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Contact: Cecil A. Haskins Jr., President and Chief Financial Officer
Telephone: (504) 834-0242

EUREKA HOMESTEAD BANCORP, INC. ANNOUNCES SEPTEMBER 30, 2022 QUARTERLY EARNINGS

Metairie, Louisiana – Eureka Homestead Bancorp, Inc. (the “Company”) (OTC Pink Marketplace: “ERKH”), the holding company of Eureka Homestead (the “Bank”), announces net income of \$48,000, or \$0.05 per basic share, for the quarter ended September 30, 2022, compared to a net loss of (\$13,000), or (\$0.01) per basic share, for the quarter ended September 30, 2021. Net interest income increased \$133,000 due to increased interest income, offset, in part, by increased interest expense and a decrease of \$82,000 in noninterest income principally due to fewer loans being sold in the secondary market for the quarter ended September 30, 2022 compared to the same quarter in 2021.

Comparison of Financial Condition at September 30, 2022 and December 31, 2021

Total Assets. Total assets increased \$1.3 million, or 1.3%, to \$104.9 million at September 30, 2022 from \$103.6 million at December 31, 2021. The increase was due to increases in net loans of \$8.8 million, in loans held-for-sale of \$591,000 and in investment securities available-for-sale of \$341,000, offset, in part, by decreases in cash and cash equivalents of \$3.6 million and in interest-bearing deposits in banks of \$5.0 million.

Net Loans. Net loans increased \$8.8 million, or 11.6%, to \$84.7 million at September 30, 2022 from \$75.9 million at December 31, 2021. The increase in net loans was due primarily to increases in one- to four-family residential real estate loans, principally in non-conforming and construction loans earning higher interest rates than similar conforming loans, which are generally sold.

One- to four-family residential real estate loans increased \$7.2 million, or 10.8%, to \$73.5 million at September 30, 2022 from \$66.4 million at December 31, 2021, multifamily loans increased \$265,000, or 9.5%, to \$3.0 million at September 30, 2022 from \$2.8 million at December 31, 2021 and construction and land loans increased \$1.4 million, or 30.1%, to \$6.0 million at September 30, 2022 from \$4.6 million at December 31, 2021. Offsetting these increases, in part, commercial real estate loans decreased \$36,000, or 2.4%, to \$1.4 million at September 30, 2022 from \$1.5 million at December 31, 2021 and consumer loans decreased \$38,000, or 15.9%, to \$201,000 at September 30, 2022 from \$239,000 at December 31, 2021.

Cash and Cash Equivalents. Cash and cash equivalents decreased \$3.6 million, or 49.5%, to \$3.7 million at September 30, 2022 from \$7.3 million at December 31, 2021.

Interest-Bearing Deposits in Banks. Interest-bearing deposits in banks decreased \$5.0 million, or 64.6%, to \$2.7 million at September 30, 2022 from \$7.7 million at December 31, 2021.

The total of these two balance sheet line items was a decrease of \$8.6 million principally due to fund the increase in loans.

Securities Available-for-Sale. Investment securities available-for-sale, consisting of government-sponsored mortgage-backed securities and SBA 7a pools backed by equipment and mortgage loans, increased \$341,000, or 6.4%, to \$5.7 million at September 30, 2022 from \$5.3 million at December 31, 2021 as a result of the purchase of \$1.0 million of an SBA floating rate pool, offset, in part, by normal repayments and market values due to increased market interest rates.

Deposits. Deposits increased \$3.0 million, or 5.0%, to \$64.0 million at September 30, 2022 from \$61.0 million at December 31, 2021, principally due to increases of \$3.2 million in certificates of deposit, or 5.6%, to \$60.0 million at September 30, 2022 from \$56.8 million at December 31, 2021, offset, in part, by a decrease of \$143,000 in savings accounts, or 4.1%, to \$3.3 million at September 30, 2022 from \$3.4 million at December 31, 2021. The increase in certificates of deposit resulted primarily from an increase in certificates of deposit derived from an online service of \$2.7 million and brokers of \$2.1 million, offset, in part, by a decrease of \$923,000 of local retail certificates of deposit and \$709,000 of certificates from municipalities. We have sometimes utilized the non-retail funding sources to fund our loan origination and growth and to replace Federal Home Loan Bank advances, as well as in order to get longer-term funding not always available in the local market to help manage interest rate risk.

