone transfers or the Internet. That portion of your Plan account balance that you elect to apply towards the purchase of stock in the offering will be irrevocably committed to such purchases.

Use the enclosed Special Investment Election Form to transfer all or a portion of your account balance to the New Employer Stock Fund to purchase stock in the offering. Indicate next to each fund in which you have invested, the dollar amount (in \$10.00 increments) from that fund you wish to transfer to the New Employer Stock Fund.

Please print your name and social security number on the Special Investment Election Form.

Please complete Section D of the Special Investment Election Form *Purchaser Information* indicating your individual purchase priority and, if applicable, provide the information requested on your deposit accounts in American Federal Savings Bank.

Sign and date the Special Investment Election Form and return it to Alana Binde by hand delivery, regular mail (in the enclosed return envelope), overnight delivery, interoffice mail or fax (to (406) 457-4013), by the order date stated below. Overnight delivery should be addressed to: Alana Binde, American Federal Savings Bank, 1400 Prospect Avenue, Helena, Montana 59601.

Order Deadline

If you wish to purchase Eagle Montana common stock with all or part of your Plan account balance, your Special Investment Election Form must be received by Alana Binde, American Federal Savings Bank, 1400 Prospect Avenue, Helena, Montana 59601, telephone number (406) 457-4015; fax number (406) 457-4013; no later than **4:00 p.m. Mountain time on Wednesday, March 10, 2010**. You may send your Special Investment Election Form by hand delivery, regular mail, overnight delivery, interoffice mail or fax.

Irrevocability of Transfer Direction

You may not revoke your Special Investment Election Form once it has been delivered to Alana Binde. You will, however, continue to have the ability to transfer amounts not directed towards the purchase of stock in the offering among all of the other investment funds on a daily basis, except that transfers to the Old Employer Stock Fund will continue to be available only on an annual basis.

Other Purchases in Your Account During the Offering Period

Whether or not you choose to purchase Eagle Montana common stock in the offering through the Plan, you will at all times have complete access to those amounts in your account that you do **not** apply towards purchases in the offering. For example, you will be

able to invest in funds within the Plan with that portion of your account balance that you do not apply towards purchases in the offering during the offering period. Such purchases will be made at the prevailing market price in the same manner as you make such purchases now, i.e., through telephone transfers and Internet access to your account.

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Direction to Purchase Common Stock after the Offering

After the offering, you will again have complete access to any amounts that you directed towards the investment in Eagle Montana common stock. The stock purchased by Plan participants will be held in the New Employer Stock Fund within the Plan. You may direct that your future contributions or your account balance in the Plan be transferred to the New Employer Stock Fund, and you will also have the ability to sell all or a portion of your interest in the New Employer Stock Fund.

Special restrictions may apply to transfers directed to and from the New Employer Stock Fund by the participants who are subject to the provisions of Section 16(b) of the Securities Exchange Act of 1934, as amended, relating to the purchase and sale of securities by officers, directors and principal shareholders of Eagle Montana.

Purchase Price of Common Stock

During the stock offering, the trustees will pay \$10.00 per share, which will be the same price paid by all other persons for a share of Eagle Montana common stock in the stock offering.

After the stock offering, the trustees of the Plan will acquire Eagle Montana common stock in open market transactions at the prevailing price, which may be less than or more than \$10.00 per share.

Nature of a Participant's Interest in the Common Stock

The trustees will hold the common stock, in trust, for the participants of the Plan. Shares of common stock acquired by the trustees at your direction will be allocated to your account. Therefore, investment decisions of other participants should not affect the earnings allocated to your account.

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DESCRIPTION OF THE PLAN

Introduction

The American Federal Savings Bank Restated Profit Sharing Plan (the Plan) was initially adopted effective January 1, 1976, and subsequently amended and restated effective January 1, 2010. The Plan is a tax-qualified plan with a cash or deferred compensation feature established in accordance with the requirements under Section 401(a) and Section 401(k) of the Internal Revenue Code of 1986, as amended (the Code).

American Federal Savings Bank intends that the Plan, in operation, will comply with the requirements under Section 401(a) and Section 401(k) of the Code, and any other applicable section of the Code. The Employer will adopt any amendments to the Plan that may be necessary to ensure the continuing qualified status of the Plan under the Code and applicable Treasury Regulations.

Employee Retirement Income Security Act (ERISA). The Plan is an individual account plan other than a money purchase pension plan within the meaning of ERISA. As such, the Plan is subject to all of the provisions of Title I (Protection of Employee Benefit Rights) and Title II (Amendments to the Internal Revenue Code Relating to Retirement Plans) of ERISA, except the funding requirements contained in Part 3 of Title I of ERISA which by their terms do not apply to an individual account plan (other than a money purchase plan). The Plan is not subject to Title IV (Plan Termination Insurance) of ERISA. The funding requirements contained in Title IV of ERISA are not applicable to participants or beneficiaries under the Plan.

Reference to Full Text of Plan. The following portions of this prospectus supplement summarize certain provisions of the Plan. They are not complete and are qualified in their entirety by the full text of the Plan. Copies of the Plan are available to all employees by filing a request with the Plan administrator c/o American Federal Savings Bank, Attn: Alana Binde, Human Resources Officer; telephone number: (406) 457-4015; email: abinde@amfedsb.com; address: 1400 Prospect Avenue, Helena, Montana 59601. You are urged to read carefully the full text of the Plan.

Eligibility and Participation

As an employee of American Federal Savings Bank, you are eligible to participate in the Plan. Non-resident aliens, leased employees and union employees are not eligible to participate in the Plan. The Plan year is January 1 to December 31 (the Plan Year).

As of September 30, 2009, there were approximately 93 employees, former employees, and beneficiaries eligible to participate in the Plan.

Contributions under the Plan

Elective Deferrals. You are permitted to elect to reduce your compensation on a pre-tax basis by an amount up to the applicable dollar limit under the Code and to have that amount contributed to the Plan on your behalf. Amounts of compensation that may be deferred as Elective Deferrals include your base wages. In 2010, the annual compensation of each participant taken into account under the Plan is limited to \$245,000. (Limits established by the Internal Revenue Service are subject to increase pursuant to an annual cost-of-living adjustment, as permitted by the Code.) You may elect to modify the amount contributed to the Plan by filing a new elective deferral agreement with the Plan administrator at the beginning of each pay period.

Employer Matching Contributions. The Employer may make discretionary matching contributions (Matching Contributions) to the Plan.

Employer Profit Sharing Contributions. The Employer may make discretionary profit sharing contributions (Discretionary Contributions) to the Plan.

Rollover and Plan to Plan Transfer Contributions. You may make rollovers contributions and transfer contributions to the Plan.

Roth Deferrals. If you elect to make Roth 401(k) deferrals, the deferrals are subject to federal income taxes in the year of deferral. However, the deferrals and, in most cases, the earnings on the deferrals are not subject to federal income taxes when distributed to you. In order for the earnings to be tax-free, you must meet certain conditions described in the Plan.

Limitations on Contributions

Limitations on Elective Deferrals. For the Plan Year beginning January 1, 2010, the amount of your Elective Deferrals may not exceed \$16,500 per calendar year. Contributions in excess of this limit are known as excess deferrals. If you defer amounts in excess of this limitation, your

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gross income for federal income tax purposes will include the excess in the year of the deferral. In addition, unless the excess deferral is distributed before April 15 of the following year, it will be taxed again in the year distributed. Income on the excess deferral distributed by April 15 of the immediately succeeding year will be treated, for federal income tax purposes, as earned and received by you in the tax year in which the contribution is made.

Catch-Up Contributions. If you have made the maximum amount of regular before-tax contributions allowed by the Plan or other legal limits and you have attained at least age 50 (or will reach 50 prior to the end of the Plan Year), you are also eligible to make an additional catch-up contribution. You may authorize American Federal Savings Bank to withhold a specified dollar amount of your compensation for this purpose. For 2010, the maximum catch-up contribution is \$5,500.

