

Release Date: July 22, 2024

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

EUREKA HOMESTEAD BANCORP, INC. ANNOUNCES JUNE 30, 2024 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 \$3,000, or (\$0.00) per basic share, for the quarter ended June 30, 2024, compared to a net loss of (\$87,000), or (\$0.09) per basic share, for the quarter ended June 30, 2023. Net interest income decreased \$60,000 due to increased interest expense, offset, in part, by increased interest income. Noninterest income decreased \$53,000 principally due to fewer loans being sold in the secondary market and noninterest expense decreased \$203,000 for the quarter ended June 30, 2024 compared to the same quarter in 2023. The decrease in noninterest expense resulted primarily from larger professional fees incurred in the 2023 quarter resulting primarily from the negotiation of 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, 2024 and December 31, 2023

Total Assets. Total assets decreased \$2.1 million, or 2.0%, to \$103.2 million at June 30, 2024 from \$105.4 million at December 31, 2023. The decrease was principally due to decreases in interest-bearing deposits in banks of \$5.0 million, in investment securities available-for-sale of \$535,000 and in net loans of \$561,000, offset, in part, by an increase in cash and cash equivalents of \$3.7 million.

Net Loans. Net loans decreased \$561,000, or 0.7%, to \$85.4 million at June 30, 2024 from \$86.0 million at December 31, 2023.

One- to four-family residential real estate loans decreased \$340,000, or 0.4%, to \$79.9 million at June 30, 2024 from \$80.2 million at December 31, 2023 as normal repayments and payoffs exceeded new loan production; construction and land loans increased \$379,000, or 33.2%, to \$1.5 million at June 30, 2024 from \$1.1 million at December 31, 2023; multifamily loans decreased \$563,000, or 22.4%, to \$2.0 million at June 30, 2024 from \$2.5 million at December 31, 2023 due to normal paydowns; commercial real estate loans decreased \$27,000, or 2.0%, to \$1.4 million at June 30, 2024 from \$1.4 million at December 31, 2023 due to normal paydowns; and consumer loans increased \$20,000, or 10.5%, to \$211,000 at June 30, 2024 from \$191,000 at December 31, 2023.

Cash and Cash Equivalents. Cash and cash equivalents increased \$3.7 million, or 163.4%, to \$5.9 million at June 30, 2024 from \$2.2 million at December 31, 2023.

Interest-Bearing Deposits in Banks. Interest-bearing deposits in banks decreased \$5.0 million, or 90.9%, to \$500,000 at June 30, 2024 from \$5.5 million at December 31, 2023.

In the aggregate, cash and cash equivalents and interest-bearing deposits in banks decreased \$1.3 million, resulting primarily from the decrease in borrowings.

Securities Available-for-Sale. Debt securities available-for-sale, consisting of government-sponsored mortgage-backed securities and SBA 7a pools backed by equipment and mortgage loans, decreased \$535,000, or 12.0%, to \$3.9 million at June 30, 2024 from \$4.5 million at December 31, 2023 as a result of normal repayments.

Deposits. Deposits increased \$95,000, or 0.1%, to \$65.3 million at June 30, 2024 from \$65.2 million at December 31, 2023, principally due to an increase of \$184,000 in certificates of deposit, or 0.3%, to \$63.4 million at June 30, 2024

from \$63.2 million at December 31, 2023, offset, in part, by a decrease of \$89,000 in savings accounts, or 4.5%, to \$1.9 million at June 30, 2024 from \$2.0 million at December 31, 2023. The increase in certificates of deposit resulted primarily from increases in certificates of deposit derived from an online service of \$74,000 and brokered certificates of deposit of \$498,000, offset, in part, by a decrease in retail certificates of deposit of \$388,000. 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 decreased \$2.0 million, or 10.3%, to \$17.3 million at June 30, 2024 from \$19.3 million at December 31, 2023.