Borrowings. Borrowings, consisting entirely of Federal Home Loan Bank (FHLB) advances, increased \$1.0 million, or 5.6%, to \$19.2 million at September 30, 2022 from \$18.2 million at December 31, 2021.

Total Equity. Total equity decreased \$2.6 million, or 11.7%, to \$19.3 million at September 30, 2022 from \$21.8 million at December 31, 2021. The decrease resulted primarily from the repurchase of \$2.5 million of shares of common stock and an increase in accumulated other comprehensive loss of \$245,000, resulting from the effect of increased market interest rates on investment securities available for sale, offset, in part, by the net income of \$73,000 during the nine months ended September 30, 2022 and the allocation of ESOP shares of \$34,000.

Comparison of Operating Results for the Three Months Ended September 30, 2022 and 2021

General. We had net income of \$48,000 for the three months ended September 30, 2022, compared to a net loss of (\$13,000) for the three months ended September 30, 2021, an increase of \$61,000. The increase in net income resulted from an increase in net interest income of \$133,000 and a decrease in noninterest expense of \$10,000, offset, in part, by decrease in noninterest income of \$82,000.

Interest Income. Interest income increased \$163,000, or 23.8%, to \$849,000 for the three months ended September 30, 2022 from \$686,000 for the three months ended September 30, 2021. This increase was attributable to increases in interest on loans receivable of \$117,000, or 17.5%, and interest on other interest-earning assets of \$46,000, or 287.5%. The average balance of loans increased \$8.4 million, or 10.9%, to \$85.4 million for the three months ended September 30, 2022 from \$77.0 million for the three months ended September 30, 2021, and the average yield on loans increased 21 basis points to 3.69% for the three months ended September 30, 2022 from 3.48% for the three months ended September 30, 2021. The average balance of investment securities increased \$517,000, or 9.5%, to \$6.0 million for the three months ended September 30, 2022 from \$5.5 million for the three months ended September 30, 2021, while the average yield on investment securities increased 106 basis points to 1.94% for the three months ended September 30, 2022 from 0.88% for the three months ended September 30, 2021. The average balance of other interest-earning assets decreased \$7.4 million, or 54.1%, to \$6.3 million for the three months ended September 30, 2022 from \$13.7 million for the three months ended September 30, 2021, and the average yield on other interest-earning assets increased 198 basis points to 2.10% for the three months ended September 30, 2022 from 0.12% for the three months ended September 30, 2021.

Interest Expense. Total interest expense increased \$30,000, or 10.4%, to \$319,000 for the three months ended September 30, 2022 from \$289,000 for the three months ended September 30, 2021. The increase was due to increases of \$25,000, or 13.7%, in interest expense on deposits and \$5,000, or 4.7%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased \$1.3 million, or 2.0%, to \$64.1 million for the three months ended September 30, 2022 from \$62.9 million for the three months ended September 30, 2021, and the average cost of interest-bearing deposits in banks increased 14 basis points to 1.30% for the three months ended September 30, 2022 from 1.16% for the three months ended September 30, 2021. The average balance of FHLB advances increased \$513,000, or 2.7%, to \$19.2 million for the three months ended September 30, 2022 from \$18.7 million for the three months ended September 30, 2021. The average cost of these advances increased five basis points to 2.31% for the three months ended September 30, 2022 from 2.26% for the three months ended September 30, 2021.

Net Interest Income. Net interest income increased \$133,000, or 33.5%, to \$530,000 for the three months ended September 30, 2022 from \$397,000 for the three months ended September 30, 2021. Average net interest-earning assets

decreased \$306,000 period to period. This decrease was due primarily to a decrease in the average balance of other interest-earning assets, offset, in part, by increases in loans receivable and investment securities available-for-sale. Our interest rate spread increased 52 basis points to 1.95% for the three months ended September 30, 2022 from 1.43% for the three months ended September 30, 2021, and our net interest margin increased 52 basis points to 2.17% for the three months ended September 30, 2022 from 1.65% for the three months ended September 30, 2021. The increases in interest rate spread and net interest margin were primarily the result of interest rates on average interest-earning assets increasing faster than interest rates on average interest-bearing liabilities during the three months ended September 30, 2022 versus the three months ended September 30, 2021.