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Contribution Limit. Generally, the law imposes a maximum limit on the amount of contributions you may receive under the Plan. This limit applies to all contributions to the Plan, including your Elective Deferrals and all other employer contributions made on your behalf during the Plan Year, excluding earnings and any transfers/rollovers. For the Plan Year beginning January 1, 2010, this total cannot exceed the lesser of \$49,000 or 100% of your annual base compensation.

Benefits Under the Plan

Vesting. At all times, you have a fully vested, nonforfeitable interest in your Elective Deferrals and Matching Contributions and the earnings thereon under the Plan. Your Discretionary Contributions are subject to a five-year graded vesting schedule pursuant to which such amounts vest in 20% increments after each completed year of service, beginning upon the completion of the second year of service, until a participant becomes 100% vested upon completion of six years of service.

You will also become 100% vested in your Discretionary Contributions, regardless of your years of service, immediately upon your total and permanent disability or death.

Withdrawals and Distributions from the Plan

Applicable federal law requires the plan to impose substantial restrictions on the right of a plan participant to withdraw amounts held for his or her benefit under the plan prior to the participant's termination of employment with the employer.

Time of Distribution. You will be entitled to all of your accounts under the Plan if you retire on or after your normal retirement age (age 62). If you remain employed past your normal retirement date, you may generally defer the receipt of benefits until the date you choose to retire. However, you may request a distribution from the Plan if your employment terminates before your normal retirement date.

Hardship. In the event you incur a financial hardship, you may request an in-service withdrawal from your Elective Deferrals Account (not including earnings) and your Matching Contributions Account.

Form of Distribution. Distribution of your benefit under the Plan will be made in the form of a joint and survivor annuity for married employees or a single life annuity for single employees, unless you elect an alternate form of payment such as a single lump sum payment.

Investment of Contributions and Account Balances

All amounts credited to your account under the Plan are held in the Plan trust which is administered by the trustees appointed by American Federal Savings Bank's Board of Directors.

Prior to the effective date of the offering, you are provided the opportunity to direct the investment of your account into any of the following funds:

Eaton Vance WW Health Sciences

Franklin Flex Cap Growth

Hartford MidCap

Invesco Stable Value Fund

Lord Abbett Mid-Cap Value

Oppenheimer Global Growth & Income

Oppenheimer Main Street Small Cap

Pimco Low Duration Bond Fund

Pimco Stocks Plus

Seligman Communications and Information

VanKampen Utility Fund

Allianz NFJ Dividend Value A

Allianz NFJ Small Cap Value A

American Funds Target Date Ret 2010 A

American Funds Target Date Ret 2020 A

American Funds Target Date Ret 2030 A

American Funds Target Date Ret 2040 A

American Funds Capital Income Builder

American Funds Investment Co of America

American Funds American Balanced

American Funds Growth Fund of America

American Funds Intermediate Bond Fund of America

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The following provides performance data with respect to the investment funds available under the Plan:

Fund	Performance*					Expense Ratio
	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	
Eaton Vance WorldWide Health (ETHSX)	9.90%	9.90%	2.77%	3.12%	7.42%	1.79%
Allianz NFJ Dividend Value (PNEAX)	12.92%	12.92%	-9.12%	0.76%	N/A	1.06%
Franklin Flex Cap Growth (FKCGX)	34.20%	34.20%	-0.26%	2.19%	-0.54%	1.02%
Hartford MidCap Fund (HFMCX)	29.80%	29.80%	-1.49%	4.29%	6.99%	1.23%
Lord Abbett MidCap Value (LAVLX)	26.70%	26.70%	-8.30%	-1.29%	8.06%	1.12%
Oppenheimer Main St. Small Cap (OPMSX)	37.00%	37.00%	-5.94%	0.97%	6.71%	1.38%
Allianz NFJ Small Cap Value (PCVAX)	23.90%	23.90%	-1.10%	4.82%	11.57%	1.24%
Pimco StocksPlus (PSPAX)	41.40%	41.40%	-6.56%	-0.87%	-1.37%	1.52%
Seligman Communications and Information (SLMCX)	59.90%	59.90%	5.27%	8.81%	-0.18%	1.50%
Growth Fund of America (RGABX)	33.50%	33.50%	-3.85%	2.09%	1.62%	1.48%
Van Kampen Utility (VKUAX)	10.10%	10.10%	-4.11%	3.94%	2.86%	1.32%
Oppenheimer Global Growth & Income (OPGIX)	75.80%	75.80%	1.88%	6.63%	5.12%	1.18%
Investment Company of America (RICBX)	26.10%	26.10%	-5.03%	0.85%	1.72%	1.48%
Capital Income Builder (RIRBX)	19.60%	19.60%	-3.11%	2.75%	6.47%	1.56%
American Balanced Fund (RLBBX)	20.10%	20.10%	-2.19%	1.20%	4.91%	1.42%
Intermediate Bond Fund of America (RBOBX)	5.90%	5.90%	2.57%	2.37%	3.70%	1.53%
Allianz Low Duration Fund (PTLAX)	12.90%	12.90%	6.06%	4.50%	4.86%	0.88%
Investco Stable Value Fund	2.81%	2.81%	3.51%	3.79%	4.44%	0.35%
American Funds Target Date -2040 (RBKTX)	30.50%	30.50%	N/A	N/A	N/A	0.81%
American Funds Target Date -2030 (RBETX)	30.00%	30.00%	N/A	N/A	N/A	0.81%
American Funds Target Date -2020 (RBCTX)	25.80%	25.80%	N/A	N/A	N/A	0.78%
American Funds Target Date -2010 (RBATX)	22.50%	22.50%	N/A	N/A	N/A	0.76%
Eagle Bancorp Stock	46.7%	46.7%	3.7%	1.4%	N/A	N/A

* as of December 31, 2009

The following is a description of each of the Plan's investment funds:

Eaton Vance WW Health Sciences. The investment seeks long-term capital growth. The fund invests at least 80% of net assets in securities (primarily common stocks) of companies principally engaged in the discovery, development, production or distribution of products (or services) related to scientific advances in health care, including biotechnology, pharmaceuticals, diagnostics, managed health care, and medical equipment and supplies. It may invest in fixed-income securities of health sciences companies. The fund invests in foreign securities and normally invests in issuers located in at least three different countries.

Franklin Flex Cap Growth. The investment seeks capital appreciation. The fund normally invests predominantly in equity securities of companies that the manager believes have the potential for capital appreciation. It has the flexibility to invest in companies located, headquartered, or operating inside and outside the United States, across the entire market capitalization spectrum from small, emerging growth companies to well-established, large-cap companies. The fund may invest a substantial portion of assets in smaller and mid-size companies.

Hartford MidCap. The investment seeks long-term growth of capital. The fund normally invests at least 80% of assets in equity securities of mid capitalization companies within the market capitalization range of the companies in the Russell Midcap and S&P Midcap 400 indices. It may invest up to 20% of assets in securities of foreign issuers and non-dollar securities.

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Invesco Stable Value Fund. The investment seeks capital preservation. The fund normally invests predominantly in short-term liquid securities and guaranteed insurance contracts.

Lord Abbett Mid-Cap Value. The investment seeks capital appreciation. The fund normally invests at least 80% of assets in equity securities of mid-sized companies within the market capitalization range of companies in the Russell Midcap index. It may invest in common stocks, convertible bonds, convertible preferred stocks and warrants.

Oppenheimer Global Growth & Income. The investment seeks capital appreciation. The Fund mainly invests in common stocks of small-capitalization U.S. companies based on fundamental analysis and quantitative models. The fund normally invests at least 80% of net assets in securities of companies having a small market capitalization. Small-cap issuers are defined as those companies whose capitalizations are less than or equal to the largest company in the Russell 2000 and S&P Small-Cap 600 indices.

