## Q4 2023

Investor Presentation Home fís Bancorplinc.

## Forward-Looking Statements

Certain comments in this presentation contain certain forward looking statements (as defined in the Securities Exchange Act of 1934 and the regulations thereunder). Forward looking statements are not historical facts but instead represent only the beliefs, expectations or opinions of Home Bancorp, Inc. and its management regarding future events, many of which, by their nature, are inherently uncertain. Forward looking statements may be identified by the use of such words as: "believe", "expect", "anticipate", "intend", "plan", "estimate", or words of similar meaning, or future or conditional terms such as "will", "would", "should", "could", "may", "likely", "probably", or "possibly." Forward looking statements include, but are not limited to, financial projections and estimates and their underlying assumptions; statements regarding plans, objectives and expectations with respect to future operations, products and services; and statements regarding future performance. Such statements are subject to certain risks, uncertainties and assumption, many of which are difficult to predict and generally are beyond the control of Home Bancorp, Inc. and its management, that could cause actual results to differ materially from those expressed in, or implied or projected by, forward looking statements. The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward looking statements: (1) economic and competitive conditions which could affect the volume of loan originations, deposit flows and real estate values; (2) the levels of noninterest income and expense and the amount of loan losses; (3) competitive pressure among depository institutions increasing significantly; (4) changes in the interest rate environment causing reduced interest margins; (5) general economic conditions, either nationally or in the markets in which Home Bancorp, Inc. is or will be doing business, being less favorable than expected; (6) political and social unrest, including acts of war or terrorism; (7) we may not fully realize all the benefits we anticipated in connection with our acquisitions of other institutions or our assumptions made in connection therewith may prove to be inaccurate; (8) the COVID-19 pandemic; (9) cyber incidents or other failures, disruptions or security beaches; or (10) legislation or changes in regulatory requirements adversely affecting the business of Home Bancorp, Inc. Home Bancorp, Inc. 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.

As used in this report, unless the context otherwise requires, the terms "we," "our," "us," or the "Company" refer to Home Bancorp, Inc. and the term the "Bank" refers to Home Bank, N.A., a national bank and wholly owned subsidiary of the Company. In addition, unless the context otherwise requires, references to the operations of the Company include the operations of the Bank.

For a more detailed description of the factors that may affect Home Bancorp's operating results or the outcomes described in these forward-looking statements, we refer you to our filings with the Securities and Exchange Commission, including our annual report on Form 10-K for the year ended December 31, 2022. Home Bancorp assumes no obligation to update the forward-looking statements made during this presentation. For more information, please visit our website www.home24bank.com.

## Non-GAAP Information

This presentation contains financial information determined by methods other than in accordance with generally accepted accounting principles ("GAAP"). The Company's management uses this non-GAAP financial information in its analysis of the Company's performance. In this presentation, information is included which excludes acquired loans, intangible assets, impact of the gain (loss) on the sale of a banking center, the impact of merger-related expenses and one-time tax effects. Management believes the presentation of this non-GAAP financial information provides useful information that is helpful to a full understanding of the Company's financial position and core operating results. This non-GAAP financial information should not be viewed as a substitute for financial information determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP financial information presented by other companies.

## Our Company

Headquarters: Lafayette, LA
Ticker: HBCP (NASDAQ)

## History:

- Founded in 1908
- IPO completed October 2008
- Six acquisitions completed since 2010
- 42 locations across Southern Louisiana, Western Mississippi and Houston

Highlights:

- Total Assets: $\$ 3.3$ billion at December 31, 2023
- Market Cap: $\$ 329$ million at January 19, 2024
- Ownership (S\&P Global as of January 19, 2024)
- Institutional: $41 \%$
- Insider/ESOP: 14\%



## Total Assets

 \$3.3BTotal Loans \$2.6B

Total Deposits \$2.7B

## Our Markets

Lafayette
Greater Acadiana Region TOTAL BRANCHES: 14

Baton Rouge
TOTAL BRANCHES: 4

## Houston

TOTAL BRANCHES: 5

Mississippi
TOTAL BRANCHES: 3

New Orleans
TOTAL BRANCHES: 6

Northshore
TOTAL BRANCHES: 6
Southwest Acadiana
TOTAL BRANCHES: 5

## Quarterly Financial Highlights

(dollars in thousands, except per share data)

