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HERITAGE NOLA BANCORP, INC. ANNOUNCES FINANCIAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

Covington, Louisiana - Heritage NOLA Bancorp, Inc. (the “Company”) (OTC Pink Marketplace: “HRGG”), the holding company of Heritage Bank of St. Tammany (the “Bank”), announced net income (loss) of (\$218,000), or (\$0.19) per basic share, for the year ended December 31, 2024, compared to net (loss) of (\$1,535,000), or (\$1.35) per basic share, for the year ended December 31, 2023. The net (loss) was attributable to an increase in interest expense of \$1.1 million, resulting in decrease in net interest income of \$667,000, year over year. The decrease in net interest income was offset by an increase in noninterest income of \$1.7 million, and a decrease in noninterest expense of \$686,000.

Comparison of Financial Condition at December 31, 2024 and December 31, 2023

Total assets were \$181.3 million at December 31, 2024, compared to \$174.2 million at December 31, 2023, an increase of \$7.1 million, or 4.1%. This increase was primarily due to an increase in total loans, net of \$7.9 million.

Total cash and cash equivalents increased \$1.5 million to \$7.9 million at December 31, 2024, from \$6.4 million at December 31, 2023, while interest earning time deposits in banks decreased by \$498,000 to \$1.3 million at December 31, 2024, from \$1.8 million at December 31, 2023.

Securities decreased \$1.8 million to \$12.9 million at December 31, 2024, from \$14.6 million at December 31, 2023. This decrease resulted from mortgage-backed securities paydowns.

Total loans, net of the allowance for loan loss, increased \$7.9 million, or 5.7%, to \$146.0 million at December 31, 2024, from \$138.1 million at December 31, 2023. Loans receivable increased \$7.9 million, to \$147.3 million at December 31, 2024, from \$139.4 million at December 31, 2023. One-to four family construction loans increased \$13.7 million, offset by the increase in funds held for construction in a contra account of \$7.8 million. One-to four-family residential loans increased \$4.0 million, offset by a decrease in commercial real estate and land loans combined of \$2.1 million.

Total deposits increased \$12.2 million, or 9.3%, to \$143.3 million at December 31, 2024, from \$131.1 million at December 31, 2023. Certificates of deposits increased \$19.1 million, offset by a decrease in savings accounts of 4.0 million, and a decrease in all transaction accounts of \$2.9 million. The outflow of savings and interest-bearing checking was due to the more attractive certificate of deposit interest rates and higher available investment rates of return. The increase in certificates of deposit was due to the offering of certificate of deposit rate specials to combat industry-wide disintermediation and to retain and attract customer deposits in a competitive rate market.

Borrowed funds decreased \$5.0 million, or 23.3%, to \$16.5 million at December 31, 2024, from \$21.5 million at December 31, 2023. Borrowed funds have been paid down with incoming deposits, cash on hand and matured time deposits in other banks.

Stockholders’ equity decreased \$150,000 to \$20.1 million at December 31, 2024, from \$20.3 million at December 31, 2023. The decrease was primarily a result of the net loss of \$218,000 for 2024. At December 31, 2024, the Bank’s Tier 1 Leverage ratio was 10.78%, well in excess of the regulatory minimum.

Comparison of Operating Results for the Years Ended December 31, 2024 and 2023

Interest income for the year ended December 31, 2024 increased \$415,000, to \$8.7 million, from \$8.3 million for the year ended December 31, 2023. The average balance of the loan portfolio was unchanged at \$139 million year over year, while the average yield increased to 5.75% for 2024, from 5.41% for 2023. The average balance and yield of the investment securities for the year ended December 31, 2024 were \$13.9 million and 2.64%, respectively, as compared to an average balance of \$21.9 million and a yield of 2.30% for the year ended December 31, 2023. Other interest-earning assets, consisting primarily of deposits in correspondent banks and other banks, had an average balance of \$7.6 million and an average yield of 5.19% for the year ended December 31, 2024, compared to \$7.0 million and 4.63%, respectively, for the year ended December 31, 2023.

Interest expense increased \$1.1 million to \$5.0 million for the year ended December 31, 2024, from \$3.9 million for the year ended December 31, 2023. Average interest-bearing deposits increased \$1.6 million to \$119.1 million from \$117.5 million for the years ended December 31, 2024, and December 31, 2023, respectively. The average cost on these deposits increased to 3.59% from 2.39% for the same periods. The average balance of borrowings decreased \$9.1 million, to \$15.0 million for the year ended December 31, 2024, from \$24.1 million for the year ended December 31, 2023. The average cost for these borrowings increased to 4.91% from 4.67% year to year.

Net interest income decreased \$667,000 to \$3.7 million for the year ended December 31, 2024, from \$4.4 million for the year ended December 31, 2023. Our interest rate spread decreased to 1.72% from 2.20%, and our net interest margin decreased to 2.33% from 2.63%, for the year ended December 31, 2024, as compared to the year ended December 31, 2023. These compressions resulted generally from our interest-bearing liabilities repricing more quickly than our interest-earning assets in the higher interest rate environment.

We recorded no provision for credit losses for the years ended December 31, 2024, nor 2023, in accordance with the Bank's allowance for credit loss methodology. The allowance for credit loss was \$1.3 million, or 0.89% of loans receivable at December 31, 2024.

Non-interest income increased \$1.7 million to \$589,000 for the year ended December 31, 2024, from (\$1.1 million) for the year ended December 31, 2023. The loss in 2023 was due to the sale of select available-for-sale securities, resulting in a loss of \$1.7 million.

