HOME BANCORP, INC.
Form 10-K
March 14, 2017
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark One)

Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the fiscal year ended: December 31, 2016

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	**(I.R.S. Employer**
Incorporation or Organization)	**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

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

Title of each class	**Name of each exchange on which registered**
Common Stock, $0.01 par value per share	**The Nasdaq Stock Market, LLC**

Securities registered pursuant to Section 12(g) of the Act: none

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. YES NO

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. YES NO

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 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 and posted on its corporate Web site, if any, every Interactive Date File required to be submitted and posted 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 and post such files). YES NO

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the Registrant s knowledge in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

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

Large accelerated filer	Accelerated filer
Non-accelerated filer	Smaller reporting company

(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES NO

The aggregate market value of the 5,758,274 shares of the Registrant s common stock held by non-affiliates, based upon the closing price of $27.47 for the common stock on June 30, 2016, as reported by the Nasdaq Stock Market, was approximately $158.2 million. Shares of common stock held by the registrant s executive officers, directors and certain benefit plans have been excluded since such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

Number of shares of common stock outstanding as of March 6, 2017: 7,365,036

DOCUMENTS INCORPORATED BY REFERENCE

Set forth below are the documents incorporated by reference and the part of the Form 10-K into which the document is incorporated:

Portions of the definitive Proxy Statement for the 2017 Annual Meeting of Shareholders are incorporated by reference into Part III, Items 10-14 of this Form 10-K.

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HOME BANCORP, INC.

2016 ANNUAL REPORT ON FORM 10-K

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Forward-Looking Statements

This Annual Report on Form 10-K contains certain forward looking statements (as defined in the Securities Exchange Act of 1934 and the regulations hereunder). 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 assumptions, 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 or 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) the low 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; or (8) 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., a Louisiana corporation, and the term Bank refers to Home Bank, National Association, a national bank and wholly owned subsidiary of the Company (for periods prior to March 2, 2015, the term Bank refers to the predecessor federal savings bank, Home Bank). In addition, unless the context otherwise requires, references to the operations of the Company include the operations of the Bank.

PART I

Item 1. Business.

General. Home Bancorp, Inc. (the Company) is a Louisiana corporation and the holding company for Home Bank, N.A. (the Bank). The Bank, which is headquartered in Lafayette, Louisiana, and is a wholly-owned subsidiary of the Company, currently conducts business through 29 banking offices in the Greater Lafayette, Baton Rouge, Greater New Orleans and Northshore (of Lake Pontchartrain) regions of south Louisiana and the Natchez and Vicksburg regions of west Mississippi.

As of March 2, 2015, the Bank converted from a federal savings bank to a national bank with the title Home Bank, National Association. As a result of the Bank s conversion to a national bank, the Company is now subject to regulation as a bank holding company by the Board of Governors of the Federal Reserve System (the FRB or the Federal Reserve). Prior to the Bank s charter conversion, the Company was regulated by the FRB as a savings and loan holding company.

The Bank is primarily engaged in attracting deposits from the general public and using those funds to invest in loans and securities. Our principal sources of funds are customer deposits, repayments of loans, repayments of investments and funds borrowed from outside sources such as the Federal Home Loan Bank (FHLB) of Dallas. These funds are primarily used for the origination of loans, including one-to four-family first mortgage loans, home equity loans and lines, commercial real estate loans, construction and land loans, multi-family residential loans, commercial and industrial loans and consumer loans. The Bank derives its income principally from interest earned on loans and investment securities and, to a lesser extent, from fees received in connection with the origination of loans, service charges on deposit accounts and for other services. The Bank s primary expenses are general operating expenses, the most significant of which is compensation and benefits.

Although we continue to be an active originator of residential home mortgage loans in our market areas, over the course of the last decade plus, we have shifted our emphasis in the loan products we offer and increased our efforts to originate commercial real estate loans and commercial and industrial loans. Commercial real estate loans and commercial and industrial loans are deemed attractive due to their generally higher yields and shorter anticipated lives compared to single-family residential mortgage loans. In addition, the Bank views commercial real estate and commercial and industrial loans as attractive lending products because the Bank s commercial borrowers typically maintain deposit accounts at the Bank, increasing the Bank s core deposits.

The Company s headquarters office is located at 503 Kaliste Saloom Road, Lafayette, Louisiana, and our telephone number is (337) 237-1960. We maintain a website at www.home24bank.com, and we provide our customers with online banking services. Information on our website should not be considered a part of this Annual Report on Form 10-K.

Market Area and Competition

The Bank has four primary market areas across south Louisiana: Greater Lafayette, Baton Rouge, Greater New Orleans and the Northshore (of Lake Pontchartrain) and two primary market areas in west Mississippi: Natchez and Vicksburg. Since completing its initial public offering of stock in October 2008, the Company has been an acquirer of other financial institutions. In 2010, the Company expanded into the Northshore (of Lake Pontchartrain) through a Federal Deposit Insurance Corporation (FDIC) assisted transaction of certain assets and liabilities of the former Statewide Bank (Statewide). The Bank currently operates six banking offices in the Northshore region. In 2011, the Company expanded into the Greater New Orleans area through its acquisition of GS Financial Corporation (GSFC) and its subsidiary, Guaranty Savings Bank (Guaranty). In September 2015, the Company increased its presence in Greater New Orleans through the acquisition of Louisiana Bancorp, Inc. (LABC) and its subsidiary, Bank of New Orleans. The Bank currently operates six banking offices in the Greater New Orleans area. In February 2014, the Company expanded into Natchez and Vicksburg, Mississippi through its acquisition of Britton & Koontz Capital Corporation (Britton & Koontz) and its subsidiary, Britton & Koontz Bank, N.A. (Britton & Koontz Bank). The Bank currently operates three banking offices in Natchez and two banking offices in Vicksburg. The Bank currently operates three banking offices in Baton Rouge. For additional information on our acquisition activity, see Part II, Item 7 in this Annual Report on Form 10-K, Management s Discussion and Analysis of Financial Condition and Results of Operations Acquisition Activity.

We face significant competition in originating loans and attracting deposits. This competition stems primarily from other banks, credit unions and mortgage-banking companies. Many of the financial service providers operating in our market areas are significantly larger and have greater financial resources than us. We face additional competition for deposits from short-term money market funds and other corporate and government securities funds, mutual funds and from other non-depository financial institutions such as brokerage firms and insurance companies.

Supervision and Regulation

Set forth below is a brief description of certain laws relating to the regulation of Home Bancorp, Inc. and Home Bank. This description does not purport to be complete and is qualified in its entirety by reference to applicable laws and regulations.

General. Home Bank, N.A. is subject to federal regulation and oversight by the Office of the Comptroller of the Currency (OCC). The Bank is also subject to regulation and examination by the FDIC, which insures the deposits of the Bank to the maximum extent permitted by law, and requirements established by the Federal Reserve.

Federal law provides the federal banking regulators with substantial enforcement powers. The OCC s enforcement authority includes, among other things, the ability to assess civil money penalties, to issue cease and desist or removal orders and to initiate injunctive actions. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. Other actions or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with the OCC. The FRB has comparable enforcement authority over the Company. In addition, the FDIC, as the insurer of the Bank s deposits, can initiate enforcement proceedings, remove Bank officials and suspend or terminate deposit insurance. Any change in such regulations could have a material adverse impact on the Company and the Bank.

2010 Regulatory Reform

On July 21, 2010, President Obama signed into law the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act). This act imposes additional restrictions and an expanded framework of regulatory oversight for financial institutions, including depository institutions. Many of the regulations implementing these changes have not been promulgated, so we cannot determine the full impact on our business and operations at this time.