Oppenheimer Main Street Small Cap. The investment seeks capital appreciation. The Fund mainly invests in common stocks of small-capitalization U.S. companies based on fundamental analysis and quantitative models. The fund normally invests at least 80% of net assets in securities of companies having a small market capitalization. Small-cap issuers are defined as those companies whose capitalizations are less than or equal to the largest company in the Russell 2000 and S&P Small-Cap 600 indices.

Pimco Low Duration Bond Fund. The investment seeks maximum total return. The fund invests at least 65% of total assets in a diversified portfolio of Fixed-Income Instruments of varying maturities. It invests primarily in investment-grade debt securities, but may invest up to 10% of total assets in high-yield securities rated B or higher by Moody's or S&P, or, if unrated, determined by PIMCO to be of comparable quality. The fund may invest up to 30% of total assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

Pimco Stocks Plus. The investment seeks total return which exceeds that of the S&P 500. The fund seeks to exceed the total return of the S&P 500 index by investing under normal circumstances in S&P 500 derivatives, backed by a portfolio of Fixed-Income Instruments. It may invest all of assets in a basket of S&P 500 index stocks. The fund may invest up to 10% of total assets in high-yield securities (junk bonds). It also may invest in exchange traded funds based on the S&P 500 index, such as Standard & Poors Depository Receipts.

Seligman Communications and Information. The investment seeks capital appreciation. The fund invests at least 80% of assets in common stocks issued by companies that operate in the communications, information, and related industries. It may invest up to 10% of assets in exchange-traded funds. The fund may also invest up to 15% of net assets in illiquid securities (i.e., securities that cannot be readily sold) and may invest up to 25% of net assets in foreign investments.

VanKampen Utility Fund. The investment seeks to provide its shareholders with capital appreciation and current income. The fund invests primarily in a portfolio of common stocks and income securities issued by companies engaged in the utilities industry. It may focus on securities that it believes offer capital appreciation and current income at a reasonable risk. The fund may invest in income securities which include preferred stock and debt securities, including convertible securities, of various maturities which are considered investment-grade quality at the time of investment.

Allianz NFJ Dividend Value A. The fund seeks long-term growth of capital and income. The fund invests at least 80% of assets in common stocks and other equity securities of companies that pay or are expected to pay dividends. It invests primarily in common stocks of companies with market capitalizations greater than \$3.5 billion. In addition to common stocks and other equity securities, the fund may invest in real estate investment trusts (REITs) and in non-U.S. securities, including emerging market securities.

Allianz NFJ Small Cap Value A. The investment seeks long-term growth of capital and income. The fund invests at least 80% of net assets (plus borrowings made for investment purposes) in common stocks and other equity securities of companies with smaller market capitalizations. It currently considers smaller market capitalization companies to be companies with market capitalizations of between \$100 million and \$3.5 billion. The fund invests significantly in securities of companies that the portfolio managers expect will generate income (for example, by paying dividends).

American Funds Target Date Ret 2010 A. The investment seeks growth, income and conservation of capital. The fund normally invests greater portion of assets in bond, equity-income and balanced funds as it approaches and passes its target date. It attempts to achieve its objectives by investing in a mix of American funds.

American Funds Target Date Ret 2020 A. The investment seeks growth, income and conservation of capital. The fund normally invests greater portion of assets in bond, equity-income and balanced funds as it approaches and passes its target date. It attempts to achieve its

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objectives by investing in a mix of American funds.

American Funds Target Date Ret 2030 A. The investment seeks growth, income and conservation of capital. The fund normally invests greater portion of assets in bond, equity-income and balanced funds as it approaches and passes its target date. It attempts to achieve its objectives by investing in a mix of American funds.

American Funds Target Date Ret 2040 A. The investment seeks growth, income and conservation of capital. The fund normally invests greater portion of assets in bond, equity-income and balanced funds as it approaches and passes its target date. It attempts to achieve its objectives by investing in a mix of American funds.

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American Funds Capital Income Builder. The investment seeks a level of current income and a growing stream of income over years. The fund normally invests at least 90% of assets in income-producing securities (with at least 50% of assets in equity securities). It invests primarily in a broad range of income-producing securities, including stocks and bonds. The fund may also invest significantly in securities of issuers domiciled outside the United States.

American Funds Investment Co of America. The investment seeks long-term growth of capital and income. The fund invests primarily in common stocks. It may invest up to 15% of assets, at the time of purchase, in securities of issuers domiciled outside the United States and not included in Standard & Poor's 500 Composite Index. The fund may also hold cash or money market instruments. There is no guarantee that the fund's investment objective will be met.

American Funds American Balanced. The investment seeks conservation of capital, current income and long-term growth of capital and income. The fund invests in a broad range of securities, including stocks, bonds and securities issued and guaranteed by the U.S. government. It normally maintains at least 50% of assets in common stocks and at least 25% of assets in debt securities, including money market securities. The fund may also hold cash or money market instruments.

American Funds Growth Fund of America. The investment seeks capital growth by investing in common stocks. The fund invests primarily in common stocks and seeks to invest in companies that appear to offer superior opportunities for growth of capital. It may also hold cash or money market instruments. The fund may invest up to 15% of its assets in securities of issuers domiciled outside the United States and Canada and not included in Standard & Poor's 500 Composite Index.

American Funds Intermediate Bond Fund of America. The investment seeks to current income. The fund normally invests at least 80% of assets in bonds (bonds include any debt instrument and cash equivalents). It invests primarily in debt securities with quality ratings of A- or better (by a nationally recognized statistical rating organization) or unrated but determined to be of equivalent quality by the fund's investment adviser. The fund maintains a portfolio having a dollar-weighted average maturity of no less than three years and no greater than five years under normal market conditions.

Eagle Bancorp Common Stock Fund (Old Employer Stock Fund). The Eagle Bancorp Common Stock Fund (i.e., the Old Employer Stock Fund) consists primarily of investments in common stock of Eagle Bancorp. Eagle Bancorp is a federally chartered majority-owned subsidiary of Eagle Financial MHC, a mutual holding company. Investments in the Old Employer Stock Fund involves special risks common to investments in the shares of common stock of Eagle Bancorp.

Following the offering, Eagle Bancorp, a federal corporation, will cease to exist, but will be succeeded by a new Delaware corporation with the name Eagle Bancorp Montana, Inc., which will be 100% owned by its public shareholders. Shares of Eagle Bancorp which were held in the Old Employer Stock Fund prior to the conversion and offering will be converted into new shares of common stock of Eagle Montana, in accordance with the exchange ratio. As soon as practicable after the closing of the stock offering, the Old Employer Stock Fund will be merged into the New Employer Stock Fund.

Eagle Montana Common Stock Fund (New Employer Stock Fund). In connection with the stock offering, you may, in the manner described earlier, direct the trustees to invest all or a portion of your Plan account in the Eagle Bancorp Montana, Inc. Common Stock Fund (i.e., the New Employer Stock Fund).

Subsequent to the stock offering, you may elect to invest all or a portion of your contributions in the New Employer Stock Fund; you may also elect to transfer into the New Employer Stock Fund all or a portion of your accounts currently invested in other funds under the Plan. After the offering, the trustees will, to the extent practicable, use all amounts held by it in the New Employer Stock Fund to purchase shares of common stock of Eagle Montana. It is expected that all purchases will be made at prevailing market prices. Performance of the New Employer Stock Fund depends on a number of factors, including the financial condition and profitability of Eagle Montana and American Federal Savings Bank and market conditions for shares of Eagle Montana common stock generally. Investments in the New Employer Stock Fund involves special risks common to investments in the shares of common stock of Eagle Montana.