|  | 3Q 2022 |  | 4Q 2022 |  | 1Q 2023 |  | 2Q 2023 |  | 3Q 2023 |  | 4Q 2023 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Profitability |  |  |  |  |  |  |  |  |  |  |  |  |
| Net income | \$ | 10,434 | \$ | 10,776 | \$ | 11,320 | \$ | 9,781 | \$ | 9,754 | \$ | 9,385 |
| Diluted EPS |  | 1.28 |  | 1.32 |  | 1.39 |  | 1.21 |  | 1.22 |  | 1.17 |
| ROA |  | 1.27 \% |  | 1.35 \% |  | 1.43 \% |  | 1.21 \% |  | 1.18 \% |  | 1.13 \% |
| ROE |  | 12.4 |  | 13.2 |  | 13.5 |  | 11.3 |  | 11.0 |  | 10.6 |
| ROATCE ${ }^{(1)}$ |  | 17.3 |  | 18.8 |  | 18.8 |  | 15.5 |  | 15.2 |  | 14.5 |
| Efficiency ratio |  | 58.5 |  | 57.8 |  | 57.1 |  | 62.1 |  | 62.9 |  | 62.9 |
| Provision for loan losses | \$ | 1,696 | \$ | 1,987 | \$ | 814 | \$ | 511 | \$ | 351 | \$ | 665 |
| Core pre-provision net income ${ }^{(1)}$ |  | 11,507 |  | 11,941 |  | 11,559 |  | 10,084 |  | 9,820 |  | 9,846 |
| Balance Sheet |  |  |  |  |  |  |  |  |  |  |  |  |
| Assets | \$ | 3,167,666 | \$ | 3,228,280 | \$ | 3,266,970 | \$ | 3,290,153 | \$ | 3,317,729 | \$ | 3,320,122 |
| Loans |  | 2,303,279 |  | 2,430,750 |  | 2,466,392 |  | 2,510,759 |  | 2,569,094 |  | 2,581,638 |
| Cash and cash equivalents |  | 150,556 |  | 87,401 |  | 107,171 |  | 96,873 |  | 84,520 |  | 75,831 |
| Allowance for loan losses |  | $(27,351)$ |  | $(29,299)$ |  | $(30,118)$ |  | $(30,639)$ |  | $(31,123)$ |  | $(31,537)$ |
| Total deposits |  | 2,738,424 |  | 2,633,181 |  | 2,557,744 |  | 2,551,718 |  | 2,597,484 |  | 2,670,624 |
| TCE Ratio |  | 7.4 \% |  | 7.7 \% |  | 8.1 \% |  | 8.1 \% |  | 8.0 \% |  | 8.7 \% |
| Loan/Deposit |  | 84.1 \% |  | 92.3 \% |  | 96.4 \% |  | 98.4 \% |  | 98.9 \% |  | 96.7 \% |
| Per Share Data |  |  |  |  |  |  |  |  |  |  |  |  |
| Share price | \$ | 38.99 | \$ | 40.03 | \$ | 33.03 | \$ | 33.21 | \$ | 31.87 | \$ | 42.01 |
| Book value |  | 38.27 |  | 39.82 |  | 41.66 |  | 42.22 |  | 42.30 |  | 45.04 |
| Tangible book value ${ }^{(1)}$ |  | 27.66 |  | 29.20 |  | 31.09 |  | 31.59 |  | 31.67 |  | 34.45 |
| Price / tangible book value per share |  | 141 \% |  | 137 \% |  | 106 \% |  | 105 \% |  | 101 \% |  | 122 \% |
| Dividend paid | \$ | 0.23 | \$ | 0.24 | \$ | 0.25 | \$ | 0.25 | \$ | 0.25 | \$ | 0.25 |

(1) See appendix for reconciliation of Non-GAAP items.

## Asset Growth



| Acquired Bank | Date | Assets (\$ in MM) <br> (at completion) | $\%$ of TBV <br> (at announcement) | \# of Branches | Consideration |
| :--- | :---: | :---: | :---: | :---: | :---: |
| Statewide Bank | March 2010 | $\$ 199$ | FDIC-assisted | 6 | All Cash |
| Guaranty Savings Bank | July 2011 | $\$ 257$ | $95 \%$ | 5 | All Cash |
| Britton \& Koontz Bank | February 2014 | $\$ 301$ | $90 \%$ | 8 | All Cash |
| Bank of New Orleans | September 2015 | $\$ 346$ | $126 \%$ | 4 | All Cash |
| St. Martin Bank \& Trust | December 2017 | $\$ 597$ | $183 \%$ | 12 | $\sim 80 \%$ Stock, $20 \%$ Cash ${ }^{(1)}$ |
| Texan Bank | March 2022 | $\$ 416$ | $144 \%$ | 5 | All Cash |

(1) Cash was comprised of an aggregate $\$ 19.5$ million special cash distribution paid by St. Martin Bancshares to its shareholders.

