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# DELTA REPORT

## 10-Q

HBCP - HOME BANCORP, INC.  
10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	611
CHANGES	384
DELETIONS	69
ADDITIONS	158

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended: **June 30, 2024** **September 30, 2024**

or

☐ Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-34190

HOME BANCORP, INC.

(Exact name of Registrant as specified in its charter)

Louisiana

71-1051785

(State or Other Jurisdiction of Incorporation or Organization)

(I.R.S. Employer Identification Number)

503 Kaliste Saloom Road, Lafayette, Louisiana

70508

(Address of Principal Executive Offices)

(Zip Code)

Registrant's telephone number, including area code: (337) 237-1960

Not Applicable

(Former Name, Former Address and Former Fiscal Year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock	HBCP	NASDAQ Stock Market

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At **July 31, 2024** **October 30, 2024**, the registrant had **8,069,395** **8,076,080** shares of common stock, \$0.01 par value, outstanding.

# HOME BANCORP, INC. and SUBSIDIARY

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# HOME BANCORP, INC. and SUBSIDIARY

## GLOSSARY OF DEFINED TERMS

Below is a listing of certain acronyms, abbreviations and defined terms, among others, used throughout this Quarterly Report on Form 10-Q, including in "Item 1. Financial Statements" and "Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations." The terms "we," "our" or "us" refer to Home Bancorp, Inc. and its consolidated subsidiaries, unless the context otherwise requires.

<b>ACL</b>	– Allowance for credit losses
<b>ALL</b>	– Allowance for loan losses
<b>AOCI</b>	– Accumulated other comprehensive income
<b>ASC</b>	– Accounting Standards Codification
<b>ASU</b>	– Accounting Standards Update
<b>Bank</b>	– Home Bank, N. A., a wholly-owned subsidiary of the Company
<b>BOLI</b>	– Bank-owned life insurance
<b>bps</b>	– basis points, 100 basis points being equal to 1.0%
<b>BTFP</b>	– Bank Term Funding Program
<b>C&amp;D</b>	– Construction and land
<b>C&amp;I</b>	– Commercial and industrial
<b>CARES Act</b>	– Coronavirus Aid, Relief, and Economic Security Act
<b>CECL</b>	– Current expected credit losses
<b>Company</b>	– Home Bancorp, Inc., a Louisiana corporation and the holding company for Home Bank, N. A.
<b>COVID-19</b>	– The novel coronavirus
<b>CRE</b>	– Commercial real estate
<b>EPS</b>	– Earnings per common share
<b>FASB</b>	– Financial Accounting Standards Board
<b>FHLB</b>	– Federal Home Loan Bank
<b>GAAP</b>	– Generally Accepted Accounting Principles
<b>LTV</b>	– Loan-to-value
<b>NPA(s)</b>	– Nonperforming asset(s)
<b>OCI</b>	– Other comprehensive income
<b>ORE</b>	– Other real estate
<b>PCD</b>	– Purchased credit deteriorated
<b>PPP</b>	– Paycheck Protection Program
<b>SBA</b>	– U.S. Small Business Association
<b>SEC</b>	– U.S. Securities and Exchange Commission
<b>TE</b>	– Taxable equivalent
<b>U.S.</b>	– United States

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**HOME BANCORP, INC. AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	(Unaudited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	June 30, 2024	December 31, 2023	September 30, 2024	December 31, 2023	
<b>(dollars in thousands)</b>	<b>(dollars in thousands)</b>		<b>(dollars in thousands)</b>		
<b>Assets</b>					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Interest-bearing deposits in banks					
Investment securities available for sale, at fair value					
Investment securities held to maturity (fair values of \$1,061 and \$1,066, respectively)					
Investment securities held to maturity (fair values of \$1,066 and \$1,066, respectively)					

Mortgage loans held for sale
Loans, net of unearned income
Allowance for loan losses
Total loans, net of unearned income and allowance for loan losses
Office properties and equipment, net
Cash surrender value of bank-owned life insurance
Goodwill and core deposit intangibles
Accrued interest receivable and other assets
<b>Total Assets</b>
<b>Liabilities</b>
Deposits:
Deposits:
Deposits:
Noninterest-bearing
Noninterest-bearing
Noninterest-bearing
Interest-bearing
Total Deposits
Other borrowings
Subordinated debt, net of issuance cost
Short-term Federal Home Loan Bank advances
Long-term Federal Home Loan Bank advances
Accrued interest payable and other liabilities
<b>Total Liabilities</b>
<b>Shareholders' Equity</b>
Preferred stock, \$0.01 par value - 10,000,000 shares authorized; none issued
Preferred stock, \$0.01 par value - 10,000,000 shares authorized; none issued
Preferred stock, \$0.01 par value - 10,000,000 shares authorized; none issued
Common stock, \$0.01 par value - 40,000,000 shares authorized; 8,081,344 and 8,158,281 shares issued and outstanding, respectively
Common stock, \$0.01 par value - 40,000,000 shares authorized; 8,070,539 and 8,158,281 shares issued and outstanding, respectively
Additional paid-in capital
Unallocated common stock held by:
Employee Stock Ownership Plan (ESOP)
Employee Stock Ownership Plan (ESOP)
Employee Stock Ownership Plan (ESOP)
Recognition and Retention Plan (RRP)
Retained earnings
Accumulated other comprehensive loss
<b>Total Shareholders' Equity</b>
<b>Total Liabilities and Shareholders' Equity</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

HOME BANCORP, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF INCOME  
(Unaudited)

	Three Months Ended June 30,	Six Months Ended June 30,
	Three Months Ended September 30,	Nine Months Ended September 30,

(dollars in thousands, except per share data)		(dollars in thousands, except per share data)				(dollars in thousands, except per 2023 share data)			
		2024	2023	2024				2024	2023
<b>Interest Income</b>									
Loans, including fees									
Loans, including fees									
Loans, including fees									
Investment securities:									
Taxable interest									
Taxable interest									
Taxable interest									
Tax-exempt interest									
Other investments and deposits									
Total interest income									
<b>Interest Expense</b>									
Deposits									
Deposits									
Deposits									
Other borrowings									
Subordinated debt expense									
Short-term Federal Home Loan Bank advances									
Long-term Federal Home Loan Bank advances									
Total interest expense									
Net interest income									
Provision for loan losses									
Net interest income after provision for loan losses									
<b>Noninterest Income</b>									
Service fees and charges									
Service fees and charges									
Service fees and charges									
Bank card fees									
Gain on sale of loans, net									
Income from bank-owned life insurance									
Loss on sale of securities, net									
(Loss) gain on sale of assets, net									
Loss on sale of assets, net									
Other income									
Total noninterest income									
<b>Noninterest Expense</b>									
Compensation and benefits									
Compensation and benefits									
Compensation and benefits									
Occupancy									
Marketing and advertising									
Data processing and communication									
Professional services									
Forms, printing and supplies									
Franchise and shares tax									
Regulatory fees									
Foreclosed assets and ORE, net									
Amortization of acquisition intangible									
(Reversal) provision for credit losses on unfunded commitments									

Other expenses
Total noninterest expense
Income before income tax expense
Income tax expense
<b>Net Income</b>
<b>Earnings per share:</b>
Basic
Basic
Basic
Diluted
<b>Cash dividends declared per common share</b>

The accompanying Notes are an integral part of these Consolidated Financial Statements.

HOME BANCORP, INC. AND SUBSIDIARY											
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME											
(Unaudited)											
			Three Months Ended		Six Months Ended						
			June 30,		June 30,						
			Three Months Ended		Nine Months Ended						
			September 30,		September 30,						
(dollars in thousands)	(dollars in thousands)	2024	2023	2024	2023	(dollars in thousands)	2024	2023	2024	2023	
Net Income											
Other Comprehensive (Loss) Income											
Other Comprehensive Income (Loss)											
Unrealized gains (losses) on available for sale investment securities											
Unrealized gains (losses) on available for sale investment securities											
Unrealized gains (losses) on available for sale investment securities											
Unrealized (losses) gains on cash flow hedges											
Reclassification adjustment for losses included in net income											
Tax effect											
Other comprehensive (loss) income, net of taxes											
Other comprehensive income (loss), net of taxes											
Comprehensive Income											

The accompanying Notes are an integral part of these Consolidated Financial Statements.

HOME BANCORP, INC. AND SUBSIDIARY														
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY														
(Unaudited)														
(dollars in thousands, except per share data)	(dollars in thousands, except per share data)	Common stock	Additional Paid-in capital	Unallocated Common Stock Held by ESOP	Unallocated Common Stock Held by RRP	Retained Earnings	Accumulated Other Comprehensive Loss	(dollars in thousands, except per share data)	Common stock	Additional Paid-in capital	Unallocated Common Stock Held by ESOP	Unallocated Common Stock Held by RRP	Retained Earnings	Accumulated Other Comprehensive Loss
Balance, March 31, 2023														
Balance, June 30, 2023														
Net income														
Other comprehensive loss														
Purchase of Company's common stock at cost, 99,734 shares														

Purchase of Company's common stock at cost, 37,805 shares
Cash dividends declared, \$0.25 per share
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 13,429 shares
RRP shares released for allocation
RRP shares released for allocation
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 2,801 shares
Exercise of stock options
RRP shares released for allocation
ESOP shares released for allocation
Share-based compensation cost
<b>Balance, June 30, 2023</b>
<b>Balance, March 31, 2024</b>
<b>Balance, September 30, 2023</b>
<b>Balance, June 30, 2024</b>
Net income
Other comprehensive loss
Purchase of Company's common stock at cost, 76,858 shares
Other comprehensive income



Purchase of Company's common stock at cost, 24,473 shares
Cash dividends declared, \$0.25 per share
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 17,822 shares
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 13,168 shares
Exercise of stock options
ESOP shares released for allocation
ESOP shares released for allocation
ESOP shares released for allocation
Share-based compensation cost
Balance, June 30, 2024
Balance, September 30, 2024

The accompanying Notes are an integral part of these Consolidated Financial Statements.

HOME BANCORP, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY - CONTINUED  
(Unaudited)

<i>(dollars in thousands, except per share data)</i>	<i>(dollars in thousands, except per share data)</i>		Additional	Unallocated	Unallocated		Accumulated		<i>(dollars in thousands, except per share data)</i>		Additional	Unallocated	Unallocated	
		Common stock	Paid-in capital	Common Stock Held by ESOP	Common Stock Held by RRP	Retained Earnings	Other Comprehensive Loss	Total		Common stock	Paid-in capital	Common Stock Held by ESOP	Common Stock Held by RRP	Retai Earni
Balance, December 31, 2022														
Cumulative effect of change in accounting principle due the adoption of ASC Topic 326, net of tax														
Net income														

Net income

Net income

Other comprehensive income

Purchase of Company's common stock at cost, 109,933 shares

Cash dividends declared, \$0.50 per share

Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 17,458 shares

Other comprehensive loss

Purchase of Company's common stock at cost, 147,738 shares

Cash dividends declared, \$0.75 per share

Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 20,259 shares

Exercise of stock options

RRP shares released for allocation

ESOP shares released for allocation

Share-based compensation cost

Balance, June 30, 2023

Balance, September 30, 2023

Balance, December 31, 2023

Net income

Other comprehensive loss  
Purchase of Company's common stock at cost, 98,161 shares  
Cash dividends declared, \$0.50 per share  
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 21,224 shares

RRP shares released for allocation  
RRP shares released for allocation

Other comprehensive income  
Purchase of Company's common stock at cost, 122,634 shares  
Cash dividends declared, \$0.75 per share  
Common Stock issued under incentive plans, net of shares surrendered in payment, including tax benefit, 34,392 shares  
Exercise of stock options

RRP shares released for allocation

ESOP shares released for allocation

Share-based compensation cost

Balance, June 30, 2024

Balance, September 30, 2024

The accompanying Notes are an integral part of these Consolidated Financial Statements.

HOME BANCORP, INC. AND SUBSIDIARY  
CONSOLIDATED STATEMENTS OF CASH FLOWS  
(Unaudited)

(dollars in thousands)	For the Six Months Ended June 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 17,317	\$ 21,101
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,402	1,325
Depreciation	1,757	1,776
Amortization and accretion of purchase accounting valuations and intangibles	1,579	1,891
Federal Home Loan Bank stock dividends	(363)	(193)
Net amortization of discount on investments	140	226
Amortization of subordinated debt issuance cost	107	120
Loss on sale of securities, net	—	249
Gain on loans sold, net	(213)	(83)
Proceeds, including principal payments, from loans held for sale	26,476	7,174
Originations of loans held for sale	(25,902)	(7,531)
(Gain) loss on sale of assets, net	(4)	20
Non-cash compensation	1,266	1,172
Deferred income tax expense	60	22
Increase in accrued interest receivable and other assets	(2,177)	(6,947)
Increase in cash surrender value of bank-owned life insurance	(537)	(513)
Increase (decrease) in accrued interest payable and other liabilities	4,385	(1,731)
Net cash provided by operating activities	25,293	18,078
<b>Cash flows from investing activities:</b>		
Proceeds from maturities, prepayments and calls on securities available for sale	18,189	24,467
Proceeds from sales of securities available for sale	—	13,762
Increase in loans, net	(81,785)	(81,445)
Decrease in interest-bearing deposits in banks	99	250
Proceeds from sale of foreclosed assets	1,819	426
Purchases of office properties and equipment	(2,869)	(1,143)
Proceeds from sale of office properties and equipment	8	4
Purchase of Federal Home Loan Bank stock	(769)	(5,215)
Proceeds from redemption of Federal Home Loan Bank stock	7,335	—
Net cash used in investing activities	(57,973)	(48,894)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in deposits, net	52,400	(81,210)
Borrowings on Federal Home Loan Bank advances	659,700	12,721,975
Repayments of Federal Home Loan Bank advances	(768,907)	(12,592,893)
Proceeds from other borrowings	135,000	—
Proceeds from exercise of stock options	—	85
Issuance of stock under incentive plans, net	(141)	(49)
Dividends paid to shareholders	(4,072)	(4,136)
Purchase of Company's common stock	(3,669)	(3,484)
Net cash provided by financing activities	70,311	40,288
Net change in cash and cash equivalents	37,631	9,472
Cash and cash equivalents, beginning	75,831	87,401
Cash and cash equivalents, ending	\$ 113,462	\$ 96,873
<b>Supplementary cash flow information:</b>		
Interest paid on deposits and borrowed funds	\$ 29,299	\$ 15,289
Income taxes paid	4,692	8,585

(dollars in thousands)	For the Nine Months Ended September 30,	
	2024	2023
<b>Cash flows from operating activities:</b>		
Net income	\$ 26,754	\$ 30,855
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	1,542	1,676
Depreciation	2,674	2,659
Amortization and accretion of purchase accounting valuations and intangibles	2,340	2,807
Federal Home Loan Bank stock dividends	(422)	(391)
Net amortization of discount on investments	222	292
Amortization of subordinated debt issuance cost	161	174
Loss on sale of securities, net	—	249
Gain on loans sold, net	(408)	(770)
Proceeds, including principal payments, from loans held for sale	37,839	12,510
Originations of loans held for sale	(37,426)	(12,749)
Loss on sale of assets, net	6	20
Non-cash compensation	1,997	1,756
Deferred income tax expense	72	31
Decrease (increase) in accrued interest receivable and other assets	1,633	(9,641)
Increase in cash surrender value of bank-owned life insurance	(818)	(778)
Increase in accrued interest payable and other liabilities	6,733	2,469
Net cash provided by operating activities	42,899	31,169
<b>Cash flows from investing activities:</b>		
Purchases of securities available for sale	(4,936)	—
Proceeds from maturities, prepayments and calls on securities available for sale	29,135	36,561
Proceeds from sales of securities available for sale	—	13,762
Increase in loans, net	(89,236)	(139,803)
Decrease in interest-bearing deposits in banks	99	250
Proceeds from sale of foreclosed assets	1,879	426
Purchases of office properties and equipment	(3,511)	(1,525)
Proceeds from sale of office properties and equipment	153	4
Purchase of Federal Home Loan Bank stock	(973)	(5,215)
Proceeds from redemption of Federal Home Loan Bank stock	7,335	—
Net cash used in investing activities	(60,055)	(95,540)
<b>Cash flows from financing activities:</b>		
Increase (decrease) in deposits, net	106,994	(35,340)
Borrowings on Federal Home Loan Bank advances	795,830	15,695,975
Repayments of Federal Home Loan Bank advances	(950,133)	(15,588,365)
Proceeds from other borrowings	135,000	—
Proceeds from exercise of stock options	18	102
Issuance of stock under incentive plans, net	269	21
Dividends paid to shareholders	(6,090)	(6,185)
Purchase of Company's common stock	(4,686)	(4,718)
Net cash provided by financing activities	77,202	61,490
Net change in cash and cash equivalents	60,046	(2,881)
Cash and cash equivalents, beginning	75,831	87,401
Cash and cash equivalents, ending	\$ 135,877	\$ 84,520
<b>Supplementary cash flow information:</b>		
Interest paid on deposits and borrowed funds	\$ 46,202	\$ 26,344
Income taxes paid	6,516	11,105

The accompanying Notes are an integral part of these Consolidated Financial Statements.