Advance Payments by Borrowers for Taxes and Insurance. Advance payments by borrowers for taxes and insurance decreased \$224,000, or 20.5%, to \$867,000 at June 30, 2024 from \$1.1 million at December 31, 2023 due to normal payments for real estate taxes and insurance due principally in the first quarter of each year.

Total Equity. Total equity increased \$19,000, or 0.1%, to \$19.2 million at June 30, 2024 from \$19.2 million at December 31, 2023. The increase resulted primarily from the allocation of ESOP shares of \$49,000, offset, in part, by the net loss of \$30,000 during the six months ended June 30, 2024.

Comparison of Operating Results for the Three Months Ended June 30, 2024 and 2023

General. We had a net income of \$3,000 for the three months ended June 30, 2024, compared to a net loss of (\$87,000) for the three months ended June 30, 2023, an increase of \$90,000. The increase in net income resulted primarily from a decrease in noninterest expense of \$203,000, offset, in part, by decreases in net interest income of \$60,000 and in noninterest income of \$53,000.

Interest Income. Interest income increased \$76,000, or 8.1%, to \$1.0 million for the three months ended June 30, 2024 from \$942,000 for the three months ended June 30, 2023. This increase was attributable to increases in interest on loans receivable of \$54,000, or 6.5%, and interest on other interest-earning assets of \$34,000, or 57.6%, offset, in part, by a decrease in interest on investment securities of \$12,000, or 21.1%. The average balance of loans increased \$598,000, or 0.7%, to \$85.9 million for the three months ended June 30, 2024 from \$85.3 million for the three months ended June 30, 2023, and the average yield on loans increased 23 basis points to 4.10% for the three months ended June 30, 2024 from 3.87% for the three months ended June 30, 2023. The average balance of investment securities decreased \$1.3 million, or 24.4%, to \$4.0 million for the three months ended June 30, 2024 from \$5.3 million for the three months ended June 30, 2023, and the average yield on investment securities increased 19 basis points to 4.47% for the three months ended June 30, 2024 from 4.28% for the three months ended June 30, 2023. The average balance of other interest-earning assets increased \$2.2 million, or 46.0%, to \$7.0 million for the three months ended June 30, 2024 from \$4.8 million for the three months ended June 30, 2023, and the average yield on other interest-earning assets increased 39 basis points to 5.32% for the three months ended June 30, 2024 from 4.93% for the three months ended June 30, 2023.

Interest Expense. Total interest expense increased \$136,000, or 34.1%, to \$535,000 for the three months ended June 30, 2024 from \$399,000 for the three months ended June 30, 2023. The increase was due to an increase of \$144,000, or 50.9%, in interest expense on deposits, offset, in part, by a decrease of \$8,000, or 6.9%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased \$2.5 million, or 4.0%, to \$65.3 million for the three months ended June 30, 2024 from \$62.8 million for the three months ended June 30, 2023, and the average cost of interest-bearing deposits in banks increased 81 basis points to 2.61% for the three months ended June 30, 2024 from 1.80% for the three months ended June 30, 2023. The average balance of FHLB advances decreased \$1.1 million, or 5.4%, to \$18.7 million for the three months ended June 30, 2024 from \$19.8 million for the three months ended June 30, 2023. The average cost of these advances decreased four basis points to 2.31% for the three months ended June 30, 2024 from 2.35% for the three months ended June 30, 2023.

Net Interest Income. Net interest income decreased \$60,000, or 11.0%, to \$483,000 for the three months ended June 30, 2024 from \$543,000 for the three months ended June 30, 2023. Average net interest-earning assets increased \$22,000 period to period, as the average balances of interest-earning assets grew faster than the average balances of interest-bearing liabilities. Our interest rate spread decreased 37 basis points to 1.65% for the three months ended June 30,

2024 from 2.02% for the three months ended June 30, 2023, and our net interest margin decreased 29 basis points to 1.99% for the three months ended June 30, 2024 from 2.28% for the three months ended June 30, 2023. The decreases in interest rate spread and net interest margin were primarily the result of interest rates on average interest-bearing liabilities increasing faster than interest rates on average interest-earning assets during the three months ended June 30, 2024 versus the three months ended June 30, 2023.

