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EUREKA HOMESTEAD BANCORP, INC. ANNOUNCES JUNE 30, 2023 QUARTERLY EARNINGS

Metairie, Louisiana – Eureka Homestead Bancorp, Inc. (the “Company”) (OTC Pink Marketplace: “ERKH”), the holding company of Eureka Homestead (the “Bank”), announces a net loss of (\$87,000), or (\$0.09) per basic share, for the quarter ended June 30, 2023, compared to net income of \$39,000, or \$0.04 per basic share, for the quarter ended June 30, 2022. Net interest income increased \$54,000 due to increased interest income, offset, in part, by increased interest expense. Noninterest income increased \$29,000 principally due to more loans being sold in the secondary market and noninterest expense increased \$209,000 for the quarter ended June 30, 2023 compared to the same quarter in 2022. The increase in noninterest expense resulted primarily from an increase in accounting, consulting and legal expenses, due largely to the definitive merger agreement which the Company entered into with Eureka Investor Group Inc. (“EIG”) and announced on August 4, 2023 pursuant to which EIG will acquire the Company.

Comparison of Financial Condition at June 30, 2023 and December 31, 2022

Total Assets. Total assets increased \$372,000, or 0.4%, to \$103.7 million at June 30, 2023 from \$103.3 million at December 31, 2022. The increase was due to increases in interest-bearing deposits in banks of \$2.2 million and in loans held-for-sale of \$485,000, offset, in part, by decreases in net loans of \$1.6 million, in investment securities available-for-sale of \$486,000 and in cash and cash equivalents of \$327,000.

Net Loans. Net loans decreased \$1.6 million, or 1.9%, to \$84.2 million at June 30, 2023 from \$85.8 million at December 31, 2022.

One- to four-family residential real estate loans increased \$1.7 million, or 2.3%, to \$76.7 million at June 30, 2023 from \$75.0 million at December 31, 2022 principally due to construction and land loans of \$2.8 million converting from construction to permanent financing reducing those balances to \$2.9 million at June 30, 2023 from \$5.6 million at December 31, 2022, a decrease of 49.3%, offset, in part, by payoffs and paydowns of \$1.1 million; multifamily loans decreased \$470,000, or 15.5%, to \$2.6 million at June 30, 2023 from \$3.0 million at December 31, 2022; commercial real estate loans decreased \$25,000, or 1.7%, to \$1.4 million at June 30, 2023 from \$1.4 million at December 31, 2022 and consumer loans decreased \$4,000, or 2.0%, to \$195,000 at June 30, 2023 from \$199,000 at December 31, 2022 all due to normal paydowns.

Cash and Cash Equivalents. Cash and cash equivalents decreased \$327,000, or 9.0%, to \$3.3 million at June 30, 2023 from \$3.7 million at December 31, 2022.

Interest-Bearing Deposits in Banks. Interest-bearing deposits in banks increased \$2.2 million, or 179.3%, to \$3.5 million at June 30, 2023 from \$1.2 million at December 31, 2022, principally due to the reductions in net loans and securities available-for-sale.

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, decreased \$486,000, or 9.0%, to \$4.9 million at June 30, 2023 from \$5.4 million at December 31, 2022 as a result of normal repayments.

Deposits. Deposits increased \$1.2 million, or 1.9%, to \$63.4 million at June 30, 2023 from \$62.2 million at December 31, 2022, principally due to an increase of \$2.3 million in certificates of deposit, or 3.9%, to \$61.0 million at June 30, 2023 from \$58.7 million at December 31, 2022, offset, in part, by a decrease of \$1.1 million in savings accounts,

or 32.4%, to \$2.4 million at June 30, 2023 from \$3.5 million at December 31, 2022. The increase in certificates of deposit resulted primarily from increases in certificates of deposit derived from an online service of \$1.7 million and brokered certificates of deposit of \$744,000, offset, in part, by a decrease in retail certificates of deposit of \$135,000. 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, were flat, at \$19.7 million at June 30, 2023 and December 31, 2022.