## HOME BANCORP, INC. AND SUBSIDIARY

### NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

#### 1. Basis of Presentation

The accompanying unaudited consolidated financial statements of the Company were prepared in accordance with instructions for Form 10-Q and Regulation S-X and do not include information or footnotes necessary for a complete presentation of financial condition, results of operations, comprehensive income, changes in shareholders' equity and cash flows in conformity with accounting principles generally accepted in the United States of America. However, in the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements have been included. Certain reclassifications have been made to prior period balances to conform to the current period presentation. The results of operations for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023 are not necessarily indicative of the results which may be expected for the entire fiscal year. These statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2023.

#### Critical Accounting Policies and Estimates

Critical accounting policies are defined as those that are reflective of significant judgments and uncertainties and could reflect materially different results under different assumptions and conditions. Methodologies the Company uses when applying critical accounting policies and developing critical accounting estimates are included in its Annual Report on Form 10-K for the year ended December 31, 2023.

There have been no material changes from the critical accounting policies previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. In preparing its financial statements, the Company is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

#### Reclassifications

Certain reclassifications have been made to prior period balances to conform to the current period presentation.

#### 2. Recent Accounting Pronouncements

##### Accounting Standards Adopted in 2024

Accounting Standard Update ("ASU") ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions* ("ASU 2022-03"). ASU 2022-03 clarifies that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. ASU 2022-03 also clarifies that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction and requires certain new disclosures for equity securities subject to contractual sale restrictions. ASU 2022-03 is effective for fiscal years and interim periods after December 15, 2023, though early adoption is permitted. The adoption of ASU 2022-03 did not have a significant impact on our consolidated financial statements.

ASU 2023-01, *Leases (Topic 842): Common Control Arrangements*: ("ASU 2023-01") clarifies the accounting for leasehold improvements associated with common control leases to public business entities. This update is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The adoption of ASU 2023-01 did not have a significant impact on our Consolidated Financial Statements.

ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323): Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method* ("ASU 2023-02") permits reporting entities to elect to account for their tax equity investments, regardless of the tax credit program from which the income tax credits are received, using the proportional amortization method if certain conditions are met. This update is effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. The adoption of ASU 2023-02 did not have a significant impact on our Consolidated Financial Statements.

##### Issued but Not Yet Adopted Accounting Standards

ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative* ("ASU 2023-06") related to disclosure or presentation requirements for various subtopics in the

FASB's Accounting Standards Codification ("Codification"). The amendments in the update are intended to align the requirements in the Codification with the U.S. Securities and Exchange Commission's ("SEC") regulations and facilitate the application of GAAP for all entities. The effective date for each amendment is the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or if the SEC has not removed the requirements by June 30, 2027, this amendment will be removed from the Codification and will not become effective for any entity. Early adoption is prohibited. We do not expect this update to have a material impact on our consolidated financial statements.

ASU No. 2023-07, *Improvements to Reportable Segment Disclosures* ("ASU 2023-07") primarily will require enhanced disclosures about significant segment expenses. The amendments in ASU 2023-07 are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted, and are to be applied on a retrospective basis. We do not expect this update to have a material impact on our consolidated financial statements.

ASU No. 2023-09, *Improvements to Income Tax Disclosures* ("ASU 2023-09") is intended to enhance the transparency and decision usefulness of income tax disclosures primarily through changes to the rate reconciliation and income taxes paid information. This update is effective for annual periods beginning after December 15, 2024, though early adoption is permitted. We do not expect it to have a material effect on our consolidated financial statements.

### 3. Investment Securities

The following tables summarize the Company's available for sale and held to maturity investment securities at **June 30, 2024** **September 30, 2024** and December 31, 2023.

(dollars in thousands)	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>June 30, 2024</b>										
<b>September 30, 2024</b>										
<b>Available for sale:</b>										
U.S. agency mortgage-backed										
U.S. agency mortgage-backed										
U.S. agency mortgage-backed										
Collateralized mortgage obligations										
Municipal bonds										
U.S. government agency										
Corporate bonds										
Total available for sale										
<b>Held to maturity:</b>										
Municipal bonds										
Municipal bonds										
Municipal bonds										
Total held to maturity										

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
<b>December 31, 2023</b>				
<b>Available for sale:</b>				
U.S. agency mortgage-backed	\$ 314,569	\$ 91	\$ 30,807	\$ 283,853
Collateralized mortgage obligations	82,764	1	3,503	79,262
Municipal bonds	53,891	4	7,221	46,674
U.S. government agency	19,151	—	1,102	18,049
Corporate bonds	6,982	—	894	6,088
Total available for sale	<u>\$ 477,357</u>	<u>\$ 96</u>	<u>\$ 43,527</u>	<u>\$ 433,926</u>
<b>Held to maturity:</b>				
Municipal bonds	\$ 1,065	\$ 1	\$ —	\$ 1,066
Total held to maturity	<u>\$ 1,065</u>	<u>\$ 1</u>	<u>\$ —</u>	<u>\$ 1,066</u>

The estimated fair value and amortized cost by contractual maturity of the Company's investment securities as of **June 30, 2024** **September 30, 2024** are shown in the following tables. Securities are classified according to their contractual maturities without consideration of principal amortization, potential prepayments or call options. The expected maturity of a security may differ from its contractual maturity because of prepayments or the exercise of call options. Accordingly, actual maturities may differ from contractual maturities. The Company's investment securities portfolio had an effective duration of **4.0** **3.7** years and 4.2 years at **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively.

(dollars in thousands)	(dollars in thousands)	One Year or Less	After One Year through Five Years	After Five Years through Ten Years	After Ten Years	Total	(dollars in thousands)	One Year or Less	After One Year through Five Years	After Five Years through Ten Years	After Ten Years	Total
<b>Fair Value</b>												
<b>Available for sale:</b>												
<b>Available for sale:</b>												
<b>Available for sale:</b>												

U.S. agency mortgage-backed  
U.S. agency mortgage-backed  
U.S. agency mortgage-backed

Collateralized mortgage obligations

Municipal bonds

U.S. government agency

Corporate bonds

Total available for sale

Held to maturity:

Municipal bonds  
Municipal bonds  
Municipal bonds

Total held to maturity

(dollars in thousands)  
(dollars in thousands)

	One Year or Less	After One Year through Five Years	After Five Years through Ten Years	After Ten Years	Total		One Year or Less	After One Year through Five Years	After Five Years through Ten Years	After Ten Years	Total			
(dollars in thousands)														

Amortized Cost

Available for sale:  
Available for sale:  
Available for sale:

U.S. agency mortgage-backed  
U.S. agency mortgage-backed  
U.S. agency mortgage-backed

Collateralized mortgage obligations

Municipal bonds

U.S. government agency

Corporate bonds

Total available for sale



<b>Held to maturity:</b>
Municipal bonds
Municipal bonds
Municipal bonds
Total held to maturity

Management evaluates securities for impairment from credit losses at least quarterly, and more frequently when economic and market conditions warrant such evaluations. Consideration is given to numerous factors including, but not limited to, the extent to which the fair value is less than the amortized cost basis; adverse conditions causing changes in the financial condition of the issuer of the security or underlying loan guarantors; changes to the rating of the security by a rating agency; and the Company's intent to sell a security or whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost, which may extend to maturity.

The Company performs a process to determine whether the decline in the fair value of securities has resulted from credit losses or other factors. This process involves evaluating each security for impairment by monitoring credit performance, collateral type, collateral geography, bond credit support, loan-to-value ratios, credit scores, loss severity levels, pricing levels, downgrades by rating agencies, cash flow projections and other factors as indicators of potential credit issues. If this evaluation indicates the existence of credit losses, the Company compares the present value of cash flows expected to be collected from the security with the amortized cost basis. If the present value of expected cash flows is less than the amortized cost basis, an ACL is recorded, limited by the amount that the fair value of the security is less than its amortized cost.

The Company's investment securities with unrealized losses, aggregated by type and length of time that individual securities have been in a continuous loss position, are summarized in the following tables.

(dollars in thousands)	(dollars in thousands)	Less Than 1 Year		Over 1 Year		Total	(dollars in thousands)	Less Than 1 Year	Over 1 Year	Total
June 30, 2024		Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses			
September 30, 2024		Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses			

<b>Available for sale:</b>
U.S. agency mortgage-backed
U.S. agency mortgage-backed
U.S. agency mortgage-backed
Collateralized mortgage obligations
Municipal bonds
U.S. government agency
Corporate bonds
Total available for sale

<b>Held to maturity:</b>
Municipal bonds
Municipal bonds
Municipal bonds
Total held to maturity

(dollars in thousands)	Less Than 1 Year		Over 1 Year		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
<b>December 31, 2023</b>						
<b>Available for sale:</b>						
U.S. agency mortgage-backed	\$ 4,033	\$ 10	\$ 273,128	\$ 30,797	\$ 277,161	\$ 30,807
Collateralized mortgage obligations	—	—	79,253	3,503	79,253	3,503
Municipal bonds	519	3	44,195	7,218	44,714	7,221
U.S. government agency	3,760	117	14,289	985	18,049	1,102
Corporate bonds	—	—	6,088	894	6,088	894
Total available for sale	\$ 8,312	\$ 130	\$ 416,953	\$ 43,397	\$ 425,265	\$ 43,527
<b>Held to maturity:</b>						
Municipal bonds	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —

Total held to maturity	\$	—	\$	—	\$	—	\$	—	\$	—	\$	—
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At **June 30, 2024** **September 30, 2024**, **273 241** of the Company's debt securities had unrealized losses totaling **10.2%** **7.4%** of the individual securities' amortized cost basis and **10.1%** **7.1%** of the Company's total amortized cost basis of the investment securities portfolio. At such date, **265 237** of the **273 241** securities had been in a continuous loss position for over 12 months. Management has determined that the declines in the fair value of these securities were not attributable to credit losses. As a result, no ACL was recorded for available for sale investment securities at **June 30, 2024** **September 30, 2024**.

At **June 30, 2024** **September 30, 2024**, it was determined that no ACL was required for the Company's held-to-maturity investment securities. The Company monitors credit quality of debt securities held-to-maturity through the use of credit ratings. The following tables present the amortized cost of the Company's held-to-maturity securities by credit quality rating at **June 30, 2024** **September 30, 2024** and December 31, 2023.

Credit Ratings

(dollars in thousands)												
(dollars in thousands)												
(dollars in thousands)		AAA/AA/A		BBB/BB/B		Total		AAA/AA/A		BBB/BB/B		Total
June 30, 2024												
September 30, 2024												
Held to maturity:												
Held to maturity:												
Held to maturity:												
Municipal bonds												
Municipal bonds												
Municipal bonds												

		Credit Ratings										
(dollars in thousands)		AAA/AA/A		BBB/BB/B		Total						
December 31, 2023												
Held to maturity:												
Municipal bonds	\$		1,065	\$		—	\$				1,065	

For the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, there were no gross gains or losses related to the sale of investment securities. For the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company recorded gross gains of \$0 and \$98,000, respectively, and gross losses of \$0 and \$347,000, respectively, related to the sale of investment securities.

Accrued interest receivable on the Company's investment securities was **\$1,521,000** **\$1,242,000** and \$1,563,000 at **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively. These amounts are recorded in accrued interest receivable and other assets on the Consolidated Statements of Financial Condition.

At **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company had **\$135,548,000** **\$141,965,000** and \$127,172,000, respectively, of securities pledged to secure public deposits. In addition, at **June 30, 2024** **September 30, 2024**, the Company had \$135,000,000 of securities pledged to BTFP borrowings. There were no securities pledged to BTFP borrowings at December 31, 2023,

4. Earnings Per Share

Earnings per common share was computed based on the following:

				Three Months Ended June 30,	Six Months Ended June 30,							
				Three Months Ended September 30,	Nine Months Ended September 30,							
(in thousands, except per share data)	(in thousands, except per share data)	2024	2023	2024	(in thousands, except per share data)	2024	2023	2024	2023	2024	2023	
Numerator:												
Net income available to common shareholders												
Net income available to common shareholders												
Net income available to common shareholders												
Denominator:												
Weighted average common shares outstanding												

Weighted average common shares outstanding
Weighted average common shares outstanding
Effect of dilutive securities:
Restricted stock
Restricted stock
Restricted stock
Stock options
Weighted average common shares outstanding – assuming dilution
Basic earnings per common share
Diluted earnings per common share

Options for 64,604 78,584 and 111,999 131,180 shares of common stock were not included in the computation of diluted EPS for the three months ended June 30, 2024 September 30, 2024 and 2023, respectively, because the effect of those shares was anti-dilutive. For the six nine months ended June 30, 2024 September 30, 2024 and 2023, options on 61,498 67,235 and 87,912, 102,493, respectively, shares of common stock were not included in the computation of diluted EPS because the effect of these shares was anti-dilutive.

### 5. Credit Quality and Allowance for Credit Losses

The Company's loans, net of unearned income, consisted of the following as of the dates indicated.

(dollars in thousands)	(dollars in thousands)	June 30, 2024	December 31, 2023	(dollars in thousands)	September 30, 2024	December 31, 2023
Real estate loans:						
One- to four-family first mortgage						
One- to four-family first mortgage						
One- to four-family first mortgage						
Home equity loans and lines						
Commercial real estate						
Construction and land						
Multi-family residential						
Total real estate loans						
Other loans:						
Commercial and industrial						
Commercial and industrial						
Commercial and industrial						
Consumer						
Total other loans						
Total loans						

The net discount on the Company's acquired loans was \$3,333,000 \$2,885,000 and \$4,340,000 at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. In addition, loan balances as of June 30, 2024 September 30, 2024 and December 31, 2023 are reported net of unearned income of \$5,105,000 \$5,141,000 and \$5,321,000, respectively.

Accrued interest receivable on the Company's loans was \$12,985,000 \$12,453,000 and \$11,986,000 at June 30, 2024 September 30, 2024 and December 31, 2023, respectively, and is excluded from the estimate of the ACL. Those amounts are recorded in accrued interest receivable and other assets on the Consolidated Statements of Financial Condition.

#### Allowance for Credit Losses

The ACL, which includes the ALL and the ACL on unfunded lending commitments, and recorded investment in loans as of the dates indicated are as follows.

