

EAGLE BANCORP/MT
Form 10-Q
November 12, 2009

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

FORM 10-Q

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

For the quarterly period ended September 30, 2009

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934

For the transition period from _____ to _____.

Commission file number 0-29687

Eagle Bancorp

(Exact name of small business issuer as specified in its charter)

United States
(State or other jurisdiction of incorporation or
organization)

81-0531318
(I.R.S. Employer Identification No.)

1400 Prospect Avenue, Helena, MT 59601

(Address of principal executive offices)

(406) 442-3080

(Issuer's telephone number)

Website address: www.americanfederalsavingsbank.com

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

EAGLE BANCORP AND SUBSIDIARY

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EAGLE BANCORP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in Thousands, Except for Per Share Data)

	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
ASSETS		
Cash and due from banks	\$ 3,687	\$ 2,487
Interest-bearing deposits with banks	944	224
Federal funds sold	3,211	3,617
Total cash and cash equivalents	7,842	6,328
Securities available-for-sale, at market value	92,100	82,263
Securities held-to-maturity, at cost	265	375
Preferred stock, at market value	108	25
Federal Home Loan Bank stock, at cost	2,000	2,000
Investment in Eagle Bancorp Statutory Trust I	155	155
Mortgage loans held-for-sale	3,494	5,349
Loans receivable, net of deferred loan fees and allowance for loan losses of \$625 at September 30, 2009 and \$525 at June 30, 2009	168,185	167,197
Accrued interest and dividends receivable	1,540	1,399
Mortgage servicing rights, net	2,315	2,208
Premises and equipment, net	15,371	13,761
Cash surrender value of life insurance	6,544	6,496
Real estate acquired in settlement of loans, net of allowance for losses	158	-
Other assets	603	2,153
Total assets	\$ 300,680	\$ 289,709

See accompanying notes to consolidated financial statements.

EAGLE BANCORP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Continued)
(Dollars in Thousands, Except for Per Share Data)

	September 30, 2009 (Unaudited)	June 30, 2009 (Audited)
LIABILITIES		
Deposit accounts:		
Noninterest bearing	\$ 18,902	\$ 15,002
Interest bearing	176,178	172,197
Total deposits	195,080	187,199
Accrued expenses and other liabilities	3,379	2,507
Federal funds purchased	-	-
FHLB advances and other borrowings	66,639	67,056
Subordinated debentures	5,155	5,155
Total liabilities	270,253	261,917
EQUITY		
Preferred stock (no par value, 1,000,000 shares authorized, none issued or outstanding)	-	-
Common stock (par value \$0.01 per share; 9,000,000 shares authorized; 1,223,572 shares issued; 1,074,507 and 1,075,312 shares outstanding at September 30, 2009 and June 30, 2009, respectively)	12	12
Additional paid-in capital	4,589	4,564
Unallocated common stock held by employee stock ownership plan ("ESOP")	(9)	(18)
Treasury stock, at cost (149,065 and 148,260 shares at September 30, 2009 and June 30, 2009, respectively)	(5,056)	(5,034)
Retained earnings	29,583	28,850
Accumulated other comprehensive gain (loss)	1,308	(582)
Total equity	30,427	27,792
Total liabilities and equity	\$ 300,680	\$ 289,709

See accompanying notes to consolidated financial statements.

EAGLE BANCORP AND SUBSIDIARY

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME
(Dollars in Thousands, Except for Per Share Data)

	Three Months Ended September 30, 2009 2008 (Unaudited)	
Interest and Dividend Income:		
Interest and fees on loans	\$ 2,708	\$ 2,837
Securities available for sale	1,004	963
Securities held to maturity	4	5
Interest on deposits with banks	8	4
FHLB dividends	-	7
Total interest and dividend income	3,724	3,816
Interest Expense:		
Deposits	611	862
FHLB advances & other borrowings	655	643
Subordinated debentures	75	75
Total interest expense	1,341	1,580
Net Interest Income	2,383	2,236
Loan loss provision	135	-
Net interest income after loan loss provision	2,248	2,236
Noninterest income:		
Service charges on deposit accounts	195	190
Net gain on sale of loans	440	183
Mortgage loan servicing fees	185	140
Net gain on sale of available for sale securities	-	57
Net gain (loss) on preferred stock	84	(1,239)
Other	157	165
Total noninterest income	1,061	(504)

See accompanying notes to consolidated financial statements.

EAGLE BANCORP AND SUBSIDIARY

QUARTERLY CONSOLIDATED STATEMENTS OF INCOME (Continued)
(Dollars in Thousands, Except for Per Share Data)

	Three Months Ended September 30, 2009 2008 (Unaudited)	
Noninterest expense:		
Salaries and employee benefits	1,099	1,046
Occupancy expense	156	149
Furniture and equipment depreciation	63	67
In-house computer expense	88	73
Advertising	106	91
Amortization of mortgage servicing rights	126	71
Federal insurance premiums	65	7
Postage	38	33
Legal, accounting, and examination fees	75	48
Consulting fees	57	43
ATM processing	17	14
Other	213	207
Total noninterest expense	2,103	1,849
Income before provision for income taxes	1,206	(117)
Provision for income taxes	362	(17)
Net income	\$ 844	\$ (100)
Basic earnings per common share	\$ 0.79	\$ (0.09)
Diluted earnings per common share	\$ 0.69	\$ (0.08)
Weighted average shares outstanding (basic eps)	1,072,899	1,069,211
Weighted average shares outstanding (diluted eps)	1,221,658	1,217,058

See accompanying notes to consolidated financial statements.

EAGLE BANCORP AND SUBSIDIARY

QUARTERLY CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the Three Months Ended September 30, 2009 and 2008

(Dollars in Thousands, Except for Per Share Data)

	PREFERRED STOCK	COMMON STOCK	ADDITIONAL PAID-IN CAPITAL	UNALLOCATED ESOP SHARES	TREASURY STOCK	RETAINED EARNINGS	OTHER COMPREHENSIVE INCOME (LOSS)	TOTAL
Balance, June 30, 2008	\$ -	\$ 12	\$ 4,487	\$ (55)	\$ (5,013)	\$ 27,025	\$ (822)	\$ 25,634
Net income	-	-	-	-	-	(100)	-	(100)
Other comprehensive income	-	-	-	-	-	-	(1,134)	(1,134)
Total comprehensive income	-	-	-	-	-	-	-	(1,234)
Dividends paid (\$0.255 per share)						(109)		(109)
Treasury stock purchased (760 shares @ \$27.00)					(21)			(21)