Advance Payments by Borrowers for Taxes and Insurance. Advance payments by borrowers for taxes and insurance decreased \$751,000, or 53.6%, to \$651,000 at June 30, 2023 from \$1.4 million at December 31, 2022 due to normal payments for real estate taxes and insurance due principally in the first quarter of each year.

Total Equity. Total equity decreased \$23,000, or 0.1%, to \$19.3 million at June 30, 2023 from \$19.3 million at December 31, 2022. The decrease resulted primarily from the net loss of \$58,000 during the six months ended June 30, 2023 and an increase in accumulated other comprehensive loss of \$3,000, offset, in part, by the allocation of ESOP shares of \$38,000.

Comparison of Operating Results for the Three Months Ended June 30, 2023 and 2022

General. We had a net loss of (\$87,000) for the three months ended June 30, 2023, compared to net income of \$39,000 for the three months ended June 30, 2022, a decrease of \$126,000. The decrease in net income resulted primarily from an increase in noninterest expense of \$209,000, offset, in part, by increases in net interest income of \$54,000 and in noninterest income of \$29,000.

Interest Income. Interest income increased \$179,000, or 23.5%, to \$942,000 for the three months ended June 30, 2023 from \$763,000 for the three months ended June 30, 2022. This increase was attributable to increases in interest on loans receivable of \$86,000, or 11.6%, interest on investment securities of \$44,000, or 338.5%, and interest on other interest-earning assets of \$49,000, or 490.0%. The average balance of loans increased \$4.2 million, or 5.2%, to \$85.3 million for the three months ended June 30, 2023 from \$81.1 million for the three months ended June 30, 2022, and the average yield on loans increased 22 basis points to 3.87% for the three months ended June 30, 2023 from 3.65% for the three months ended June 30, 2022. The average balance of investment securities increased \$833,000, or 18.5%, to \$5.3 million for the three months ended June 30, 2023 from \$4.5 million for the three months ended June 30, 2022, and the average yield on investment securities increased 312 basis points to 4.28% for the three months ended June 30, 2023 from 1.16% for the three months ended June 30, 2022. The average balance of other interest-earning assets decreased \$3.3 million, or 40.7%, to \$4.8 million for the three months ended June 30, 2023 from \$8.1 million for the three months ended June 30, 2022, and the average yield on other interest-earning assets increased 443 basis points to 4.93% for the three months ended June 30, 2023 from 0.50% for the three months ended June 30, 2022.

Interest Expense. Total interest expense increased \$125,000, or 45.6%, to \$399,000 for the three months ended June 30, 2023 from \$274,000 for the three months ended June 30, 2022. The increase was due to increases of \$115,000, or 68.5%, in interest expense on deposits and \$10,000, or 9.4%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased \$2.2 million, or 3.6%, to \$62.8 million for the three months ended June 30, 2023 from \$60.6 million for the three months ended June 30, 2022, and the average cost of interest-bearing deposits in banks increased 69 basis points to 1.80% for the three months ended June 30, 2023 from 1.11% for the three months ended June 30, 2022. The average balance of FHLB advances increased \$1.0 million, or 5.5%, to \$19.8 million for the three months ended June 30, 2023 from \$18.7 million for the three months ended June 30, 2022. The average cost of these advances increased nine basis points to 2.35% for the three months ended June 30, 2023 from 2.26% for the three months ended June 30, 2022.

Net Interest Income. Net interest income decreased \$54,000, or 11.0%, to \$543,000 for the three months ended June 30, 2023 from \$489,000 for the three months ended June 30, 2022. Average net interest-earning assets decreased \$1.4 million period to period. This decrease was due to the average balances of interest-bearing liabilities growing faster

than the average balances of interest-earning assets. Our interest rate spread increased 14 basis points to 2.02% for the three months ended June 30, 2023 from 1.88% for the three months ended June 30, 2022, and our net interest margin increased 19 basis points to 2.28% for the three months ended June 30, 2023 from 2.09% for the three months ended June 30, 2022. 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 June 30, 2023 versus the three months ended June 30, 2022.