The following aspects of the Dodd-Frank Act are related to the operations of the Bank:

- A new independent Consumer Financial Protection Bureau (CFPB) was established within the FRB, empowered to exercise broad regulatory, supervisory and enforcement authority with respect to both new and existing consumer financial protection laws. However, smaller financial institutions, like the Bank, continue to be subject to the supervision and enforcement of their primary federal banking regulator with respect to federal consumer financial protection laws.

- Tier 1 capital treatment for hybrid capital items like trust preferred securities was eliminated subject to various grandfathering and transition rules.

- The prohibition on payment of interest on demand deposits was repealed.

- Deposit insurance was permanently increased to $250,000.

- The deposit insurance assessment base calculation now equals the depository institution s total assets minus the sum of its average tangible equity during the assessment period.

- The minimum reserve ratio of the Deposit Insurance Fund increased to 1.35% of estimated annual insured deposits or assessment base; however, the FDIC is directed to offset the effect of the increased reserve ratio for insured depository institutions with total consolidated assets of less than $10 billion.

The following aspects of the Dodd-Frank Act are related to the operations of the Company:

- The Federal Deposit Insurance Act was amended to direct federal regulators to require depository institution holding companies to serve as a source of strength for their depository institution subsidiaries.

Public companies are now required to provide their shareholders with a non-binding vote: (i) at least once every three years on the compensation paid to executive officers, and (ii) at least once every six years on whether they should have a say on pay vote every one, two or three years.

A separate, non-binding shareholder vote is now required regarding golden parachutes for named executive officers when a shareholder vote takes place on mergers, acquisitions, dispositions or other transactions that would trigger the parachute payments.

Securities exchanges are required to prohibit brokers from using their own discretion to vote shares not beneficially owned by them for certain significant matters, which include votes on the election of directors, executive compensation matters, and any other matter determined to be significant.

Stock exchanges, which include the Nasdaq, are prohibited from listing the securities of any issuer that does not have a policy providing for (i) disclosure of its policy on incentive compensation payable on the basis of financial information reportable under the securities laws, and (ii) the recovery from current or former executive officers, following an accounting restatement triggered by material noncompliance with securities law reporting requirements, of any incentive compensation paid erroneously during the three-year period preceding the date on which the restatement was required that exceeds the amount that would have been paid on the basis of the restated financial information.

Disclosure in annual proxy materials is required concerning the relationship between the executive compensation paid and the financial performance of the issuer.

Item 402 of Regulation S-K will be amended to require companies to disclose the ratio of the Chief Executive Officer s annual total compensation to the median annual total compensation of all other employees (although this regulation is being reconsidered by the Securities and Exchange Commission SEC).

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Volcker Rule Regulations. Regulations have been adopted by the federal banking agencies to implement the provisions of the Dodd Frank Act commonly referred to as the Volcker Rule. The regulations contain prohibitions and restrictions on the ability of financial institution holding companies and their affiliates to engage in proprietary trading and to hold certain interests in, or to have certain relationships with, various types of investment funds, including hedge funds and private equity funds. The regulations were phased in over a period ending on July 21, 2015. The Company s investment portfolio is in compliance with the various provisions of the Volcker Rule regulations as of December 31, 2016.

Regulation of Home Bancorp, Inc.

The Company was a savings and loan holding company until March 2, 2015, and it is now a bank holding company, subject to regulation, supervision and examination by the Federal Reserve. The Federal Reserve has enforcement authority with respect to the Company similar to that of the OCC over the Bank. Applicable federal law and regulations limit the activities of the Company and require the approval of the Federal Reserve for any acquisition of a subsidiary, including another financial institution or holding company thereof, or a merger or acquisition of the Company. The Company must serve as a source of strength for the Bank, maintaining the ability to provide financial assistance if the Bank suffers financial distress. These and other Federal Reserve policies may restrict the Company s ability to pay dividends. In addition, dividends from the Company may depend, in part, upon its receipt of dividends from the Bank. If the Company does not have the required capital conservation buffer or otherwise meet its new capital requirements, its ability to pay dividends to its stockholders will be limited.

A bank holding company is required to give the Federal Reserve prior written notice of any purchase or redemption of its outstanding equity securities if the gross consideration for the purchase or redemption, when combined with the net consideration paid for all such purchases or redemption during the preceding 12 months, is equal to 10% or more of the company s consolidated net worth. The Federal Reserve may disapprove such a purchase or redemption if it determines that the proposal would constitute an unsafe or unsound practice or would violate any law, regulation, Federal Reserve order, or any condition imposed by, or written agreement with the Federal Reserve. This notification requirement does not apply to any company that meets the well-capitalized standard for bank holding companies, is well-managed, and is not subject to any unresolved supervisory issues.

Permissible Activities. The business activities of the Company are generally limited to those activities permissible for bank holding companies under Section 4(c)(8) of the Bank Holding Company Act and certain additional activities authorized by the Federal Reserve regulations. The Bank Holding Company Act generally prohibits a bank holding company from acquiring direct or indirect ownership or control of more than 5% of the voting shares of any company which is not a bank or bank holding company. A bank holding company must obtain Federal Reserve Board approval before acquiring directly or indirectly, ownership or control of any voting shares of another bank or bank holding company if, after such acquisition, it would own or control more than 5% of such shares (unless it already owns or controls the majority of such shares).

Capital Requirements. Prior to January 1, 2015, there were no Federal Reserve regulations establishing minimum regulatory capital requirements for savings and loan holding companies. On January 1, 2015, new capital requirements generally applicable to both bank holding companies and savings and loan holding companies became effective. The new regulatory capital requirements applicable to the Company are the same as the new capital requirements for the Bank. For a description of these capital requirements, see Regulation of Home Bank, N.A. - Recent Regulatory Capital Regulations.

Federal Securities Laws. We have registered our common stock with the Securities and Exchange Commission (SEC) under Section 12(b) of the Securities Exchange Act of 1934. Accordingly, the Company is subject to the proxy and tender offer rules, insider trading reporting requirements and restrictions and certain other requirements under the Securities Exchange Act of 1934.

The Sarbanes-Oxley Act. As a public company, the Company is subject to the Sarbanes-Oxley Act of 2002 which addresses, among other issues, corporate governance, auditing and accounting, executive compensation, and enhanced and timely disclosure of corporate information. As directed by the Sarbanes-Oxley Act, our principal executive officer and principal financial officer are required to certify that our quarterly and annual reports do not contain any untrue statement of a material fact. The rules adopted by the SEC under the Sarbanes-Oxley Act have several requirements, including having these officers certify that: they are responsible for establishing, maintaining and regularly evaluating the effectiveness of our internal control over financial reporting; they have made certain disclosures to our independent auditors and the Audit Committee of the Board of Directors about our internal control over financial reporting; and they have included information in our quarterly and annual reports about their evaluation and whether there have been changes in our internal control over financial reporting or in other factors that could materially affect internal control over financial reporting.

Regulation of Home Bank, N.A.

General. The Bank is subject to regulation and oversight by the OCC extending to all aspects of its operations. As part of this authority, the Bank is required to file periodic reports with the OCC and is subject to periodic examinations by the OCC and the FDIC. The investment and lending authorities of national banks are prescribed by federal laws and regulations, and such institutions are prohibited from engaging in any activities not permitted by such laws and regulations. Such regulation and supervision is primarily intended for the protection of depositors and the Deposit Insurance Fund.

The OCC s enforcement authority over national banks includes, among other things, the ability to assess civil money penalties, to issue cease and desist or removal orders and to initiate injunctive actions. In general, these enforcement actions may be initiated for violations of laws and regulations and unsafe or unsound practices. Other actions or inactions may provide the basis for enforcement action, including misleading or untimely reports filed with the OCC.

