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EUREKA HOMESTEAD BANCORP, INC. ANNOUNCES SEPTEMBER 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 ($133,000), or ($0.14) per basic share, for the quarter ended September 30, 2023, compared to net income of $48,000, or $0.05 per basic share, for the quarter ended September 30, 2022. Net interest income increased $20,000 due to increased interest income, offset, in part, by increased interest expense. Noninterest income decreased $78,000 principally due to fewer loans being sold in the secondary market and noninterest expense increased $123,000 for the quarter ended September 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, offset, in part, by a decrease in salaries and employee benefits, resulting primarily from a decrease in commissions and related expenses on lower loan volume period to period

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

Total Assets. Total assets increased $325,000, or 0.3%, to $103.6 million at September 30, 2023 from $103.3 million at December 31, 2022. The increase was due to increases in interest-bearing deposits in banks of $2.7 million, offset, in part, by decreases in net loans of $783,000, in investment securities available-for-sale of $712,000 and in cash and cash equivalents of $939,000.

Net Loans. Net loans decreased $783,000, or 0.9%, to $85.1 million at September 30, 2023 from $85.8 million at December 31, 2022.

One- to four-family residential real estate loans increased $3.6 million, or 4.8%, to $78.5 million at September 30, 2023 from $75.0 million at December 31, 2022 principally due to $4.5 million of new loans, construction and land loans of $3.8 million converting from construction to permanent financing reducing those balances to $1.9 million at September 30, 2023 from $5.6 million at December 31, 2022, a decrease of 66.9%, offset, in part, by payoffs and paydowns of $4.7 million; multifamily loans decreased $490,000, or 16.2%, to $2.5 million at September 30, 2023 from $3.0 million at December 31, 2022; commercial real estate loans decreased $34,000, or 2.4%, to $1.4 million at September 30, 2023 from $1.4 million at December 31, 2022 and consumer loans decreased $7,000, or 3.5%, to $192,000 at September 30, 2023 from $199,000 at December 31, 2022 all due to normal paydowns.

Cash and Cash Equivalents. Cash and cash equivalents decreased $939,000, or 25.7%, to $2.7 million at September 30, 2023 from $3.7 million at December 31, 2022.

Interest-Bearing Deposits in Banks. Interest-bearing deposits in banks increased $2.7 million, or 220.0%, to $4.0 million at September 30, 2023 from $1.2 million at December 31, 2022, principally due to the reductions in net loans, securities available-for-sale and cash and cash equivalents.

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 $712,000, or 13.1%, to $4.7 million at September 30, 2023 from $5.4 million at December 31, 2022 as a result of normal repayments and an increase in unrealized losses.

Deposits. Deposits increased $891,000, or 1.4%, to $63.1 million at September 30, 2023 from $62.2 million at December 31, 2022, principally due to an increase of $2.2 million in certificates of deposit, or 3.7%, to $60.9 million at September 30, 2023 from $58.7 million at December 31, 2022, offset, in part, by a decrease of $1.3 million in savings accounts, or 36.2%, to $2.3 million at September 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 $1.5 million and brokered certificates of deposit of $744,000, offset, in part, by a decrease in retail certificates of deposit of $22,000. 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 unchnaged, at $19.7 million at September 30, 2023 and December 31, 2022.

Advance Payments by Borrowers for Taxes and Insurance. Advance payments by borrowers for taxes and insurance decreased $400,000, or 28.5%, to $1.0 million at September 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 $156,000, or 0.8%, to $19.2 million at September 30, 2023 from $19.3 million at December 31, 2022. The decrease resulted primarily from the net loss of $191,000 during the nine months ended September 30, 2023 and an increase in accumulated other comprehensive loss of $22,000, offset, in part, by the allocation of ESOP shares of $57,000.

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

General. We had a net loss of ($133,000) for the three months ended September 30, 2023, compared to net income of $48,000 for the three months ended September 30, 2022, a decrease of $181,000. The decrease in net income resulted primarily from a decrease in noninterest income of $78,000 and an increase in noninterest expense of $123,000, offset, in part, by an increase in net interest income of $20,000.

