Eagle Bancorp Montana Inc. (EBMT)

Updated February 1st, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$12.71	**5 Year Annual Expected Total Return:**	10.5%	**Market Cap:**	$172 M
Fair Value Price:	$24.00	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	02/13/26
% Fair Value:	91%	**5 Year Valuation Multiple Estimate:**	2.0%	**Dividend Payment Date:**	03/06/26
Dividend Yield:	2.7%	**5 Year Price Target**	$32	**Years Of Dividend Growth:**	15
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Eagle Bancorp Montana, Inc. is a bank holding company and its primary business activity is the ownership of Opportunity Bank of Montana (OBMT), a chartered commercial bank. The bank is primarily engaged in attracting deposits from the community and utilizing such deposits, along with borrowings and other funds, to originate one-to-four family residential real estate, commercial real estate, commercial, and agriculture loans. Additionally, the company invests in certain investment and mortgage-related securities. As of the end of the fourth quarter of 2025, the company's total assets were $2.11 billion, total loans were $1.52 billion, and total deposits were $1.78 billion. Eagle Bancorp Montana operates 30 branch offices across the state of Montana. The company was founded in 1922 and has 385 employees.

On January 27th, 2026, Eagle Bancorp Montana announced its financial results for the fourth quarter of fiscal year 2025, ending December 31st, 2025. For this quarter, the company reported net income of $4.7 million, up from $3.6 million in Q3 2025, and a 37.8% increase from the $3.4 million reported for Q4 2024. Reported earnings per diluted share for the quarter were $0.60, up from $0.46 in Q3 2025 and $0.44 in the same quarter last year.

The quarterly earnings reflect Eagle Bancorp's net interest margin (NIM) expansion to 4.08%, up from 3.94% in Q3, supported by declining funding costs and stable yields on interest-earning assets. Total loans stood at $1.52 billion, flat year-over-year and down from $1.56 billion in Q3, reflecting a modest pullback in lending activity.

Deposits totaled $1.78 billion, a 1.7% increase quarter-over-quarter and a 6.0% increase year-over-year, underscoring continued strength in liquidity. Loan performance was mixed: commercial real estate loans declined 1.5% year-over-year to $636.0 million, while agricultural and farmland loans increased 5.7% year-over-year to $297.0 million.

Net interest income for Q4 2025 was $19.2 million, an increase of 2.5% from Q3 2025, reflecting improved margin performance. Noninterest income increased 8.8% quarter-over-quarter to $5.1 million, driven by higher other noninterest income categories. Provision for credit losses declined to $39,000, down from $62,000 in Q3 2025, continuing the trend of strong asset quality. For the quarter, Eagle Bancorp's return on average assets (ROA) was 0.89%, and return on average equity (ROE) was 9.92%, both showing strong improvement. The core efficiency ratio improved to 73.63%, reflecting enhanced operational efficiency. Credit quality remains solid, with net loan charge-offs totaling $99,000, and non-accrual loans at 0.37% of gross loans.

For the full year 2025, diluted EPS was $1.90, an increase of 53.2% from $1.24 in 2024, reflecting broad-based improvement across net interest income, asset quality, and efficiency metrics. Management anticipates steady single-digit loan growth in 2026 and expects further improvement in funding costs, supported by a more stable interest rate environment, which should enhance profitability.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.32	$0.99	$0.91	$1.69	$3.11	$2.17	$1.45	$1.29	$1.24	$1.90	***$2.00***	***$2.68***
DPS	$0.32	$0.34	$0.37	$0.38	$0.39	$0.45	$0.53	$0.56	$0.57	$0.58	***$0.58***	***$0.85***
Shares[1]	4	5	5	6	7	7	8	8	8	8	***8***	***8***

[1] In millions.

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The company has grown earnings by 4.1% per year since 2016 and -1.6% over the past five years. The above average EPS ($3.11) in 2020 was driven by higher mortgage banking operations due to the historically low interest rate environment, substantial gains from loan sales, and significant contributions from the Paycheck Protection Program (PPP). These factors, combined with effective cost management, led to record earnings for that year. We expect earnings to increase by 6% per year for the next five years. The company has been able to increase its dividend for an impressive 15 consecutive years. Over the last five years, the average annual dividend growth rate is 5.2%. In July 2025, the company increased its quarterly dividend by 1.8% from $0.1425 to $0.1450 per share.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	10.5	19.4	20.6	10.5	5.9	10.5	13.9	10.7	11.3	9.3	***10.9***	***12.0***
Avg. Yld.	1.9%	1.8%	1.9%	2.1%	2.1%	2.0%	2.6%	4.1%	4.4%	3.6%	***2.7%***	***2.7%***

During the past decade shares of Eagle Bancorp Montana have traded with an average price-to-earnings ratio of about 12.3 and today, it stands at 10.9. We are using 12 times earnings as a fair value baseline, implying the potential for a valuation tailwind. The stock's dividend yield is currently 2.7% which is slightly above the average yield of 2.6% for the past decade.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	24%	34%	41%	22%	13%	21%	37%	43%	46%	31%	***29%***	***32%***