Insurance of Accounts. The deposits of the Bank are insured to the maximum extent permitted by the Deposit Insurance Fund and are backed by the full faith and credit of the U.S. government. The Dodd-Frank Act permanently increased deposit insurance on most accounts to $250,000. As insurer, the FDIC is authorized to conduct examinations of, and to require reporting by, insured institutions. It also may prohibit any insured institution from engaging in any activity determined by regulation or order to pose a serious threat to the FDIC. The FDIC also has the authority to initiate enforcement actions against insured institutions.

The Dodd Frank Act raises the minimum reserve ratio of the Deposit Insurance Fund from 1.15% to 1.35% and requires the FDIC to offset the effect of this increase on insured institutions with assets of less than $10 billion (small institutions). In March 2016, the FDIC adopted a rule to accomplish this by imposing a surcharge on larger institutions commencing when the reserve ratio reaches 1.15% and ending when it reaches 1.35%. The reserve ratio reached 1.15% effective as of June 30, 2016. The surcharge period began effective July 1, 2016 and is expected to end by December 31, 2018. Small institutions will receive credits for the portion of their regular assessments that contributed to growth in the reserve ratio between 1.15% and 1.35%. The credits will apply to reduce regular assessments by 2.0 basis points for quarters when the reserve ratio is at least 1.38%.

Effective July 1, 2016, the FDIC adopted changes that eliminated its risk-based premium system. Under the new premium system, the FDIC assesses deposit insurance premiums on the assessment base of a depository institution, which is its average total assets reduced by the amount of its average tangible equity. For a small institution (one with assets of less than $10 billion) that has been federally insured for at least five years, effective July 1, 2016, the initial base assessment rate ranges from 3 to 30 basis points, based on the institution s CAMELS composite and component ratings and certain financial ratios; its leverage ratio; its ratio of net income before taxes to total assets; its ratio of nonperforming loans and leases to gross assets; its ratio of other real estate owned to gross assets; its brokered deposits ratio (excluding reciprocal deposits if the institution is well capitalized and has a CAMELS composite rating of 1 or 2); its one year asset growth ratio (which penalizes growth adjusted for mergers in excess of 10%); and its loan mix index (which penalizes higher risk loans based on historical industry charge off rates). The initial base assessment rate is subject to downward adjustment (not below 1.5%) based on the ratio of unsecured debt the institution has issued to its assessment base, and to upward adjustment (which can cause the rate to exceed 30 basis points) based on its holdings of unsecured debt issued by other insured institutions. Institutions with assets of $10 billion or more are assessed using a scorecard method.

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In addition, all institutions with deposits insured by the FDIC are required to pay assessments to fund interest payments on bonds issued by the Financing Corporation, a mixed-ownership government corporation established to recapitalize the predecessor to the Deposit Insurance Fund. The annual assessment rate set for the fourth quarter of 2016 was 0.00156% of insured deposits and is adjusted quarterly. These assessments will continue until the Financing Corporation bonds mature in 2019.

The FDIC may terminate the deposit insurance of any insured depository institution if it determines after a hearing that the institution has engaged or is engaging in unsafe or unsound practices, is in an unsafe or unsound condition to continue operations, or has violated any applicable law, regulation, order or any condition imposed by an agreement with the FDIC. It also may suspend deposit insurance temporarily during the hearing process for the permanent termination of insurance, if the institution has no tangible capital. If insurance of accounts is terminated, the accounts at the institution at the time of the termination, less subsequent withdrawals, shall continue to be insured for a period of six months to two years, as determined by the FDIC. Management is aware of no existing circumstances which would result in termination of the Bank s deposit insurance.

Recent Regulatory Capital Regulations. In July of 2013 the respective U.S. federal banking agencies issued final rules implementing Basel III and the Dodd-Frank Act capital requirements to be fully-phased in on a global basis on January 1, 2019. The new regulations establish a new tangible common equity capital requirement, increase the minimum requirement for the current Tier 1 risk-weighted asset (RWA) ratio, phase out certain kinds of intangibles treated as capital and certain types of instruments and change the risk weightings of certain assets used to determine required capital ratios. The new common equity Tier 1 capital component requires capital of the highest quality predominantly composed of retained earnings and common stock instruments. For community banks, such as Home Bank, a common equity Tier 1 capital ratio of 4.5% became effective on January 1, 2015. The new capital rules also increased the current minimum Tier 1 capital ratio from 4.0% to 6.0% beginning on January 1, 2015. In addition, in order to make capital distributions and pay discretionary bonuses to executive officers without restriction, an institution must also maintain greater than 2.5% in common equity attributable to a capital conservation buffer to be phased in from January 1, 2016 until January 1, 2019. The new rules also increase the risk weights for several categories of assets, including an increase from 100% to 150% for certain acquisition, development and construction loans and more than 90-day past due exposures. The new capital rules maintain the general structure of the prompt corrective action rules (described below), but incorporate the new common equity Tier 1 capital requirement and the increased Tier 1 RWA requirement into the prompt corrective action framework.

Regulatory Capital Requirements. National banks are required to maintain minimum levels of regulatory capital. Current OCC capital standards require these institutions to satisfy a common equity Tier 1 capital requirement, a leverage capital requirement and a risk-based capital requirement. The common equity Tier 1 capital component generally consists of retained earnings and common stock instruments and must equal at least 4.5% of risk-weighted assets. Leverage capital, also known as core capital, must equal at least 3.0% of adjusted total assets for the most highly rated national banks. Core capital generally consists of common stockholders equity (including retained earnings). An additional cushion of at least 100 basis points is required for all other institutions, which effectively increases their minimum Tier 1 leverage ratio to 4.0% or more. Under the OCC s regulations, the most highly-rated national banks are those that the OCC determines are strong banking organization and are rated composite 1 under the Uniform Financial Institutions Rating System. Under the risk-based capital requested, total capital (a combination of core and supplementary capital) must equal at least 8.0% of risk-weighted assets. The OCC also is authorized to impose capital requirements in excess of these standards on individual institutions on a case-by-case basis.

In determining compliance with the risk-based capital requirement, a national bank is allowed to include both core capital and supplementary capital in its total capital, provided that the amount of supplementary capital included does not exceed the national bank s core capital. Supplementary capital generally consists of general allowances for loan losses up to a maximum of 1.25% of risk-weighted assets, together with certain other items. In determining the required amount of risk-based capital, total assets, including certain off-balance sheet items, are multiplied by a risk weight ranging from 0% to 1250% based on the risks inherent in the type of assets. The Bank does not have any assets assigned to a risk category over 400%.

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National banks must value securities available for sale at amortized cost for regulatory capital purposes. This means that in computing regulatory capital, national banks should add back any unrealized losses and deduct any unrealized gains, net of income taxes, on debt securities reported as a separate component of capital, as defined by generally accepted accounting principles.

At December 31, 2016, the Bank exceeded all of its regulatory capital requirements, with Tier 1, Tier 1 common equity, Tier 1 common equity (to risk-weighted assets) and total risk-based capital ratios of 9.94%, 12.91%, 12.91% and 13.96%, respectively.

Any national bank that fails any of the capital requirements is subject to possible enforcement action by the OCC or the FDIC. Such action could include a capital directive, a cease and desist order, civil money penalties, the establishment of restrictions on the institution s operations, termination of federal deposit insurance and the appointment of a conservator or receiver. The OCC s capital regulations provide that such actions, through enforcement proceedings or otherwise, could require one or more of a variety of corrective actions.