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, 2024 or for the three months ended June 30, 2023. The allowance for credit losses was \$850,000, or 1.00% of total loans, at June 30, 2024, compared to \$850,000, or 0.99% of total loans, at December 31, 2023, and \$850,000, or 1.02%, of total loans, at June 30, 2023. There were two loans totaling \$662,000 classified as substandard at June 30, 2024 and no loans classified (substandard, doubtful and loss) at December 31, 2023 or June 30, 2023. There were no non-performing loans at June 30, 2024, December 31, 2023 or June 30, 2023. There were no charge-offs or recoveries for the three months ended June 30, 2024 or for the three months ended June 30, 2023.

Noninterest Income. Noninterest income decreased \$53,000, or 34.4%, to \$101,000 for the three months ended June 30, 2024 from \$154,000 for the three months ended June 30, 2023. The decrease was principally due to a decrease of \$58,000, or 53.2%, in fees on loans sold.

Noninterest Expense. Noninterest expense decreased \$203,000, or 25.9%, to \$581,000 for the three months ended June 30, 2024 from \$784,000 for the three months ended June 30, 2023. The decrease was primarily due to decreases of \$61,000, or 14.9%, in salaries and employee benefits, resulting primarily from a decrease in commissions and related expenses on lower loan volume period to period, and of \$150,000, or 76.9%, in accounting, consulting and legal expenses from fees incurred in the 2023 quarter resulting primarily from the negotiation of the definitive merger agreement which the Company entered into and previously announced on August 4, 2023.

Income Tax Expense. There was no income tax expense for the three months ended June 30, 2024 or for the three months ended June 30, 2023, 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, 2024 compared to 0.00% for the same quarter in 2023.

Comparison of Operating Results for the Six Months Ended June 30, 2024 and 2023

General. We had a net loss of (\$30,000) for the six months ended June 30, 2024, compared to a net loss of (\$58,000) for the six months ended June 30, 2023, a decrease of \$28,000. The decrease in net loss resulted from a decrease in noninterest expense of \$190,000, offset, in part, by a decrease in net interest income of \$79,000 and a decrease in noninterest income of \$83,000.

Interest Income. Interest income increased \$193,000, or 10.4%, to \$2.1 million for the six months ended June 30, 2024 from \$1.9 million for the six months ended June 30, 2023. This increase was attributable to increases in interest on loans receivable of \$121,000, or 7.4%, and interest on other interest-earning assets of \$87,000, or 82.1%, offset, in part, by a decrease in interest on investment securities of \$15,000, or 13.8%. The average balance of loans increased \$140,000, or 0.2%, to \$85.9 million for the six months ended June 30, 2024 from \$85.8 million for the six months ended June 30, 2023, and the average yield on loans increased 27 basis points to 4.11% for the six months ended June 30, 2024 from 3.84% for the six months ended June 30, 2023. The average balance of investment securities decreased \$1.1 million, or 21.2%, to \$4.2 million for the six months ended June 30, 2024 from \$5.3 million for the six months ended June 30, 2023, while the average yield on investment securities increased 39 basis points to 4.49% for the six months ended June 30, 2024 from 4.10% for the six months ended June 30, 2023. The average balance of other interest-earning assets increased \$2.6 million, or 57.2%, to \$7.2 million for the six months ended June 30, 2024 from \$4.6 million for the six months ended June 30, 2023, and the average yield on other interest-earning assets increased 73 basis points to 5.37% for the six months ended June 30, 2024 from 4.64% for the six months ended June 30, 2023.