For a discussion of material risks you should consider, see "Risk Factors" section of the attached prospectus and the Section of the Prospectus Supplement called "Notice of Your Rights Concerning Employer Securities" (see below).

Administration of the Plan

The Trustees. Larry A. Dreyer, Peter J. Johnson, Michael C. Mundt, Clinton J. Morrison and Rachel R. Amdahl are the trustees of the Plan.

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Plan Administrator. American Federal Savings Bank is the Plan administrator. The address of the Plan administrator is American Federal Savings Bank, Attention: Alana Binde, Human Resources Officer, 1400 Prospect Avenue, Helena, Montana 59601, telephone number (406) 457-4015. The Plan administrator is responsible for the administration of the Plan, including interpretation of the provisions of the Plan, prescribing procedures for filing applications for benefits, preparation and distribution of information explaining the Plan, maintenance of Plan records, books of account and all other data necessary for the proper administration of the Plan, preparation and filing of all returns and reports relating to the Plan which are required to be filed with the U.S. Department of Labor and the IRS, and for all disclosures required to be made to participants, beneficiaries, and others under Sections 104 and 105 of ERISA.

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Reports to Plan Participants. The Plan administrator will furnish you a statement not less frequently than annually showing the balance in your account as of the end of that period, the amount of contributions allocated to your account for that period, and adjustments to your account to reflect earnings or losses (if any).

Amendment and Termination

It is the intention of American Federal Savings Bank to continue the Plan indefinitely. Nevertheless, American Federal Savings Bank may terminate the Plan at any time. If the Plan is terminated in whole or in part, then regardless of other provisions in the Plan, you will have a fully vested interest in your Plan accounts. The Employer reserves the right to make any amendment or amendments to the Plan which do not cause any part of the trust to be used for, or diverted to, any purpose other than the exclusive benefit of participants or their beneficiaries; provided, however, that American Federal Savings Bank may make any amendment it determines necessary or desirable, with or without retroactive effect, to comply with ERISA.

Merger, Consolidation or Transfer

In the event of the merger or consolidation of the Plan with another plan, or the transfer of the trust assets to another plan, the Plan requires that each participant would, if either the Plan or the other plan terminates, receive a benefit immediately after the merger, consolidation or transfer which is equal to or greater than the benefit he or she would have been entitled to receive immediately before the merger, consolidation or transfer, if the Plan had then terminated.

Federal Income Tax Consequences

The following is a brief summary of the material federal income tax aspects of the Plan. You should not rely on this summary as a complete or definitive description of the material federal income tax consequences relating to the Plan. Statutory provisions change, as do their interpretations, and their application may vary in individual circumstances. Finally, the consequences under applicable state and local income tax laws may not be the same as under the federal income tax laws. You are advised to consult your tax advisor with respect to any distribution from the Plan and transactions involving the Plan.

As a tax-qualified retirement plan, the Code affords the Plan special tax treatment, including:

- (1) the sponsoring employer is allowed an immediate tax deduction for the amount contributed to the Plan each year;
- (2) participants pay no current federal income tax on amounts contributed by the employer on their behalf; and
- (3) earnings of the Plan are tax-deferred, thereby permitting the tax-free accumulation of income and gains on investments.

A distribution from the Plan to a participant or the beneficiary of a participant that is not rolled over (as described below) will be included in the participant's income for federal income tax purposes. Distributions before age 59-1/2 (or age 55 for terminated participants) are generally subject to a 10% early distribution penalty tax unless rolled over. Qualifying distributions of Roth deferrals are not subject to tax.

Eagle Montana Common Stock Included in Lump-Sum Distribution. If a lump-sum distribution includes Eagle Montana common stock, the distribution generally will be taxed in the manner described above, except that the total taxable amount may be reduced by the amount of any net unrealized appreciation with respect to Eagle Montana common stock; that is, the excess of the value of Eagle Montana common stock at the time of the distribution over its cost or other basis to the trust. The tax basis of Eagle Montana common stock to the participant or beneficiary, for purposes of computing gain or loss on its subsequent sale, equals the value of Eagle Montana common stock at the time of distribution, less the amount of net unrealized appreciation. Any gain on a subsequent sale or other taxable disposition of Eagle Montana common stock, to the extent of the amount of net unrealized appreciation at the time of distribution, will constitute long-term capital gain, regardless of the holding period of Eagle Montana common stock. Any gain in excess of the amount of net unrealized appreciation at the time of distribution will be considered long-term capital gain, provided the sale or taxable disposition occurs more than one year after the distribution. The recipient of a lump-sum distribution may elect to include the amount of any net unrealized appreciation in taxable gross income on the date of the distribution.

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Distributions: Rollovers and Direct Transfers to Another Qualified Plan or to an IRA. You may roll over virtually all distributions from the Plan (other than annuity distributions) to another qualified plan or to an individual retirement account that accepts rollovers in accordance with the terms of the other plan or account, provided, however, that if your distribution includes common stock of Eagle Montana, another qualified plan or individual retirement account may or may not accept an in-kind rollover or direct transfer of common stock.

Notice of Your Rights Concerning Employer Securities

Federal law provides specific rights concerning investments in employer securities, such as Eagle Montana common stock. Because you may in the future have investments in the Eagle Montana Common Stock Fund under the Plan, you should take the time to read the following information carefully.

Your Rights Concerning Employer Securities. The Plan must allow you to elect to move any portion of your account that is invested in the Old Employer Stock Fund and New Employer Stock Fund from that investment into other investment alternatives

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under the Plan. You may contact the Plan administrator shown above for specific information regarding this right, including how to make this election. In deciding whether to exercise this right, you will want to give careful consideration to the information below that describes the importance of diversification. All of the investment options under the Plan are available to you if you decide to diversify out of either the Old Employer Stock Fund or the New Employer Stock Fund.

The Importance of Diversifying Your Retirement Savings. To help achieve long-term retirement security, you should give careful consideration to the benefits of a well-balanced and diversified investment portfolio. Spreading your assets among different types of investments can help you achieve a favorable rate of return, while minimizing your overall risk of losing money. This is because market or other economic conditions that cause one category of assets, or one particular security, to perform very well often cause another asset category, or another particular security, to perform poorly. If you invest more than 20% of your retirement savings in any one company or industry, your savings may not be properly diversified. Although diversification is not a guarantee against loss, it is an effective strategy to help you manage investment risk.

In deciding how to invest your retirement savings, you should take into account all of your assets, including any retirement savings outside of the Plan. No single approach is right for everyone because, among other factors, individuals have different financial goals, different time horizons for meeting their goals, and different tolerance for risk. Therefore, you should carefully consider the rights described here and how these rights affect the amount of money that you invest in Eagle Montana common stock through the Plan.

It is also important to periodically review your investment portfolio, your investment objectives, and the investment options under the Plan to help ensure that your retirement savings will meet your retirement goals.

Additional ERISA Considerations

As noted above, the Plan is subject to certain provisions of ERISA, including special provisions relating to control over the Plan's assets by participants and beneficiaries. The Plan's feature that allows participants to direct the investments of their account balances is intended to satisfy the requirements of Section 404(c) of ERISA relating to control over plan assets by a participant or beneficiary. The effect of this is two-fold. First, a participant will not be deemed a fiduciary because of his or her exercise of investment discretion. Second, no person who otherwise is a fiduciary, such as the Plan administrator or the Plan's trustees, is liable under the fiduciary responsibility provisions of ERISA for any loss which results from a participant's exercise of control over the assets in the participant's Plan account.

Because a participant will be entitled to invest all or a portion of his or her account balance in the Plan in Eagle Montana common stock, the regulations under Section 404(c) of ERISA require that the Plan establish procedures that ensure the confidentiality of your decision to purchase, hold, or sell employer securities, except to the extent that disclosure of such information is necessary to comply with federal or state laws not preempted by ERISA. These regulations also require that your exercise of voting and similar rights with respect to the common stock be conducted in a way that ensures the confidentiality of your exercise of these rights.