		June 30, 2024				September 30, 2024		
(dollars in thousands)	(dollars in thousands)	Collectively Evaluated	Individually Evaluated	Total	(dollars in thousands)	Collectively Evaluated	Individually Evaluated	Total
Allowance for credit losses:								
One- to four-family first mortgage								
One- to four-family first mortgage								
One- to four-family first mortgage								
Home equity loans and lines								

Commercial real estate
Construction and land
Multi-family residential
Commercial and industrial
Consumer
Total allowance for loan losses
Unfunded lending commitments <sup>(1)</sup>
Unfunded lending commitments <sup>(1)</sup>
Unfunded lending commitments <sup>(1)</sup>
Total allowance for credit losses

		June 30, 2024				September 30, 2024		
(dollars in thousands)	(dollars in thousands)	Collectively Evaluated	Individually Evaluated <sup>(2)</sup>	Total	(dollars in thousands)	Collectively Evaluated	Individually Evaluated <sup>(2)</sup>	Total
Loans:								
One- to four-family first mortgage								
One- to four-family first mortgage								
One- to four-family first mortgage								
Home equity loans and lines								
Commercial real estate								
Construction and land								
Multi-family residential								
Commercial and industrial								
Consumer								
Total loans								

(dollars in thousands)	December 31, 2023		
	Collectively Evaluated	Individually Evaluated	Total
<b>Allowance for credit losses:</b>			
One- to four-family first mortgage	\$ 3,255	\$ —	\$ 3,255
Home equity loans and lines	688	—	688
Commercial real estate	14,604	201	14,805
Construction and land	5,292	123	5,415
Multi-family residential	474	—	474
Commercial and industrial	6,071	95	6,166
Consumer	734	—	734
Total allowance for loan losses	\$ 31,118	\$ 419	\$ 31,537
Unfunded lending commitments <sup>(1)</sup>	\$ 2,594	\$ —	\$ 2,594
Total allowance for credit losses	\$ 33,712	\$ 419	\$ 34,131

(dollars in thousands)	December 31, 2023		
	Collectively Evaluated	Individually Evaluated <sup>(2)</sup>	Total
<b>Loans:</b>			
One- to four-family first mortgage	\$ 433,401	\$ —	\$ 433,401
Home equity loans and lines	68,977	—	68,977
Commercial real estate	1,188,734	3,957	1,192,691
Construction and land	340,577	147	340,724
Multi-family residential	107,263	—	107,263

Commercial and industrial	405,547	112	405,659
Consumer	32,923	—	32,923
Total loans	\$ 2,577,422	\$ 4,216	\$ 2,581,638

(1) The ACL on unfunded lending commitments is recorded within accrued interest payable and other liabilities on the Consolidated Statements of Financial Condition.

(2) One PCD loan was individually evaluated at [June 30, 2024](#) [September 30, 2024](#) and December 31, 2023, respectively.

A summary of activity in the ACL for the [six nine](#) months ended [June 30, 2024](#) [September 30, 2024](#) and [June 30, 2023](#) [September 30, 2023](#) follows.

		Six Months Ended June 30, 2024			Nine Months Ended September 30, 2024							
(dollars in thousands)	(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (Reversal)	Ending Balance	(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (Reversal)	Ending Balance
Allowance for credit losses:												
One- to four-family first mortgage												
One- to four-family first mortgage												
One- to four-family first mortgage												
Home equity loans and lines												
Commercial real estate												
Construction and land												
Multi-family residential												
Commercial and industrial												
Consumer												
Total allowance for loan losses												
Unfunded lending commitments												
Unfunded lending commitments												
Unfunded lending commitments												
Total allowance for credit losses												

		Six Months Ended June 30, 2023			Nine Months Ended September 30, 2023							
(dollars in thousands)	(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (Reversal)	Ending Balance	(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision (Reversal)	Ending Balance
Allowance for credit losses:												
One- to four-family first mortgage												
One- to four-family first mortgage												
One- to four-family first mortgage												
Home equity loans and lines												
Commercial real estate												
Construction and land												
Multi-family residential												
Commercial and industrial												
Consumer												
Total allowance for loan losses												
Unfunded lending commitments												
Unfunded lending commitments												
Unfunded lending commitments												

Total allowance for credit losses

Credit Quality

The following tables present the Company's loan portfolio by credit quality classification and origination year as of June 30, 2024 September 30, 2024 and December 31, 2023.

	June 30, 2024							September 30, 2024										
	Term Loans by Origination Year																	
(dollars in thousands)																		
(dollars in thousands)																		
	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
One- to four-family first mortgage:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total one- to four-family first mortgages																		
Current period gross charge-offs																		
Home equity loans and lines:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total home equity loans and lines																		
Current period gross charge-offs																		
Commercial real estate:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total commercial real estate loans																		
Current period gross charge-offs																		
Construction and land:																		
Pass																		
Pass																		
Pass																		
Special Mention																		

Substandard

Doubtful

Total construction and land loans

Current period gross charge-offs

	June 30, 2024							September 30, 2024										
	Term Loans by Origination Year																	
(dollars in thousands)																		
(dollars in thousands)																		
(dollars in thousands)	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total	2024	2023	2022	2021	2020	Prior	Revolving Loans	Revolving Loans Converted to Term Loans	Total
Multi-family residential:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total multi-family residential loans																		
Current period gross charge-offs																		
Commercial and industrial:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total commercial and industrial loans																		
Current period gross charge-offs																		
Consumer:																		
Pass																		
Pass																		
Pass																		
Special Mention																		
Substandard																		
Doubtful																		
Total consumer loans																		
Current period gross charge-offs																		
Total loans:																		
Pass																		
Pass																		
Pass																		
Special Mention																		

Substandard
Doubtful
Total loans
Current period gross charge-offs

	December 31, 2023									
	Term Loans by Origination Year							Revolving Loans	Converted to	
								Revolving Loans	Term Loans	Total
(dollars in thousands)	2023	2022	2021	2020	2019	Prior				
One- to four-family first mortgage:										
Pass	\$ 94,465	\$ 106,417	\$ 72,594	\$ 33,588	\$ 27,677	\$ 91,706	\$ 3,059	\$ 458	\$	429,964
Special Mention	149	497	188	—	—	34	—	—	—	868
Substandard	—	165	117	306	60	1,921	—	—	—	2,569
Doubtful	—	—	—	—	—	—	—	—	—	—
Total one- to four-family first mortgages	\$ 94,614	\$ 107,079	\$ 72,899	\$ 33,894	\$ 27,737	\$ 93,661	\$ 3,059	\$ 458	\$	433,401
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12	\$ —	\$ —	\$	12
Home equity loans and lines:										
Pass	\$ 1,864	\$ 1,652	\$ 1,231	\$ 760	\$ 1,117	\$ 3,138	\$ 57,768	\$ 1,240	\$	68,770
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	150	29	28	—	207
Doubtful	—	—	—	—	—	—	—	—	—	—
Total home equity loans and lines	\$ 1,864	\$ 1,652	\$ 1,231	\$ 760	\$ 1,117	\$ 3,288	\$ 57,797	\$ 1,268	\$	68,977
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$	—
Commercial real estate:										
Pass	\$ 161,755	\$ 292,494	\$ 252,109	\$ 184,935	\$ 137,154	\$ 104,533	\$ 44,225	\$ 855	\$	1,178,060
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	16	1,441	2,652	5,490	5,032	—	—	—	14,631
Doubtful	—	—	—	—	—	—	—	—	—	—
Total commercial real estate loans	\$ 161,755	\$ 292,510	\$ 253,550	\$ 187,587	\$ 142,644	\$ 109,565	\$ 44,225	\$ 855	\$	1,192,691
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 29	\$ —	\$ —	\$	29
Construction and land:										
Pass	\$ 121,389	\$ 150,667	\$ 33,247	\$ 6,641	\$ 7,672	\$ 4,567	\$ 5,439	\$ —	\$	329,622
Special Mention	929	164	4,635	146	—	—	—	—	—	5,874
Substandard	—	609	528	—	—	44	4,047	—	—	5,228
Doubtful	—	—	—	—	—	—	—	—	—	—
Total construction and land loans	\$ 122,318	\$ 151,440	\$ 38,410	\$ 6,787	\$ 7,672	\$ 4,611	\$ 9,486	\$ —	\$	340,724
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$	—
Multi-family residential:										
Pass	\$ 14,907	\$ 37,228	\$ 11,843	\$ 21,558	\$ 12,548	\$ 3,213	\$ 2,463	\$ —	\$	103,760
Special Mention	—	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	3,503	—	—	—	3,503

	December 31, 2023									
	Term Loans by Origination Year									



(dollars in thousands)							Revolving Loans		Revolving Converted to Term Loans		Total
	2023	2022	2021	2020	2019	Prior	Loans				
Doubtful	—	—	—	—	—	—	—	—	—	—	—
Total multi-family residential loans	\$ 14,907	\$ 37,228	\$ 11,843	\$ 21,558	\$ 12,548	\$ 6,716	\$ 2,463	\$ —	\$ —	\$ —	107,263
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—
<b>Commercial and industrial:</b>											
Pass	\$ 73,674	\$ 79,886	\$ 30,412	\$ 10,674	\$ 4,954	\$ 3,386	\$ 191,946	\$ 7,800	\$ —	\$ —	402,732
Special Mention	—	784	—	264	—	138	—	—	—	—	1,186
Substandard	1,389	38	54	7	2	100	129	22	—	—	1,741
Doubtful	—	—	—	—	—	—	—	—	—	—	—
Total commercial and industrial loans	\$ 75,063	\$ 80,708	\$ 30,466	\$ 10,945	\$ 4,956	\$ 3,624	\$ 192,075	\$ 7,822	\$ —	\$ —	405,659
Current period gross charge-offs	\$ —	\$ —	\$ —	\$ 124	\$ 7	\$ —	\$ 124	\$ —	\$ —	\$ —	255
<b>Consumer:</b>											
Pass	\$ 5,941	\$ 5,734	\$ 872	\$ 887	\$ 359	\$ 10,698	\$ 8,068	\$ 75	\$ —	\$ —	32,634
Special Mention	—	—	—	—	—	—	—	—	—	—	—
Substandard	—	13	7	—	7	262	—	—	—	—	289
Doubtful	—	—	—	—	—	—	—	—	—	—	—
Total consumer loans	\$ 5,941	\$ 5,747	\$ 879	\$ 887	\$ 366	\$ 10,960	\$ 8,068	\$ 75	\$ —	\$ —	32,923
Current period gross charge-offs	\$ 3	\$ 34	\$ 3	\$ 6	\$ —	\$ 4	\$ 125	\$ —	\$ —	\$ —	175
<b>Total loans:</b>											
Pass	\$ 473,995	\$ 674,078	\$ 402,308	\$ 259,043	\$ 191,481	\$ 221,241	\$ 312,968	\$ 10,428	\$ —	\$ —	2,545,542
Special Mention	1,078	1,445	4,823	410	—	172	—	—	—	—	7,928
Substandard	1,389	841	2,147	2,965	5,559	11,012	4,205	50	—	—	28,168
Doubtful	—	—	—	—	—	—	—	—	—	—	—
Total loans	\$ 476,462	\$ 676,364	\$ 409,278	\$ 262,418	\$ 197,040	\$ 232,425	\$ 317,173	\$ 10,478	\$ —	\$ —	2,581,638
Current period gross charge-offs	\$ 3	\$ 34	\$ 3	\$ 130	\$ 7	\$ 45	\$ 249	\$ —	\$ —	\$ —	471

The above classifications follow regulatory guidelines and can generally be described as follows:

- Pass loans are of satisfactory quality.
- Special mention loans have an existing weakness that could cause future impairment, including the deterioration of financial ratios, past due status, questionable management capabilities and possible reduction in the collateral values.
- Substandard loans have an existing specific and well-defined weakness that may include poor liquidity and deterioration of financial performance. Such loans may be past due and related deposit accounts experiencing overdrafts. Immediate corrective action is necessary.
- Doubtful loans have specific weaknesses that are severe enough to make collection or liquidation in full highly questionable and improbable.

In addition, residential loans are classified using an inter-agency regulatory methodology that incorporates, among other factors, the extent of delinquencies and loan-to-value ratios. These classifications were the most current available as of the dates indicated and were generally updated within the quarter.

Age analysis of past due loans as of the dates indicated are as follows.

Age analysis of past due loans as of the dates indicated are as follows:														
(dollars in thousands)	(dollars in thousands)	June 30, 2024				September 30, 2024								
		30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans	(dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Real estate loans:														
Real estate loans:														
Real estate loans:														
One- to four-family first mortgage														
One- to four-family first mortgage														
One- to four-family first mortgage														

Home equity loans and lines
Commercial real estate
Construction and land
Multi-family residential
Total real estate loans
Other loans:
Commercial and industrial
Commercial and industrial
Commercial and industrial
Consumer
Total other loans
Total loans

	December 31, 2023					
(dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Real estate loans:						
One- to four-family first mortgage	\$ 4,410	\$ 1,475	\$ 798	\$ 6,683	\$ 426,718	\$ 433,401
Home equity loans and lines	162	1	35	198	68,779	68,977
Commercial real estate	112	3,414	—	3,526	1,189,165	1,192,691
Construction and land	432	1	1,151	1,584	339,140	340,724
Multi-family residential	—	—	—	—	107,263	107,263
Total real estate loans	5,116	4,891	1,984	11,991	2,131,065	2,143,056
Other loans:						
Commercial and industrial	596	11	221	828	404,831	405,659
Consumer	416	143	55	614	32,309	32,923
Total other loans	1,012	154	276	1,442	437,140	438,582
Total loans	\$ 6,128	\$ 5,045	\$ 2,260	\$ 13,433	\$ 2,568,205	\$ 2,581,638

There were \$1,000 \$34,000 and \$0 of loans greater than 90 days past due and accruing at June 30, 2024 September 30, 2024 and December 31, 2023, respectively.

The following tables summarize information pertaining to nonaccrual loans as of dates indicated.

		June 30, 2024					
		June 30, 2024					
		June 30, 2024					
		September 30, 2024					
		September 30, 2024					
		September 30, 2024					
<i>(dollars in thousands)</i>	<i>(dollars in thousands)</i>	With Related Allowance	Without Related Allowance	<i>(dollars in thousands)</i>	With Related Allowance	Without Related Allowance	Total
Nonaccrual loans <sup>(1)</sup> :							
One- to four-family first mortgage							
One- to four-family first mortgage							

One- to four-family first mortgage

Home equity loans and lines

Commercial real estate

Construction and land

Multi-family residential

Commercial and industrial

Consumer

Total

December 31, 2023

December 31, 2023

December 31, 2023

(dollars in thousands)	(dollars in thousands)	With Related Allowance	Without Related Allowance	Total	(dollars in thousands)	With Related Allowance	Without Related Allowance	Total
<b>Nonaccrual loans<sup>(1)</sup>:</b>								
One- to four-family first mortgage								
One- to four-family first mortgage								
One- to four-family first mortgage								
Home equity loans and lines								
Commercial real estate								
Construction and land								
Multi-family residential								
Commercial and industrial								
Consumer								
Total								

(1) Nonaccrual acquired loans include PCD loans of \$1,326,000, \$1,284,000 and \$1,410,000 at June 30, 2024, September 30, 2024 and December 31, 2023, respectively.

All interest accrued but not received for loans placed on nonaccrual status is reversed against interest income. All payments received while on nonaccrual status are applied against the principal balance of nonaccrual loans. The Company does not recognize interest income while loans are on nonaccrual status.

#### Collateral Dependent Loans

The Company held loans that were individually evaluated for credit losses at June 30, 2024, September 30, 2024 and December 31, 2023 for which the repayment, on the basis of our assessment at the reporting date, is expected to be provided substantially through the operation or sale of the collateral and the borrower is experiencing financial difficulty. The ACL for these collateral-dependent loans is primarily based on the fair value of the underlying collateral at the reporting date. The following describes the types of collateral that secure collateral dependent loans:

- One- to four-family first mortgages are primarily secured by first liens on residential real estate.
- Home equity loans and lines are primarily secured by first and junior liens on residential real estate.
- Commercial real estate loans are primarily secured by office and industrial buildings, warehouses, retail shopping facilities and various special purpose properties, including hotels and restaurants.
- Construction and land loans are primarily secured by residential and commercial properties, which are under construction and/or redevelopment, and by raw land.
- Commercial and industrial loans considered collateral dependent are primarily secured by accounts receivable, inventory and equipment.