Prompt Corrective Action. The following table shows the amount of capital associated with the different capital categories set forth in the prompt corrective action regulations.

Capital Category	Total Risk-Based Capital	Tier 1 Risk-Based Capital	Tier 1 Common Equity Capital	Tier 1 Leverage Capital
Well capitalized	10% or more	8% or more	6.5% or more	5% or more
Adequately capitalized	8% or more	6% or more	4.5% or more	4% or more
Undercapitalized	Less than 8%	Less than 6%	Less than 4.5%	Less than 4%
Significantly undercapitalized	Less than 6%	Less than 4%	Less than 3%	Less than 3%

In addition, an institution is critically undercapitalized if it has a ratio of tangible equity to total assets that is equal to or less than 2.0%. Under specified circumstances, a federal banking agency may reclassify a well-capitalized institution as adequately capitalized and may require an adequately capitalized institution or an undercapitalized institution to comply with supervisory actions as if it were in the next lower category (except that the OCC may not reclassify a significantly undercapitalized institution as critically undercapitalized).

An institution generally must file a written capital restoration plan which meets specified requirements within 45 days of the date that the institution receives notice or is deemed to have notice that it is undercapitalized, significantly undercapitalized or critically undercapitalized. A federal banking agency must provide the institution with written notice of approval or disapproval within 60 days after receiving a capital restoration plan, subject to extensions by the agency. An institution which is required to submit a capital restoration plan must concurrently submit a performance guaranty by each company that controls the institution. In addition, undercapitalized institutions are subject to various regulatory restrictions, and the appropriate federal banking agency also may take any number of discretionary supervisory actions.

As of December 31, 2016, the Bank was deemed a well-capitalized institution for purposes of the above regulations and as such is not subject to the above mentioned restrictions.

Limitations on Dividends. OCC regulations impose various restrictions on the ability of the Bank to pay dividends. The Bank generally may pay dividends during any calendar year in an amount up to 100% of net income for the year-to-date plus retained net income for the two preceding years, so long as it is well-capitalized after the distribution. If the Bank proposes to pay a dividend when it does not meet its capital requirements or that will exceed these limitations, it must obtain the OCC s prior approval. The OCC may object to a proposed dividend based on safety and soundness concerns. No insured depository institution may pay a dividend if, after paying the dividend, the institution would be undercapitalized. In addition, as noted above, beginning in 2016, if Home Bank does not have the required capital conservation buffer, its ability to pay dividends to the Company will be limited.

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Limitations on Transactions with Affiliates. Transactions between a national bank and any affiliate are governed by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a national bank includes any company or entity which controls the national bank or that is controlled by a company that controls the national bank. In a holding company context, the holding company of a national bank (such as the Company) and any companies which are controlled by such holding company are affiliates of the national bank. Generally, Section 23A limits the extent to which the national bank or its subsidiaries may engage in covered transactions with any one affiliate to an amount equal to 10% of such bank s capital stock and surplus, and contain an aggregate limit on all such transactions with all affiliates to an amount equal to 20% of such capital stock and surplus. Section 23B applies to covered transactions as well as certain other transactions and requires that all transactions be on terms substantially the same, or at least as favorable, to the national bank as those provided to a non-affiliate. The term covered transaction includes the making of loans to, purchase of assets from and issuance of a guarantee to an affiliate and similar transactions. Section 23B transactions also include the provision of services and the sale of assets by a national bank to an affiliate.

In addition, Sections 22(g) and (h) of the Federal Reserve Act, place restrictions on loans to executive officers, directors and principal shareholders of a national bank and its affiliates. Under Section 22(h), loans to a director, an executive officer and to a greater than 10% shareholder of a national bank, and certain affiliated interests of either, may not exceed, together with all other outstanding loans to such person and affiliated interests, a national bank s loans to one borrower limit (generally equal to 15% of the bank s unimpaired capital and surplus). Section 22(h) also requires that loans to directors, executive officers and principal shareholders be made on terms substantially the same as offered in comparable transactions to other persons unless the loans are made pursuant to a benefit or compensation program that (i) is widely available to employees of the bank and (ii) does not give preference to any director, executive officer or principal shareholder, or certain affiliated interests of either, over other employees of the national bank. Section 22(h) also requires prior board approval for certain loans. In addition, the aggregate amount of extensions of credit by a national bank to all insiders cannot exceed the bank s unimpaired capital and surplus. Furthermore, Section 22(g) places additional restrictions on loans to executive officers. The Bank currently is subject to Sections 22(g) and (h) of the Federal Reserve Act, and as of December 31, 2016 was in compliance with the above restrictions.

Anti-money Laundering. All financial institutions, including national banks, are subject to federal laws that are designed to prevent the use of the U.S. financial system to fund terrorist activities. Financial institutions operating in the United States must develop anti-money laundering compliance programs, due diligence policies and controls to ensure the detection and reporting of money laundering. Such compliance programs are intended to supplement compliance requirements, also applicable to financial institutions, under the Bank Secrecy Act and the Office of Foreign Assets Control Regulations. The Bank has established policies and procedures to ensure compliance with these provisions.

Federal Home Loan Bank System. The Bank is a member of the FHLB of Dallas, which is one of 11 regional FHLBs that administer the home financing credit function of various financial institutions. Each FHLB serves as a reserve or central bank for its members within its assigned region. It is funded primarily from proceeds derived from the sale of consolidated obligations of the FHLB System. It makes loans to members (i.e., advances) in accordance with policies and procedures established by the board of directors of the FHLB. As of December 31, 2016, the Bank had $118.5 million of FHLB advances and $494.9 million available on its line of credit with the FHLB.

As a member, the Bank is required to purchase and maintain stock in the FHLB of Dallas in an amount equal to at least 1.0% of its aggregate unpaid residential mortgage loans or similar obligations at the beginning of each year. As of December 31, 2016, the Bank had $8.3 million in FHLB stock, which was in compliance with this requirement.

The FHLBs are required to provide funds for the resolution of troubled savings institutions and to contribute to affordable housing programs through direct loans or interest subsidies on advances targeted for community investment and low- and moderate-income housing projects. These contributions have adversely affected the level of FHLB dividends paid in the past and could do so in the future. These contributions also could have an adverse effect on the value of FHLB stock in the future.

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Federal Reserve System. The FRB requires all depository institutions to maintain reserves against their transaction accounts and non-personal time deposits. The required reserves must be maintained in the form of vault cash or an account at the FRB. As of December 31, 2016, the Bank had met its reserve requirement.

Privacy. Financial institutions are required to disclose their policies for collecting and protecting confidential information. Customers generally may prevent financial institutions from sharing personal financial information with nonaffiliated third parties except for third parties that market the institutions own products and services.

Additionally, financial institutions generally may not disclose consumer account numbers to any nonaffiliated third party for use in telemarketing, direct mail marketing or other marketing through electronic mail to consumers. The Bank has established policies and procedures designed to safeguard its customers personal financial information and to ensure compliance with applicable privacy laws.

Item 1A. Risk Factors.

In analyzing whether to make or to continue an investment in our securities, investors should consider, among other factors, the following risk factors.

Risks Related to Our Business

Our business is geographically concentrated in south Louisiana and west Mississippi, which are areas where the oil and gas industry has a significant presence. Low prices in crude oil and gas, among other factors, could cause a downturn in the local economy, which could adversely affect the Company s financial condition and results of operations.