Securities and Exchange Commission Reporting and Short-Swing Profit Liability

Section 16 of the Securities Exchange Act of 1934 imposes reporting and liability requirements on officers, directors, and persons beneficially owning more than 10% of public companies such as Eagle Montana. Section 16(a) of the Securities Exchange Act of 1934 requires the filing of reports of beneficial ownership. Within 10 days of becoming an officer, director or person beneficially owning more than 10% of the shares of Eagle Montana, a Form 3 reporting initial beneficial ownership must be filed with the Securities and Exchange Commission. Changes in beneficial ownership, such as purchases, sales and gifts generally must be reported periodically, either on a Form 4 within two business days after the date on which a change occurs, or annually on a Form 5 within 45 days after the close of Eagle Montana's fiscal year. Discretionary transactions in and beneficial ownership of the common stock through the New Employer Stock Fund by officers, directors and persons beneficially owning more than 10% of the common stock of Eagle Montana generally must be reported to the Securities and Exchange Commission by such individuals within two business days after the date on which the discretionary transactions occur.

In addition to the reporting requirements described above, Section 16(b) of the Securities Exchange Act of 1934 provides for the recovery by Eagle Montana of profits realized by an officer, director or any person beneficially owning more than 10% of Eagle Montana's common stock resulting from non-exempt purchases and sales of Eagle Montana common stock within any six-month period.

The Securities and Exchange Commission has adopted rules that provide exemptions from the profit recovery provisions of Section 16(b) for all transactions in employer securities within an employee benefit plan, provided certain requirements are met. These requirements generally involve restrictions upon the timing of elections to acquire or dispose of employer securities for the accounts of Section 16(b) persons.

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Except for distributions of common stock due to death, disability, retirement, termination of employment or under a qualified domestic relations order, persons affected by Section 16(b) are required to hold shares of common stock distributed from the Plan for six months following such distribution and are prohibited from directing additional purchases of units within the New Employer Stock Fund for six months after receiving such a distribution.

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Financial Information Regarding Plan Assets

Financial information representing the assets available for plan benefits at September 30, 2009 are available upon written request to the Plan Administrator at the address shown above.

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LEGAL OPINION

The validity of the issuance of the common stock will be passed upon by Nixon Peabody LLP, Washington, D.C., which firm acted as special counsel to Eagle Montana in connection with Eagle Montana's stock offering.

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PROSPECTUS

(Proposed Holding Company for American Federal Savings Bank)

Up to 2,760,000 Shares of Common Stock

(Subject to Increase to up to 3,174,000 Shares)

Eagle Bancorp Montana, Inc., a Delaware corporation, is offering shares of common stock for sale at \$10.00 per share in connection with the conversion of Eagle Financial MHC from the mutual to the stock form of organization. Eagle Financial MHC currently owns 60.4% of the outstanding shares of Eagle Bancorp. We have applied to list Eagle Montana's shares of common stock on the Nasdaq Global Market under the trading symbol EBMT.

We are offering the shares of common stock in a subscription offering. Depositors of American Federal Savings Bank, a wholly owned subsidiary of Eagle Bancorp, with aggregate account balances of at least \$50 as of the close of business on November 30, 2008 will have first priority rights to buy our shares of common stock. Shares of common stock not purchased in the subscription offering may be offered for sale to the general public in a community offering, with a preference given to Montana residents and the stockholders of Eagle Bancorp. We also may offer for sale shares of common stock not purchased in the subscription offering or community offering through a syndicated community offering managed by Stifel, Nicolaus & Company, Incorporated.

We are offering up to 2,760,000 shares of common stock and may sell up to 3,174,000 shares of common stock because of demand for the shares of common stock or changes in the market for financial institutions stock, without resoliciting purchasers. In addition to the shares we are selling in the offering, we also will simultaneously issue up to 1,813,125 shares of common stock to existing public stockholders of Eagle Bancorp in exchange for their existing shares. The number of shares to be issued in the exchange may be increased to up to 2,085,093 shares of common stock, if we sell 3,174,000 shares of common stock in the offering. We must sell a minimum of 2,040,000 shares in the offering and issue 1,340,136 shares in the exchange in order to complete the offering and the exchange of existing shares of common stock.

The minimum order is 25 shares. The offering is expected to expire at 12:00 noon, Mountain Time, on March 18, 2010. We may extend this expiration date without notice to you until May 2, 2010. If the Office of Thrift Supervision approves an offering extension beyond May 2, 2010 or there is a change in the offering range, we will resolicit purchasers, who will have the opportunity to maintain, change or cancel their orders for a specified period of time. Funds received prior to the completion of the offering will be held in a segregated account at American Federal Savings Bank or, at our discretion, at another federally insured depository institution, and will earn interest at 0.30%. Stifel, Nicolaus & Company, Incorporated will assist us in selling our shares of common stock on a best efforts basis in the stock offering. Stifel, Nicolaus & Company, Incorporated is not required to purchase any shares of common stock that are being offered for sale.

OFFERING SUMMARY

Price: \$10.00 per share

	Minimum	Midpoint	Maximum	Adjusted Maximum
Number of shares	2,040,000	2,400,000	2,760,000	3,174,000
Gross offering proceeds	\$ 20,400,000	\$ 24,000,000	\$ 27,600,000	\$ 31,740,000

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Estimated offering expenses excluding selling agent commissions and expenses	\$ 590,000	\$ 590,000	\$ 590,000	\$ 590,000
Estimated selling agent commissions and expenses (1)	\$ 1,056,225	\$ 1,211,625	\$ 1,367,025	\$ 1,545,735
Net proceeds	\$ 18,753,775	\$ 22,198,375	\$ 25,642,975	\$ 29,604,263
Net proceeds per share	\$ 9.19	\$ 9.25	\$ 9.29	\$ 9.33

- (1) For information regarding compensation to be received by Stifel, Nicolaus & Company, Incorporated and the other syndicate members that may participate in the syndicated community offering, see Pro Forma Data on page 35 and The Conversion and Offering Marketing Arrangements on page 101.

This investment involves a degree of risk, including the possible loss of principal.

Please read Risk Factors, beginning on page 14.

These securities are not deposits or savings accounts and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. None of the Securities and Exchange Commission, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or any state securities regulator has approved or disapproved of these securities or determined if this prospectus is accurate or complete. Any representation to the contrary is a criminal offense.

Stifel Nicolaus

For assistance, please contact the Stock Information Center at 1-(877) 821-5778.

The date of this prospectus is February 16, 2010.

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SUMMARY

The following summary explains the material aspects of the conversion, the offering and the exchange of existing shares of Eagle Bancorp common stock for new shares of Eagle Bancorp Montana, Inc. common stock. It may not contain all of the information that is important to you. For additional information before making an investment decision, you should read this prospectus carefully, including the consolidated financial statements, the notes to the consolidated financial statements, and the section entitled Risk Factors.

The Companies

Eagle Bancorp Montana, Inc.

Eagle Bancorp Montana, Inc., or Eagle Montana, is a newly-formed Delaware corporation that was incorporated in December 2009 to be the successor corporation to Eagle Bancorp upon completion of the conversion. Eagle Montana will own all of the outstanding shares of common stock of American Federal Savings Bank upon completion of the conversion.

Eagle Montana's executive offices are located at 1400 Prospect Avenue, Helena, Montana 59601. Our telephone number at this address is (406) 442-3080.

Eagle Financial MHC

Eagle Financial MHC is the federally-chartered mutual holding company that was created on April 4, 2000 upon the conversion of American Federal Savings Bank to a federal stock savings bank. Eagle Financial MHC's principal business activity is the ownership of 648,493 shares of common stock of Eagle Bancorp, or 60.4% of the outstanding shares as of September 30, 2009. After the completion of the conversion, Eagle Financial MHC will cease to exist.