The tables below summarize collateral dependent loans and the related ACL at June 30, 2024, September 30, 2024 and December 31, 2023.

(dollars in thousands)	(dollars in thousands)	June 30, 2024		September 30, 2024	
		Loans	ACL	Loans	ACL
One- to four-family first mortgage					
Home equity loans and lines					
Commercial real estate					
Construction and land					

Multi-family residential
Commercial and industrial
Consumer
Total

December 31, 2023

December 31, 2023

December 31, 2023

(dollars in thousands)	(dollars in thousands)	Loans	ACL	(dollars in thousands)	Loans	ACL
One- to four-family first mortgage						
Home equity loans and lines						
Commercial real estate						
Construction and land						
Multi-family residential						
Commercial and industrial						
Consumer						
Total						

#### Loan Modifications Made to Borrowers Experiencing Financial Difficulty

Occasionally, the Company modifies loans to borrowers in financial distress by providing certain concessions, such as principal forgiveness, term extension, an other-than-insignificant payment delay, interest only for a specified period of time, an interest rate reduction, or a combination of such concessions. When principal forgiveness is provided, the amount of forgiveness is charged-off against the allowance for credit losses. Upon the Company's determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or portion of the loan) is charged-off. The balance of loan modifications, segregated by type of modification, to borrowers experiencing financial difficulty are set forth in the table below for the periods indicated.

Three Months Ended June 30, 2024 September 30, 2024								
(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans	
One-to four-family first mortgage	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	— %
Home equity loans and lines	—	—	—	—	—	—	—	—
Commercial real estate	—	—	—	—	—	—	—	—
Construction and land	—	—	—	—	—	—	—	—
Multi-family residential	—	—	—	—	—	—	—	—
Commercial and industrial	—	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	—	—
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	—	— %

Three Months Ended June 30, 2023								
(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans	
One-to four-family first mortgage	\$ —	\$ —	837	\$ —	\$ —	\$ —	—	0.2 %
Home equity loans and lines	—	—	—	—	—	—	—	—
Commercial real estate	283	—	—	—	—	—	—	—
Construction and land	—	—	—	—	—	—	—	—
Multi-family residential	—	—	—	—	—	—	—	—
Commercial and industrial	—	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	—	—
Total	\$ 283	\$ —	837	\$ —	\$ —	\$ —	—	— %

Three Months Ended September 30, 2023

(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans
One-to four-family first mortgage	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— %
Home equity loans and lines	—	—	—	—	—	—	—
Commercial real estate	—	—	—	—	—	—	—
Construction and land	—	—	—	—	—	—	—
Multi-family residential	—	—	—	—	—	—	—
Commercial and industrial	—	—	—	—	—	—	—
Consumer	—	—	—	—	—	—	—
Total	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	— %

Six Months Ended June 30, 2024

Nine Months Ended September 30, 2024

(dollars in thousands)	(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans	(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans
One-to four-family first mortgage	One-to four-family first mortgage	\$ —	\$ —	\$ 652	\$ —	\$ —	\$ —	0.1 %	One-to four-family first mortgage	\$ —	\$ —	\$ 639	\$ —	\$ —	\$ —	0.1 %
Home equity loans and lines																
Commercial real estate																
Construction and land																
Multi-family residential																
Commercial and industrial																
Consumer																
Total	Total	\$ —	\$ —	\$ 1,730	\$ —	\$ —	\$ —	0.1 %	Total	\$ —	\$ —	\$ 1,694	\$ —	\$ —	\$ —	0.1 %

Six Months Ended June 30, 2023

Nine Months Ended September 30, 2023

(dollars in thousands)	(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans	(dollars in thousands)	Payment Deferral	Principal Forgiveness	Term Extension	Interest Rate Reduction	Combination Term Extension and Principal Forgiveness	Combination Term Extension and Interest Rate Reduction	Percent of Total Class of Loans
One-to four-family first mortgage	One-to four-family first mortgage	\$ —	\$ —	\$ 1,065	\$ —	\$ —	\$ —	0.3 %	One-to four-family first mortgage	\$ —	\$ —	\$ 1,060	\$ —	\$ —	\$ —	0.3 %
Home equity loans and lines																
Commercial real estate																
Construction and land																
Multi-family residential																
Commercial and industrial																



## Consumer

Total

The loan modifications reported in the table above did not significantly impact the Company's allowance for loan losses during 2024.

### Foreclosed Assets and ORE

Foreclosed assets and ORE include real property and other assets that have been acquired as a result of foreclosure, and real property no longer used in the Bank's business. Foreclosed assets and ORE totaled \$231,000 \$267,000 and \$1,575,000 at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. These amounts are recorded in accrued interest receivable and other assets on the Consolidated Statements of Financial Condition.

The carrying amount of foreclosed residential real estate properties held at June 30, 2024 September 30, 2024 and December 31, 2023 totaled \$208,000 \$267,000 and \$115,000, respectively. Loans secured by single family residential real estate that were in the process of foreclosure at June 30, 2024 September 30, 2024 and December 31, 2023 totaled \$2,863,000 \$4,862,000 and \$517,000, respectively.

## 6. Derivatives and Hedging Activities

### Risk Management Objective of Using Derivatives

The Company is exposed to certain risk arising from both its business operations and economic conditions. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk primarily by managing the amount, sources, and duration of its assets and liabilities and the use of derivative financial instruments. Specifically, the Company enters into derivative financial instruments to manage exposures that arise from business activities that result in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates.

The Company's existing credit derivatives result from loan participation arrangements, therefore, are not used to manage interest rate risk in the Company's assets or liabilities. The Company occasionally enters into credit risk participation agreements with counterparty banks to accept a portion of the credit risk related to interest rate swaps. The agreements, which are typically executed in conjunction with a participation in a loan with the same customer, allow customers to execute an interest rate swap with one bank while allowing for the distribution of the credit risk among participating members. Collateral used to support the credit risk for the underlying lending relationship is also available to offset the risk of credit risk participations and customer derivative positions.

### Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest expense and to manage its exposure to interest rate movements. As part of its efforts to accomplish this objective, the Company entered into certain interest rate swap agreements as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without exchange of the underlying notional amount. Such derivatives were used to hedge the variable cash flows associated with existing variable rate liabilities.

For derivatives designated and that qualify as cash flow hedges of interest rate risk, the gain or loss on the derivative is recorded in Accumulated Other Comprehensive Income and subsequently reclassified into interest expense in the same period(s) during which the hedged transaction affects earnings. Amounts reported in accumulated other comprehensive income related to derivatives will be reclassified to interest expense as interest payments are made on the Company's variable rate liabilities. During the next twelve months, the Company estimates that an additional \$2,067,000 \$1,500,000 will be reclassified as additional interest expense.

### Non-designated Hedges

Derivatives not designated as hedges are not speculative and result from a service the Company provides to certain customers. The Company executes interest rate swaps with commercial banking customers to facilitate their respective risk management strategies. Those interest rate swaps are simultaneously hedged by offsetting derivatives that the Company executes with a third party, such that the Company minimizes its net risk exposure resulting from such transactions. As the interest rate derivatives associated with this program do not meet the strict hedge accounting requirements, changes in the fair value of both the customer derivatives and the offsetting derivatives are recognized directly in earnings through other income.

### Fair Values of Derivative Instruments

The tables below present the fair value of the Company's derivative financial instruments as well as their classification on the Consolidated Statement of Financial Condition as of June 30, 2024 September 30, 2024 and December 31, 2023.

		June 30, 2024				September 30, 2024					
		Derivative Assets <sup>(1)</sup>		Derivative Assets <sup>(1)</sup>		Derivative Liabilities <sup>(1)</sup>		Derivative Assets <sup>(1)</sup>		Derivative Liabilities <sup>(1)</sup>	
		Notional Amount	Fair Value	Notional Amount	Fair Value	(dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	
(dollars in thousands)	(dollars in thousands)										
Derivatives designated as hedging instruments:											
Interest rate swaps - variable rate liabilities											
Interest rate swaps - variable rate liabilities											

Interest rate swaps - variable rate liabilities

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Interest rate contracts

Interest rate contracts

Interest rate contracts

Risk participation agreements

Netting adjustments

Netting adjustments

Netting adjustments

Net derivative amounts

Net derivative amounts

Net derivative amounts

December 31, 2023

December 31, 2023

December 31, 2023

		Derivative Assets <sup>(1)</sup>		Derivative Assets <sup>(1)</sup>		Derivative Liabilities <sup>(1)</sup>	Derivative Assets <sup>(1)</sup>		Derivative Liabilities <sup>(1)</sup>	
(dollars in thousands)	(dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value	(dollars in thousands)	Notional Amount	Fair Value	Notional Amount	Fair Value

Derivatives designated as hedging instruments:

Interest rate swaps - variable rate liabilities

Interest rate swaps - variable rate liabilities

Interest rate swaps - variable rate liabilities

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Derivatives not designated as hedging instruments:

Risk participation agreements

Risk participation agreements

Risk participation agreements

Netting adjustments

Netting adjustments

Netting adjustments

Net derivative amounts

Net derivative amounts

Net derivative amounts

(1) Derivative assets and liabilities are reported at fair value in accrued interest receivable and other assets and accrued interest payable and other liabilities, respectively, in the Consolidated Statements of Financial Condition.

At June 30, 2024 September 30, 2024 and December 31, 2023, accumulated unrealized gains, net of taxes, on derivative instruments totaled \$3,082,000 \$1,813,000 and \$2,928,000, respectively.

#### Effect of Cash Flow Hedge Accounting on Accumulated Other Comprehensive Income and the Consolidated Statements of Income

The tables below present the effect of cash flow hedge accounting on Accumulated Other Comprehensive Income and the Consolidated Statements of Income as of June 30, 2024 September 30, 2024 and June 30, 2023 September 30, 2023.



Three Months Ended June 30, 2024													
		Amount of Gain Recognized in OCI		Location of Gain Reclassified from AOCI		Amount of Gain Reclassified from AOCI into Income							
Three Months Ended September 30, 2024													
		Amount of Loss Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income							
(dollars in thousands)	(dollars in thousands)	Total	Included Component	from AOCI into Income	Total	Included Component	(dollars in thousands)	Total	Included Component	(dollars in thousands)	Total	Included Component	(dollars in thousands)
Derivatives in cash flows hedging relationships:													
Interest rate swaps - variable rate liabilities													
Interest rate swaps - variable rate liabilities													
Interest rate swaps - variable rate liabilities													
Six Months Ended June 30, 2024													
Nine Months Ended September 30, 2024													
Six Months Ended June 30, 2024													
Nine Months Ended September 30, 2024													
Six Months Ended June 30, 2024													
Nine Months Ended September 30, 2024													
		Amount of Gain Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income			
(dollars in thousands)	(dollars in thousands)	Total	Included Component	from AOCI into Income	Total	Included Component	(dollars in thousands)	Total	Included Component	(dollars in thousands)	Total	Included Component	(dollars in thousands)
Derivatives in cash flows hedging relationships:													
Interest rate swaps - variable rate liabilities													
Interest rate swaps - variable rate liabilities													
Interest rate swaps - variable rate liabilities													
Three Months Ended June 30, 2023													
Three Months Ended September 30, 2023													

		Amount of Gain Recognized in OCI		Amount of Gain Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income		Amount of Gain Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income
(dollars in thousands)	(dollars in thousands)	Total	Included Component		Total	from AOCI into Income	Included Component	(dollars in thousands)	Total	Included Component		from AOCI into Income	Total	Included Component
Derivatives in cash flows hedging relationships:	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													
	Six Months Ended June 30, 2023													
	Nine Months Ended September 30, 2023													
	Six Months Ended June 30, 2023													
	Nine Months Ended September 30, 2023													
	Six Months Ended June 30, 2023													
	Nine Months Ended September 30, 2023													

		Amount of Gain Recognized in OCI		Amount of Gain Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income		Amount of Gain Recognized in OCI		Location of Gain Reclassified		Amount of Gain Reclassified from AOCI into Income
(dollars in thousands)	(dollars in thousands)	Total	Included Component		Total	from AOCI into Income	Included Component	(dollars in thousands)	Total	Included Component		from AOCI into Income	Total	Included Component
Derivatives in cash flows hedging relationships:	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													
	Interest rate swaps - variable rate liabilities													

#### Effect of Derivatives Not Designated as Hedging Instruments on the Consolidated Statements of Income

The table below presents the effect of the Company's derivative financial instruments that are not designated as hedging instruments on the Consolidated Statements of Income as of **June 30, 2024** September 30, 2024 and **June 30, 2023** September 30, 2023.

(dollars in thousands)

Effects of non-designated hedges
Effects of non-designated hedges
Effects of non-designated hedges
Interest rate contracts
Interest rate contracts
Interest rate contracts

Risk participation agreements
Risk participation agreements
Risk participation agreements

(dollars in thousands)

(dollars in thousands)

(dollars in thousands)

Effects of non-designated hedges
Effects of non-designated hedges
Effects of non-designated hedges

Risk participation agreements
Risk participation agreements
Risk participation agreements

Derivative fee income from non-designated hedges totaled \$0 and \$175,000 for both the three and six nine months ended June 30, 2024 September 30, 2024, respectively. There was no derivative fee income from non-designated hedges for the three and six nine months ended June 30, 2023 September 30, 2023.

Credit-risk-related Contingent Features

The Company has agreements with each of its derivative counterparties that contain a provision to the effect that, if the Company (either) defaults (or is capable of being declared in default) on any of its indebtedness, then the Company could also be declared in default on its derivative obligations.

The Company has agreements with certain of its derivative counterparties that contain a provision to the effect that, if the Company fails to maintain its status as a well or adequately capitalized institution, then the Company could be required to post additional collateral.

As of June 30, 2024 September 30, 2024, there were no derivatives with credit-risk-related contingent features in a net liability position. Such derivatives are measured at fair value, which includes accrued interest but excludes any adjustment for nonperformance risk. If the Company had breached any provisions at June 30, 2024 September 30, 2024, it would not have been required to settle any obligations under the agreements since the termination value was \$0.

7. Long-term Debt and Borrowings

Subordinated Debt

On June 30, 2022, the Company issued \$55,000,000 in aggregate principal amount of its 5.75% Fixed-to-Floating Rate Subordinated Notes (the "Notes") due 2032. The Notes were issued at a price equal to 100% of the aggregate principal amount. The Notes have a stated maturity date of June 30, 2032 and bear interest at a fixed rate of 5.75% per year from and including the issue date to but excluding June 30, 2027. From June 30, 2027, the Notes will bear interest at a floating rate equal to the then current three-month term secured overnight financing rate ("SOFR"), plus 282 basis points. The Notes may be redeemed by the Company, in whole or in part, on or after June 30, 2027. The Notes are intended to qualify as Tier 2 capital for regulatory purposes.

The carrying value of subordinated debt was \$54,348,000 \$54,402,000 and \$54,241,000 at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. The subordinated debt was recorded net of issuance costs which is being amortized using the straight-line method over five years.

Other Borrowings

On March 12, 2023, the Federal Reserve Board created the BTFP, which offers loans to banks with a term up to one year with no prepayment penalty. The loans are secured by pledging qualifying securities and are valued at par for collateral. In January 2024, the Bank participated in the BTFP and had an outstanding debt of \$135,000,000 at June 30, 2024 September 30, 2024 with a fixed rate of 4.76%. The average balance of other borrowings, which included the BTFP loan was \$140,610,000 \$140,539,000 for the second third quarter of 2024, up \$134,959,000 an increase of \$135,000,000 compared to the second third quarter of 2023.

Federal Home Loan Bank Advances

The average balance of total FHLB advances was \$46,499,000 \$56,743,000 for the second third quarter of 2024, down \$226,284,000 a decrease of \$216,344,000 compared to the second third quarter of 2023.