## Earnings

Net Income
(\$ in millions)


Diluted EPS


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## Profitability ${ }^{(1)}$

Return on Average Assets


Return on Tangible Common Equity


Return on Average Equity


Efficiency Ratio


[^0]
## Organic Loan Growth

(excludes acquisition accounting \& unearned income)


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## Loan Portfolio

(as of December 31, 2023)

## Composition



## CRE Loan Portfolio

- Owner Occupied - 52\%
- Non-owner Occupied - 48\%


## Market Diversification



2023 growth rate - 6\%

- Total loans - $\$ 2.6$ billion
- Houston market - 19\% growth rate for 2023


## Non-Owner Occupied CRE

(as of December 31, 2023)


- Average Balance $\$ 853 \mathrm{~K}$
- Approximately $22 \%$ of total loans
- $\$ 1.5$ million or $0.26 \%$ of the N.O.O. portfolio is nonaccrual

Office Loans
Total
$\$ 79.7$ million or $3.1 \%$ of total loans

Average Office
Loan Balance
\$1.2 million

Zero nonaccrual and criticized loans in office exposure

## Geographic Exposure



## C\&D Portfolio

(as of December 31, 2023)

| Total <br> Balance <br> $\$ 340.7$ million | Average <br> Balance |
| :---: | :---: |
| $\$ 520.0 \mathrm{~K}$ |  |

Historic Charge-off (Recovery Rate)


## Changes in ALL



| (dollars in thousands) | 12/31/2022 |  | 3/31/2023 |  | 6/30/2023 |  | 9/30/2023 |  | 12/31/2023 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total Loans | \$ | 2,430,750 | \$ | 2,466,392 | \$ | 2,510,759 | \$ | 2,569,094 | \$ | 2,581,638 |
| Total nonaccrual loans |  | 10,513 |  | 11,232 |  | 12,170 |  | 11,906 |  | 8,814 |
| Total special mention loans |  | 7,083 |  | 9,778 |  | 9,511 |  | 9,046 |  | 7,928 |
| Total substandard loans |  | 21,526 |  | 23,519 |  | 27,252 |  | 31,046 |  | 28,168 |
| Total criticized loans | \$ | 28,609 | \$ | 33,297 | \$ | 36,763 | \$ | 40,092 | \$ | 36,096 |
| Nonaccrual loans / Total loans |  | 0.43 \% |  | 0.46 \% |  | 0.48 \% |  | 0.46 \% |  | 0.34 \% |
| Criticized loans / Total loans |  | 1.18 \% |  | 1.35 \% |  | 1.46 \% |  | 1.56 \% |  | 1.40 \% |
| ALL / Total Loans |  | 1.21 \% |  | 1.22 \% |  | 1.22 \% |  | 1.21 \% |  | 1.22 \% |

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## Credit Quality Trends



- NPAs / Total Assets — Originated NPAs / Total Assets


## Loans Past Due



ALL / NPAs


Net Charge-offs / YTD Average Loans


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## Investment Portfolio

| (dollars in millions) | Book Value | Gain/(loss) | Eff. Duration |
| :--- | :---: | :---: | :---: |
| MBS | $\$ 219$ | $\$(23)$ | 4.7 |
| CMBS | 158 | $(10)$ | 3.1 |
| Muni | 55 | $(7)$ | 6.4 |
| CMO | 20 | $(1)$ | 3.7 |
| Agency | 19 | $(1)$ | 3.1 |
| Corp | 7 | $(1)$ | 1.9 |
| Total | $\$ 478$ | $\$(43)$ | 4.2 |

10 Year Investment Cash Flow
Percentage of Cash Flows

| $13 \%$ <br> of total assets | $2.4 \%$ <br> Q4 yield |
| :---: | :---: |
| \$43.4 million <br> loss approximately <br> $9.1 \%$ of book value | $99.8 \%$ <br> AFS |
| \$20.0 million <br> MV increased in Q4 | $\$ 13.1$ million <br> declined in book <br> value QoQ |



## Deposits

(as of December 31, 2023)

\$32,495
Average deposit size


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## Deposits

(as of December 31, 2023)

|  | Retail | Business | Public | Broker | Total |
| :--- | :---: | :---: | :---: | :---: | :---: |
| FDIC Insured | $46 \%$ | $18 \%$ | $-\%$ | $-\%$ | $64 \%$ |
| Uninsured $^{(1)}$ | 7 | 15 | - | - | 22 |
| Reciprocal | - | 5 | - | - | 5 |
| Public Funds | - | - | 7 | - | 7 |
| Brokered Deposits | - | - | - | 2 | 2 |
| Total | $53 \%$ | $38 \%$ | $7 \%$ | $2 \%$ | $100 \%$ |

## Cost of Deposits



- Non-maturity deposits

Certificates of deposit

- Total interest-bearing deposits

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## Yields



Yield on Loans


## NIM 3.69\%

for the quarter ended December 2023
1.58\%

Cost of total deposits for the quarter ended December 2023

Short-term FHLB advances at December 31, 2023 was $\$ 150$ million with an average cost of $5.41 \%$. These advances were partially paid off in January utilizing the BTFP.