Interest Income. Interest income increased $130,000, or 15.3%, to $979,000 for the three months ended September 30, 2023 from $849,000 for the three months ended September 30, 2022. This increase was attributable to increases in interest on loans receivable of $58,000, or 7.4%, interest on investment securities of $25,000, or 86.2%, and interest on other interest-earning assets of $47,000, or 142.4%. The average balance of loans decreased $135,000, or 0.2%, to $85.2 million for the three months ended September 30, 2023 from $85.4 million for the three months ended September 30, 2022, and the average yield on loans increased 28 basis points to 3.97% for the three months ended September 30, 2023 from 3.69% for the three months ended September 30, 2022. The average balance of investment securities decreased $1.2 million, or 19.3%, to $4.8 million for the three months ended September 30, 2023 from $6.0 million for the three months ended September 30, 2022, and the average yield on investment securities increased 253 basis points to 4.47% for the three months ended September 30, 2023 from 1.94% for the three months ended September 30, 2022. The average balance of other interest-earning assets decreased $186,000, or 3.0%, to $6.1 million for the three months ended September 30, 2023 from $6.3 million for the three months ended September 30, 2022, and the average yield on other interest-earning assets increased 314 basis points to 5.24% for the three months ended September 30, 2023 from 2.10% for the three months ended September 30, 2022.

Interest Expense. Total interest expense increased $110,000, or 34.5%, to $429,000 for the three months ended September 30, 2023 from $319,000 for the three months ended September 30, 2022. The increase was due to increases of $105,000, or 50.5%, in interest expense on deposits and $5,000, or 4.5%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits decreased $924,000, or 1.4%, to $63.2 million for the three months ended September 30, 2023 from $64.1 million for the three months ended September 30, 2022, and the average cost of interest-bearing deposits in banks increased 68 basis points to 1.98% for the three months ended September 30, 2023 from 1.30% for the three months ended September 30, 2022. The average balance of FHLB advances increased $526,000, or 2.7%, to $19.8 million for the three months ended September 30, 2023 from $19.2 million for the three months ended September 30, 2022. The average cost of these advances increased four basis points to 2.35% for the three months ended September 30, 2023 from 2.31% for the three months ended September 30, 2022.

Net Interest Income. Net interest income increased $20,000, or 3.8%, to $550,000 for the three months ended September 30, 2023 from $530,000 for the three months ended September 30, 2022. Average net interest-earning assets decreased $1.1 million period to period. This decrease was due to the average balances of interest-bearing assets shrinking faster than the average balances of interest-earning liabilities. Our interest rate spread increased five basis points to 2.00% for the three months ended September 30, 2023 from 1.95% for the three months ended September 30, 2022, and our net interest margin increased 12 basis points to 2.29% for the three months ended September 30, 2023 from 2.17% for the three months ended September 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 September 30, 2023 versus the three months ended September 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 September 30, 2023 or for the three months ended September 30, 2022. The allowance for credit losses was $850,000, or 1.01% of total loans, at September 30, 2023, compared to $850,000, or 1.01% of total loans, at December 31, 2022, and $858,000, or 1.02%, of total loans, at September 30, 2022. There were no classified (substandard, doubtful and loss) or non-performing loans at September 30, 2023, December 31, 2022 or September 30, 2022. There were no charge-offs or recoveries for the three months ended September 30, 2023 or for the three months ended September 30, 2022.

Noninterest Income. Noninterest income decreased $78,000, or 41.7%, to $109,000 for the three months ended September 30, 2023 from $187,000 for the three months ended September 30, 2022. The increase was principally due to a decrease of $89,000, or 72.4%, in fees on loans sold.

Noninterest Expense. Noninterest expense increased $123,000, or 18.4%, to $792,000 for the three months ended September 30, 2023 from $669,000 for the three months ended September 30, 2022. The increase was primarily due to an increase of $254,000, or 229.9%, in accounting, consulting and legal expenses largely related to the merger agreement entered in to and previously announced on August 4. 2023, offset, in part, by a decrease of $70,000, or 17.2%, 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, 2023 or for the three months ended September 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 September 30, 2023 compared to 0.00% for the same quarter in 2022.