The Company had short-term FHLB advances in the amount of \$45,000,000 \$0 as of June 30, 2024 September 30, 2024 compared to \$150,000,000 as of December 31, 2023. At June 30, 2024 September 30, 2024 and December 31, 2023, the Company had \$38,506,000 \$38,410,000 and \$42,713,000 in long-term FHLB advances, respectively, and \$1,085,415,000 \$1,147,306,000 and \$1,020,494,000 in additional FHLB advances available, respectively.

The following table summarizes long-term FHLB advances as of June 30, 2024 September 30, 2024 and December 31, 2023.

	December 31,
June 30, 2024	2023
September 30,	December 31,
2024	2023

(dollars in thousands)	(dollars in thousands)	Amount	Weighted Average Rate	Amount	Weighted Average Rate	(dollars in thousands)	Amount	Weighted Average Rate	Amount	Weighted Average Rate	Amount	Weighted Average Rate
Fixed rate advances maturing in:												
	2024											
	2024											
	2024	\$ 33	2.26	2.26 %	\$ 4,076	1.71	1.71 %	\$ 13	2.26	2.26 %	\$ 4,076	1.71
	2025											
	2026											
Total FHLB advances	Total FHLB advances	\$38,506	3.33	3.33 %	\$42,713	3.17	3.17 %	\$ 38,410	3.33	3.33 %	\$42,713	3.17

## 8. Fair Value Measurements and Disclosures

The Company utilizes fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Company groups assets and liabilities measured or disclosed at fair value in three levels as required by ASC 820, *Fair Value Measurements and Disclosures*. Under this guidance, fair value should be based on the assumptions market participants would use when pricing the asset or liability and establishes a fair value hierarchy that prioritizes the inputs used to develop those assumptions and measure fair value. The hierarchy requires companies to maximize the use of observable inputs and minimize the use of unobservable inputs. The three levels used to measure fair value are as follows:

- Level 1 – Quoted prices in active markets for identical assets or liabilities.
- Level 2 – Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies and similar techniques that use significant unobservable inputs.

An asset's or liability's categorization within the fair value hierarchy is based upon the lowest level that is significant to the fair value measurement. Management reviews and updates the fair value hierarchy classifications of the Company's assets and liabilities quarterly.

### Recurring Basis

#### Investment Securities Available for Sale

Fair values of investment securities available for sale are primarily measured using information from a third-party pricing service. This pricing service provides pricing information by utilizing pricing models supported with market data information. Standard inputs include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, benchmark securities bids, offers and other reference data from market research publications. If quoted prices are available in an active market, investment securities are classified as Level 1 measurements. If quoted prices are not available in an active market, fair values are estimated primarily by the use of pricing models. Level 2 investment securities are primarily comprised of mortgage-backed securities issued by government agencies and U.S. government-sponsored enterprises. In certain cases, where there is limited or less transparent information provided by the Company's third-party pricing service, fair value is estimated by the use of secondary pricing services or through the use of non-binding third-party broker quotes. Investment securities are classified within Level 3 when little or no market activity supports the fair value.

Management primarily identifies investment securities which may have traded in illiquid or inactive markets, by identifying instances of a significant decrease in the volume and frequency of trades, relative to historical levels, as well as instances of a significant widening of the bid-ask spread in the brokered markets. Investment securities that are deemed to have been trading in illiquid or inactive markets may require the use of significant unobservable inputs. For example, management may use quoted prices for similar investment securities in the absence of a liquid and active market for the investment securities being valued. As of **June 30, 2024** **September 30, 2024**, management did not make adjustments to prices provided by the third-party pricing service as a result of illiquid or inactive markets.

#### Derivative Assets and Liabilities

Derivative assets and liabilities are reported at fair value in accrued interest receivable and other assets and accrued interest payable and other liabilities, respectively, in the Consolidated Statements of Financial Condition. The fair value of these derivative financial instruments is obtained from a third-party pricing service that uses widely accepted valuation techniques including discounted cash flow analysis on the expected cash flows of each derivative. The analysis reflects the contractual terms of the derivatives, including the period to maturity, and uses observable market-based inputs, including interest rate curves and implied volatilities. The fair values of interest rate swaps are determined using the market standard methodology of netting the discounted future fixed cash receipts (or payments) and the discounted expected variable cash payments (or receipts). The variable cash payments (or receipts) are based on an expectation of future interest rates (forward curves) derived from observable market interest rate curves. The Company has determined that its derivative valuations are classified in Level 2 of the fair value hierarchy.

The following tables present the balances of assets measured for fair value on a recurring basis as of **June 30, 2024** **September 30, 2024** and December 31, 2023.

(dollars in thousands)	(dollars in thousands)	June 30, 2024	Level 1	Level 2	Level 3	(dollars in thousands)	September 30, 2024	Level 1	Level 2	Level 3
Assets										

Available for sale securities:  
Available for sale securities:  
Available for sale securities:

U.S. agency mortgage-backed
U.S. agency mortgage-backed
U.S. agency mortgage-backed
Collateralized mortgage obligations
Municipal bonds
U.S. government agency
Corporate bonds
Total
Derivative assets
Derivative assets
Derivative assets
Total
Liabilities
Liabilities
Liabilities
Derivative liabilities
Derivative liabilities
Derivative liabilities

(dollars in thousands)	December 31, 2023	Level 1	Level 2	Level 3
Assets				
Available for sale securities:				
U.S. agency mortgage-backed	\$ 283,853	\$ —	\$ 283,853	\$ —
Collateralized mortgage obligations	79,262	—	79,262	—
Municipal bonds	46,674	—	46,674	—
U.S. government agency	18,049	—	18,049	—
Corporate bonds	6,088	—	6,088	—
Total	\$ 433,926	\$ —	\$ 433,926	\$ —
Derivative assets	\$ 3,914	\$ —	\$ 3,914	\$ —
Total	\$ 437,840	\$ —	\$ 437,840	\$ —
Liabilities				
Derivative liabilities	\$ 3	\$ —	\$ 3	\$ —

Nonrecurring Basis

The Company records loans individually evaluated for credit losses at fair value on a nonrecurring basis. Fair value is measured at the fair value of the collateral for collateral-dependent loans. For non-collateral-dependent loans, fair value is measured by present valuing expected future cash flows. Loans individually evaluated are classified as Level 3 assets when measured using appraisals from third parties of the collateral less any prior liens and when there is no observable market price.

Foreclosed assets and ORE are also recorded at fair value on a nonrecurring basis. Foreclosed assets are initially recorded at fair value less estimated costs to sell. ORE is recorded at the lower of its net book value or fair value at the date of transfer to ORE. The fair value of foreclosed assets and ORE is based on property appraisals and an analysis of similar properties available. As such, the Company classifies foreclosed and ORE assets as Level 3 assets.

The Company has segregated all financial assets that are measured at fair value on a nonrecurring basis into the most appropriate level within the fair value hierarchy based on the inputs used to determine the fair value at the measurement date as reflected in the table below.

(dollars in thousands)	(dollars in thousands)	June 30, 2024	Fair Value Measurements Using			September 30, 2024	Fair Value Measurements Using		
			Level 1	Level 2	Level 3 (dollars in thousands)		Level 1	Level 2	Level 3

Assets											
Loans individually evaluated											
Loans individually evaluated											
Loans individually evaluated											
Foreclosed assets and ORE											
Total											
</											

The following table shows significant unobservable inputs used in the fair value measurement of Level 3 assets.

(dollars in thousands)	(dollars in thousands)	Fair Value	Valuation Technique	Unobservable Inputs	Range of Discounts	Weighted Average Discount	(dollars in thousands)	Fair Value	
June 30, 2024									
September 30, 2024									
Loans individually evaluated									
Loans individually evaluated									
Loans individually evaluated		\$4,270	Third party appraisals and discounted cash flows	Third party appraisals and discounted cash flows	Collateral values, market discounts and estimated costs to sell	0% - 80%	6%	\$4,147	Third party appraisals and discounted cash flows
Foreclosed assets and ORE	Foreclosed assets and ORE	\$ 231	Third party appraisals, sales contracts, broker price opinions	Third party appraisals, sales contracts, broker price opinions	Collateral values, market discounts and estimated costs to sell	0% - 47%	16%	\$ 267	Third party appraisals, sales contracts broker price opinions
(dollars in thousands)	(dollars in thousands)	Fair Value	Valuation Technique	Unobservable Inputs	Range of Discounts	Weighted Average Discount	(dollars in thousands)	Fair Value	
December 31, 2023									
Loans individually evaluated									
Loans individually evaluated									

Loans individually evaluated		\$3,797	Third party appraisals and discounted cash flows	Third party appraisals and discounted cash flows	Collateral values, market discounts and estimated costs to sell	0% - 89%	10%		\$3,797	Third party appraisals and discounted cash flows
Foreclosed assets and ORE	Foreclosed assets and ORE	\$1,575	Third party appraisals, sales contracts, broker price opinions	Third party appraisals, sales contracts, broker price opinions	Collateral values, market discounts and estimated costs to sell	31% - 71%	62%	Foreclosed assets and ORE	\$1,575	Third party appraisals, sales contracts broker price opinions

ASC 820, *Fair Value Measurements and Disclosures*, requires the disclosure of each class of financial instruments for which it is practicable to estimate. The fair value of a financial instrument is the current amount that would be exchanged between willing parties, other than in a forced liquidation. Fair value is best determined based upon quoted market prices. However, in many instances, there are no quoted market prices for the Company's various financial instruments. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the instrument. ASC 820 excludes certain financial instruments and all non-financial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company.

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial statements. These estimates are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Fair value estimates included herein are based on existing on- and off-balance-sheet financial instruments without attempting to estimate the value of anticipated future business and the fair value of assets and liabilities that are not required to be recorded or disclosed at fair value like premises and equipment. In addition, the tax ramifications related to the realization of the unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in the estimates.

Methods and assumptions used to estimate fair value of each class of financial instruments for which it is practicable to estimate fair value are described in the Company's Annual Report on Form 10-K for the year ended December 31, 2023. The fair value of subordinated debt is estimated based on current market rates on similar debt in the market. The Company classifies this debt in Level 2 of the fair value table. There have been no other material changes from the fair value estimate methods and assumptions previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023.

The following table presents estimated fair values of the Company's financial instruments as of the dates indicated.

The following table presents estimated fair values of the Company's financial instruments as of the dates indicated.												
(dollars in thousands)	(dollars in thousands)	Carrying Amount	Fair Value Measurements at June 30, 2024				Level 3 (dollars in thousands)	Fair Value Measurements at September 30, 2024				
			Total	Level 1	Level 2	Carrying Amount		Total	Level 1	Level 2	Level 3	
<b>Financial Assets</b>												
Cash and cash equivalents												
Cash and cash equivalents												
Cash and cash equivalents												
Investment securities available for sale												
Investment securities available for sale												
Investment securities available for sale												
Investment securities held to maturity												
Mortgage loans held for sale												
Loans, net												
Cash surrender value of BOLI												
Derivative assets <sup>(1)</sup>												
<b>Financial Liabilities</b>												
Deposits												
Deposits												
Deposits												
Other borrowings												
Subordinated debt, net of issuance cost												

Long-term FHLB advances			Fair Value Measurements at					Fair Value Measurements at				
Long-term FHLB advances			December 31, 2023					December 31, 2023				
Long-term FHLB advances												
Derivative liabilities <sup>(1)</sup>												
	(dollars in thousands)	Carrying Amount	Total	Level 1	Level 2	Level 3	(dollars in thousands)	Carrying Amount	Total	Level 1	Level 2	Level 3
Financial Assets												
Cash and cash equivalents												
Cash and cash equivalents												
Cash and cash equivalents												
Interest-bearing deposits in banks												
Investment securities available for sale												
Investment securities held to maturity												
Mortgage loans held for sale												
Loans, net												
Cash surrender value of BOLI												
Derivative assets <sup>(1)</sup>												
Financial Liabilities												
Deposits												
Deposits												
Deposits												
Other borrowings												
Subordinated debt, net of issuance cost												
Short-term FHLB advances												
Long-term FHLB advances												
Derivative liabilities <sup>(1)</sup>												

(1) Derivative assets and liabilities are reported at fair value in accrued interest receivable and other assets and accrued interest payable and other liabilities, respectively, in the Consolidated Statements of Financial Condition.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The purpose of this discussion and analysis is to focus on significant changes in the financial condition of the Company and the Bank from December 31, 2023 through June 30, 2024 September 30, 2024 and on its results of operations for the three and six nine months ended June 30, 2024 September 30, 2024 and 2023. This discussion and analysis is intended to highlight and supplement information presented elsewhere in this quarterly report on Form 10-Q, particularly the consolidated financial statements and related notes appearing in Item 1.

### Forward-Looking Statements

To the extent that statements in this Form 10-Q relate to future plans, objectives, financial results or performance of the Company or Bank, these statements are deemed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements, which are based on management's current information, estimates and assumptions and the current economic environment, are generally identified by the use of words such as "plan", "believe", "expect", "intend", "anticipate", "estimate", "project" or similar expressions, or by future or conditional terms such as "will", "would", "should", "could", "may", "likely", "probably", or "possibly". The Company's or the Bank's actual strategies and results in future periods may differ materially from those currently expected due to various risks and uncertainties. Certain risks, uncertainties and other factors, including those set forth under the heading "Risk Factors" in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2023 and any subsequent Quarterly Report on Form 10-Q or Current Report on Form 8-K, may cause actual results to differ materially from the results discussed in the forward-looking statements appearing in this discussion and analysis and may include factors such as, but not limited to, our lending activities, our use of municipal deposits as a source of funds, credit quality and risk, industry and technological changes, cyber incidents or other failures, disruptions or security breaches, interest rates, commercial and residential real estate values, economic and market conditions in the markets we operate in or generally in the United States, funds availability, accounting estimates and risk management processes, legislative and regulatory changes, the fair values of our acquired assets and our investment securities portfolio, business strategy execution, key personnel, competition, mortgage markets, fraud, environmental liability and severe weather, natural disasters, acts of war or terrorism or other external events. The Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

### EXECUTIVE OVERVIEW



The Company reported net income for the **second third** quarter of 2024 of **\$8.1 million** **\$9.4 million**, or **\$1.02** **\$1.18** diluted EPS, down **\$1.7 million** **\$317,000** compared to the **second third** quarter of 2023. Net income for the **second third** quarter of 2023 totaled **\$9.8 million**, or **\$1.21** **\$1.22** diluted EPS. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company reported net income **\$17.3 million** **\$26.8 million**, or **\$2.16** **\$3.34** diluted EPS, down **\$3.8 million** **\$4.1 million** from **\$21.1 million** **\$30.9 million**, or **\$2.60** **\$3.82** diluted EPS, reported for the **six nine** months ended **June 30, 2023** **September 30, 2023**.