Provision for Credit Losses. The Bank adopted ASU 2016-13 regarding credit losses on January 1, 2023, using the model known as the Current Expected Credit Loss (CECL) model. Adoption of this model resulted in no increase to our Allowance for Credit Losses (ACL). We recorded no provisions for credit losses for the three months ended June 30, 2023 or for the three months ended June 30, 2022. The allowance for credit losses was \$850,000, or 1.02% of total loans, at June 30, 2023, compared to \$850,000, or 1.00% of total loans, at December 31, 2022, and \$858,000, or 1.03%, of total loans, at June 30, 2022. There were no classified (substandard, doubtful and loss) or non-performing loans at June 30, 2023, December 31, 2022 or June 30, 2022. There were no charge-offs or recoveries for the three months ended June 30, 2023 or for the three months ended June 30, 2022.

Noninterest Income. Noninterest income increased \$29,000, or 23.2%, to \$154,000 for the three months ended June 30, 2023 from \$125,000 for the three months ended June 30, 2022. The increase was principally due to an increase of \$22,000, or 25.3%, in fees on loans sold.

Noninterest Expense. Noninterest expense increased \$209,000, or 36.3%, to \$784,000 for the three months ended June 30, 2023 from \$575,000 for the three months ended June 30, 2022. The increase was primarily due to increases of \$44,000, or 12.1%, in salaries and employee benefits, resulting primarily from an increase in commissions and related expenses on higher loan volume period to period, and an increase of \$154,000, or 375.6%, in accounting, consulting and legal expenses largely related to the merger agreement entered in to and previously announced on August 4, 2023.

Income Tax Expense. There was no income tax expense for the three months ended June 30, 2023 or for the three months ended June 30, 2022, principally due to net operating loss tax carryforwards from prior years. The effective tax rate was 0.00% for the three months ended June 30, 2023 compared to 0.00% for the same quarter in 2022.

Comparison of Operating Results for the Six Months Ended June 30, 2023 and 2022

General. We had a net loss of (\$58,000) for the six months ended June 30, 2023, compared to net income of \$25,000 for the six months ended June 30, 2022, a decrease of \$83,000. The decrease in net income resulted from an increase in noninterest expense of \$170,000 and a decrease in noninterest income of \$94,000, offset, in part, by an increase in net interest income of \$181,000.

Interest Income. Interest income increased \$406,000, or 27.9%, to \$1.9 million for the six months ended June 30, 2023 from \$1.5 million for the six months ended June 30, 2022. This increase was attributable to increases in interest on loans receivable of \$233,000, or 16.5%, interest on investment securities of \$83,000, or 319.2%, and interest on other interest-earning assets of \$90,000, or 562.5%. The average balance of loans increased \$6.7 million, or 8.5%, to \$85.8 million for the six months ended June 30, 2023 from \$79.1 million for the six months ended June 30, 2022, and the average yield on loans increased 27 basis points to 3.84% for the six months ended June 30, 2023 from 3.57% for the six months ended June 30, 2022. The average balance of investment securities increased \$517,000, or 10.8%, to \$5.3 million for the six months ended June 30, 2023 from \$4.8 million for the six months ended June 30, 2022, while the average yield on investment securities increased 302 basis points to 4.10% for the six months ended June 30, 2023 from 1.08% for the six months ended June 30, 2022. The average balance of other interest-earning assets decreased \$5.9 million, or 56.3%, to \$4.6 million for the six months ended June 30, 2023 from \$10.4 million for the six months ended June 30, 2022, and the average yield on other interest-earning assets increased 433 basis points to 4.64% for the six months ended June 30, 2023 from 0.31% for the six months ended June 30, 2022.