Eagle Bancorp

Eagle Bancorp is a federally-chartered stock holding company that owns all of the outstanding common stock of American Federal Savings Bank. Eagle Bancorp's charter was approved on April 4, 2000, when it became the mid-tier stock holding company of American Federal Savings Bank. At September 30, 2009, Eagle Bancorp had consolidated assets of \$300.7 million, deposits of \$195.1 million and shareholders' equity of \$30.4 million. As of September 30, 2009, Eagle Bancorp had 1,074,507 shares of common stock outstanding, of which 648,493 shares were owned by Eagle Financial MHC and the remaining 426,014 shares were held by the public.

American Federal Savings Bank

American Federal Savings Bank is a federally-chartered savings bank headquartered in Helena, Montana. It was originally founded in 1922 as a Montana-chartered building and loan association. In 1975, it adopted a federal thrift charter and, in 2000, converted from the mutual (meaning no stockholders) structure into the mutual holding company structure.

Our Business

We are a full service retail banking institution and our operations have been profitable in each of the past five fiscal years. Our primary business lines involve gathering funds from deposits and borrowings, and investing these funds in loans and investment securities. Our principal focus is residential mortgage related lending but we have successfully diversified into commercial lending in recent years. We currently operate seven retail banking locations and seven automated teller machines in south central Montana.

Our primary lines of business are:

Retail Lending. We originate residential mortgage loans, home equity loans, and consumer loans primarily through our community banking office network. We also offer our customers the choice of submitting online mortgage loan applications and receiving pre-approvals through our website. Retail lending constituted 69.1% of our total loan portfolio as of September 30, 2009.

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Commercial Lending. We continue to place an emphasis on growing our commercial business and commercial real estate loan portfolios. In addition to commercial real estate loans, we offer traditional business loans structured as unsecured lines of credit or loans secured by inventory, accounts receivable or other business assets. We seek to provide exceptional service with local decision-making and personal attention. Commercial lending constituted 27.3% of our total loan portfolio as of September 30, 2009.

Deposit Products and Services. We offer a full range of traditional deposit products such as checking accounts, savings accounts, money market accounts, retirement accounts, and certificates of deposit. These products can have additional features such as direct deposit, ATM and check card services, overdraft protection, telephone banking and Internet banking, thereby providing our customers multiple channels to access their accounts.

Mortgage Servicing. We provide loan servicing for other institutions. These services generally consist of collecting mortgage payments, maintaining escrow accounts, disbursing payments to investors and foreclosure processing.

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Market Area and Our Customer Base

We are headquartered in Helena, Montana, which is located in south central Montana. We have retail banking offices in Helena, Bozeman, Butte and Townsend, Montana. Montana has a total population of approximately 967,440 and total households of approximately 359,000. The median household income in Montana was \$40,864 as of September 30, 2009, compared to the nationwide median income level of \$54,719 according to estimates from SNL Securities. Helena is Montana's state capital and its economy has shown moderate growth, in terms of both employment and income. State government and the numerous offices of the federal government comprise the largest employment sector. Helena also has significant employment in the service industries. Specifically, it has evolved into a central health care center with employment in the medical and the supporting professions as well as the medical insurance industry. The local economy is also dependent to a lesser extent upon ranching and agriculture.

Our Competitive Strengths

We believe that our growth and success have largely been due to the following strengths that have given us a competitive advantage in our markets:

Maintaining a strong and experienced management team, and attracting and retaining dedicated and qualified personnel to support the growth of our franchise. Achieving our strategic objectives requires an experienced and dedicated management team, which we have developed and maintained over the years. Our management team has been an integral part of the continued growth and success of American Federal Savings Bank, including its transition to being a fully public company.

Creating value for our stockholders. As a publicly traded mutual holding company, we have strived to create value for our stockholders while meeting the needs of our banking customers. During each of the last five fiscal years since 2005, we have been profitable. Common stock purchased in our initial offering in 2000 has appreciated 264% in value as of November 30, 2009. We will continue to focus on enhancing shareholder value as we transition to a fully converted stock holding company.

Attracting and retaining core deposits. Our core deposits to total deposits ratio enables us to maintain a relatively low cost and stable funding source for our loans and other assets. Our core deposits include checking, NOW accounts, statement savings accounts, money market accounts, IRA accounts and business checking. Based on our historical experience, core deposits are longer term funding sources and unlikely to decline significantly as interest rates change. At September 30, 2009, core deposits represented 67.07% of total deposits. Excluding IRA funds, core deposits were 55.05%. We had no brokered funds as of September 30, 2009.

Maintaining strong asset quality. We have maintained superior asset quality by focusing on lower risk loan products, operating in economically diverse and growing markets, and applying conservative underwriting standards. As of September 30, 2009, our ratio of non-performing assets to total assets was 0.52%, as compared to average ratios of 2.72% for all Montana banks and 5.46% for all Nasdaq-listed banks and thrifts based in the region (including Montana, Idaho, Washington, Oregon, Wyoming, Utah, and Colorado) based on information from SNL Securities. By maintaining strong asset quality, we are able to minimize the reversal or non-accrual of interest on our loans, reduce our exposure to loan charge-offs or material additions to our allowance for loan losses, manage costs related to asset recovery and keep our management team focused on serving our customers and growing our business.

Operating in a relatively healthy economic climate. The Montana market in which we operate has not experienced significant increases in unemployment rates or loan foreclosures similar to those that have adversely impacted banks in many regions of the country. In Montana, unemployment as of October 31, 2009, based on information released by the United States Bureau of Labor Statistics, was 6.4% versus 10.1% for the nation. Furthermore, the primary markets we serve in south central Montana (consisting of Lewis and Clark, Silver Bow and Gallatin counties) have also experienced favorable growth in population and average household incomes. According to estimates from SNL Securities, from 2000 to 2009 the total population in our primary markets increased 16.7% from approximately 158,000 to 185,000, and the average household income increased 25.0% from \$35,292 to \$44,095. The relatively low rate of unemployment and solid growth rates are important indicators of the economic health of our market and have enabled us to dedicate capital resources to growth and revenue enhancement as opposed to resolution of troubled assets.

Our Business Strategy

Our strategy is to continue our profitability through building a diversified loan portfolio and positioning American Federal Savings Bank as a full-service community bank that offers both retail and commercial loan and deposit products in all of its markets. We believe that this focus will enable us to continue to grow our franchise, while maintaining our commitment to customer service, high asset quality, and sustained net earnings. The following are the key elements of our business strategy:

Continue to diversify our portfolio by emphasizing our recent growth in commercial real estate and commercial business loans as a complement to our traditional single family residential real estate lending;

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Continue to emphasize the attraction and retention of lower cost long-term core deposits;

Seek opportunities where presented to acquire other institutions or expand our branch structure, although we do not currently have any understandings or agreements regarding any specific acquisition transaction;

Maintain our high asset quality levels; and

Operate as a community-oriented independent financial institution that offers a broad array of financial services with high levels of customer service.

A full description of our products and services begins on page 55 under the heading "Business of Eagle Bancorp and American Federal Savings Bank."

These strategies are intended to guide our investment of the net proceeds of the offering. We intend to continue to pursue our business strategy after the offering, subject to changes necessitated by future market conditions and other factors. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Our Business Strategy," for a further discussion of our business strategy.

Our Current Organizational Structure

In 2000, Eagle Bancorp became the mid-tier stock holding company of American Federal Savings Bank, owning 100% of its stock, and conducted an initial public offering by selling a minority of its common stock to the public. The majority of the outstanding shares of common stock of Eagle Bancorp are owned by Eagle Financial MHC, which is a federally-chartered mutual (meaning no stockholders) holding company.