Key components of the Company's performance during the three and **six nine** months ended **June 30, 2024** **September 30, 2024** include:

- Assets increased **\$90.8 million** **\$121.9 million**, or **2.7%** **3.7%**, from December 31, 2023 to **\$3.4 billion** at **June 30, 2024** **September 30, 2024**.
- Total loans were **\$2.7 billion** at **June 30, 2024** **September 30, 2024**, up **\$79.7 million** **\$86.6 million**, or **3.1%** **3.4%**, from December 31, 2023.
- During the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company provisioned **\$1.3 million** **\$140,000** and **\$1.4 million** **\$1.5 million**, respectively, to the allowance for loan losses, primarily due to loan growth and net charge-offs. During the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company provisioned **\$511,000** **\$351,000** and **\$1.3 million** **\$1.7 million**, respectively, to the allowance for loan losses.
- The ALL totaled **\$32.2 million** **\$32.3 million**, or 1.21% of total loans, at **June 30, 2024** **September 30, 2024** compared to **\$31.5 million**, or 1.22% of total loans, at December 31, 2023. The ACL, which is comprised of the allowance for loan losses plus the allowance for unfunded lending commitments, totaled **\$34.7 million**, or 1.30% of total loans, at **June 30, 2024** **September 30, 2024** compared to **\$34.1 million**, or 1.32% of total loans, at December 31, 2023.
- Nonperforming assets increased **\$6.7 million** **\$8.0 million**, or **64.1%** **76.7%**, from **\$10.4 million**, or 0.31% of total assets, at December 31, 2023 to **\$17.0 million** **\$18.4 million**, or **0.50%** **0.53%** of total assets, at **June 30, 2024** **September 30, 2024**. The increase in nonperforming assets was primarily due to **one four** loan **relationship** **relationships** being downgraded to substandard during the 2024 period.
- Total deposits amounted to **\$2.7 billion** **\$2.8 billion** at **June 30, 2024** **September 30, 2024**, an increase of **\$52.3 million** **\$106.9 million**, or **2.0%** **4.0%**, from December 31, 2023.
- The net interest margin was **3.66%** **3.71%** and **3.65%** **3.67%** for the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, respectively, down **28** bps and down **41** bps from the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively.
- The average rate paid on total interest-bearing deposits was **2.69%** **2.78%** for the **second third** quarter of 2024, which was up **139** bps from the **second third** quarter of 2023. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, the average rate paid on total interest-bearing deposits was **2.60%** **2.66%**, up **156** bps from the **six nine** months ended **June 30, 2023** **September 30, 2023**.
- Total interest expense for the **second third** quarter of 2024 was up **\$6.3 million** **\$4.4 million**, or **64.5%** **35.2%**, compared to the **second third** quarter of 2023 primarily due to the rising interest rate environment and the higher cost of deposits. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, total interest expense was up **\$15.0 million** **\$19.4 million**, or **92.1%** **67.3%**, from the comparable period in 2023.
- Noninterest income for the **second third** quarter of 2024 was up **\$307,000**, down **\$707,000**, or **8.9%** **16.1%**, compared to the **second third** quarter of 2023, primarily due to a decrease in gain on sale of loans (down **\$492,000**) and a decrease in bank card fees (down **\$290,000**), which were partially offset with an increase in other income (up **\$150,000**), gain on sale of loans (up **\$100,000**) and bank card fees (up **\$36,000**) **\$55,000**. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, noninterest income was up **\$545,000**, down **\$162,000**, or **8.1%** **1.5%**, from the comparable period in 2023 primarily due to a decrease bank card fees (down **\$466,000**) and a decrease in gain on sale of loans (down **\$362,000**), which were partially offset with an increase in other income (up **\$281,000**) **\$336,000** and the absence of net loss on sale of securities totaling **\$249,000** during the first quarter of 2023.
- Noninterest expense for the third quarter of 2024 was up **\$920,000**, or 4.3%, compared to the third quarter of 2023, primarily due to increases in compensation and an increase in gain on sale of loans benefits (up **\$130,000**) **\$566,000**, data processing and communication (up **\$150,000**), occupancy (up **\$322,000**), and other expenses (up **\$267,000**), which were partially offset with a decrease in bank card fees marketing and advertising (down **\$176,000**).
- Noninterest expense for the second quarter of 2024 was up **\$849,000**, or 4.1%, compared to the second quarter of 2023, primarily due to increases in data processing and communication (up **\$423,000**), compensation and benefits (up **\$187,000**), other noninterest expense (up **\$187,000**), occupancy (up **\$156,000**), professional services (up **\$122,000**) and regulatory fees (up **\$108,000**), which were partially offset by the reversal of provision for credit losses on unfunded commitments (down **\$285,000**) **\$256,000**. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, noninterest expense was up **\$1.8 million** **\$2.7 million**, or 4.3%, from the comparable period in 2023 primarily due to the absence of a recovery of a previous loss on a foreclosed asset that occurred in the first quarter of 2023 in the amount of **\$739,000**, increases in data processing and communication expense (up **\$616,000**) **\$766,000**, other noninterest expense (up **\$421,000**) **\$687,000**, professional services occupancy (up **\$233,000**) **\$582,000** and marketing compensation and advertising expense benefits (up **\$202,000**) **\$484,000**, which were partially offset by a decrease in amortization of acquisition intangibles (down **\$153,000**) and the reversal of provision for credit losses on unfunded commitments (down **\$495,000**).

## FINANCIAL CONDITION

### Loans, Allowance for Credit Losses and Asset Quality

#### Loans

Total loans at **June 30, 2024** **September 30, 2024** were **\$2.7 billion**, up **\$79.7 million** **\$86.6 million**, or **3.1%** **3.4%**, from December 31, 2023. The loan growth resulted primarily from the additions of loans across all loan types, with the exception of construction and land loans and consumer loans.

The following table summarizes the composition of the Company's loan portfolio as of the dates indicated.

(dollars in thousands)	(dollars in thousands)	June 30, 2024		December 31, 2023		Increase/(Decrease)	(dollars in thousands)		September 30, 2024	
Real estate loans:										
One-to four-family first mortgage										
One-to four-family first mortgage										
One-to four-family first mortgage		\$ 446,255	\$	\$ 433,401	\$	\$12,854	3.0	3.0 %	\$ 502,784	
Home equity loans and lines										
Commercial real estate										
Construction and land										
Multi-family residential										
Total real estate loans	Total real estate loans	2,201,489	2,143,056	2,143,056	58,433	58,433	2.7	2.7 %		Total real estate loans
Other loans:										
Commercial and industrial										
Commercial and industrial										
Commercial and industrial										
Consumer										
Total other loans										
Total loans	Total loans	\$2,661,346	\$	\$2,581,638	\$	\$79,708	3.1	3.1 %		Total loans
										\$2,668,28

#### Allowance for Credit Losses

The ACL which equals the sum of the ALL and the ACL on unfunded lending commitments, is established through provisions for credit losses. Management recalculates the ACL at least quarterly to reassess the estimate of credit losses for the total portfolio at the relevant reporting date. Under ASC Topic 326, the ACL is measured on a pool basis when similar risk characteristics exist. For each pool of loans, management also evaluates and applies qualitative adjustments to the calculated ACL based on several factors, including, but not limited to, changes in current and expected future economic conditions, changes in industry experience and industry loan concentrations, changes in the volume and severity of nonperforming assets,

changes in lending policies and personnel and changes in the competitive and regulatory environment of the banking industry. Loans that do not share similar risk characteristics are individually evaluated and are excluded from the pooled loan analysis.

The ACL policy described above is supplemented by periodic reviews and validations performed by independent loan reviewers. The results of the reviews are reported to the Audit Committee of the Board of Directors. The establishment of the ACL is significantly affected by management judgment. There is likelihood that different amounts would be reported under different conditions or assumptions. Federal regulatory agencies, as an integral part of their examination process, periodically review our ACL. Such agencies may require management to make additional provisions for estimated losses based upon judgments different from those of management.

We continue to monitor and modify our ACL as conditions warrant. No assurance can be given that our level of ACL will cover all of the losses on our loans or that future adjustments to the ACL will not be necessary if economic and other conditions differ substantially from the **conditions assumptions** used by management to determine the current level of the ACL.

At **June** **September 30, 2024**, the ALL totaled **\$32.2 million** **\$32.3 million**, or 1.21% of total loans, up **\$675,000** **\$741,000** from \$31.5 million, or 1.22% of total loans, at December 31, 2023. During the **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company provisioned **\$1.4 million** **\$1.5 million** of the allowance loan losses primarily due to loan growth and net charge-offs. Net loan charge-offs totaled **\$727,000** **\$801,000** for the **six nine** months ended **June 30, 2024** **September 30, 2024**.

#### Asset Quality

One of management's key objectives has been, and continues to be, maintaining a high level of asset quality. In addition to maintaining credit standards for new loan originations, we proactively monitor loans and collection and workout processes of delinquent or problem loans. When a borrower fails to make a scheduled payment, we attempt to cure the deficiency by making personal contact with the borrower. Initial contacts are generally made within 10 days after the date payment is due. In most cases, deficiencies are promptly resolved. If the delinquency continues, late charges are assessed and additional efforts are made to collect the deficiency. All loans which are designated as "special mention," classified or which are delinquent 90 days or more are reported to the Board of Directors of the Bank monthly. For loans where the collection of principal or interest payments is doubtful, the accrual of interest income ceases. It is our policy, with certain limited exceptions, to discontinue accruing interest and reverse any interest accrued on any loan which is 90 days or more past due. On occasion, this action may be taken earlier if the financial condition of the borrower raises significant concern with regard to their ability to service the debt in accordance with the terms of the loan agreement. Interest income is not accrued on these loans until the borrower's financial condition and payment record demonstrate an ability to service the debt.

Under our allowance policy, credit losses are measured on a pool basis when similar risk characteristics exist. Loans that do not share similar risk characteristics are individually evaluated for credit losses and are excluded from the pooled loan analysis. At least quarterly, management evaluates the loan portfolio to determine which loans should be individually evaluated for credit losses. Management's evaluation involves an analysis of larger (i.e., loans with balances of \$500,000 or greater) commercial real estate loans, multi-family residential loans, construction and land loans and commercial and industrial loans. Third party property valuations are obtained at the time of origination for real estate secured loans. When a determination is made that a loan has deteriorated to the point of becoming a problem loan, updated valuations may be ordered to determine if a short-fall exists, which may lead to a recommendation for partial charge off or appropriate allowance allocation. Property valuations are ordered through, and are reviewed by, an appraisal officer at the Bank. The Company typically orders an "as is" valuation for collateral property if a loan is in a criticized loan classification. Loans individually evaluated for credit losses are reported to the Board of Directors monthly.

At June 30, 2024 September 30, 2024 and December 31, 2023, loans identified as credit deteriorated loans and individually evaluated for expected losses were \$4.5 million \$4.4 million and \$4.2 million, respectively. The following tables provide a summary of loans individually evaluated for credit losses as of the dates indicated.

	June 30, 2024					September 30, 2024								
(dollars in thousands)	(dollars in thousands)	Recorded investment		Allowance for Loan Losses		Allowance to Total Loans	(dollars in thousands)	Recorded investment		Allowance for Loan Losses		Allowance to Total Loans		
Loans Individually Evaluated														
One- to four-family first mortgage														
One- to four-family first mortgage														
One- to four-family first mortgage	\$	—	\$	—		—	%	\$	—	\$	—	—	%	
Home equity loans and lines														
Commercial real estate														
Construction and land														
Multi-family residential														
Construction and land														
Multi-family residential														
Commercial and industrial														
Consumer														
Total	Total	\$ 4,528	\$	258	5.70	5.70	%	Total	\$ 4,389	\$	242	5.51	5.51	%

December 31, 2023

December 31, 2023

December 31, 2023

(dollars in thousands)	(dollars in thousands)	Recorded investment	Allowance for Loan Losses	Allowance to Total Loans	(dollars in thousands)	Recorded investment	Allowance for Loan Losses	Allowance to Total Loans
<b>Loans Individually Evaluated</b>								
One- to four-family first mortgage								
One- to four-family first mortgage								



Commercial real estate	17,867	14,631	3,236	22.1
Construction and land	3,899	5,228	(1,329)	(25.4)
Multi-family residential	1,168	3,503	(2,335)	(66.7)
Commercial and industrial	2,173	1,741	432	24.8
Consumer	245	289	(44)	(15.2)
Total substandard loans	\$ 32,660	\$ 28,168	\$ 4,492	15.9 %

Total special mention loans	\$ 2,415	\$ 7,928	\$ (5,513)	(69.5)%
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(dollars in thousands)	September 30, 2024	December 31, 2023	Increase/(Decrease)	
<b>Substandard Loans</b>				
One- to four-family first mortgage	\$ 7,745	\$ 2,569	\$ 5,176	201.5 %
Home equity loans and lines	206	207	(1)	(0.5)
Commercial real estate	17,821	14,631	3,190	21.8
Construction and land	5,728	5,228	500	9.6
Multi-family residential	930	3,503	(2,573)	(73.5)
Commercial and industrial	2,117	1,741	376	21.6
Consumer	130	289	(159)	(55.0)
Total substandard loans	\$ 34,677	\$ 28,168	\$ 6,509	23.1 %

Total nonperforming loans increased by \$8.0 million \$9.3 million, or 90.8% 105.2%, to \$16.8 million \$18.1 million at June 30, 2024 September 30, 2024, compared to \$8.8 million at December 31, 2023. The primary reason for the increase was one loan relationship with an aggregate outstanding balance of \$4.7 million at June 30, 2024 September 30, 2024 that became nonperforming during the first quarter of 2024. This relationship is secured by 17 residential units in eight investment properties in New Orleans with an aggregate loan-to-value ratio of approximately 65%. We have commenced foreclosure proceedings on this relationship and do not expect any loss. There were also additional smaller loan balances downgraded to nonperforming during the period, but we do not anticipate any losses associated with these loans.

A bank's determination as to the classification of its assets and the amount of its valuation allowances is subject to review by Federal bank regulators which can order the establishment of additional general or specific loss allowances. The Federal banking agencies have adopted an interagency policy statement on the allowance for loan and lease losses. The policy statement provides guidance for financial institutions on both the responsibilities of management for the assessment and establishment of allowances and guidance for banking agency examiners to use in determining the adequacy of general valuation guidelines. Generally, the policy statement recommends that institutions have effective systems and controls to identify, monitor and address asset quality problems; that management analyze all significant factors that affect the collectability of the portfolio in a reasonable manner; and that management establish acceptable allowance evaluation processes that meet the objectives set forth in the policy statement. Management maintains, based on current and forecasted information, an ACL that reflects a current estimate of expected credit losses for the estimated life of the loan portfolio at reporting periods subsequent to the adoption date. For all reporting periods, actual losses are uncertain and dependent upon future events and, as such, further additions to the level of ACL may become necessary.

The following table sets forth the composition of the Company's nonperforming assets as of the dates indicated.

		June 30, 2024			December 31, 2023			September 30, 2024			December 31, 2023			
(dollars in thousands)	(dollars in thousands)	Originated	Acquired <sup>(1)</sup>	Total	Originated	Acquired <sup>(1)</sup>	Total	(dollars in thousands)	Originated	Acquired <sup>(1)</sup>	Total	Originated	Acquired <sup>(1)</sup>	Total
Nonaccrual loans:														
Real estate loans:														
Real estate loans:														
Real estate loans:														
One- to four-family first mortgage														
One- to four-family first mortgage														
One- to four-family first mortgage														
Home equity loans and lines														
Commercial real estate														

Construction and land									
Multi-family residential									
Other loans:									
Commercial and industrial									
Commercial and industrial									
Commercial and industrial									
Consumer									
Total nonaccrual loans									
Accruing loans 90 days or more past due									
Total nonperforming loans									
Foreclosed assets and ORE									
Total nonperforming assets									
Total nonperforming loans									
Foreclosed assets and ORE									
Total nonperforming assets									
Nonperforming loans to total loans									
Nonperforming loans to total loans									
Nonperforming loans to total loans		0.63 %	0.34 %			0.68 %	0.34 %		
Nonperforming loans to total assets	Nonperforming loans to total assets	0.49 %	0.27 %	Nonperforming loans to total assets		0.53 %	0.27 %		
Nonperforming assets to total assets	Nonperforming assets to total assets	0.50 %	0.31 %	Nonperforming assets to total assets		0.53 %	0.31 %		

### Investment Securities

The following table summarizes activity in the Company's investment securities portfolio during the six nine months ended June 30, 2024 September 30, 2024.

## Funding Sources

### Deposits

Deposits totaled \$2.7 billion \$2.8 billion at June 30, 2024 September 30, 2024, an increase of \$52.3 million \$106.9 million, or 2.0% 4.0%, compared to December 31, 2023. The following table summarizes the changes in the Company's deposits from December 31, 2023 to June 30, 2024 September 30, 2024.