Interest Expense. Total interest expense increased \$225,000, or 41.9%, to \$762,000 for the six months ended June 30, 2023 from \$537,000 for the six months ended June 30, 2022. The increase was due to increases of \$202,000, or 61.6%, in interest expense on deposits and \$23,000, or 11.0%, in interest expense on advances from the FHLB. The

average balance of interest-bearing deposits increased \$2.4 million, or 4.0%, to \$62.9 million for the six months ended June 30, 2023 from \$60.5 million for the six months ended June 30, 2022, and the average cost of interest-bearing deposits in banks increased 60 basis points to 1.69% for the six months ended June 30, 2023 from 1.09% for the six months ended June 30, 2022. The average balance of FHLB advances increased \$1.3 million, or 6.9%, to \$19.8 million for the six months ended June 30, 2023 from \$18.5 million for the six months ended June 30, 2022. The average cost of these advances increased nine basis points to 2.35% for the six months ended June 30, 2023 from 2.26% for the six months ended June 30, 2022.

Net Interest Income. Net interest income increased \$181,000, or 19.7%, to \$1.1 million for the six months ended June 30, 2023 from \$917,000 for the six months ended June 30, 2022. Average net interest-earning assets decreased \$2.3 million period to period. This decrease was due to the average balances of interest-bearing liabilities growing faster than the average balances of interest-earning assets. Our interest rate spread increased 33 basis points to 2.05% for the six months ended June 30, 2023 from 1.72% for the six months ended June 30, 2022, and our net interest margin increased 35 basis points to 2.30% for the six months ended June 30, 2023 from 1.95% for the six months ended June 30, 2022. 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 six months ended June 30, 2023 versus the six months ended June 30, 2022.

Provision for Credit Losses. The Bank adopted ASU 2016-13 regarding credit losses on January 1, 2023, using the model known as the Current Expected Credit Loss (CECL) model. Adoption of this model resulted in no increase to our Allowance for Credit Losses (ACL). We recorded no provisions for credit losses for the six months ended June 30, 2023 or for the six months ended June 30, 2022. The allowance for credit losses was \$850,000, or 1.02% of total loans, at June 30, 2023, compared to \$850,000, or 1.00% of total loans, at December 31, 2022, and \$858,000, or 1.03%, of total loans, at June 30, 2022. There were no classified (substandard, doubtful and loss) or non-performing loans at June 30, 2023, December 31, 2022 or June 30, 2022. There were no charge-offs or recoveries for the six months ended June 30, 2023 or for the six months ended June 30, 2022.

Noninterest Income. Noninterest income decreased \$94,000, or 28.1%, to \$240,000 for the six months ended June 30, 2023 from \$334,000 for the six months ended June 30, 2022. The decrease was principally due to a decrease of \$115,000, or 43.2%, in fees on loans sold.

Noninterest Expense. Noninterest expense increased \$170,000, or 13.9%, to \$1.4 million for the six months ended June 30, 2023 from \$1.2 million for the six months ended June 30, 2022. The increase was primarily due to increases of \$28,000, or 3.7%, in salaries and employee benefits, resulting primarily from an increase in commissions and related expenses on higher loan volume period to period, and an increase of \$127,000, or 109.5%, in accounting, consulting and legal expenses largely related to the merger agreement entered in to and previously announced on August 4, 2023.

Income Tax Expense. There was no income tax expense for the six months ended June 30, 2023 or for the six months ended June 30, 2022, principally due to net operating loss tax carryforwards from prior years. The effective tax rate was 0.00% for the six months ended June 30, 2023 compared to 0.00% for the same quarter in 2022.