## Cost of Interest-Bearing Liabilities



## Interest Rate Risk

## Liability Betas

Forecasted Change in NII

| Rate Shock | 1 Year \% Change in NII |  |  |
| :---: | :---: | :---: | :---: |
| -200 |  | (3.9)\% |  |
| -100 |  | (1.8)\% |  |
| +100 |  | 1.1\% |  |
| +200 |  | 1.9\% |  |
| Balance Sheet Composition |  |  |  |
| \% of assets | 2019 | 2022 | 2023 |
| Cash | 2\% | 3\% | 2\% |
| Investments | 12\% | 15\% | 13\% |
| Loans, excluding PPP | 78\% | 75\% | 78\% |
| Other Assets | 8\% | 7\% | 7\% |
| NMD - noninterest-bearing | 20\% | 28\% | 22\% |
| NMD - interest-bearing | 45\% | 43\% | 39\% |
| CDs | 18\% | 10\% | 19\% |
| Total Deposits | 83\% | 82\% | 80\% |
| Advances | 2\% | 5\% | 6\% |
| Subordinated Debt | -\% | 2\% | 2\% |
| Other | 1\% | 1\% | 1\% |
| Equity | 14\% | 10\% | 11\% |



Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q4-Q1-Q2-Q3-Q416161617171717181818181919191920202020212121212222222223232323
— Fed Funds Effective - Cost of Deposits — Cost of Funding Earning Assets

Investment Portfolio
effective duration =
4.2

Historical Funding Betas

| Cost of | 2Q2016-3Q2019 | 3Q2019-1Q2022 | 1Q 2022-4Q2023 |
| :--- | :---: | :---: | :---: |
| Interest-bearing deposits | $36 \%$ | $40 \%$ | $39 \%$ |
| Total deposits | $27 \%$ | $31 \%$ | $27 \%$ |
| Interest-bearing liabilities | $33 \%$ | $40 \%$ | $45 \%$ |
| Funding earning assets | $23 \%$ | $29 \%$ | $31 \%$ |

## Noninterest Income \& Expense



Noninterest Expense ${ }^{(1)} /$ Assets


| (dollars in thousands) | $\begin{gathered} 4 \mathrm{Q} \\ 2022 \end{gathered}$ | $\begin{gathered} 1 Q \\ 2023 \end{gathered}$ | $\begin{gathered} 2 Q \\ 2023 \end{gathered}$ | $\begin{gathered} 3 Q \\ 2023 \end{gathered}$ | $\begin{gathered} 4 Q \\ 2023 \end{gathered}$ |
| :---: | :---: | :---: | :---: | :---: | :---: |
| Service fees and charges | \$ 1,198 | \$ 1,250 | \$ 1,230 | \$ 1,277 | \$ 1,235 |
| Bank card fees | 1,566 | 1,787 | 1,715 | 1,903 | 1,646 |
| Gain on sale of loans | 22 | 57 | 26 | 687 | 46 |
| Loss on sale of securities, net | - | (249) | - | - | - |
| Loss on sale of assets, net | 9 | (17) | (3) | - | (7) |
| Other | 544 | 483 | 480 | 532 | 558 |
| Total noninterest income | \$ 3,339 | \$ 3,311 | \$ 3,448 | \$ 4,399 | \$ 3,478 |
| Noninterest income less loss on sale of securities and assets | \$ 3,330 | \$ 3,577 | \$ 3,451 | \$ 4,399 | \$ 3,485 |
| (dollars in thousands) | $\begin{gathered} 4 \mathrm{Q} \\ 2022 \end{gathered}$ | $\begin{gathered} 1 Q \\ 2023 \end{gathered}$ | $\begin{gathered} 2 \mathrm{Q} \\ 2023 \end{gathered}$ | $\begin{gathered} 3 Q \\ 2023 \end{gathered}$ | $\begin{gathered} 4 \mathrm{Q} \\ 2023 \end{gathered}$ |