Comparison of Operating Results for the Nine Months Ended September 30, 2023 and 2022

General. We had a net loss of ($191,000) for the nine months ended September 30, 2023, compared to net income of $73,000 for the nine months ended September 30, 2022, a decrease of $264,000. The decrease in net income resulted from an increase in noninterest expense of $293,000 and a decrease in noninterest income of $171,000, offset, in part, by an increase in net interest income of $200,000.

Interest Income. Interest income increased $535,000, or 23.2%, to $2.8 million for the nine months ended September 30, 2023 from $2.3 million for the nine months ended September 30, 2022. This increase was attributable to increases in interest on loans receivable of $291,000, or 13.2%, interest on investment securities of $107,000, or 194.5%, and interest on other interest-earning assets of $137,000, or 274.0%. The average balance of loans increased $4.4 million, or 5.4%, to $85.6 million for the nine months ended September 30, 2023 from $81.2 million for the nine months ended September 30, 2022, and the average yield on loans increased 27 basis points to 3.88% for the nine months ended September 30, 2023 from 3.61% for the nine months ended September 30, 2022. The average balance of investment securities decreased $46,000, or 0.9%, to $5.2 million for the nine months ended September 30, 2023 from $5.2 million for the nine months ended September 30, 2022, while the average yield on investment securities increased 278 basis points to 4.19% for the nine months ended September 30, 2023 from 1.41% for the nine months ended September 30, 2022. The average balance of other interest-earning assets decreased $4.0 million, or 43.8%, to $5.1 million for the nine months ended September 30, 2023 from $9.0 million for the nine months ended September 30, 2022, and the average yield on other interest-earning assets increased 416 basis points to 4.90% for the nine months ended September 30, 2023 from 0.74% for the nine months ended September 30, 2022.

Interest Expense. Total interest expense increased $335,000, or 39.1%, to $1.2 million for the nine months ended September 30, 2023 from $856,000 for the nine months ended September 30, 2022. The increase was due to increases of $307,000, or 57.3%, in interest expense on deposits and $28,000, or 8.8%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased $1.4 million, or 2.3%, to $63.0 million for the nine months ended September 30, 2023 from $61.6 million for the nine months ended September 30, 2022, and the average cost of interest-bearing deposits in banks increased 62 basis points to 1.78% for the nine months ended September 30, 2023 from 1.16% for the nine months ended September 30, 2022. The average balance of FHLB advances increased $1.0 million, or 5.5%, to $19.8 million for the nine months ended September 30, 2023 from $18.7 million for the nine months ended September 30, 2022. The average cost of these advances increased seven basis points to 2.35% for the nine months ended September 30, 2023 from 2.28% for the nine months ended September 30, 2022.

Net Interest Income. Net interest income increased $200,000, or 13.8%, to $1.6 million for the nine months ended September 30, 2023 from $1.4 million for the nine months ended September 30, 2022. Average net interest-earning assets decreased $2.0 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 23 basis points to 2.03% for the nine months ended September 30, 2023 from 1.80% for the nine months ended September 30, 2022, and our net interest margin increased 27 basis points to 2.29% for the nine months ended September 30, 2023 from 2.02% for the nine months ended September 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 nine months ended September 30, 2023 versus the nine months ended September 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 nine months ended September 30, 2023 or for the nine months ended September 30, 2022. The allowance for credit losses was $850,000, or 1.01% of total loans, at September 30, 2023, compared to $850,000, or 1.00% of total loans, at December 31, 2022, and $858,000, or 1.02%, of total loans, at September 30, 2022. There were no classified (substandard, doubtful and loss) or non-performing loans at September 30, 2023, December 31, 2022 or September 30, 2022. There were no charge-offs or recoveries for the nine months ended September 30, 2023 or for the nine months ended September 30, 2022.

Noninterest Income. Noninterest income decreased $171,000, or 32.8%, to $350,000 for the nine months ended September 30, 2023 from $521,000 for the nine months ended September 30, 2022. The decrease was principally due to a decrease of $204,000, or 52.4%, in fees on loans sold.