Most of our loans are to individuals and businesses located in south Louisiana and west Mississippi. The oil and gas industry has a significant presence in the market areas in which we operate. Regional economic conditions affect the demand for our products and services as well as the ability of our customers to repay loans. While crude oil prices rebounded somewhat in 2016, oil prices have declined considerably since mid-2014. Continued fluctuations in crude oil prices could adversely affect our operations and economic conditions in some of our markets during 2017 and future periods, which could adversely affect our future results of operations. Although the Company attempts to mitigate risk by diversifying its borrower base, approximately $34.0 million, or 2.8%, of the Company s loan portfolio at December 31, 2016 was comprised of loans to borrowers in the oil and gas industry (which is also referred to as the energy sector). We had an additional $6.7 million in unfunded loan commitments to companies in the energy sector at such date. At December 31, 2016, $2.3 million of our loans in the energy sector were on nonaccrual status. Approximately $1.1 million, or 9.1%, of our total allowance for loan losses at December 31, 2016 was attributable to energy sector loans. Historically, the oil and gas industry has been an important factor in the local economy in our Lafayette and Natchez markets. If oil prices continue to remain low, it could have an adverse effect on our customers resulting in increased levels of nonperforming loans, provisions for loan losses and expense associated with loan collection efforts.

There are increased risks involved with commercial real estate, including multi-family residential, commercial and industrial and construction and land lending activities.

Our lending activities include loans secured by commercial real estate and commercial and industrial loans. Our multi-family residential, commercial real estate and commercial and industrial loans increased by 135.9%, 69.1% and 93.5%, respectively, from December 31, 2012 through December 31, 2016. Multi-family residential lending, commercial real estate lending and commercial and industrial lending generally are considered to involve a higher degree of risk than single-family residential lending due to a variety of factors. As a result of the larger loan balances typically involved in these loans, an adverse development with respect to one loan or one borrower relationship can expose us to greater risk of loss compared to an adverse development with respect to a one- to four-family residential mortgage loan. As of December 31, 2016, the largest outstanding balances of our multi-family residential loans, commercial real estate loans and commercial and industrial loans were $3.0 million, $11.9 million and $7.4 million, respectively. If a large loan were to become non-performing, as we have

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experienced in the past, it can have a significant impact on our results of operations. Because we intend to continue our growth in commercial real estate and commercial and industrial loans, our credit risk exposure may increase and we may need to make additional provisions to our allowance for loan losses, which could adversely affect our future results of operations.

In addition to commercial real estate and commercial and industrial loans, the Bank holds a significant portfolio of construction and land loans. As of December 31, 2016, the Bank s construction and land loans amounted to $141.2 million, or 11.5% of our loan portfolio. Construction and land loans generally have a higher risk of loss than single-family residential mortgage loans due primarily to the critical nature of the initial estimates of a property s value upon completion of construction compared to the estimated costs, including interest, of construction as well as other assumptions. If the estimates upon which construction loans are made prove to be inaccurate, we may be confronted with projects that, upon completion, have values which are below the loan amounts. If the Bank is forced to liquidate the collateral associated with such loans at values less than the remaining loan balance, it could have a significant impact on our results of operations.

Our allowance for loan losses may not be adequate to cover probable losses.

We have established an allowance for loan losses based upon various assumptions and judgments about the collectability of our loan portfolio which we believe is adequate to offset probable losses on our existing loans. While we are not aware of any specific factors indicating a deficiency in the amount of our allowance for loan losses, in light of the current economic environment, one of the most pressing issues faced by financial institutions is the adequacy of their allowance for loan losses. Federal bank regulators have routinely scrutinize the level of the allowance for losses maintained by regulated institutions. In the event that we have to increase our allowance for loan losses beyond current levels, it would have an adverse effect on our results in future periods. As of December 31, 2016, our allowance for loan losses amounted to $12.5 million, or 1.02% of total loans. Excluding acquired loans, our allowance for loan losses amounted to 1.38% of total loans as of December 31, 2016.

Our decisions regarding the fair value of assets acquired could be inaccurate, which could materially and adversely affect our business, financial condition, results of operations and future prospects.

Management makes various assumptions and judgments about the collectability of acquired loan portfolios, including the creditworthiness of borrowers and the value of the real estate and other assets serving as collateral for the repayment of secured loans. If our assumptions are incorrect, increased loss reserves may be needed to respond to different economic conditions or adverse developments in the acquired loan portfolio. Any increase in future loan losses would have a negative effect on our operating results.

Other than temporary declines in the value of our investment securities may require us to take additional charges to earnings.

We evaluate our securities portfolio for other-than-temporary impairment (OTTI) throughout the year. Each investment with a fair value less than book value is reviewed quarterly. An impairment charge is recorded against individual securities if management s review concludes that the decline in value is other than temporary. Delinquencies and defaults in the mortgage loans underlying these securities may adversely affect the cash flows received by us and may result in a conclusion in future periods that the securities are other-than-temporarily impaired. Such a conclusion of OTTI would require us to take additional charges to earnings to write down the value of these securities.

Our financial performance and future growth may be negatively affected if we are unable to successfully execute our growth plans, which may include acquisitions.

Over the past several years, we have grown our branch system primarily through acquisitions of other financial institutions. Our ability to successfully acquire other institutions depends on our ability to identify, acquire and integrate such institutions into our franchise. Our experience in mergers and acquisitions consists of an acquisition in 2006 of a building and loan association located in Crowley, Louisiana, an FDIC-assisted acquisition in 2010 of certain assets and liabilities of a bank with branches located in the Northshore (of Lake Pontchartrain) region of Louisiana, an acquisition in 2011 of a savings bank with branches located in the Greater

New Orleans area, an acquisition in February 2014 of a national bank headquartered in Natchez, Mississippi with branches located in Natchez and Vicksburg, Mississippi and Baton Rouge, Louisiana, and an acquisition in 2015 of a savings bank with branches located in the Greater New Orleans area. Our results of operations could be adversely affected if our analysis of past or future acquisitions was not complete and correct or our integration efforts were not successful. Currently, we have no agreements or understandings with anyone regarding a future acquisition.

A natural disaster, especially one affecting our market areas, could adversely affect the Company s financial condition and results of operations.

Since a considerable portion of our business is conducted in south Louisiana, most of our credit exposure is in that area. Historically, south Louisiana has been vulnerable to natural disasters, including hurricanes, floods and tornadoes. Natural disasters could harm our operations directly through interference with communications, which would prevent us from gathering deposits, originating loans and processing and controlling our flow of business, as well as through the destruction of facilities and our operational, financial and management information systems. A natural disaster or recurring power outages may also impair the value of our loan portfolio, as uninsured or underinsured losses, including losses from business disruption, may reduce our borrowers ability to repay their loans. Disasters may also reduce the value of the real estate securing our loans, impairing our ability to recover on defaulted loans through foreclosure and making it more likely that we would suffer losses on defaulted loans. Although we have implemented several back-up systems and protections (and maintain business interruption insurance), these measures may not protect us fully from the effects of a natural disaster. The occurrence of natural disasters in our market areas could have a material adverse effect on our business, prospects, financial condition and results of operations.

Changes in interest rates could have a material adverse effect on our operations.

The operations of financial institutions are dependent to a large extent on net interest income, which 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. Changes in the general level of interest rates can affect our net interest income by affecting the difference between the weighted average yield earned on our interest-earning assets and the weighted average rate paid on our interest-bearing liabilities, or interest rate spread, and the average life of our interest-earning assets and interest-bearing liabilities. If general market rates of interest increase, our interest expense on deposits and borrowings would likely increase which could adversely affect our interest rate spread and net interest income. Changes in interest rates also can affect our ability to originate loans, the value of our interest-earning assets and our ability to realize gains from the sale of such assets, our ability to obtain and retain deposits in competition with other available investment alternatives, and the ability of our borrowers to repay adjustable or variable rate loans. Interest rates are highly sensitive to many factors, including governmental monetary policies, domestic and international economic and political conditions and other factors beyond our control.