Interest Expense. Total interest expense increased \$272,000, or 35.7%, to \$1.0 million for the six months ended June 30, 2024 from \$762,000 for the six months ended June 30, 2023. The increase was due to an increase of \$285,000, or

53.8%, in interest expense on deposits, offset, in part, by a decrease of \$13,000, or 5.6%, in interest expense on advances from the FHLB. The average balance of interest-bearing deposits increased \$2.4 million, or 3.8%, to \$65.2 million for the six months ended June 30, 2024 from \$62.9 million for the six months ended June 30, 2023, and the average cost of interest-bearing deposits in banks increased 81 basis points to 2.50% for the six months ended June 30, 2024 from 1.69% for the six months ended June 30, 2023. The average balance of FHLB advances decreased \$767,000, or 3.9%, to \$19.0 million for the six months ended June 30, 2024 from \$19.8 million for the six months ended June 30, 2023. The average cost of these advances decreased four basis points to 2.31% for the six months ended June 30, 2024 from 2.35% for the six months ended June 30, 2023.

Net Interest Income. Net interest income decreased \$79,000, or 7.2%, to \$1.0 million for the six months ended June 30, 2024 from \$1.1 million for the six months ended June 30, 2023. Average net interest-earning assets increased \$17,000 period to period, as the average balances of interest-earning assets grew faster than the average balances of interest-bearing liabilities. Our interest rate spread decreased 29 basis points to 1.76% for the six months ended June 30, 2024 from 2.05% for the six months ended June 30, 2023, and our net interest margin decreased 20 basis points to 2.10% for the six months ended June 30, 2024 from 2.30% for the six months ended June 30, 2023. The decreases in interest rate spread and net interest margin were primarily the result of interest rates on average interest-bearing liabilities increasing faster than interest rates on average interest-earning assets during the six months ended June 30, 2024 versus the six months ended June 30, 2023.

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, 2024 or for the six months ended June 30, 2023. The allowance for credit losses was \$850,000, or 1.00% of total loans, at June 30, 2024, compared to \$850,000, or 0.99% of total loans, at December 31, 2023, and \$850,000, or 1.02%, of total loans, at June 30, 2023. There were two loans totaling \$662,000 classified as substandard at June 30, 2024 and no loans classified (substandard, doubtful and loss) at December 31, 2023 or June 30, 2023. There were no non-performing loans at June 30, 2024, December 31, 2023 or June 30, 2023. There were no charge-offs or recoveries for the six months ended June 30, 2024 or for the six months ended June 30, 2023.

Noninterest Income. Noninterest income decreased \$83,000, or 34.6%, to \$157,000 for the six months ended June 30, 2024 from \$240,000 for the six months ended June 30, 2023. The decrease was principally due to a decrease of \$94,000, or 62.3%, in fees on loans sold.

Noninterest Expense. Noninterest expense decreased \$190,000, or 13.6%, to \$1.2 million for the six months ended June 30, 2024 from \$1.4 million for the six months ended June 30, 2023. The decrease was primarily due to decreases of \$109,000, or 13.7%, in salaries and employee benefits, resulting primarily from a decrease in commissions and related expenses on lower loan volume period to period, and a decrease of \$98,000, or 40.3%, in accounting, consulting and legal expenses from fees incurred in the six months ended June 30, 2023 resulting primarily from the negotiation of the definitive merger agreement which the Company entered into and previously announced on August 4, 2023.

Income Tax Expense. There was no income tax expense for the six months ended June 30, 2024 or for the six months ended June 30, 2023, 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, 2024 compared to 0.00% for the same quarter in 2023.

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, 2024 AND DECEMBER 31, 2023
(in thousands, except share data)