	(dollars in thousands)	June 30, 2024	December 31, 2023	Increase/(Decrease)		(dollars in thousands)	September 30, 2024	December 31, 2023	Increase/(Decrease)	
Demand deposit	Demand deposit	\$ 746,504	\$ 744,424	\$ 2,080	0.3	Demand deposit	\$ 740,854	\$ 744,424	\$ (3,570)	(0.5)
Savings										
Money market										
NOW										
Certificates of deposit										
Total deposits	Total deposits	\$2,722,915	\$2,670,624	\$ 52,291	2.0	Total deposits	\$2,777,487	\$2,670,624	\$ 106,863	4.0

The average rate paid on interest-bearing deposits was 2.69% 2.78% for the second third quarter of 2024, up 139 94 bps compared to the second third quarter of 2023. At June 30, 2024 September 30, 2024, certificates of deposit maturing within the next 12 months totaled \$686.2 million \$680.8 million.

We obtain most of our deposits from individuals, small businesses and public funds in our market areas. The following table presents our deposits per customer type for the periods indicated.

June 30, 2024				December 31, 2023			
September 30, 2024				December 31, 2023			
Individuals	Individuals		53%	Individuals		52%	53%
Small businesses	Small businesses	37		38	Small businesses		38
Public funds	Public funds	8		7	Public funds		7
Broker	Broker		2	Broker		3	2
Total	Total		100%	Total			100%

The total amounts of our uninsured deposits (deposits in excess of \$250,000, as calculated in accordance with FDIC regulations) were \$780.1 \$818.7 million at June 30, 2024 September 30, 2024 and \$748.6 million at December 31, 2023. Public funds in excess of the FDIC insurance limits are fully collateralized.

### Subordinated Debt

On June 30, 2022, the Company issued \$55.0 million in aggregate principal amount of its 5.75% Fixed-to-Floating Rate Subordinated Notes due 2032. The Notes were issued at a price equal to 100% of the aggregate principal amount. The Notes have a stated maturity date of June 30, 2032 and bear interest at a fixed rate of 5.75% per year from and including the issue date to but excluding June 30, 2027. From June 30, 2027, the Notes will bear interest at a floating rate equal to the then current three-month term secured overnight financing rate ("SOFR"), plus 282 basis points. The Notes may be redeemed by the Company, in whole or in part, on or after June 30, 2027. The Notes are intended to qualify as Tier 2 capital for regulatory purposes.

The carrying value of subordinated debt was \$54.3 million \$54.4 million and \$54.2 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. The subordinated debt was recorded net of issuance costs and amortized using the straight-line method over five years.

### Other Borrowings

On March 12, 2023, the Federal Reserve Board created the BTFP, which offers loans to banks with a term up to one year with no prepayment penalty. The loans are secured by pledging qualifying securities and are valued at par for collateral. In 2024, the Bank participated in the BTFP and had an outstanding debt of \$135.0 million at June 30, 2024 September 30, 2024. The average balance of other borrowings, which included the BTFP loan was \$140.6 million \$140.5 million for the second third quarter of 2024, up \$135.0 million compared to the second third quarter of 2023.

### Federal Home Loan Bank Advances

The average balance of total FHLB advances was \$46.5 million \$56.7 million for the second third quarter of 2024, down \$226.3 million \$216.3 million compared to the second third quarter of 2023. For the six nine months ended June 30, 2024 September 30, 2024, the average balance of total FHLB advances was \$59.1 million \$58.3 million, down \$185.2

million \$195.7 million compared to the six nine months ended June 30, 2023 September 30, 2023. We reduced our FHLB advances in 2024 primarily due to our increased utilization of BTFP loans as an alternative source of funds.

The Company had \$45.0 million no short-term FHLB advances as of June 30, 2024 September 30, 2024 compared to \$150.0 million as of December 31, 2023. At June 30, 2024 September 30, 2024 and December 31, 2023, the Company had \$38.5 million \$38.4 million and \$42.7 million in long-term FHLB advances, respectively, and \$1.1 billion and \$1.0 billion in additional FHLB advances available, respectively.

Shareholders' Equity

Total shareholders' equity increased \$8.4 million \$26.0 million, or 2.3% 7.1%, from \$367.4 million at December 31, 2023 to \$375.8 million \$393.5 million at June 30, 2024 September 30, 2024. Shareholders' equity increased primarily due to net income of \$17.3 million, which was partially offset by an increase \$26.8 million and a decrease in accumulated other comprehensive loss on available for sale investment securities, which were partially offset by cash dividends and share repurchases during the six nine months ended June 30, 2024 September 30, 2024.

At June 30, 2024 September 30, 2024, the Company and the Bank had regulatory capital amounts that were well in excess of regulatory requirements. The following table presents actual and required capital ratios for the Company and the Bank under the Basel III Capital Rules. The minimum required capital amounts presented include the minimum required capital levels as of June 30, 2024 September 30, 2024 based on the required capital levels as of January 1, 2019 when the Basel III Capital Rules were fully phased-in. Capital levels required to be considered well capitalized are based upon prompt corrective action regulations, as amended to reflect the changes under the Basel III Capital Rules.

		Actual		Minimum Capital Required – Basel III Fully Phased-In		To Be Well Capitalized Under Prompt Corrective Action Provisions		Actual		M	
(dollars in thousands)	(dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio	(dollars in thousands)	Amount	Ratio	Amount
Company:											
Tier 1 risk-based capital											
Tier 1 risk-based capital											
Tier 1 risk-based capital		323,837	11.57	237,949	8.50	8.50	N/A	N/A	331,727	11.91	
Total risk-based capital	Total risk-based capital	412,658	14.74	293,938	10.50	10.50	N/A	N/A	420,670		
Tier 1 leverage capital	Tier 1 leverage capital	323,837	9.87	131,261	4.00	4.00	N/A	N/A	331,727		
Bank:											
Bank:											
Bank:											
Common equity Tier 1 capital (to risk-weighted assets)											
Common equity Tier 1 capital (to risk-weighted assets)											
Common equity Tier 1 capital (to risk-weighted assets)		\$367,123	13.15	\$195,371	7.00	7.00	%	\$181,415	6.50	6.50	%
Tier 1 risk-based capital											
Total risk-based capital											



Tier 1  
leverage  
capital

## LIQUIDITY AND ASSET/LIABILITY MANAGEMENT

### Liquidity Management

Liquidity management encompasses our ability to ensure that funds are available to meet the cash flow requirements of depositors and borrowers, while also ensuring adequate cash flow exists to meet the Company's needs, including operating, strategic and capital. The Company develops its liquidity management strategies as part of its overall asset/liability management process. Our primary sources of funds are from deposits, amortization of loans, loan prepayments and the maturity of loans, investment securities and other investments, and other funds provided from operations. While scheduled payments from the amortization of loans and investment securities and maturing investment securities are relatively predictable sources of funds, deposit flows and loan prepayments can be greatly influenced by general interest rates, economic conditions and competition. The Company also maintains excess funds in short-term, interest-bearing assets that provide additional liquidity.

The Company uses its liquidity to fund existing and future loan commitments, to fund maturing certificates of deposit and demand deposit withdrawals, to invest in other interest-earning assets and to meet operating expenses. At **June 30, 2024** **September 30, 2024**, certificates of deposit maturing within the next 12 months totaled **\$686.2 million** **\$680.8 million**. Based upon historical experience, the Company anticipates that a significant portion of the maturing certificates of deposit will be redeposited with us.

In addition to cash flow from loan and securities payments and prepayments as well as from sales of securities available for sale, the Company has significant borrowing capacity available to fund liquidity needs. In recent years, the Company has utilized borrowings as a cost efficient addition to deposits as a source of funds. Borrowings consist of advances from the FHLB of Dallas, of which the Company is a member. Under terms of the collateral agreement with the FHLB, the Company pledges residential mortgage loans and investment securities as well as the Company's stock in the FHLB as collateral for such advances. For the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, the average balance of outstanding FHLB advances was **\$59.1 million** **\$58.3 million**. At **June 30, 2024** **September 30, 2024**, the Company had **\$83.5 million** **\$38.4 million** in total outstanding FHLB advances.

The following table summarizes the Company's primary and secondary sources of liquidity which were available at **June 30, 2024** **September 30, 2024**.

<i>(dollars in thousands)</i>	<b>June</b>	<b>September 30, 2024</b>
Cash and cash equivalents	\$ 113,462	135,877
Unencumbered investment securities, amortized cost	68,373	59,838
FHLB advance availability	1,085,415	1,147,306
Amounts available from unsecured lines of credit		55,000
Federal Reserve discount window availability		500
Total primary and secondary sources of available liquidity	\$ 1,322,750	1,398,521

### Asset/Liability Management

The objective of asset/liability management is to implement strategies for the funding and deployment of the Company's financial resources that are expected to maximize soundness and profitability over time at acceptable levels of risk. Interest rate sensitivity is the potential impact of changing rate environments on both net interest income and cash flows. The Company measures its interest rate sensitivity over the near term primarily by running net interest income simulations. Our interest rate sensitivity also is monitored by management through the use of a model which generates estimates of the change in its net interest income over a range of interest rate scenarios. Based on the Company's interest rate risk model, the table below sets forth the results of immediate and sustained changes in interest rates as of **June 30, 2024** **September 30, 2024**.

Shift in Interest Rates (in bps)	Shift in Interest Rates (in bps)	% Change in Projected Net Interest Income	Shift in Interest Rates (in bps)	% Change in Projected Net Interest Income
+200				
+200				
+200		1.7%		1.7%
+100	+100	1.0%	+100	1.0%
-100	-100	(1.6)%	-100	(1.5)%
-200	-200	(3.2)%	-200	(3.4)%

The actual impact of changes in interest rates will depend on many factors. These factors include the Company's ability to achieve expected growth in earning assets and maintain a desired mix of earning assets and interest-bearing liabilities, the actual timing of asset and liability repricing, the magnitude of interest rate changes and corresponding movement in interest rate spreads and the level of success of asset/liability management strategies.

During the second quarters of 2020, 2023 and 2024, the Company periodically has entered into certain interest rate swap agreements as part of its interest rate risk management strategy. The Company's objectives in using interest rate derivatives are to manage its exposure to interest rate movements. During 2024 and 2023, such derivatives were used to hedge the variable cost associated with existing variable rate liabilities. Refer to [Note 6](#) of the Consolidated Financial Statements for more information on the effects of the derivative financial instruments on the consolidated financial statements.

To meet the financing needs of its customers, the Company issues financial instruments which represent conditional obligations that are not recognized, wholly or in part, in the statements of financial condition. These financial instruments include commitments to extend credit and standby letters of credit. Such instruments expose the Company to varying degrees of credit and interest rate risk in much the same way as funded loans. The same credit policies are used in these commitments as for on-balance sheet instruments. At both **June 30, 2024** **September 30, 2024** and December 31, 2023, the Company's allowance for credit losses on unfunded commitments totaled \$2.5 million.

The following table summarizes our outstanding commitments to originate loans and to advance additional amounts pursuant to outstanding letters of credit, lines of credit and undisbursed construction loans as of the periods indicated.

(dollars in thousands)	(dollars in thousands)	Contract Amount		(dollars in thousands)	Contract Amount	
		June 30, 2024	December 31, 2023		September 30, 2024	December 31, 2023
Standby letters of credit						
Available portion of lines of credit						
Undisbursed portion of loans in process						
Commitments to originate loans						

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to be drawn upon, the total commitment amounts generally represent future cash requirements.

Unfunded commitments under commercial lines of credit, revolving credit lines and overdraft protection agreements are commitments for possible future extensions of credit to existing customers. These lines of credit usually do not contain a specified maturity date and may not be drawn upon to the total extent to which the Company is committed.

The Company is subject to certain claims and litigation arising in the ordinary course of business. In the opinion of management, after consultation with legal counsel, the ultimate disposition of these matters is not expected to have a material effect on the financial condition or results of operations of the Company.

## RESULTS OF OPERATIONS

Net income for the **second third** quarter of 2024 was **\$8.1 million** **\$9.4 million**, down **\$1.7 million** **\$317,000** compared to the **second third** quarter of 2023. Diluted EPS for the **second third** quarter of 2024 was **\$1.02** **\$1.18**, down **\$0.19** **\$0.04** compared to the **second third** quarter of 2023.

Net income for the **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$17.3 million** **\$26.8 million**, down **\$3.8 million** **\$4.1 million**, compared to the **six nine** months ended **June 30, 2023** **September 30, 2023**. Diluted EPS for the **six nine** months ended **June 30, 2024** **September 30, 2024** was **\$2.16** **\$3.34**, down **\$0.44** **\$0.48** compared to the **six nine** months ended **June 30, 2023** **September 30, 2023**.

During the three and **six nine** months ended **June 30, 2024** **September 30, 2024**, the Company provisioned **\$1.3 million** **\$140,000** and **\$1.4 million** **\$1.5 million**, respectively, to the allowance for loan losses primarily due to loan growth and net charge-offs. During the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, the Company provisioned **\$511,000** **\$351,000** and **\$1.3 million** **\$1.7 million**, respectively, to the allowance for loan losses primarily due to loan growth.

### Net Interest Income

Net interest income is the difference between the interest income earned on interest-earning assets, such as loans and investment securities, and the interest expense paid on interest-bearing liabilities, such as deposits and borrowings. The Company's net interest income is largely determined by our net interest spread, which is the difference between the average yield earned on interest-earning assets and the average rate paid on interest-bearing liabilities, and the relative amounts of interest-earning assets and interest-bearing liabilities. The Company's tax-equivalent net interest spread was **2.77%** **2.80%** and **3.31%** **2.99%** for the quarters ended **June 30, 2024** **September 30, 2024** and 2023, respectively, and **2.79%** **2.80%** and **3.51%** **3.33%** for the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, respectively.

Net interest income totaled **\$29.4 million** **\$30.4 million** for the **second third** quarter of 2024, **down \$913,000**, **up \$873,000**, or **3.0%**, compared to the **second third** quarter of 2023. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, net interest income totaled **\$58.3 million** **\$88.7 million**, down **\$3.6 million** **\$2.7 million**, or **5.8%** **3.0%**, compared to the **six nine** months ended **June 30, 2023** **September 30, 2023**.

The Company's tax-equivalent net interest margin, which is net interest income as a percentage of average interest-earning assets, was **3.66%** **3.71%** and **3.94%** **3.75%** for the quarters ended **June 30, 2024** **September 30, 2024** and 2023, respectively. For the same periods, the average loan yield was **6.28%** **6.43%** and **5.82%** **5.95%**, respectively. The net interest margin for the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023 was **3.65%** **3.67%** and **4.06%** **3.95%**, respectively. For the same periods, the average loan yield was **6.23%** **6.30%** and **5.74%** **5.82%**, respectively.

Acquired loan discount accretion included in interest income totaled **\$490,000** **\$452,000** and **\$647,000** **\$634,000** for the quarters ended **June 30, 2024** **September 30, 2024** and 2023, respectively. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, acquired loan discount accretion included in interest income totaled **\$1.0 million** **\$1.5 million** and **\$1.3 million** **\$1.9 million**, respectively.

The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest income of the Company from interest-earning assets and the resultant average yields; (ii) the total dollar amount of interest expense on interest-bearing liabilities and the resultant average rate; (iii) net interest income; (iv) net interest spread; and (v) net interest margin. Information is based on average monthly balances during the indicated periods. Taxable equivalent yields are calculated using a marginal tax rate of 21%.