Compensation $\$ 12,880 \$ 12,439 \$ 12,601 \$ 12,492 \$ 11,401$

| Data processing | 2,295 | 2,321 | 2,132 | 2,496 | 2,423 |
| :--- | :---: | ---: | ---: | ---: | ---: |
| Occupancy | 2,261 | 2,350 | 2,447 | 2,410 | 2,467 |
| Provision for unfunded | $(170)$ | 210 | 151 | - | 140 |
| Other | 3,915 | 2,620 | 3,628 | 3,940 | 4,173 |
| Total noninterest expense | $\$ 21,181$ | $\$ 19,940$ | $\$ 20,959$ | $\$ 21,338$ | $\$ 20,604$ |

Foreclosed asset recovery - (739) - - -
Noninterest expense excl. provision for unfunded and $\$ 21,351 \$ 20,469 \$ 20,808 \$ 21,338 \$ 20,464$ merger expenses

[^2]
## Capital

## Dividends Per Share



## Share Repurchase Activity

| Year | \# Shares | Average <br> Price | Cash Utilized |  |
| :--- | ---: | ---: | ---: | ---: |
| 2018 | 30,887 | $\$$ | 38.66 | $\$$ |
| $1,194,061$ |  |  |  |  |
| 2019 | 419,498 | 36.82 | $15,444,895$ |  |
| 2020 | 530,504 | 26.41 | $14,011,605$ |  |
| 2021 | 246,012 | 36.18 | $8,900,409$ |  |
| 2022 | 288,350 | 39.30 | $11,333,399$ |  |
| 2023 | 164,272 | 32.01 | $5,257,822$ |  |
| 2024 (as of 01/19/2024) | - | - | - |  |
| Total | $1,679,523$ | $\$$ | 33.43 | $\$ 56,142,191$ |


| Cash dividend of |
| :---: | :---: |
| $\$ 0.25$ per share |
| payable on |
| February 16, 2024 |$\quad$| $13 \%$ |
| :---: |
| Shares <br> repurchased <br> since 2017 |
| 436,446 shares <br> remaining |
| in current plans as of <br> January 19, 2024 | | $8.6 \%$ CAGR |
| :---: |
| TBV / share, |
| excluding AOC |
| since 2018 |

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## Capital

Capital Ratios (Bank only)


Regulatory Capital and Adjusted Capital as of 12/31/2023

|  | Home Bank, N.A. |  | Home Bancorp, Inc. |  |
| :---: | :---: | :---: | :---: | :---: |
|  | As Reported | Including AOCI Losses ${ }^{(1)}$ | As Reported | Including AOCI Losses ${ }^{(1)}$ |
| Common Equity Tier 1 capital | 13.0\% | 11.8\% | 11.5\% | 10.3\% |
| Tier 1 risk based capital | 13.0\% | 11.8\% | 11.5\% | 10.3\% |
| Total risk based capital | 14.2\% | 13.1\% | 14.7\% | 13.6\% |
| Tier 1 leverage capital | 11.0\% | 10.0\% | 9.7\% | 8.8\% |

[^3]
## Investment Perspective

Strong earnings and shareholder returns

Conservative, well-managed credit culture

Market disruption creates new opportunities $\square$


Well capitalized with capacity for continued growth


## Disciplined acquirer

Insider owners committed to continual improvement


## Celebrating 115 years of serving the communities that built us.



LAFAYETTE
(GREATER ACADIANA REGION)


NATCHEZ


BATON ROUGE


NEW ORLEANS


HOUSTON


NORTHSHORE

## Appendix

## (non-GAAP reconciliation)

(dollars in thousands, except per share data)