Provision for Loan Losses. We recorded no provisions for loan losses for the three months ended September 30, 2022 or for the three months ended September 30, 2021. The allowance for loan losses was \$858,000, or 1.02% of total loans, at September 30, 2022, compared to \$858,000, or 1.14% of total loans, at December 31, 2021, and \$858,000, or 1.16%, of total loans, at September 30, 2021. There were no classified (substandard, doubtful and loss) or non-performing loans at September 30, 2022, December 31, 2021 or September 30, 2021. There were no charge-offs or recoveries for the three months ended September 30, 2022 or for the three months ended September 30, 2021.

Noninterest Income. Noninterest income decreased \$82,000, or 30.5%, to \$187,000 for the three months ended September 30, 2022 from \$269,000 for the three months ended September 30, 2021. The decrease was principally due to a decrease of \$101,000, or 45.1%, in fees on loans sold.

Noninterest Expense. Noninterest expense decreased \$10,000, or 1.5%, to \$669,000 for the three months ended September 30, 2022 from \$679,000 for the three months ended September 30, 2021. The decrease was primarily due to a decrease of \$30,000, or 6.8%, in salaries and employee benefits, resulting primarily from a decrease in commissions and related expenses on lower loan volume period to period.

Income Tax Expense. There was no income tax expense for the three months ended September 30, 2022 or for the three months ended September 30, 2021, principally due to net operating loss tax carryforwards from prior years. The effective tax rate was 0.00% for the three months ended September 30, 2022 compared to 0.00% for the same quarter in 2021.

Comparison of Operating Results for the Nine Months Ended September 30, 2022 and 2021

General. We had net income of \$73,000 for the nine months ended September 30, 2022, compared to net income of \$150,000 for the nine months ended September 30, 2021, a decrease of \$77,000. The decrease in net income resulted from a decrease in noninterest income of \$362,000, offset, in part, by an increase in net interest income of \$246,000 and a decrease in noninterest expense of \$39,000.

Interest Income. Interest income increased \$196,000, or 9.3%, to \$2.3 million for the nine months ended September 30, 2022 from \$2.1 million for the nine months ended September 30, 2021. This increase was attributable to increases in interest on loans receivable of \$144,000, or 7.0%, and interest on other interest-earning assets of \$52,000, or 98.1%. The average balance of loans increased \$4.2 million, or 5.4%, to \$81.2 million for the nine months ended September 30, 2022 from \$77.0 million for the nine months ended September 30, 2021, and the average yield on loans increased five basis points to 3.61% for the nine months ended September 30, 2022 from 3.56% for the nine months ended September 30, 2021. The average balance of investment securities decreased \$449,000, or 7.9%, to \$5.2 million for the nine months ended September 30, 2022 from \$5.7 million for the nine months ended September 30, 2021, while the average yield on investment securities increased 44 basis points to 1.41% for the nine months ended September 30, 2022 from 0.97% for the nine months ended September 30, 2021. The average balance of other interest-earning assets decreased \$2.3 million, or 17.0%, to \$11.2 million for the nine months ended September 30, 2022 from \$13.5 million for the nine months ended September 30, 2021, and the average yield on other interest-earning assets increased 48 basis points to 0.60% for the nine months ended September 30, 2022 from 0.12% for the nine months ended September 30, 2021.

Interest Expense. Total interest expense decreased \$50,000, or 5.5%, to \$856,000 for the nine months ended September 30, 2022 from \$906,000 for the nine months ended September 30, 2021. The decrease was due to decreases of

\$40,000, or 6.9%, in interest expense on deposits and \$10,000, or 3.0%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased \$786,000, or 1.3%, to \$61.6 million for the nine months ended September 30, 2022 from \$60.8 million for the nine months ended September 30, 2021, and the average cost of interest-bearing deposits in banks decreased 10 basis points to 1.16% for the nine months ended September 30, 2022 from 1.26% for the nine months ended September 30, 2021. The average balance of FHLB advances decreased \$514,000, or 2.7%, to \$18.7 million for the nine months ended September 30, 2022 from \$19.2 million for the nine months ended September 30, 2021. The average cost of these advances decreased one basis point to 2.28% for the nine months ended September 30, 2022 from 2.29% for the nine months ended September 30, 2021.

