

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-0123

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Eagle Bancorp Montana, Inc.		27-1449820	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
Laura Clark	(408)442-3080	lclark@oppbank.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and ZIP code of contact	
PO Box 4999		Helena, MT 59604-4999	
8 Date of action		9 Classification and description	
01/01/2019		see attached	
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
26942G100		NASDAQ: EBMT	

Part II Organizational Action Attach additional statements if needed. See back of form for additional questions.

14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► see attached

15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► see attached

16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► see attached

Part II Organizational Action (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ► see attached

18 Can any resulting loss be recognized? ► see attached

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ► see attached

Sign
Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ► Laura F. Clancy Date ► 2/7/19

Print your name ► LAURA F. CLANCY Title ► EVP/CFO

**Paid
Preparer
Use Only**

Print/Type preparer's name

Sean P. Clancy

Preparer's signature

Date

2/6/19

Check ☐ if
self-employed

PTIN

P01454715

Firm's name ► Nixon Peabody, LLP

Firm's EIN ► 16-0764720

Firm's address ► 799 9th St NW Washington DC 20001

Phone no. (202) 585-8332

Eagle Bancorp Montana, Inc.
EIN: 27-1449820
Attachment to Form 990

Part I, Line 9:

The securities subject to reporting include all Eagle Bancorp Montana, Inc. ("Eagle") shares of common stock issued in exchange for all of Big Muddy Bancorp, Inc. ("BMB") shares of common stock outstanding as a result of the merger of BMB with and into Eagle on January 1, 2019.

Part II, Line 14 - Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action:

On January 1, 2019, BMB merged with and into Eagle with Eagle as the surviving corporation (the "Merger"). Pursuant to the terms of the Agreement and Plan of Merger by and among the parties dated August 21, 2018 (the "Merger Agreement") upon completion of the Merger, each share of BMB common stock outstanding at the effective time of the Merger was converted into shares of Eagle common stock. Under the Merger Agreement, fractional shares of Eagle common stock were not issued. Instead, BMB shareholders received an amount in cash (rounded to the nearest cent and without interest) equal to the product of (i) the fraction of a share to which such holder would otherwise have been entitled and (ii) the weighted average of the daily closing sales prices of a share of Eagle Common Stock for the period set forth in the Merger Agreement which is equal to \$16.66. For purposes of determining any fractional share interest, all shares of BMB Common Stock owned by a BMB shareholder were combined so as to calculate the maximum number of whole shares of Eagle Common Stock issuable to such BMB shareholder.

Part II, Line 15 - Describe the quantitative effect of the organization action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis:

BMB shareholders received Eagle common stock in exchange for their BMB shares, which had an effect on each U.S. holder's tax basis. Generally, a U.S. holder's aggregate tax basis in the Eagle common stock received by such U.S. holder in the Merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of BMB Common Stock" will equal such U.S. holder's aggregate tax basis in the BMB common stock surrendered in the Merger, increased by the amount of taxable gain, if any, recognized by such U.S. holder in the Merger (other than with respect to cash received in lieu of fractional shares of Eagle common stock). The holding period for the shares of Eagle common stock received in the Merger, including any fractional shares deemed received by the U.S. holder under the treatment discussed below in "Cash in Lieu of Fractional Shares of Eagle Common Stock" generally will include the holding period for the shares of BMB common stock exchanged therefore.

Cash in Lieu of Fractional Shares of Eagle Common Stock

A U.S. holder of BMB common stock who received cash instead of a fractional share of Eagle common stock will be treated as having received the fractional share pursuant to the Merger and then as having exchanged the fractional share for cash in a redemption by Eagle. In general, this deemed redemption will be treated as a sale or exchange and a U.S. holder will recognize gain (but not loss) equal to the difference between (i) the amount of cash received by such U.S. holder and (ii) the portion of the basis of the shares of BMB common stock allocable to such fractional interest.

Part II, Line 16 - Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of the securities and the valuation dates:

The calculations are based upon the exchange ratio agreed to in the Merger Agreement, as described above.

Part II, Line 17:

The Merger is expected to qualify for U.S. federal income tax purposes as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code. In general, the income tax consequences to the shareholders are determined under Internal Revenue Code sections 354, 356, 358 and 1221.

Part II, Line 18 - Can any resulting loss be recognized?

A U.S. holder of shares of BMB common stock generally will only recognize gain (but not loss) in an amount not to exceed the cash in lieu of a fractional share received as part of the Merger consideration.

Part II Line 19 - Provide any other information to implement the adjustment such as the reportable tax year:

The gain or loss recognized with respect to the Merger should be reported by BMB shareholders in the tax year that includes January 1, 2019 (e.g. a calendar year shareholder would report the transaction on his or her federal income tax return filed for the 2019 calendar year).

For additional information, please refer to the Registration Statement on Form S-4 filed with the Securities and Exchange Commission, which includes the full text of the Merger Agreement, and which can be found on www.sec.gov.

BMB shareholders are urged to consult their own tax advisors with respect to their individual tax consequences of the merger. The information in this document does not constitute tax advice and is not intended or written to be used, and cannot be used, for the purposes of avoiding penalties under the Internal Revenue Code of 1986, as amended.