|  |  | 3Q 2022 |  | 4Q 2022 |  | 1Q 2023 |  | 2Q 2023 |  | 3Q 2023 |  | 4Q 2023 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total shareholders' equity | \$ | 316,656 | \$ | 329,954 | \$ | 345,100 | \$ | 346,117 | \$ | 345,332 | \$ | 367,444 |
| Less: intangible assets |  | 87,839 |  | 87,973 |  | 87,527 |  | 87,138 |  | 86,749 |  | 86,372 |
| Non-GAAP tangible shareholders' equity | \$ | 228,817 | \$ | 241,981 | \$ | 257,573 | \$ | 258,979 | \$ | 258,583 | \$ | 281,072 |
| Reported net income | \$ | 10,434 | \$ | 10,776 | \$ | 11,320 | \$ | 9,781 | \$ | 9,754 | \$ | 9,385 |
| Add: amortization CDI, net tax |  | 358 |  | 350 |  | 352 |  | 307 |  | 307 |  | 298 |
| Non-GAAP tangible net income | \$ | 10,792 | \$ | 11,126 | \$ | 11,672 | \$ | 10,088 | \$ | 10,061 | \$ | 9,683 |
| Return on average equity |  | 12.4 \% |  | 13.2 \% |  | 13.5 \% |  | 11.3 \% |  | 11.0 \% |  | 10.6 \% |
| Add: intangible assets |  | 4.9 |  | 5.6 |  | 5.3 |  | 4.2 |  | 4.2 |  | 3.9 |
| Non-GAAP return on tangible common equity |  | 17.3 \% |  | 18.8 \% |  | 18.8 \% |  | 15.5 \% |  | 15.2 \% |  | 14.5 \% |
| Book value per share | \$ | 38.27 | \$ | 39.82 | \$ | 41.66 | \$ | 42.22 | \$ | 42.30 | \$ | 45.04 |
| Less: intangible assets |  | 10.61 |  | 10.62 |  | 10.57 |  | 10.63 |  | 10.63 |  | 10.59 |
| Non-GAAP tangible book value per share | \$ | 27.66 | \$ | 29.20 | \$ | 31.09 | \$ | 31.59 | \$ | 31.67 | \$ | 34.45 |
| Reported net income | \$ | 10,434 | \$ | 10,776 | \$ | 11,320 | \$ | 9,781 | \$ | 9,754 | \$ | 9,385 |
| Less: PPP loan income |  | 132 |  | 26 |  | 26 |  | 24 |  | 23 |  | 22 |
| Less: gain (loss) on sale of assets |  | 18 |  | 9 |  | (17) |  | (3) |  | - |  | (7) |
| Less: gain(loss) on sale of securities |  | - |  | - |  | (249) |  | - |  | - |  | - |
| Less: loan discount accretion |  | 847 |  | 750 |  | 668 |  | 647 |  | 634 |  | 583 |
| Add: provision for loan losses |  | 1,696 |  | 1,987 |  | 814 |  | 511 |  | 351 |  | 665 |
| Add: provision (reversal) for credit losses on unfunded commitments |  | 146 |  | (170) |  | 210 |  | 151 |  | - |  | 140 |
| Add: CDI amortization |  | 453 |  | 443 |  | 446 |  | 389 |  | 389 |  | 377 |
| Add: One-time recovery of foreclosed asset |  | - |  | - |  | (739) |  | - |  | - |  | - |
| Add: merger-related expenses |  | 60 |  | - |  | - |  | - |  | - |  | - |
| Total non-core items, net of taxes | \$ | 1,073 | \$ | 1,165 | \$ | 239 | \$ | 303 | \$ | 66 | \$ | 461 |
| Core pre-provision net income ${ }^{(1)}$ | \$ | 11,507 | \$ | 11,941 | \$ | 11,559 | \$ | 10,084 | \$ | 9,820 | \$ | 9,846 |
|  |  |  |  |  |  |  |  | Homefls Bancorp,Inc. 125 |  |  |  |  |

## Appendix

## (non-GAAP reconciliation)

(dollars in thousands)

|  | 2018 |  | 2019 |  | 2020 |  | 2021 |  | 2022 |  | 2023 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total shareholders' equity | \$ | 304,040 | \$ | 316,329 | \$ | 321,842 | \$ | 351,903 | \$ | 329,954 | \$ | 367,444 |
| Less: intangible assets |  | 66,055 |  | 64,472 |  | 63,112 |  | 61,949 |  | 87,973 |  | 86,372 |
| Non-GAAP tangible shareholders' equity | \$ | 237,985 | \$ | 251,857 | \$ | 258,730 | \$ | 289,954 | \$ | 241,981 | \$ | 281,072 |
| Reported net income | \$ | 31,590 | \$ | 27,932 | \$ | 24,765 | \$ | 48,621 | \$ | 34,072 | \$ | 40,240 |
| Add: amortization CDI, net tax |  | 1,458 |  | 1,251 |  | 1,074 |  | 919 |  | 1,266 |  | 1,264 |
| Non-GAAP tangible income | \$ | 33,048 | \$ | 29,183 | \$ | 25,839 | \$ | 49,540 | \$ | 35,338 | \$ | 41,504 |
| Return on average equity | 10.9 \% |  |  | 9.0 \% |  | 7.8 \% |  | 14.4 \% |  | 10.2 \% |  | 11.6 \% |
| Add: intangible assets | 3.9 |  |  | 2.8 |  | 2.4 |  | 3.6 |  | 3.7 | 4.4 |  |
| Non-GAAP return on tangible common equity | 14.8 \% |  |  | 11.8 \% |  | 10.2 \% |  | 18.0 \% |  | 13.9 \% |  |  |


