Eagle Bancorp Montana Inc. (EBMT)

Updated May 1st, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$22.48	**5 Year Annual Expected Total Return:**	10.7%	**Market Cap:**	$178 M
Fair Value Price:	$25.20	**5 Year Growth Estimate:**	6.0%	**Ex-Dividend Date:**	05/15/26
% Fair Value:	89%	**5 Year Valuation Multiple Estimate:**	2.3%	**Dividend Payment Date:**	06/05/26
Dividend Yield:	2.6%	**5 Year Price Target**	$34	**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 first quarter of 2026, the company's total assets were $2.09 billion, total loans were $1.52 billion, and total deposits were $1.79 billion. Eagle Bancorp Montana operates 30 branch offices across the state of Montana. The company was founded in 1922 and has 385 employees.

On April 28th, 2026, Eagle Bancorp Montana announced its financial results for the first quarter of fiscal year 2026, which ended March 31st, 2026. For the quarter, the company reported net income of $4.0 million, down from $4.7 million in Q4 2025, but this was a 24.1% increase from the $3.2 million reported for Q1 2025. Reported earnings per diluted share for the quarter were $0.51, down from $0.60 in Q4 2025 and up from $0.41 in the same quarter last year.

The quarterly earnings reflect Eagle Bancorp's net interest margin (NIM) expansion to 4.11%, up from 4.08% in Q4 2025, supported by declining funding costs and stable yields on interest-earning assets. Total loans stood at $1.52 billion, relatively flat both year-over-year and compared to Q4 2025, indicating stable lending activity.

Deposits totaled $1.79 billion, a 0.3% increase quarter-over-quarter and a 5.7% increase year-over-year, underscoring continued strength in liquidity. Loan performance was mixed: commercial real estate loans increased modestly year-over-year to $667.7 million, while agricultural and farmland loans declined 1.4% year-over-year to $280.5 million.

Net interest income for Q1 2026 was $18.7 million, a 2.4% decrease from Q4 2025, driven by a slightly lower earning asset yields despite improved funding costs. Noninterest income declined 4.9% quarter-over-quarter to $4.9 million, driven by lower mortgage banking income and other categories. Provision for credit losses increased to $279,000, up from $39,000 in Q4 2025, reflecting a higher reserve build. For the quarter, Eagle Bancorp's return on average assets (ROA) was 0.76%, and return on average equity (ROE) was 8.16%, both declining sequentially. The core efficiency ratio worsened to 76.07%, indicating slightly lower operating efficiency. Credit quality remains solid, with net loan charge-offs totaling $49,000, and non-accrual loans at 0.36% of gross loans.

Management highlighted expectations for continued improvement in funding costs through 2026 and potential further net interest margin expansion, particularly if interest rate conditions ease.

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	***$2.10***	***$2.81***
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 -0.7% over the past five years. The above average EPS in 2020 ($3.11) 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	***10.7***	***12.0***
Avg. Yld.	1.9%	1.8%	1.9%	2.1%	2.1%	2.0%	2.6%	4.1%	4.4%	3.6%	***2.6%***	***2.5%***

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 10.7. 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 2.6% which is slightly below the average yield of 2.7% 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%	***28%***	***30%***

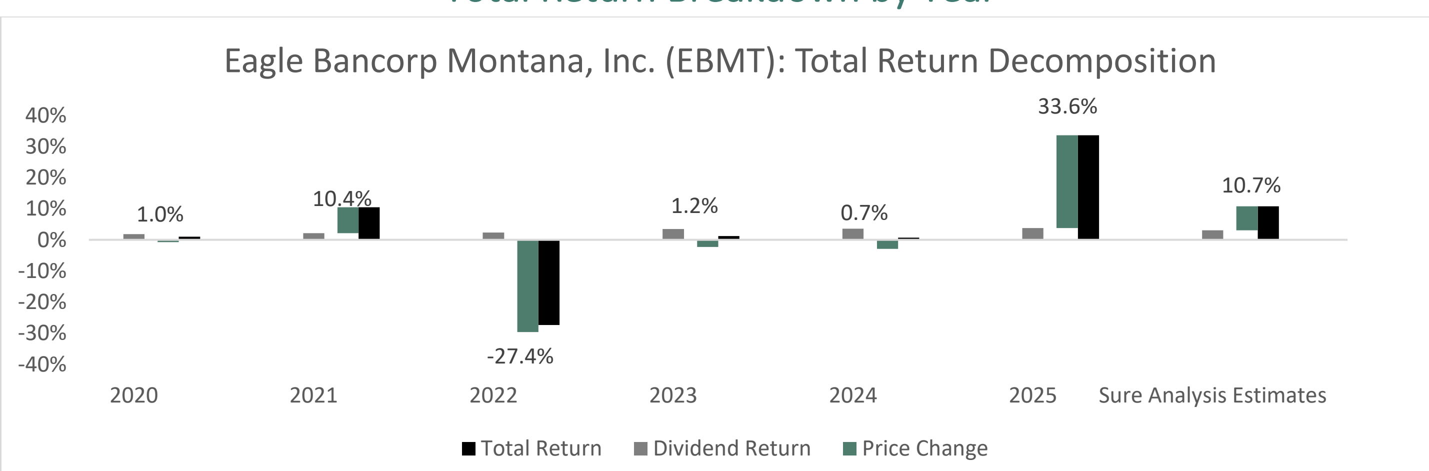
During the past five years, the company's dividend payout ratio has averaged around 35%. Eagle Bancorp Montana's dividend is at the moment comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at least at the same pace and keep the payout 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 10.7% 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	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	37	37	41	61	90	90	87	83	80	127
SG&A Exp.	20	22	25	33	45	50	46	45	42	-
Net Profit	5	4	5	11	21	14	11	10	10	14.8
Net Margin	14.0%	10.9%	12.1%	17.7%	23.5%	16.0%	12.2%	12.1%	12.5%	11.7%
Free Cash Flow	11	17	7	(10)	(19)	44	25	(5)	14.5	28
Income Tax	2	2	1	3	7	5	3	2	1.6	4

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	674	717	854	1,054	1,258	1,436	1,948	2,076	2,103	2,114
Cash & Equivalents	7	7	11	22	62	55	22	25	32	24
Acc. Receivable	2	3	3	5	6	6	11	12	13	-
Goodwill & Int.	13	14	21	27	33	36	58	56	55	38
Total Liabilities	614	633	759	933	1,105	1,279	1,790	1,906	1,928	1,922
Long-Term Debt	97	108	127	113	47	35	128	235	200	83
Total Equity	59	84	95	122	153	157	158	169	175	192
LTD/E Ratio	1.64	1.29	1.34	0.93	0.31	0.22	0.81	1.39	1.15	0.43

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.8%	0.6%	0.6%	1.1%	1.8%	1.1%	0.6%	0.5%	0.5%	0.7%
Return on Equity	8.9%	5.7%	5.6%	10.0%	15.4%	9.3%	6.8%	6.1%	5.7%	8.1%
ROIC	3.5%	2.4%	2.4%	4.8%	9.8%	7.4%	4.5%	2.9%	2.5%	4.6%
Shares Out.	4	5	5	6	7	7	8	8	7.9	7.8
Revenue/Share	9.50	9.07	7.51	9.53	13.25	13.52	11.85	10.68	10.14	16.26
FCF/Share	2.75	4.00	1.19	(1.58)	(2.72)	6.65	3.40	(0.62)	1.84	3.62

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.