We face strong competition which adversely affects our profitability.

We are subject to vigorous competition in all aspects and areas of our business from banks and other financial institutions. We are significantly smaller than the larger depository institutions operating in our market areas. The financial resources of these larger competitors may permit them to pay higher interest rates on their deposits and to be more aggressive in new loan originations. We also compete with non-financial institutions, including retail stores that maintain their own credit programs and governmental agencies that make available low cost or guaranteed loans to certain borrowers. Some of our larger competitors have substantially greater resources, more advanced technological capabilities, lending limits, larger branch systems and a wider array of commercial banking services. Vigorous competition from both bank and non-bank organizations is expected to continue.

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We operate in a highly regulated environment, and we may be adversely affected by changes in laws and regulations.

We are subject to extensive regulation, supervision and examination by the FRB, the OCC and the FDIC. Such regulation and supervision governs the activities in which an institution and its holding company may engage and are intended primarily for the protection of the insurance fund and the depositors and borrowers of the Bank rather than for holders of our common stock. Regulatory authorities have extensive discretion in their supervisory and enforcement activities, including the imposition of restrictions on our operations, the classification of our assets and determination of the level of our allowance for loan losses. Any change in such regulation and oversight, whether in the form of regulatory policy, regulations, legislation or supervisory action, may have a material impact on our operations.

Historically low interest rates may adversely affect our net interest income and profitability.

During the past several years, it has been the policy of the FRB to maintain interest rates at historically low levels through its targeted federal funds rate and the purchase of mortgage-backed securities. As a result, market rates on the loans we have originated and the yields on securities we have purchased have been at historically lower levels. As a general matter, our interest-bearing liabilities reprice or mature more quickly than our interest-earning assets, which has been a contributing factor to increases in net interest income in the short term. Our ability to further lower our interest expense is limited as these interest rate levels already are at very low levels, while the average yield on our interest-earning assets may continue to decrease. Accordingly, our net interest income (the difference between interest income earned on assets and interest expense paid on liabilities) may decrease, which would have an adverse effect on our profitability.

Our goodwill may be determined to be impaired at a future date depending on the results of periodic impairment tests.

We test goodwill for impairment annually, or more frequently if necessary. According to applicable accounting requirements, acceptable valuation methods include present-value measurements based on multiples of earnings or revenues, or similar performance measures. If the quoted market price of our common stock were to decline significantly, or if it was determined that the carrying amount of our goodwill exceeded its implied fair value, we would be required to write down the amount recorded for goodwill. This, in turn, would result in a charge to earnings and, thus, a reduction in shareholders equity. See Notes 2 and 8 to the Consolidated Financial Statements for additional information concerning our goodwill and the required impairment test.

A failure in our operational systems or infrastructure, or those of third parties, could impair our liquidity, disrupt our businesses, result in the unauthorized disclosure of confidential information, damage our reputation and cause financial losses.

Our ability to adequately conduct and grow our business is dependent on our ability to create and maintain an appropriate operational and organizational control infrastructure. Operational risk can arise in numerous ways including employee fraud, customer fraud, and control lapses in bank operations and information technology. Our dependence on our employees and automated systems, including the automated systems used by acquired entities and third parties, to record and process transactions may further increase the risk that technical failures or tampering of those systems will result in losses that are difficult to detect. We are also subject to disruptions of our operating systems arising from events that are wholly or partially beyond our control. Failure to maintain an appropriate operational infrastructure can lead to loss of service to customers, legal actions, and noncompliance with various laws and regulations.

We continuously monitor our operational and technological capabilities and make modifications and improvements when we believe it will be cost effective to do so. In some instances, we may build and maintain these capabilities ourselves. We also outsource some of these functions to third parties. These third parties may experience errors or disruptions that could adversely impact us and over which we may have limited control. We also face risk from the integration of new infrastructure platforms and/or new third party providers of such platforms into its existing businesses.

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Changes in accounting policies or in accounting standards could materially affect how we report our financial condition and results of operations.

Our accounting policies are fundamental to the understanding of our financial condition and results of operations. The preparation of consolidated financial statements in conformity with generally accepted accounting principles in the United States (GAAP) requires management to make significant estimates and assumptions that affect the financial statements by affecting the value of our assets or liabilities and results of operations. Some of our accounting policies are critical because they require management to make difficult, subjective and complex judgments about matters that are inherently uncertain and because materially different amounts may be reported if different estimates or assumptions were used. If such estimates or assumptions underlying the financial statements are incorrect, we could experience material losses. From time to time, the Financial Accounting Standards Board (FASB) and the Securities and Exchange Commission (SEC) change the financial accounting and reporting standards or the interpretation of such standards that govern the preparation of our external financial statements. These changes are beyond our control, can be difficult to predict and could materially impact how we report our financial condition and results of operations. Additionally, it is possible, if unlikely, we could be required to apply a new or revised standard retrospectively, resulting in the restatement of prior period financial statements in material amounts.

System failure or cybersecurity breaches of our network security could subject us to increased operating costs as well as litigation and other potential losses.

We rely heavily on communications and information systems to conduct our business. The computer systems and network infrastructure we use could be vulnerable to unforeseen hardware and cybersecurity issues. Our operations are dependent upon our ability to protect our computer equipment against damage from fire, power loss, telecommunications failure or a similar catastrophic event. Any damage or failure that causes an interruption in our operations could have an adverse effect on our financial condition and results of operations. In addition, our operations are dependent upon our ability to protect the computer systems and network infrastructure we use, including our Internet banking activities, against damage from physical break-ins, cybersecurity breaches and other disruptive problems caused by the Internet or users. Such problems could jeopardize the security of our customers personal information and other information stored in and transmitted through our computer systems and network infrastructure, which may result in significant liability to us, subject us to additional regulatory scrutiny, damage our reputation, result in a loss of customers, or inhibit current and potential customers from our Internet banking services, any of all of which could have a material adverse effect on our results of operations and financial condition. Although we have security measures designed to mitigate the possibility of break-ins, breaches and other disruptive problems, including firewalls and penetration testing, there can be no assurance that such security measures will be effective in preventing such problems.

Item 1B. Unresolved Staff Comments.

Not applicable.

Item 2. Properties.

We currently conduct business from nine banking offices in Greater Lafayette, three banking offices in Baton Rouge, six banking offices in Greater New Orleans, six banking offices in the Northshore (of Lake Pontchartrain) region of Louisiana, three offices in Natchez, Mississippi and two offices in Vicksburg, Mississippi. The Bank owns 27 of its 29 banking offices. The Bank leases the land for one banking office in our Northshore market and leases one banking office in Greater New Orleans.

Item 3. Legal Proceedings.

From time-to-time, the Bank is named as a defendant in various legal actions arising from the normal course of business in which damages of various amounts may be claimed. While the amount, if any, of ultimate liability with respect to any such matters cannot be currently determined, management believes, after consulting with legal counsel, that any such liability will not have a material adverse effect on the Company s consolidated financial position, results of operations, or cash flows.

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Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for the Registrant s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

(a) Home Bancorp, Inc. s common stock is listed on the Nasdaq Global Select Market under the symbol HBCP . The common stock commenced trading on the Nasdaq Stock Market on October 3, 2008. As of the close of business on December 31, 2016, there were 7,350,102 shares of common stock outstanding, held by approximately 744 shareholders of record, not including the number of persons or entities whose stock is held in nominee or street name through various brokerage firms and banks.