Noninterest expense decreased \$686,000 for the year ended December 31, 2024, compared to the year ended December 31, 2023. Salaries and employee benefits decreased \$264,000, legal and professional fees decreased \$232,000, and other noninterest expense decreased \$234,000, year over year. The decrease in salaries and benefits was due to a reduction in staff, the decrease in legal and professional fees resulted from the termination of the definitive merger agreement that had been announced in 2023, and the decrease in other noninterest expense was due to reduced training, printing fees and other miscellaneous costs.

Income tax expense (benefit) was (\$57,000) for the year ended December 31, 2024, compared to (\$429,000) for the year ended December 31, 2023, due to the increase in the Company's income year to year.

About Heritage NOLA Bancorp, Inc.

Heritage NOLA Bancorp, Inc. is the holding company for Heritage Bank of St. Tammany, a federally chartered savings bank. The Bank, founded in 1924, is a community bank providing a variety of financial services to residents and businesses in and around St. Tammany Parish, Louisiana. To learn more about us, visit www.heritagebank.org.

Forward-Looking Statement

This press release contains certain forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of the Company and the Bank. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like “believe,” “expect,” “anticipate,” “estimate” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could” or “may.” Certain factors that could cause actual results to differ materially from expected results include changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business of the Company and the Bank, and changes in the securities markets. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect changes in belief, expectations or events.

Consolidated Statements of Financial Condition
December 31, 2024 and December 31, 2023
(In Thousands, except share data)

	December 31, 2024	December 31, 2023
<u>ASSETS</u>		
Cash and Due from Banks	\$ 2,325	\$ 1,866
Interest Earning Deposits in Banks	5,553	4,223
Federal Funds Sold	25	350
Total Cash and Cash Equivalents	7,903	6,439
Interest Earning Time Deposits in Banks	1,345	1,843
Securities Available for Sale, at Fair Value	6,163	7,137
Securities Held to Maturity	6,775	7,580
Mortgage Loans Held for Sale	—	—
Loans Receivable, Net of Unearned Income	147,317	139,414
Allowance for Credit Losses - Loans	(1,309)	(1,309)
Total Loans, Net	146,008	138,105
Premises and Equipment	6,418	6,647
Federal Home Loan Bank Stock	1,553	1,467
Bank Owned Life Insurance	2,429	2,369
Prepaid Expenses and Other Assets	2,744	2,585
Total Assets	\$ 181,338	\$ 174,172
<u>LIABILITIES AND EQUITY</u>		
Interest Bearing Deposits	\$ 127,928	\$ 114,550
Noninterest Bearing Deposits	15,421	16,609
Total Deposits	143,349	131,159
Borrowed Funds	16,500	21,500
Advances from Borrowers for Taxes and Insurance	243	131
Accrued Expenses and Other Liabilities	1,123	1,109
Total Liabilities	161,215	153,899
Shareholders' Equity		
Preferred Stock, \$0.01 Par Value, 1,000,000 Shares Authorized, None Issued	—	—
Common Stock, \$0.01 Par Value, 9,000,000 Shares Authorized, 1,239,680 and 1,239,680		
Shares Issued and Outstanding on December 31, 2024 and December 31, 2023	12	12
Additional Paid-in Capital	10,659	10,598
Unallocated common stock held by:		
Employee Stock Ownership Plan (ESOP)	(899)	(952)
Retained Earnings	11,175	11,393
Accumulated Other Comprehensive Income (Loss)	(824)	(778)
Total Shareholders' Equity	20,123	20,273
Total Liabilities and Shareholders' Equity	\$ 181,338	\$ 174,172

Heritage NOLA Bancorp, Inc.
Consolidated Statements of Income
For the Years Ended December 31, 2024 and 2023
(In Thousands, except share data)

	Years Ended December 31,	
	2024	2023
Interest Income		
Loans, including Fees	\$ 7,993	\$ 7,516
Investment Securities	367	502
Other Interest Earning Assets	395	322
Total Interest Income	<u>8,755</u>	<u>8,340</u>
Interest Expense		
Deposits	4,271	2,802
Borrowed Funds	737	1,124
Total Interest Expense	<u>5,008</u>	<u>3,926</u>
Net Interest Income	3,747	4,414
Provision for Credit Losses	<u>—</u>	<u>—</u>
Net Interest Income after Provision for Credit Losses	3,747	4,414
Noninterest Income		
Gain (Loss) on Sale of Investment Securities	—	(1,696)
Gain on Sale of Loans Originated for Sale	24	20
Loan Servicing Income	273	307
Other Income	292	288
Total Noninterest Income (Loss)	<u>589</u>	<u>(1,081)</u>
Noninterest Expense		
Salaries and Employee Benefits	2,554	2,818
Occupancy and Equipment	570	604
Data Processing	344	317
FDIC Insurance and Examination Fees	125	105
Director Compensation	101	102
Legal, Accounting and Professional Fees	252	484
Advertising	129	96
Telephone and Communications	92	93
Other	444	678
Total Noninterest Expense	<u>4,611</u>	<u>5,297</u>
Income (Loss) Before Income Tax Expense	(275)	(1,964)
Income Tax Expense (Benefit)	(57)	(429)
Net Income (Loss)	<u>\$ (218)</u>	<u>\$ (1,535)</u>

Other Financial Data

	Years Ended December 31,	
	<u>2024</u>	<u>2023</u>
Return on average assets	-0.13%	-0.85%
Return on average equity	-1.08%	-7.54%
Net interest margin	2.33%	2.63%
Bank Tier 1 Leverage ratio	10.78%	11.72%
Allowance for credit losses to total loans	0.89%	0.91%
Non-performing loans to total loans	0.53%	0.30%
Earnings (Loss) per share, basic	\$ (0.19)	\$ (1.35)
Earnings (Loss) per share, diluted	\$ (0.18)	\$ (1.24)
Book Value per share	\$ 16.23	\$ 16.35