		Three Months Ended June 30,							Three Months Ended September 30,					
		2024				2023				2024				
(dollars in thousands)	(dollars in thousands)	Average Balance	Interest		Average Yield/Rate		Average Balance	Interest		Average Yield/Rate	(dollars in thousands)	Average Balance		
Interest-earning assets:														
Loans receivable <sup>(1)</sup>														
Loans receivable <sup>(1)</sup>														
Loans receivable <sup>(1)</sup>		\$2,652,331	\$41,999	6.28	6.28 %		\$2,491,029	\$36,530	5.82	5.82 %	\$2,668,672			
Investment securities														
Taxable														
Taxable														
Taxable														
Tax-exempt (TE)														
Total investment securities														
Other interest-earning assets														
Total interest-earning assets <sup>(TE)</sup>														
Noninterest-earning assets														
Total assets														
Total assets														
Total assets														
Interest-bearing liabilities:														
Interest-bearing liabilities:														
Interest-bearing liabilities:														
Deposits:														
Deposits:														
Deposits:														
Savings, checking and money market														
Savings, checking and money market														
Savings, checking and money market		\$1,260,491	\$5,108	1.63	1.63 %		\$1,300,245	\$3,023	0.93	0.93 %	\$1,266,465			
Certificates of deposit														
Total interest-bearing deposits														

Other borrowings																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							
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(1) Nonperforming loans are included in the respective average loan balances, net of deferred fees, discounts and loans in process.

(dollars in thousands)	(dollars in thousands)	Six Months Ended June 30,						Nine Months Ended September 31					
		2024			2023			2024			2024		
		Average Balance	Interest		Average Yield/Rate		Average Balance	Interest		Average Yield/Rate	(dollars in thousands)	Average Balance	
Interest-earning assets:													
Loans receivable(1)													
Loans receivable(1)													
Loans receivable(1)		\$2,627,636	\$82,566	6.23	6.23	%	\$2,464,547	\$71,028	5.74	5.74	%	\$2,641,414	

Investment securities

Taxable

Taxable

Taxable

Tax-exempt

(TE)

Total

investment

securities

Other

interest-

earning

assets

Total

interest-

earning

assets (TE)

Noninterest-

earning assets

Total assets

Total assets

Total assets

Interest-bearing

liabilities:

Interest-bearing

liabilities:

Interest-bearing

liabilities:

Deposits:

Deposits:

Deposits:

Savings, checking and money market

Savings, checking and money market

Savings, checking and money market

\$1,264,892	\$	\$	9,908	1.58		1.58	%	\$1,324,580	\$	\$	5,071	0.77		0.77	%	\$1,265,420
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Certificates of deposit

Total

interest-

bearing

deposits

Other

borrowings

Subordinated

debt

Short-term

FHLB

advances

Long term

FHLB

advances

Total  
interest-  
bearing  
liabilities

Noninterest-  
bearing  
liabilities

Total liabilities

Total liabilities

Total liabilities

Shareholders' equity

Shareholders' equity

Shareholders' equity

Total liabilities and  
shareholders' equity

Total liabilities and  
shareholders' equity

Total liabilities and  
shareholders' equity

Net interest-earning  
assets

Net interest-earning  
assets

Net interest-earning  
assets

Net interest spread (TE)

Net interest spread (TE)

Net interest spread (TE)		\$58,294	2.79		2.79	%		\$61,901	3.51		3.51	%	
Net interest margin (TE)	Net interest margin (TE)					3.65	%						4.06

(1) Nonperforming loans are included in the respective average loan balances, net of deferred fees, discounts and loans in process.

The following table displays the dollar amount of changes in interest income and interest expense for major components of interest-earning assets and interest-bearing liabilities. The table distinguishes between (i) changes attributable to volume (changes in average volume between periods times prior year rate), (ii) changes attributable to rate (changes in average rate between periods times prior year volume) and (iii) total increase (decrease).

Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,				Nine Months Ended September 30,			
2024 Compared to 2023				2024 Compared to 2023				2024 Compared to 2023				2024 Compared to 2023			
Change Attributable To				Change Attributable To				Change Attributable To				Change Attributable To			
(dollars in thousands)	(dollars in thousands)	Rate	Volume	Increase/ (Decrease)	Rate	Volume	Increase/ (Decrease)	(dollars in thousands)	Rate	Volume	Increase/ (Decrease)	Rate	Volume	Increase/ (Decrease)	Increase/ (Decrease)
Interest income:															
Loans receivable															
Loans receivable															
Loans receivable															

Investment securities
Other interest-earning assets
Total interest income

Interest expense:

Savings, checking and money market accounts
Savings, checking and money market accounts
Savings, checking and money market accounts
Certificates of deposit
Other borrowings
Subordinated debt
FHLB advances
Total interest expense
Increase in net interest income

**Noninterest Income**

Noninterest income for the **second third** quarter of 2024 totaled **\$3.8 million** **\$3.7 million**, **up \$307,000**, **down \$707,000**, or **8.9%** **16.1%**, from **\$3.4 million** **\$4.4 million** earned for the same period in 2023.

Noninterest income for the **six nine** months ended **June 30, 2024** **September 30, 2024** totaled **\$7.3 million** **\$11.0 million**, **up \$545,000**, **down \$162,000**, or **8.1%** **1.5%**, from **\$6.8 million** **\$11.2 million** earned for the same period in 2023.

Gains on the sale of loans for the **second third** quarter of 2024 were **up \$100,000**, **down \$492,000**, or **384.6%** **71.6%**, from the comparable period in 2023. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, gains on the sale of loans were **up \$130,000**, **down \$362,000**, or **156.6%** **47.0%**, from the comparable period in 2023 due to **an increase a decrease** in mortgage loan sales.

There were no gains or losses related to the sale of investment securities for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** or for the three months ended **June 30, 2023** **September 30, 2023**. The Company recorded a net loss of \$249,000 related to the sale of investment securities for the **six nine** months ended **June 30, 2023** **September 30, 2023**.

Other income for the **second third** quarter of 2024 was up **\$150,000**, **\$55,000**, or **68.2%** **20.6%**, from the comparable period in 2023. For the **six nine** months ended **June 30, 2024** **September 30, 2024**, other income was up **\$281,000**, **\$336,000**, or **62.4%** **46.9%**, from the comparable period in 2023, primarily due to the increase in derivative fee income during 2024.

Income from bank card fees for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** was **up \$36,000**, **down \$290,000**, or **2.1%** **15.2%** and down **\$176,000**, **\$466,000**, or **5.0%** **8.6%**, respectively from the comparable period in 2023 primarily due to variations in transaction volumes by our cardholders.

**Noninterest Expense**

Noninterest expense for the **second third** quarter of 2024 totaled **\$21.8 million** **\$22.3 million**, **up \$849,000**, **\$920,000**, or **4.1%** **4.3%**, from the **second third** quarter of 2023. Noninterest expense increased over the comparable quarters primarily due to increases in **data processing compensation and communication benefits** (up \$423,000, \$566,000, primarily due to increases in **cost of maintenance contracts**) **salaries**), **compensation occupancy expenses** (up \$322,000), and **benefits** (up \$187,000, primarily due to **increases in salaries and bonuses**), other noninterest expense (up \$187,000), **occupancy expenses** (up \$156,000, primarily due to an additional lease for our new Pasadena office in Houston), **professional services** (up \$122,000) and **regulatory fees** (up \$108,000) **\$267,000**), which were partially offset by the reversal of provision for credit losses on unfunded commitments **marketing and advertising** (down **\$285,000**) **\$256,000**).

Noninterest expense for the **six nine** months ended **June 30, 2024** **September 30, 2024** totaled **\$42.7 million** **\$64.9 million**, up **\$1.8 million** **\$2.7 million**, or 4.3%, from the same period in 2023. The increase in noninterest expense for the **six nine** months ended **June 30, 2024** **September 30, 2024** related primarily to the absence of a recovery of a previous loss on a foreclosed asset in the first quarter of 2023 in the amount of \$739,000, increases in data processing and communication expense (up **\$616,000**, **\$766,000**, primarily due to increases in cost of maintenance contracts), other noninterest expense (up **\$421,000** **\$687,000**), professional services (up **\$233,000**) and marketing and advertising **occupancy** expense (up **\$202,000** **\$582,000**), and compensation and benefits (up **\$484,000**), which were partially offset by a decrease in amortization of acquisition intangibles (down **\$153,000**) and the reversal of provision for credit losses on unfunded commitments (down **a difference of \$495,000**).

#### **Income Taxes**

Income tax expense for the three and **six nine** months ended **June 30, 2024** **September 30, 2024** totaled **\$2.0 million** **\$2.2 million** and **\$4.2 million** **\$6.4 million**, respectively, compared to \$2.5 million and **\$5.3 million** **\$7.8 million** for the three and **six nine** months ended **June 30, 2023** **September 30, 2023**, respectively. Income tax expense decreased over the prior comparable quarter primarily due to decreased taxable earnings. The Company's effective tax rates for the **second third** quarters of 2024 and 2023 were **19.5%** **19.2%** and **20.4%** **20.2%**, respectively. For the **six nine** months ended **June 30, 2024** **September 30, 2024** and 2023, the Company's effective tax rates were **19.5%** **19.4%** and 20.2%, respectively.

#### **CRITICAL ACCOUNTING ESTIMATES**

SEC guidance requires disclosure of "critical accounting estimates." The SEC defines "critical accounting estimates" as those estimates made in accordance with generally accepted accounting principles that involve a significant level of estimation uncertainty and have had or are reasonably likely to have a material impact on the financial condition or results of operations of the registrant.

We follow financial accounting and reporting policies that are in accordance with accounting principles generally accepted in the United States. Our accounting policies are discussed in detail in [Note 1](#) - Basis of Presentation in the accompanying notes to the consolidated financial statements included elsewhere in this report and in our 2023 Annual Report on Form 10-K. Not all significant accounting policies require management to make difficult, subjective or complex judgments. However, management believes the policy noted below meets the SEC's definition of a critical accounting policy.

#### **Allowance for Credit Losses**

Management considers the policies related to the allowance for credit losses as the most critical to the financial statement presentation. The total allowance for credit losses includes activity related to allowances calculated in accordance with Accounting Standards Codification 326, Credit Losses. The allowance for credit losses is established through a provision for credit losses charged to current earnings. The amount maintained in the allowance reflects management's continuing evaluation of the credit losses expected to be recognized over the life of the loans in our portfolio. The allowance for credit losses on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. For purposes of determining the allowance for credit losses, the loan portfolio is segregated by product types in order to recognize differing risk profiles among categories. Loans that do not share risk characteristics are evaluated on an individual basis and are not included in the collective evaluation. Management estimates the allowance balance using relevant available information from internal and external sources relating to past events, current conditions and reasonable and supportable forecasts. Adjustments to historical loss information are made to incorporate our reasonable and supportable forecast of future losses at the portfolio segment level, as well as any necessary qualitative adjustments, including, but not limited to, changes in current and expected future economic conditions, changes in industry experience and industry loan concentrations, changes in the volume and severity of nonperforming assets, changes in lending policies and personnel and changes in the competitive and regulatory environment of the banking industry. Loans that do not share similar risk characteristics are individually evaluated and are excluded from the pooled loan analysis.

#### **Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

Quantitative and qualitative disclosures about market risk are presented in the Company's Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2023, under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations – Asset/Liability Management and Market Risk". Additional information at **June 30, 2024** **September 30, 2024** is included herein under Item 2, "Management's Discussion and Analysis of Financial Condition and Results of Operations – Liquidity and Asset/Liability Management".

#### **Item 4. Controls and Procedures.**

Our management evaluated, with the participation of our Chief Executive Officer and Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934) as of the end of the period covered by this report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and regulations and are operating in an effective manner.

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) occurred during the **second third** quarter of 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## **PART II. OTHER INFORMATION**

#### **Item 1. Legal Proceedings.**

Not applicable.



**Item 1A. Risk Factors.**

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission.

**Item 2. Unregistered Sales of Equity Securities and the Use of Proceeds.**

(a) Not applicable.

(b) Not applicable.

(c) The Company's purchases of its common stock made during the quarter ended **June 30, 2024** September 30, 2024 consisted of stock repurchases under the Company's approved plans and are set forth in the following table.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plan or Programs <sup>(1)</sup>
April 1 – April 30, 2024	7,682	\$ 36.52	7,682	407,461
May 1 – May 31, 2024	7,051	36.47	7,051	400,410
June 1 – June 30, 2024	62,125	37.12	62,125	338,285
Total	76,858	\$ 37.00	76,858	338,285

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plan or Programs <sup>(1)</sup>
July 1 – July 31, 2024	20,000	\$ 38.49	20,000	318,285
August 1 – August 31, 2024	4,473	38.53	4,473	313,812
September 1 – September 30, 2024	—	—	—	313,812
Total	24,473	\$ 38.50	24,473	313,812

(1) On October 18, 2023, the Company announced the approval of a new repurchase program (the "2023 Repurchase Plan"). Under the 2023 Repurchase Plan, the Company may purchase up to an additional 405,000 shares, or approximately 5% of the Company's outstanding common stock.

**Item 3. Defaults Upon Senior Securities.**

(a) Not applicable.

(b) Not applicable.

**Item 4. Mine Safety Disclosures.**

Not applicable.

**Item 5. Other Information.**

(a) Not applicable.

(b) Not applicable.

(c) During the fiscal quarter ended **June 30, 2024** September 30, 2024, none of our directors or executive officers adopted, terminated or modified a Rule 10b5-1 trading arrangement or a non-Rule 10b5-1 trading arrangement.

**Item 6. Exhibits and Financial Statement Schedules.**

No.	Description	Location
4.1	Indenture, dated June 30, 2022, by and between Home Bancorp, Inc. and UMB Bank, National Association, as trustee.	(incorporated by reference from the like-numbered exhibit included in Home Bancorp's Current Report on Form 8-K, dated as of June 30, 2022 and filed July 1, 2022 (SEC File No. 001-34190))
<a href="#">31.1</a>	<a href="#">Rule 13(a)-14(a) Certification of the Chief Executive Officer</a>	Filed herewith
<a href="#">31.2</a>	<a href="#">Rule 13(a)-14(a) Certification of the Chief Financial Officer</a>	Filed herewith
<a href="#">32.0</a>	<a href="#">Section 1350 Certification</a>	Filed herewith
101.INS	XBRL Instance Document	
101.SCH	XBRL Taxonomy Extension Schema Document	
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document	
101.DEF	XBRL Taxonomy Extension Definitions Linkbase Document	
101.LAB	XBRL Taxonomy Extension Label Linkbase Document	
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document	
104	Cover page Interactive Data File (embedded within the Inline XBRL document)	

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

#### HOME BANCORP, INC.

August 2, November 1, 2024

By: /s/ John W. Bordelon

John W. Bordelon

*Chairman of the Board, President and Chief Executive Officer*

August 2, November 1, 2024

By: /s/ David T. Kirkley

David T. Kirkley

*Senior Executive Vice President and Chief Financial Officer*

August 2, November 1, 2024

By: /s/ Mary H. Hopkins

Mary H. Hopkins

*Home Bank, N. A. Senior Vice President and Director of Financial Management*

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EXHIBIT 31.1

#### CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, John W. Bordelon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Home Bancorp, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

- a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024 November 1, 2024

/s/ John W. Bordelon

John W. Bordelon

Chairman of the Board, President and Chief Executive Officer

EXHIBIT 31.2

#### CERTIFICATION

I, David T. Kirkley, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Home Bancorp, Inc. (the "registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiary, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting.

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
- a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 2, 2024 November 1, 2024

/s/ David T. Kirkley

David T. Kirkley

Executive Vice President and Chief Financial Officer

EXHIBIT 32.0

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO 18 U.S.C. SECTION 1350 AND SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Home Bancorp, Inc. (the "Company") on Form 10-Q for the period ended June 30, 2024 September 30, 2024, each of the undersigned, John W. Bordelon, Chairman of the Board, President and Chief Executive Officer of the Company, and David T. Kirkley, Executive Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered in the Report.

Date: August 2, 2024 November 1, 2024

By: /s/ John W. Bordelon

John W. Bordelon

Chairman of the Board, President and Chief Executive Officer

Date: August 2, 2024 November 1, 2024

By: /s/ David T. Kirkley

David T. Kirkley

Senior Executive Vice President and Chief Financial Officer

Note: A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act has been provided to Home Bancorp, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

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