Net Interest Income. Net interest income increased \$246,000, or 20.5%, to \$1.4 million for the nine months ended September 30, 2022 from \$1.2 million for the nine months ended September 30, 2021. Average net interest-earning assets increased \$1.2 million period to period. This increase was due primarily to an increase in the average balance of loans receivable, offset, in part, by decreases in the average balances of investment securities and other interest-earning assets. Our interest rate spread increased 32 basis points to 1.73% for the nine months ended September 30, 2022 from 1.41% for the nine months ended September 30, 2021, and our net interest margin increased 31 basis points to 1.98% for the nine months ended September 30, 2022 from 1.67% for the nine months ended September 30, 2021. The increases in interest rate spread and net interest margin were primarily the result of interest rates on average interest-earning assets increasing and interest rates on average interest-bearing liabilities decreasing during the nine months ended September 30, 2022 versus the nine months ended September 30, 2021.

Provision for Loan Losses. We recorded no provisions for loan losses for the nine months ended September 30, 2022 or for the nine months ended September 30, 2021. The allowance for loan losses was \$858,000, or 1.02% of total loans, at September 30, 2022, compared to \$858,000, or 1.14% of total loans, at December 31, 2021, and \$858,000, or 1.16%, of total loans, at September 30, 2021. There were no classified (substandard, doubtful and loss) or non-performing loans at September 30, 2022, December 31, 2021 or September 30, 2021. There were no charge-offs or recoveries for the nine months ended September 30, 2022. There were net recoveries of \$8,000 for the nine months ended September 30, 2021.

Noninterest Income. Noninterest income decreased \$362,000, or 41.0%, to \$521,000 for the nine months ended September 30, 2022 from \$883,000 for the nine months ended September 30, 2021. The decrease was principally due to a decrease of \$354,000, or 47.6%, in fees on loans sold.

Noninterest Expense. Noninterest expense decreased \$39,000, or 2.0%, to \$1.9 million for the nine months ended September 30, 2022 from \$1.9 million for the nine months ended September 30, 2021. The decrease was primarily due to a decrease of \$111,000, or 8.6%, in salaries and employee benefits, resulting primarily from a decrease in commissions and related expenses on lower loan volume period to period, offset, in part, by an increase of \$39,000 in accounting, consulting and legal expenses and of \$33,000 in other expenses.

Income Tax Expense. There was no income tax expense for the nine months ended September 30, 2022 or for the nine months ended September 30, 2021, principally due to net operating loss tax carryforwards from prior years. The effective tax rate was 0.00% for the nine months ended September 30, 2022 compared to 0.00% for the same quarter in 2021.

About Eureka Homestead Bancorp, Inc.

Eureka Homestead Bancorp, Inc. is the holding company for Eureka Homestead, a federally chartered stock savings association. The Bank, founded in 1884, is a community bank providing a variety of financial services to residents and businesses in and around Jefferson and Orleans Parishes, Louisiana. To learn more about us, visit www.eurekahomestead.com.

EUREKA HOMESTEAD BANCORP, INC.
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
SEPTEMBER 30, 2022 AND DECEMBER 31, 2021
(in thousands, except share data)