The following table sets forth the high and low prices of the Company s common stock as reported by the Nasdaq Stock Market and cash dividends declared per share for the periods indicated.

For The Quarter Ended	High	Low	Cash Dividends Declared
March 31, 2015	$ 23.00	$ 20.40	$ 0.07
June 30, 2015	$ 25.50	$ 21.00	$ 0.07
September 30, 2015	$ 26.50	$ 22.68	$ 0.08
December 31, 2015	$ 27.22	$ 24.31	$ 0.08
March 31, 2016	$ 27.25	$ 21.29	$ 0.09
June 30, 2016	$ 28.95	$ 24.76	$ 0.10
September 30, 2016	$ 29.78	$ 26.62	$ 0.10
December 31, 2016	$ 39.75	$ 27.00	$ 0.12

The following graph shows a comparison of the cumulative total returns for the common stock of Home Bancorp, Inc., the Nasdaq Composite Index and the SNL Securities Bank and Thrift Index for the period beginning December 31, 2011 and ending December 2016. The graph below represents $100 invested in our common stock at its closing price on December 31, 2011.

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Index	Period Ending 12/31/11	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
Home Bancorp, Inc.	100.00	117.74	121.61	148.45	170.27	256.84
NASDAQ Composite	100.00	115.91	160.32	181.80	192.21	206.63
SNL Bank and Thrift	100.00	134.28	183.86	205.25	209.39	264.35

The stock price information shown above is not necessarily indicative of future price performance. Information used was obtained from S&P Global Market Intelligence, Charlottesville, Virginia. The Company assumes no responsibility for any errors or omissions in such information.

The Company did not sell any of its equity securities during 2016 that were not registered under the Securities Act of 1933.

For information regarding the Company s equity compensation plans, see Item 12.

(b) Not applicable.

(c) On June 7, 2013, the Company s Board of Directors approved a share repurchase program (the 2013 Repurchase Program) authorizing management to repurchase up to 370,000 shares, or approximately 5%, of its common stock outstanding through open market or privately negotiated transactions. As of December 31, 2016, 3,745 shares remain subject to repurchase under the 2013 Repurchase Program. On April 26, 2016, the Company announced an additional stock repurchase program (the 2016 Repurchase Program). Under the 2016 Repurchase Program, the Company can repurchase up to 365,000 shares, or approximately 5% of its common stock outstanding, through open market or privately negotiated transactions. The Company s purchases of its common stock made during the fourth quarter of 2016 (which were made pursuant to the 2013 Repurchase Program) are set forth in the following table.

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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 Plans or Programs
October 1- October 31, 2016	517	$ 27.77	517	368,963
November 1 - November 30, 2016	218	32.50	218	368,745
December 1 - December 31, 2016				368,745
Total	735	$ 29.17	735	368,745

Item 6. Selected Financial Data.

Set forth below is selected summary historical financial and other data of the Company. When you read this summary historical financial data, it is important that you also read the historical financial statements and related notes contained in Item 8 of this Form 10-K, as well as Management s Discussion and Analysis of Financial Condition and Results of Operations.

	As of December 31,				
(dollars in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Selected Financial Condition Data:					
Total assets	$ 1,556,732	$ 1,551,912	$ 1,221,415	$ 984,241	$ 962,926
Cash and cash equivalents	29,315	24,798	29,078	32,639	39,539
Interest-bearing deposits in banks	1,884	5,144	5,526	2,940	3,529
Investment securities:					
Available for sale	183,730	176,762	174,801	149,632	157,256
Held to maturity	13,365	13,927	11,705	9,405	1,665
Loans receivable, net	1,215,323	1,214,818	901,208	700,538	667,809
Deposits	1,248,072	1,244,217	993,573	741,312	771,429
Federal Home Loan Bank advances	118,533	125,153	47,500	97,000	46,257
Securities sold under repurchase agreements			20,371		
Shareholders equity	179,843	165,046	154,144	141,910	141,574

	For the Years Ended December 31,				
(dollars in thousands, except per share data)	**2016**	**2015**	**2014**	**2013**	**2012**
Selected Operating Data:					
Interest income	$ 67,684	$ 58,410	$ 54,323	$ 43,721	$ 46,122
Interest expense	5,268	3,866	3,284	3,503	4,914

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Net interest income	62,416	54,544	51,039	40,218	41,208
Provision for loan losses	3,200	2,071	2,364	3,653	2,411
Net interest income after provision for loan losses	59,216	52,473	48,675	36,565	38,797
Noninterest income	11,157	8,770	8,175	7,670	7,761
Noninterest expense	46,797	42,022	41,772	33,205	32,763
Income before income taxes	23,576	19,221	15,078	11,030	13,795
Income taxes	7,568	6,671	5,206	3,736	4,605
Net income	$ 16,008	$ 12,550	$ 9,872	$ 7,294	$ 9,190
Earnings per share - basic	$ 2.34	$ 1.87	$ 1.51	$ 1.11	$ 1.33
Earnings per share - diluted	$ 2.25	$ 1.79	$ 1.42	$ 1.06	$ 1.28
Cash dividends per share	$ 0.41	$ 0.30	$ 0.07	$	$

	As of or For the Years Ended December 31,				
	2016	**2015**	**2014**	**2013**	**2012**
Selected Operating Ratios: (1)					
Average yield on interest-earnings assets (TE)	4.71%	4.75%	4.84%	5.06%	5.36%
Average rate on interest-bearing liabilities	0.49	0.43	0.39	0.54	0.72
Average interest rate spread (TE) (2)	4.22	4.32	4.45	4.52	4.64
Net interest margin (TE) (3)	4.34	4.43	4.54	4.65	4.79
Average interest-earning assets to average interest-bearing liabilities	134.34	136.76	133.91	132.63	126.81
Noninterest expense to average assets	3.04	3.14	3.38	3.45	3.38
Efficiency ratio (4)	63.61	66.37	70.54	69.34	66.91
Return on average assets	1.04	0.94	0.80	0.76	0.95
Return on average equity	9.19	7.83	6.65	5.14	6.60
Common stock dividend payout ratio	18.22	16.76	4.93		
Average equity to average assets	11.30	11.99	12.02	14.74	14.38
Asset Quality Ratios: (5) (6)					
Non-performing loans as a percent of total loans receivable	1.39%	0.71%	0.55%	1.17%	0.43%
Non-performing assets as a percent of total assets	1.07	0.51	0.56	0.81	0.63
Allowance for loan losses as a percent of non-performing loans as of end of period	99.4	162.35	191.03	96.18	234.68
Allowance for loan losses as a percent of net loans as of end of period	1.38	1.15	1.04	1.12	1.01
Capital Ratios: (5) (7)					

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Tier 1 risk-based capital ratio	12.91%	11.61%	16.94%	20.84%	20.97%
Leverage capital ratio	9.94	8.74	11.96	14.17	13.67
Total risk-based capital ratio	13.96	12.43	17.85	21.88	21.83

(1) With the exception of end-of-period ratios, all ratios are based on average monthly balances during the respective periods.

(2) Average interest rate spread represents the difference between the average yield on interest-earning assets and the average rate paid on interest-bearing liabilities.

(3) Net interest margin represents net interest income as a percentage of average interest-earning assets. Taxable equivalent yields are calculated using a marginal tax rate of 35%.

(4) The efficiency ratio represents noninterest expense as a percentage of total revenues. Total revenues is the sum of net interest income and noninterest income.

(5) Asset quality and capital ratios are end of period ratios.