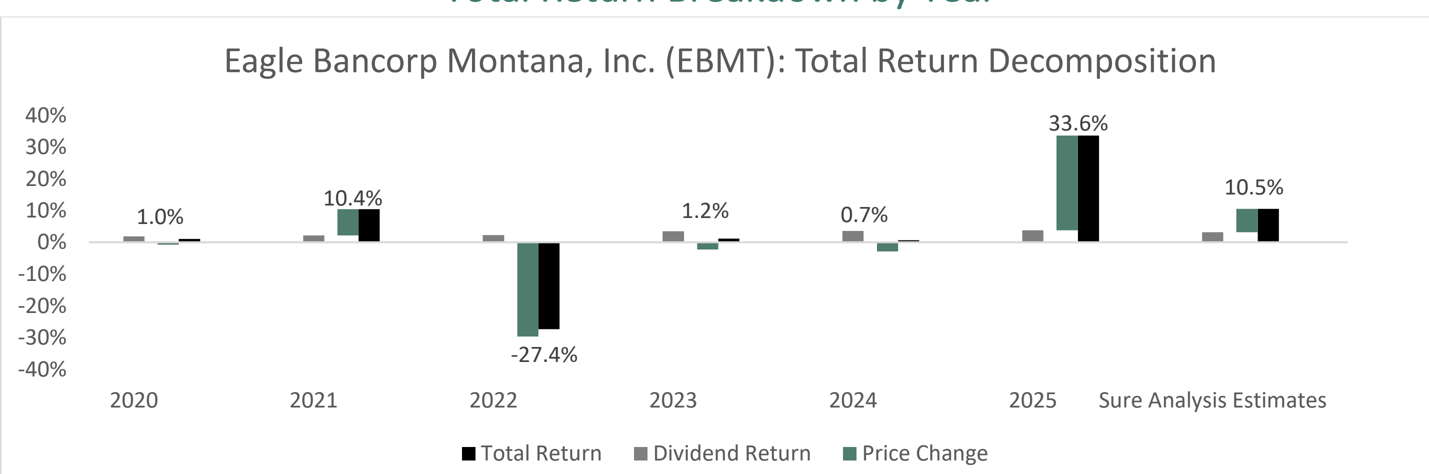
During the past five years, the company's dividend payout ratio has averaged around 35%. Eagle Bancorp Montana's dividend is at the moment comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout ratio around the same levels which is safe.

Eagle Bancorp Montana, Inc., the holding company of Opportunity Bank of Montana, stands out in the competitive landscape due to its strong community banking model and strategic focus on high-quality loan growth. With a robust presence in Montana, the bank has developed a competitive advantage through personalized customer service and deep local market knowledge. During economic recessions, the bank has demonstrated resilience by maintaining strong asset quality and conservative lending practices, which have mitigated credit losses and safeguarded profitability.

Final Thoughts & Recommendation

Eagle Bancorp Montana is an old and well-established community bank active across the state of Montana. The company has a solid dividend track record. We estimate total return potential of 10.5% per year for the next five years based on a 6% earnings-per-share growth, the dividend, and a valuation tailwind. The shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	30	37	37	41	61	90	90	87	83	80
SG&A Exp.	18	20	22	25	33	45	50	46	45	42
Net Profit	3	5	4	5	11	21	14	11	10	10
Net Margin	8.7%	14.0%	10.9%	12.1%	17.7%	23.5%	16.0%	12.2%	12.1%	12.5%
Free Cash Flow	4	11	17	7	(10)	(19)	44	25	(5)	14.5
Income Tax	0	2	2	1	3	7	5	3	2	1.6

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	630	674	717	854	1,054	1,258	1,436	1,948	2,076	2,103
Cash & Equivalents	7	7	7	11	22	62	55	22	25	32
Acc. Receivable	2	2	3	3	5	6	6	11	12	13
Goodwill & Int.	13	13	14	21	27	33	36	58	56	55
Total Liabilities	575	614	633	759	933	1,105	1,279	1,790	1,906	1,928
Long-Term Debt	84	97	108	127	113	47	35	128	235	200
Total Equity	55	59	84	95	122	153	157	158	169	175
LTD/E Ratio	1.52	1.64	1.29	1.34	0.93	0.31	0.22	0.81	1.39	1.15

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	0.4%	0.8%	0.6%	0.6%	1.1%	1.8%	1.1%	0.6%	0.5%	0.5%
Return on Equity	4.7%	8.9%	5.7%	5.6%	10.0%	15.4%	9.3%	6.8%	6.1%	5.7%
ROIC	2.1%	3.5%	2.4%	2.4%	4.8%	9.8%	7.4%	4.5%	2.9%	2.5%
Shares Out.	4	4	5	5	6	7	7	8	8	7.9
Revenue/Share	7.71	9.50	9.07	7.51	9.53	13.25	13.52	11.85	10.68	10.14
FCF/Share	1.10	2.75	4.00	1.19	(1.58)	(2.72)	6.65	3.40	(0.62)	1.84

Notes: All figures in millions of U.S. Dollars unless per share or indicated otherwise. Accounts Payable data was not yet available from our data provider.