Pursuant to the terms of Eagle Financial MHC's plan of conversion and reorganization, Eagle Financial MHC will convert from the mutual holding company to the stock holding company corporate structure. As part of the conversion, we are offering for sale in a subscription offering, and possibly in a community and/or a syndicated community offering, shares of common stock that represent the majority ownership interest in Eagle Bancorp that is currently held by Eagle Financial MHC. Upon the completion of the offering, Eagle Bancorp and Eagle Financial MHC will cease to exist, and we will complete the transition from partial to full public stock ownership. Upon completion of the conversion, existing public stockholders of Eagle Bancorp will receive shares of common stock of Eagle Montana in exchange for their shares of Eagle Bancorp common stock in order to maintain the public stockholders' existing percentage ownership in our organization (excluding any new shares purchased by them in the offering and their receipt of cash in lieu of fractional exchange shares).

The following diagram shows our current organizational structure:

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Our Organizational Structure Following the Conversion

After the conversion and offering are completed, we will be organized as a fully public stock holding company, as follows:

Reasons for the Conversion and the Offering

Our primary reasons for converting to the stock holding company structure and raising additional capital through the offering are:

to support internal growth through lending in the communities we serve;

to improve our capital position during a period of significant economic uncertainty, especially for the financial services industry (as of September 30, 2009, American Federal Savings Bank was considered well capitalized for regulatory purposes and is not subject to any directive or recommendation from the Office of Thrift Supervision or the Federal Deposit Insurance Corporation to raise capital);

to finance, where opportunities are presented, the acquisition of financial institutions, branches of financial institutions or other financial service companies primarily in, or adjacent to, south central Montana, although we do not currently have any understandings or agreements regarding any specific acquisition transaction;

to enhance existing products and services, and support the development of new products and services by investing, for example, in technology to support growth and enhanced customer service;

to improve the liquidity of our shares of common stock and stockholder returns through higher earnings and more flexible capital management strategies; and

to use the additional capital for other general corporate purposes.

Terms of the Offering

In connection with Eagle Financial MHC's plan of conversion and reorganization, we are offering between 2,040,000 and 2,760,000 shares of common stock to eligible depositors and certain borrowers of American Federal Savings Bank, to our tax-qualified employee benefit plans, including our employee stock ownership plan and 401(k) plan and, to the extent shares remain available, to natural persons residing in the State of Montana, to our existing public stockholders and to the general public. The number of shares of common stock to be sold may be increased to up to 3,174,000 as a result of demand for our shares, or changes in the market for financial institution stocks. Unless the number of shares of common stock to be offered is increased to more than 3,174,000 shares or decreased to fewer than 2,040,000 shares, or the offering is extended beyond May 2, 2010, purchasers will not have the opportunity to modify or cancel their stock orders once submitted. If the number of shares of common stock to be sold is increased to more than 3,174,000 shares or decreased to fewer than 2,040,000 shares, or if the offering is extended beyond May 2, 2010, purchasers will have the opportunity to maintain, cancel or change their orders for shares of common stock during a designated rescission period. If you do not provide us with written indication of your intent, your stock order will be canceled, your funds will be returned to you with interest calculated at 0.30% and any deposit account withdrawal authorizations will be canceled.

The purchase price of each share of common stock to be offered for sale in the offering is \$10.00. All investors will pay the same purchase price per share. Investors will not be charged a commission to purchase shares of common stock in the offering. Stifel, Nicolaus & Company, Incorporated, our conversion advisor and marketing agent in the offering, will use its best efforts to assist us in selling shares of our common stock. Stifel, Nicolaus & Company, Incorporated is not obligated to purchase any shares of common stock in the offering.

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We are also offering for sale to the general public in a syndicated offering through a syndicate of selected dealers shares of our common stock not purchased in the subscription offering or the community offering. We may begin the syndicated community offering at any time following the commencement of the subscription offering. Stifel, Nicolaus & Company, Incorporated is acting as sole book-running manager and D.A. Davidson & Co. is acting as co-manager for the syndicated community offering, which is also being conducted on a best efforts basis. Neither Stifel, Nicolaus & Company, Incorporated, D.A. Davidson & Co. nor any other member of the syndicate is required to purchase any shares in the syndicated community offering. Alternatively, we may sell remaining shares in an underwritten public offering, which would be conducted on a firm commitment basis.

How We Determined the Offering Range, the Exchange Ratio and the \$10.00 Per Share Stock Price

The offering range and exchange ratio are based on an independent appraisal of the estimated market value of Eagle Montana, assuming the conversion, the exchange and the offering are completed. Feldman Financial Advisors, Inc., an appraisal firm experienced in appraisals of financial institutions, has estimated that, as of December 3, 2009, this estimated pro forma market value ranged from \$33.8 million to \$45.7 million, with a midpoint of \$39.8 million. Based on this valuation, the 60.4% ownership interest of Eagle Financial MHC being sold in the offering and the \$10.00 per share price, the number of shares of common stock being offered for sale by Eagle Montana will range from 2,040,000 shares to 2,760,000 shares. The \$10.00 per share price was selected primarily because it is the price most commonly used in mutual-to-stock conversions of financial institutions. The exchange ratio will range from 3.1458 shares at the minimum of the offering range to 4.2560 shares at the maximum of the offering range in order to preserve the existing percentage ownership of public stockholders of Eagle Bancorp (excluding any new shares purchased by them in the offering and their receipt of cash in lieu of fractional exchange shares). If market conditions warrant or there is excess demand for the shares, the appraisal can be increased by 15%. At this adjusted maximum of the offering range, the pro forma market value is \$52.6 million, the number of shares of common stock offered for sale will be 3,174,000 and the exchange ratio will be 4.8944 shares.

The independent appraisal is based in part on Eagle Bancorp's financial condition and results of operations, the pro forma impact of the additional capital raised by the sale of shares of common stock in the offering, and an analysis of a peer group of 10 publicly traded savings bank and thrift holding companies that Feldman Financial Advisors, Inc. considered comparable to Eagle Bancorp.

The appraisal peer group consists of the following companies. Total assets are as of September 30, 2009.

Company Name and Ticker Symbol	Exchange	Headquarters	Total Assets (in thousands)	
Elmira Savings Bank, FSB	ESBK	NASDAQ	Elmira, NY	\$ 505,896
Home Bancorp, Inc.	HBCP	NASDAQ	Lafayette, LA	\$ 533,410
Home Federal Bancorp, Inc.	HOME	NASDAQ	Nampa, ID	\$ 827,899
Liberty Bancorp, Inc.	LBCP	NASDAQ	Liberty, MO	\$ 384,243
Louisiana Bancorp, Inc.	LABC	NASDAQ	Metairie, LA	\$ 332,237
LSB Corporation	LSBX	NASDAQ	North Andover, MA	\$ 806,953
Rome Bancorp, Inc.	ROME	NASDAQ	Rome, NY	\$ 338,035
Teche Holding Company	TSH	NYSE Amex	New Iberia, LA	\$ 765,071
TF Financial Corporation	THRD	NASDAQ	Newtown, PA	\$ 711,849
WVS Financial Corp.	WVFC	NASDAQ	Pittsburgh, PA	\$ 369,989

The independent appraisal does not indicate actual market value. Do not assume or expect that the estimated valuation as indicated above means that, after the offering, the shares of our common stock will trade at or above the \$10.00 purchase price.

The following table presents a summary of selected pricing ratios for the peer group companies and Eagle Montana (on a pro forma basis). The pricing ratios are based on earnings and other information as of and for the twelve months ended September 30, 2009 and stock price information as of December 3, 2009, as reflected in Feldman Financial Advisors, Inc.'s appraisal report, dated December 3, 2009. Compared to the average pricing of the peer group, our pro forma pricing ratios at the maximum of the offering range indicated a premium of 1.4% on a price-to-book value basis, a discount of 5.2% on a price-to-tangible book value basis, and a discount of 6.4% on a price-to-core earnings basis.