| Originated loans | $\$ 1,095,160$ | $\$ 1,251,201$ | $\$ 1,625,139$ | $\$ 1,593,769$ | $\$ 1,961,425$ | $\$ 2,169,500$ |  |  |  |
| :--- | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: | ---: |
| Acquired loans | 554,594 | 463,160 | 354,815 | 246,324 | 469,325 | 412,138 |  |  |  |
| Total loans | $\$ 1,649,754$ | $\$ 1,714,361$ | $\$ 1,979,954$ | $\$ 1,840,093$ | $\$ 2,430,750$ | $\$ 2,581,638$ |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| Originated NPAs | $\$$ | 15,526 | $\$$ | 16,421 | $\$$ | 10,353 | $\$$ | 8,348 | $\$$ |
| Acquired NPAs |  | 10,444 |  | 12,121 |  | 9,628 |  | 6,116 |  |
| Total NPAs | $\$$ | 25,970 | $\$$ | 28,542 | $\$$ | 19,981 | $\$$ | 14,464 | $\$$ |

## Appendix

# (non-GAAP reconciliation) 

(dollars in thousands)

|  | 2018 |  | 2019 |  | 2020 |  | 2021 |  | 2022 |  | 2023 |  |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Reported noninterest income | \$ | 13,447 | \$ | 14,415 | \$ | 14,305 | \$ | 16,271 | \$ | 13,885 | \$ | 14,636 |
| Less: BOLI benefit |  | - |  | 1,194 |  | - |  | 1,717 |  | - |  | - |
| Less: gain (loss) on sale of securities |  | - |  | - |  | - |  | - |  | - |  | (249) |
| Less: gain (loss) on sale of assets |  | - |  | (347) |  | - |  | (504) |  | 26 |  | (27) |
| Non-GAAP noninterest income | \$ | 13,447 | \$ | 13,568 | \$ | 14,305 | \$ | 15,058 | \$ | 13,859 | \$ | 14,912 |
| Reported noninterest expense | \$ | 63,225 | \$ | 63,605 | \$ | 62,981 | \$ | 66,982 | \$ | 81,909 | \$ | 82,841 |
| Less: lease termination |  | - |  | 291 |  | - |  | - |  | - |  | - |
| Less: severance pay |  | - |  | 287 |  | - |  | - |  | - |  | - |
| Less: one-time foreclosed asset recovery |  | - |  | - |  | - |  | - |  | - |  | 739 |
| Less: merger-related expenses |  | 2,010 |  | - |  | - |  | 299 |  | 1,971 |  | - |
| Non-GAAP noninterest expense | \$ | 61,215 | \$ | 63,027 | \$ | 62,981 | \$ | 66,683 | \$ | 79,938 | \$ | 82,102 |
| Reported net income | \$ | 31,590 | \$ | 27,932 | \$ | 24,765 | \$ | 48,621 | \$ | 34,072 | \$ | 40,240 |
| Less: PPP loan income |  | - |  | - |  | 5,895 |  | 13,208 |  | 1,359 |  | 95 |
| Less: Write of FDIC loss share receivable |  | - |  | (680) |  | - |  | - |  | - |  | - |
| Less: BOLI benefit |  | - |  | 1,194 |  | - |  | 1,717 |  | - |  | - |
| Less: gain (loss) on sale of assets |  | - |  | (347) |  | - |  | (504) |  | 26 |  | (27) |
| Less: gain (loss) on sale of securities |  | - |  | - |  | - |  | - |  | - |  | (249) |
| Less: loan discount accretion |  | 5,805 |  | 3,503 |  | 4,097 |  | 2,361 |  | 2,933 |  | 2,532 |
| Add: provision (reversal) for loan losses |  | 3,943 |  | 3,014 |  | 12,728 |  | $(10,161)$ |  | 7,489 |  | 2,341 |
| Add: provision for credit losses on unfunded commitments |  | - |  | - |  | - |  | 390 |  | 278 |  | 501 |
| Add: CDI amortization |  | 1,845 |  | 1,583 |  | 1,360 |  | 1,163 |  | 1,602 |  | 1,601 |
| Add: lease termination |  | - |  | 291 |  | - |  | - |  | - |  | - |
| Add: severance pay |  | - |  | 287 |  | - |  | - |  | - |  | - |
| Add: one-time foreclosed asset recovery |  | - |  | - |  | - |  | - |  | - |  | (739) |
| Add: merger-related expenses |  | 2,010 |  | - |  | - |  | 299 |  | 1,971 |  | - |
| Non-core items, net of taxes |  | 1,575 |  | 1,189 |  | 3,236 |  | $(19,822)$ |  | 5,547 |  | 1,069 |
| Core pre-provision net income ${ }^{(1)}$ | \$ | 33,165 | \$ | 29,121 | \$ | 28,001 | \$ | 28,799 | \$ | 39,619 | \$ | 41,309 |