	June 30, 2024	December 31, 2023
<u>ASSETS</u>		
Cash and Cash Equivalents	\$ 5,934	\$ 2,253
Interest-Bearing Deposits in Banks	500	5,493
Debt Securities, Available for Sale, at Fair Value (Amortized Cost \$4,175 and \$4,712, net of Allowance for Credit Losses of \$0 and \$0 at June 30, 2024 and December 31, 2023, Respectively)	3,917	4,452
Loans Receivable, Net of Allowance for Credit Losses of \$850 and \$850 at June 30, 2024 and December 31, 2023, Respectively	85,442	86,003
Loans Held-for-Sale	86	—
Accrued Interest Receivable	491	492
Federal Home Loan Bank Stock, at Cost	1,590	1,545
Premises and Equipment, Net	588	618
Cash Surrender Value of Life Insurance	4,347	4,303
Deferred Tax Asset	54	55
Prepaid Expenses and Other Assets	287	151
Total Assets	<u>\$ 103,236</u>	<u>\$ 105,365</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 65,286	\$ 65,191
Advances from Federal Home Loan Bank	17,280	19,270
Advance Payments by Borrowers for Taxes and Insurance	867	1,091
Accrued Expenses and Other Liabilities	578	607
Total Liabilities	<u>84,011</u>	<u>86,159</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, 2024 and December 31, 2023, Respectively	10	10
Additional Paid-in Capital	8,142	8,117
Unallocated Common Stock Held by:		
Employee Stock Ownership Plan (ESOP)	(892)	(915)
Retained Earnings	12,169	12,199
Accumulated Other Comprehensive (Loss)	(204)	(205)
Total Stockholders' Equity	<u>19,225</u>	<u>19,206</u>
Total Liabilities and Stockholders' Equity	<u>\$ 103,236</u>	<u>\$ 105,365</u>

EUREKA HOMESTEAD BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
(in thousands, except Earnings Per Share)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest Income:				
Loans Receivable	\$ 880	\$ 826	\$ 1,766	\$ 1,645
Debt Securities	45	57	94	109
Interest-Bearing Deposits in Banks	93	59	193	106
Total Interest Income	1,018	942	2,053	1,860
Interest Expense:				
Deposits	427	283	815	530
Advances from Federal Home Loan Bank	108	116	219	232
Total Interest Expense	535	399	1,034	762
Net Interest Income	483	543	1,019	1,098
Provision for Credit Losses				
Net Interest Income After Provision for Credit Losses	483	543	1,019	1,098
Non-Interest Income:				
Service Charges and Other Income	28	22	55	45
Fees on Loans Sold	51	109	57	151
Income from Life Insurance	22	23	45	44
Total Non-Interest Income	101	154	157	240
Non-Interest Expenses:				
Salaries and Employee Benefits	348	409	686	795
Occupancy Expense	65	61	126	124
FDIC Deposit Insurance Premium and Examination Fees	17	19	34	34
Data Processing	17	17	33	35
Accounting and Consulting	49	34	102	60
Insurance	28	28	56	54
Legal fees	(4)	160	43	183
Other	61	56	126	111
Total Non-Interest Expenses	581	784	1,206	1,396
(Loss) Income Before Income Tax Expense	3	(87)	(30)	(58)
Income Tax Expense	—	—	—	—
Net (Loss) Income	\$ 3	\$ (87)	\$ (30)	\$ (58)
(Loss) Earnings Per Share: Basic	\$ 0.00	\$ (0.09)	\$ (0.03)	\$ (0.06)

EUREKA HOMESTEAD BANCORP, INC.
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2024 AND 2023
OTHER FINANCIAL DATA (Unaudited)

(Annualized)	<u>Three Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Return on Average Assets	0.01 %	(0.34)%
Return on Average Equity	0.06 %	(1.79)%
Net Interest Margin	1.99 %	2.28 %
Bank Tier 1 Leverage Ratio	18.37 %	18.81 %
Allowance for Credit Losses to Total Loans	1.00 %	1.02 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	\$ 0.00	\$ (0.09)
Book Value Per Share	\$ 18.74	\$ 18.80

(Annualized)	<u>Six Months Ended June 30,</u>	
	<u>2024</u>	<u>2023</u>
Return on Average Assets	(0.06)%	(0.11)%
Return on Average Equity	(0.31)%	(0.60)%
Net Interest Margin	2.09 %	2.30 %
Bank Tier 1 Leverage Ratio	18.37 %	18.81 %
Allowance for Credit Losses to Total Loans	1.00 %	1.02 %
Non-performing Loans to Total Loans	0.00 %	0.00 %
(Loss) Earnings Per Share, Basic	\$ (0.03)	\$ (0.06)
Book Value Per Share	\$ 18.74	\$ 18.80