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	Price-to-core earnings multiple (1)	Price-to-book value ratio	Price-to-tangible book value ratio
Eagle Montana (on a pro forma basis, assuming completion of the conversion)			
Minimum	9.8x	72.31%	72.31%
Midpoint	11.6x	79.93%	79.93%
Maximum	13.5x	86.66%	86.66%
Maximum, as adjusted	15.6x	93.55%	93.55%
Valuation of peer group companies, as of December 3, 2009			
Averages	14.4x	85.48%	91.38%
Medians	13.3x	88.71%	94.00%

(1) Information derived from the Feldman Financial Advisors, Inc. appraisal report and are based upon estimated core earnings for the twelve months ended September 30, 2009. These ratios are different than the Pro Forma Data.

Our board of directors, in reviewing and approving the independent appraisal, considered the range of price-to-core earnings multiples, the range of price-to-book value and price-to-tangible book value ratios at the different ranges of shares of common stock to be sold in the offering, and did not consider one valuation approach to be more important than the other. Instead, in approving the independent appraisal, the board of directors concluded that these ranges represented the appropriate balance of the three approaches to establishing our estimated valuation range, and the number of shares of common stock to be sold, in comparison to the peer group institutions. The estimated appraised value and the resulting discounts took into consideration the potential financial impact of the offering as well as the trading price of Eagle Bancorp common stock, which increased from \$29.15 per share on December 1, 2009, the closing price on the last trading day immediately preceding the announcement of the conversion, to \$30.75 per share, the closing price on December 3, 2009, the effective date of the independent appraisal.

Feldman Financial Advisors, Inc. will update the independent appraisal prior to the completion of the conversion. If the estimated appraised value, including offering shares and exchange shares, changes to either below \$33.8 million or above \$52.6 million, we will resolicit persons who submitted stock orders. See The Conversion and Offering Stock Pricing and Number of Shares to be Issued.

The Exchange of Existing Shares of Eagle Bancorp Common Stock

At the conclusion of the conversion, shares held by existing public stockholders of Eagle Bancorp will be canceled and exchanged for shares of common stock of Eagle Montana. The number of shares of common stock received will be based on an exchange ratio determined as of the conclusion of the conversion and offering, which will depend upon our final appraised value. The number of shares received will not be based on the market price of Eagle Bancorp outstanding shares at that time. Instead, the exchange ratio will ensure that existing public stockholders of Eagle Bancorp will retain the same approximate percentage ownership of our organization after the offering, exclusive of their purchase of any additional shares of common stock in the offering and their receipt of cash in lieu of fractional exchange shares.

The following table shows how the exchange ratio will adjust, based on the valuation of Eagle Montana and the number of shares of common stock issued in the offering. The table also shows the number of whole shares of Eagle Montana common stock a hypothetical owner of Eagle Bancorp common stock would receive in exchange for 100 shares of Eagle Bancorp common stock owned at the completion of the conversion, depending on the number of shares of common stock sold in the offering.

	New Shares to be Sold in This Offering		New Shares to be Exchanged for Existing Shares of Eagle Bancorp		Total Shares of Common Stock to be Outstanding After the Offering	Exchange Ratio	Equivalent Per Share Current Market Price (1)	New Shares That Would be Received for Existing 100 Shares
	Amount	Percent	Amount	Percent				
	Minimum	2,040,000	60.4%	1,340,136				
Midpoint	2,400,000	60.4%	1,576,630	39.6%	3,976,630	3.7009	37.00	370
Maximum	2,760,000	60.4%	1,813,125	39.6%	4,573,125	4.2560	42.56	425

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Adjusted Maximum	3,174,000	60.4%	2,085,093	39.6%	5,259,093	4.8944	48.94	489
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- (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.

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No fractional shares of Eagle Montana common stock will be issued to any public stockholder of Eagle Bancorp. For each fractional share that would otherwise be issued, Eagle Montana will pay in cash an amount equal to the product obtained by multiplying the fractional share interest to which the holder would otherwise be entitled by the \$10.00 per share purchase price of the common stock in the offering.

How We Intend to Use the Proceeds From the Offering

Assuming we sell 2,400,000 shares of common stock in the stock offering, and we have net proceeds of \$22.2 million, we intend to distribute the net proceeds as follows:

\$11.1 million (50.0% of the net proceeds) will be invested in American Federal Savings Bank;

\$1.9 million (8.7% of the net proceeds) will be loaned to our employee stock ownership plan to fund its purchase of our shares of common stock; and

\$9.2 million (41.3% of the net proceeds) will be retained by us.

We may use the funds that we retain for investments, to pay cash dividends, to repurchase shares of common stock and for other general corporate purposes. American Federal Savings Bank, whose capital will be increased by \$11.1 million, may use the proceeds it receives to support increased lending and other products and services. The net proceeds retained also may be used for future business expansion through acquisitions of banks, thrifts and other financial services companies, and acquiring branch offices. We have no current arrangements or agreements with respect to any such acquisitions. Initially, a substantial portion of the net proceeds will be invested in short-term investments and mortgage-backed securities consistent with our investment policy.

Please see [How We Intend to Use the Proceeds from the Offering](#) for more information on the proposed use of the proceeds from the offering.

Our Dividend Policy

It is our current intention to maintain dividends after the conversion at current equivalent levels. As of September 30, 2009, Eagle Bancorp paid a quarterly cash dividend of \$0.26 per share, which equals \$1.04 per share on an annualized basis. After the conversion and subject to the authority of the board of directors to do so, we intend to continue to pay cash dividends on a quarterly basis. Eagle Montana expects the annual dividends following our conversion to equal \$0.33, \$0.28, \$0.24 and \$0.21 per share at the minimum, midpoint, maximum and adjusted maximum of the offering range, respectively, which represents an annual dividend yield of 3.3%, 2.8%, 2.4% and 2.1%, at the minimum, midpoint, maximum and adjusted maximum of the offering range, respectively, based upon a price of \$10.00 per share. The amount of dividends that we intend to pay after the conversion will preserve the dividend amount that Eagle Bancorp stockholders currently receive, as adjusted to reflect the exchange ratio. However, the dividend rate and the continued payment of dividends following our conversion and the completion of this offering will depend on a number of factors, including our capital requirements, our financial condition and results of operations, tax considerations, statutory and regulatory limitations, and general economic conditions. No assurance can be given that we will continue to pay dividends or that they will not be reduced or eliminated in the future.

See [Selected Consolidated Financial and Other Data of Eagle Bancorp and Subsidiaries](#) and [Market for the Common Stock](#) for information regarding our historical dividend payments.

Purchases and Ownership by our Officers and Directors

We expect our directors, executive officers and their associates, to purchase approximately 71,800 shares of common stock in the offering. The purchase price paid by them will be the same \$10.00 per share price paid by all other persons who purchase shares of common stock in the offering. After the conversion, as a result of purchases in the offering and the shares they will receive in exchange for shares of Eagle Bancorp that they currently own, our directors and executive officers, together with their associates, are expected to own approximately 303,807 shares and 385,688 shares of common stock, or 8.99% and 8.43% of our total outstanding shares of common stock at the minimum and the maximum of the offering range, respectively. See [Subscriptions by Directors and Executive Officers](#).

Benefits to Management and Potential Dilution to Stockholders Resulting from the Conversion

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Employee Stock Ownership Plan. Our tax-qualified employee stock ownership plan expects to purchase up to 8% of the shares of common stock we sell in the offering, or 253,920 shares of common stock, assuming we sell the maximum as adjusted number of the shares proposed to be sold. If we receive orders for more shares of common stock than the maximum of the offering range, the employee stock