Noninterest Expense. Noninterest expense increased $293,000, or 15.5%, to $2.2 million for the nine months ended September 30, 2023 from $1.9 million for the nine months ended September 30, 2022. The increase was primarily due to an increase of $303,000, or 156.2%, in accounting, consulting and legal expenses largely related to the merger agreement entered into and previously announced on August 4. 2023, offset, in part, by a decrease of $42,000, or 3.6%, 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 nine months ended September 30, 2023 or for the nine months ended September 30, 2022, 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, 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)
SEPTEMBER 30, 2023 AND DECEMBER 31, 2022
(in thousands, except share data)

	September 30, 2023	December 31, 2022
ASSETS		
Cash and Cash Equivalents	$ 2,711	$ 3,650
Interest-Bearing Deposits in Banks	3,997	1,249
Investment Securities	4,705	5,417
Loans Receivable, Net	85,061	85,844
Accrued Interest Receivable	478	453
Federal Home Loan Bank Stock	1,523	1,469
Premises and Equipment, Net	627	670
Cash Surrender Value of Life Insurance	4,280	4,312
Deferred Tax Asset	66	60
Prepaid Expenses and Other Assets	197	196
Total Assets	$ 103,645	$ 103,320
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities:		
Deposits	$ 63,111	$ 62,220
Advances from Federal Home Loan Bank	19,764	19,744
Advance Payments by Borrowers for Taxes and Insurance	1,002	1,402
Accrued Expenses and Other Liabilities	609	639
Total Liabilities	84,486	84,005
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 September 30, 2023 and December 31, 2022, Respectively	10	10
Additional Paid-in Capital	8,108	8,085
Unallocated Common Stock Held by:		
Employee Stock Ownership Plan (ESOP)	(926)	(960)
Retained Earnings	12,214	12,405
Accumulated Other Comprehensive (Loss)	(247)	(225)
Total Stockholders' Equity	19,159	19,315
Total Liabilities and Stockholders' Equity	$ 103,645	$ 103,320

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

	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Interest Income:				
Loans Receivable	$ 845	$ 787	$ 2,490	$ 2,199
Investment Securities	54	29	162	55
Interest-Bearing Deposits in Banks	80	33	187	50
Total Interest Income	979	849	2,839	2,304
Interest Expense:				
Deposits	313	208	843	536
Advances from Federal Home Loan Bank	116	111	348	320
Total Interest Expense	429	319	1,191	856
Net Interest Income	550	530	1,648	1,448
Provision for Credit Losses	—	—	—	—
Net Interest Income After Provision for Credit Losses	550	530	1,648	1,448
Non-Interest Income:				
Service Charges and Other Income	52	42	98	67
Fees on Loans Sold	34	123	185	389
Income from Life Insurance	23	22	67	65
Total Non-Interest Income	109	187	350	521
Non-Interest Expenses:				
Salaries and Employee Benefits	338	408	1,133	1,175
Occupancy Expense	64	61	189	166
FDIC Deposit Insurance Premium and Examination Fees	17	17	51	50
Data Processing	18	18	52	54
Accounting and Consulting	157	40	217	122
Insurance	28	27	82	78
Legal fees	97	37	280	72
Other	73	61	185	179
Total Non-Interest Expenses	792	669	2,189	1,896
(Loss) Income Before Income Tax Expense	(133)	48	(191)	73
Income Tax Expense	—	—	—	—
Net (Loss) Income	$ (133)	$ 48	$ (191)	$ 73
(Loss) Earnings Per Share: Basic	$ (0.14)	$ 0.05	$ (0.20)	$ 0.07

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

	Three Months Ended September 30,	
(Annualized)	2023	2022
Return on Average Assets	(0.51)%	0.19 %
Return on Average Equity	(2.76)%	0.88 %
Net Interest Margin	2.29 %	2.17 %
Bank Tier 1 Leverage Ratio	18.81 %	18.18 %
Allowance for Loan Losses to Total Loans	1.01 %	1.02 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	$ (0.14)	$ 0.05
Book Value Per Share	$ 18.67	$ 18.79

	Nine Months Ended September 30,	
(Annualized)	2023	2022
Return on Average Assets	(0.25)%	0.09 %
Return on Average Equity	(1.32)%	0.48 %
Net Interest Margin	2.29 %	2.02 %
Bank Tier 1 Leverage Ratio	18.81 %	18.18 %
Allowance for Credit Losses to Total Loans	1.01 %	1.02 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	$ (0.20)	$ 0.07
Book Value Per Share	$ 18.67	$ 18.79