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)
JUNE 30, 2023 AND DECEMBER 31, 2022
(in thousands, except share data)

	June 30, 2023	December 31, 2022
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 3,323	\$ 3,650
Interest-Bearing Deposits in Banks	3,489	1,249
Investment Securities	4,931	5,417
Loans Receivable, Net	84,214	85,844
Loans Held-for-Sale	485	—
Accrued Interest Receivable	454	453
Federal Home Loan Bank Stock	1,503	1,469
Premises and Equipment, Net	641	670
Cash Surrender Value of Life Insurance	4,357	4,312
Deferred Tax Asset	60	60
Prepaid Expenses and Other Assets	235	196
Total Assets	<u>\$ 103,692</u>	<u>\$ 103,320</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 63,380	\$ 62,220
Advances from Federal Home Loan Bank	19,757	19,744
Advance Payments by Borrowers for Taxes and Insurance	651	1,402
Accrued Expenses and Other Liabilities	612	639
Total Liabilities	<u>84,400</u>	<u>84,005</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 1,026,127 Shares Issued and Outstanding on June 30, 2023 and December 31, 2022, Respectively	10	10
Additional Paid-in Capital	8,101	8,085
Unallocated Common Stock Held by:		
Employee Stock Ownership Plan (ESOP)	(938)	(960)
Retained Earnings	12,347	12,405
Accumulated Other Comprehensive (Loss)	(228)	(225)
Total Stockholders' Equity	<u>19,292</u>	<u>19,315</u>
Total Liabilities and Stockholders' Equity	<u>\$ 103,692</u>	<u>\$ 103,320</u>

EUREKA HOMESTEAD BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
(in thousands, except Earnings Per Share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest Income:				
Loans Receivable	\$ 826	\$ 740	\$ 1,645	\$ 1,412
Investment Securities	57	13	109	26
Interest-Bearing Deposits in Banks	59	10	106	16
Total Interest Income	942	763	1,860	1,454
Interest Expense:				
Deposits	283	168	530	328
Advances from Federal Home Loan Bank	116	106	232	209
Total Interest Expense	399	274	762	537
Net Interest Income	543	489	1,098	917
Provision for Credit Losses				
Net Interest Income After Provision for Credit Losses	—	—	—	—
	543	489	1,098	917
Non-Interest Income:				
Service Charges and Other Income	22	16	45	25
Fees on Loans Sold	109	87	151	266
Income from Life Insurance	23	22	44	43
Total Non-Interest Income	154	125	240	334
Non-Interest Expenses:				
Salaries and Employee Benefits	409	365	795	767
Occupancy Expense	61	53	124	106
FDIC Deposit Insurance Premium and Examination Fees	19	17	34	33
Data Processing	17	18	35	36
Accounting and Consulting	34	22	60	82
Insurance	27	26	54	50
Legal fees	161	19	183	34
Other	56	55	111	118
Total Non-Interest Expenses	784	575	1,396	1,226
(Loss) Income Before Income Tax Expense	(87)	39	(58)	25
Income Tax Expense	—	—	—	—
Net (Loss) Income	\$ (87)	\$ 39	\$ (58)	\$ 25
(Loss) Earnings Per Share: Basic	\$ (0.09)	\$ 0.04	\$ (0.06)	\$ 0.02

EUREKA HOMESTEAD BANCORP, INC.
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2023 AND 2022
OTHER FINANCIAL DATA (Unaudited)

(Annualized)	<u>Three Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Return on Average Assets	(0.34)%	0.15 %
Return on Average Equity	(1.79)%	0.78 %
Net Interest Margin	2.28 %	2.09 %
Bank Tier 1 Leverage Ratio	18.81 %	18.74 %
Allowance for Loan Losses to Total Loans	1.02 %	1.03 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	\$ (0.09)	\$ 0.04
Book Value Per Share	\$ 18.80	\$ 18.79

(Annualized)	<u>Six Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Return on Average Assets	(0.11)%	0.05 %
Return on Average Equity	(0.60)%	0.24 %
Net Interest Margin	2.31 %	1.96 %
Bank Tier 1 Leverage Ratio	18.81 %	18.74 %
Allowance for Credit Losses to Total Loans	1.02 %	1.03 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	\$ (0.06)	\$ 0.02
Book Value Per Share	\$ 18.80	\$ 18.79