${ }^{(1)}$ Core pre-provision net income - removes the impact of one time items, PPP income, provision for credit losses, loan

## Appendix

## (non-GAAP reconciliation)

(dollars in thousands except for per share data)

|  |  | 2018 |  | 2019 |  | 2020 |  | 2021 |  | 1Q2022 |  | 2022 |  | 1Q2023 |  | 2Q2023 |  | 3Q2023 |  | 4Q2023 |
| :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: | :---: |
| Total shareholders' equity | \$ | 304,040 | \$ | \$ 316,329 | \$ | 321,842 | \$ | \$ 351,903 | \$ | 337,504 | \$ | 329,954 | \$ | 345,100 |  | 346,117 | \$ | 345,332 | \$ | 367,444 |
| Less: intangible assets |  | 66,055 |  | 64,472 |  | 63,112 |  | 61,949 |  | 87,569 |  | 87,973 |  | 87,527 |  | 87,138 |  | 86,749 |  | 86,372 |
| Non-GAAP tangible shareholders' equity | \$ | 237,985 | \$ | 251,857 | \$ | 258,730 | \$ | 289,954 | \$ | 249,935 | \$ | 241,981 | \$ | 257,573 | \$ | 258,979 | \$ | 258,583 | \$ | 281,072 |
| Less: AOCI |  | $(2,206)$ |  | 692 |  | 5,274 |  | 744 |  | $(13,465)$ |  | $(39,307)$ |  | $(33,774)$ |  | $(37,833)$ |  | $(45,760)$ |  | $(31,382)$ |
| Non-GAAP tangible shareholders' equity AOCI adjusted | \$ | 240,191 | \$ | \$ 251,165 | \$ | 253,456 | \$ | \$ 289,210 | \$ | 263,400 | \$ | 281,288 | \$ | 291,347 | \$ | 296,812 | \$ | 304,343 | \$ | 312,454 |
| Shares Outstanding |  | 9,459,050 |  | 9,252,418 |  | 8,740,104 |  | 8,526,907 |  | 8,453,014 |  | 8,286,084 |  | 8,284,130 |  | 8,197,859 |  | 8,163,655 |  | 8,158,281 |
| Book value per share | \$ | 32.14 | \$ | \$ 34.19 | \$ | 36.82 | \$ | \$ 41.27 | \$ | 39.93 | \$ | 39.82 | \$ | 41.66 | \$ | 42.22 | \$ | 42.30 | \$ | 45.04 |
| Less: intangible assets |  | 6.98 |  | 6.97 |  | 7.22 |  | 7.27 |  | 10.36 |  | 10.62 |  | 10.57 |  | 10.63 |  | 10.63 |  | 10.59 |
| Non-GAAP tangible book value per share | \$ | 25.16 | \$ | \$ 27.22 | \$ | 29.60 | \$ | \$ 34.00 | \$ | 29.57 | \$ | 29.20 | \$ | 31.09 | \$ | 31.59 | \$ | 31.67 | \$ | 34.45 |
| Less: AOCI |  | (0.23) |  | 0.07 |  | 0.60 |  | 0.08 |  | (1.59) |  | (4.75) |  | (4.08) |  | (4.62) |  | (5.61) |  | (3.85) |
| Non-GAAP tangible book value per share AOCI adjusted | \$ | 25.39 | \$ | \$ 27.15 | \$ | 29.00 | \$ | \$ 33.92 | \$ | 31.16 | \$ | 33.95 | \$ | 35.17 | \$ | 36.21 | \$ | 37.28 | \$ | 38.30 |

Home排Bancorp,Inc. 128



[^0]:    (1) See appendix for reconciliation of Non-GAAP items.

[^1]:    ${ }^{(1)}$ Excluding internal accounts, over FDIC limit and not collateralized
    ${ }^{(2)}$ Total primary funding sources covering uninsured deposits.

[^2]:    (1) Excludes non-core items. See appendix for reconciliation of non-GAAP items.

[^3]:    ${ }^{(1)}$ Assumes AOCl adjustments related to market valuations on securities and interest rate derivatives are included for regulatory capital calculations.