	September 30, 2022	December 31, 2021
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,692	\$ 7,316
Interest-Bearing Deposits in Banks	2,744	7,742
Investment Securities	5,670	5,329
Loans Receivable, Net	84,729	75,943
Loans Held-for-Sale	992	401
Accrued Interest Receivable	440	421
Federal Home Loan Bank Stock	1,458	1,448
Premises and Equipment, Net	688	626
Cash Surrender Value of Life Insurance	4,290	4,225
Deferred Tax Asset	58	—
Prepaid Expenses and Other Assets	181	144
Total Assets	<u>\$ 104,942</u>	<u>\$ 103,595</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 63,989	\$ 60,963
Advances from Federal Home Loan Bank	19,238	18,218
Advance Payments by Borrowers for Taxes and Insurance	1,798	1,902
Deferred Tax Liability	—	7
Accrued Expenses and Other Liabilities	633	659
Total Liabilities	<u>85,658</u>	<u>81,749</u>
Commitments and Contingencies		
Stockholders' Equity:		
Preferred Stock, \$0.01 Par Value, 1,000,000 Shares Authorized, No Shares Issued	—	—
Common Stock, \$0.01 Par Value, 9,000,000 Shares Authorized, 1,026,127 and 1,191,627 Shares Issued and Outstanding on September 30, 2022 and December 31, 2021, Respectively	10	12
Additional Paid-in Capital	8,076	10,498
Unallocated Common Stock Held by:		
Employee Stock Ownership Plan (ESOP)	(972)	(1,006)
Retained Earnings	12,390	12,317
Accumulated Other Comprehensive (Loss) Income	(220)	25
Total Stockholders' Equity	<u>19,284</u>	<u>21,846</u>
Total Liabilities and Stockholders' Equity	<u>\$ 104,942</u>	<u>\$ 103,595</u>

EUREKA HOMESTEAD BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
(in thousands, except Earnings Per Share)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Interest Income:				
Loans Receivable	\$ 787	\$ 670	\$ 2,199	\$ 2,055
Investment Securities	29	12	55	41
Interest-Bearing Deposits in Banks	33	4	50	12
Total Interest Income	849	686	2,304	2,108
Interest Expense:				
Deposits	208	183	536	576
Advances from Federal Home Loan Bank	111	106	320	330
Total Interest Expense	319	289	856	906
Net Interest Income	530	397	1,448	1,202
Provision (Credit) for Loan Losses	—	—	—	—
Net Interest Income After Provision (Credit) for Loan Losses	530	397	1,448	1,202
Non-Interest Income:				
Service Charges and Other Income	42	23	67	74
Fees on Loans Sold	123	224	389	743
Income from Life Insurance	22	22	65	66
Total Non-Interest Income	187	269	521	883
Non-Interest Expenses:				
Salaries and Employee Benefits	408	438	1,175	1,286
Occupancy Expense	61	52	166	152
FDIC Deposit Insurance Premium and Examination Fees	17	17	50	50
Data Processing	18	17	54	56
Accounting and Consulting	40	48	122	115
Insurance	27	23	78	65
Legal fees	37	11	72	40
Other	61	73	179	171
Total Non-Interest Expenses	669	679	1,896	1,935
Income Before Income Tax Expense	48	(13)	73	150
Income Tax Expense	—	—	—	—
Net Income	<u>\$ 48</u>	<u>\$ (13)</u>	<u>\$ 73</u>	<u>\$ 150</u>
Earnings Per Share: Basic	<u>\$ 0.05</u>	<u>\$ (0.01)</u>	<u>\$ 0.07</u>	<u>\$ 0.14</u>

EUREKA HOMESTEAD BANCORP, INC.
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021
OTHER FINANCIAL DATA (Unaudited)

(Annualized)	<u>Three Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Return on Average Assets	0.09 %	(0.02)%
Return on Average Equity	0.49 %	(0.12)%
Net Interest Margin	2.17 %	1.65 %
Bank Tier 1 Leverage Ratio	18.18 %	18.36 %
Allowance for Loan Losses to Total Loans	1.02 %	1.16 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
Earnings Per Share, Basic	\$ 0.05	\$ (0.01)
Book Value Per Share	\$ 18.79	\$ 18.41

(Annualized)	<u>Nine Months Ended September 30,</u>	
	<u>2022</u>	<u>2021</u>
Return on Average Assets	0.09 %	0.19 %
Return on Average Equity	0.48 %	0.91 %
Net Interest Margin	1.98 %	1.67 %
Bank Tier 1 Leverage Ratio	18.18 %	18.36 %
Allowance for Loan Losses to Total Loans	1.02 %	1.16 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
Earnings Per Share, Basic	\$ 0.07	\$ 0.14
Book Value Per Share	\$ 18.79	\$ 18.41