(6) Asset quality ratios represents legacy non-performing assets. At December 31, 2016, 2015, 2014, 2013 and 2012, we also had $1.5 million, $2.6 million, $4.3 million, $7.3 million and $6.8 million, respectively, of acquired nonimpaired loans, which were on nonaccrual or 90 days or more past due which are not included in the table above. In addition, not included in the table above $2.2 million, $3.0 million, $3.4 million, $4.5 million and $3.7 million, respectively, in acquired assets which were repossessed assets at December 31, 2016, 2015, 2014, 2013 and 2012, respectively, and which are excluded from the asset quality ratios above. See page 25 for the asset quality ratios including acquired nonimpaired loans and acquired repossessed assets, respectively. Nonperforming loans consist of nonaccruing loans and loans 90 days or more past due excluding Acquired Loans. Nonperforming assets consist of nonperforming loans and repossessed assets. It is our policy to cease accruing interest on all loans 90 days or more past due. Repossessed assets consist of assets acquired through foreclosure or acceptance of title in-lieu of foreclosure. For information on our asset quality ratios see page 25.

(7) Capital ratios are for Home Bank only.

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Item 7. Management s Discussion and Analysis of Financial Condition and Results of Operations.

MANAGEMENT S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is an analysis and discussion of the financial condition and results of operations of Home Bancorp, Inc. (the Company), and its wholly owned subsidiary, Home Bank, N.A. (the Bank). This discussion and analysis should be read in conjunction with our Consolidated Financial Statements and related notes included herein in Part II, Item 8, Financial Statements and Supplementary Data and the description of our business included herein in Part 1, Item 1 Business .

EXECUTIVE OVERVIEW

Net income for 2016 totaled $16.0 million, an increase of 27.6% from the $12.5 million earned in 2015. Diluted earnings per share for 2016 were $2.25, an increase of 25.7% from the $1.79 in diluted earnings per share earned in 2015. The increase in net income and diluted earnings per share was driven primarily by the full year impact of our acquisition of Louisiana Bancorp, Inc. (Louisiana Bancorp), the holding company for Bank of New Orleans (BNO) of Metairie, Louisiana. The Company acquired Louisiana Bancorp on September 15, 2015. Key components of the Company s performance in 2016 are summarized below.

Assets totaled $1.6 billion as of December 31, 2016, up $4.8 million, or 0.3%, from December 31, 2015.

Loans as of December 31, 2016 were $1.2 billion, an increase of $3.5 million, or 0.3%, from December 31, 2015. Growth in our originated loan portfolio during the year was primarily related to construction and land loans, commercial real estate, commercial and industrial loans and multi-family loans, which were largely offset by decreases in our Acquired Loan portfolios.

Total customer deposits as of December 31, 2016 were $1.2 billion, an increase of $3.9 million, or 0.3%, from December 31, 2015. Core deposits increased $8.5 million, or 0.9%, while certificate of deposits decreased $4.6 million, or 1.7%.

Interest income increased $9.3 million, or 15.9%, in 2016 compared to 2015. The increase was primarily due to a higher average volume of interest-earning assets as a result of the Louisiana Bancorp acquisition.

Interest expense increased $1.4 million, or 36.3%, in 2016 compared to 2015. The increase was primarily due to a higher average volume of interest-bearing liabilities as a result of the Louisiana Bancorp acquisition.

The provision for loan losses totaled $3.2 million in 2016, 54.5% higher than the $2.1 million recorded in 2015. The increase was primarily the result of loan deterioration in four loan relationships as well as organic growth in our loan portfolio. At December 31, 2016, the Company s ratio of allowance for loan losses to total loans was 1.02%, compared to 0.78% at December 31, 2015. The ratio of the allowance for loan losses to total originated loans was 1.38% at December 31, 2016, compared to 1.15% at December 31, 2015. Over the past two years, the

Company has increased its overall allowance for loan losses to loans ratio on originated loans from 1.04% due primarily to the potential direct and indirect impact of continuing low energy prices on our borrowers in the energy sector.

Noninterest income increased $2.4 million, or 27.2%, in 2016 compared to 2015. The increase was primarily the result of a gain on the sale of assets (up $1.1 million) and higher other noninterest income (up $774,000 due to recoveries on previously charged off Acquired Loans).

Noninterest expense increased $4.8 million, or 11.4%, in 2016 compared to 2015. The Company incurred $856,000 and $1.4 million in merger-related expenses during 2016 and 2015, respectively. Excluding merger-related expenses, noninterest expense increased $5.3 million, or 13.1%. The increase was primarily the result of higher compensation and benefits, data processing and communications, marketing and advertising and other expenses due primarily to the Company s growth.

ACQUISITION ACTIVITY

On September 15, 2015, the Company acquired Louisiana Bancorp, Inc., the former holding company of Bank of New Orleans of Metairie, Louisiana. Shareholders of Louisiana Bancorp received $24.25 per share in cash, resulting in aggregate purchase price of $70.0 million. As a result of the acquisition, three former Bank of New Orleans branches in the Greater New Orleans area were added to the Bank s branch office network, net of one former Bank of New Orleans banking office in the Northshore that was closed or consolidated in January 2016. Assets acquired from Louisiana Bancorp totaled $352.9 million, which included loans of $281.6 million, investment securities of $36.4 million and cash of $14.1 million. The Bank also recorded a core deposit intangible asset of $1.6 million and goodwill of $8.5 million relating to the acquisition, and assumed liabilities of $291.3 million, which included $208.7 million in deposits and $76.0 million in Federal Home Loan Bank (FHLB) advances.

On February 14, 2014, the Company acquired Britton & Koontz Capital Corporation (Britton & Koontz) the former holding company of Britton & Koontz Bank, N.A. (Britton & Koontz Bank) of Natchez, Mississippi. Shareholders of Britton & Koontz received $16.14 per share in cash, yielding an aggregate purchase price of $34.5 million. As a result of the acquisition, five former Britton & Koontz branches in west Mississippi were added to the Bank s branch office network, net of two former Britton & Koontz banking offices that were closed or consolidated in March 2014. Assets acquired from Britton & Koontz totaled $298.9 million, which included loans of $161.2 million, investment securities of $98.0 million and cash of $15.3 million. The Bank also recorded a core deposit intangible asset of $3.0 million and goodwill of $43,000 relating to the acquisition, and assumed liabilities of $264.5 million, which included $216.6 million in deposits, $9.3 million in FHLB advances and $27.3 million in securities sold under repurchase agreements.

On July 15, 2011, the Company acquired GS Financial Corporation (GSFC), the former holding company of Guaranty Savings Bank of Metairie, Louisiana. Shareholders of GSFC received $21.00 per share in cash, yielding an aggregate purchase price of $26.4 million. As a result of the acquisition, the four former Guaranty branches in the Greater New Orleans area were added to the Bank s branch office network. Assets acquired from GSFC totaled $256.7 million, which included loans of $182.4 million, investment securities of $46.5 million and cash of $9.3 million. The Bank also recorded a core deposit intangible asset of $859,000 and goodwill of $296,000 relating to the acquisition of GSFC, and assumed liabilities of $230.6 million, which included $193.5 million in deposits and $34.7 million in FHLB advances.

On March 12, 2010, the Bank acquired certain assets and liabilities of the former Statewide Bank, a full-service community bank formerly headquartered in Covington, Louisiana, from the FDIC. As a result of the Statewide acquisition, the Bank s branch office network was expanded to include six branches in the Northshore (of Lake Pontchartrain) region of Louisiana. Assets acquired in the Statewide transaction totaled $188.0 million, which included loans of $110.4 million, investment securities of $24.8 million and cash of $11.6 million. In addition, the Bank recorded a FDIC Asset, representing the portion of estimated losses covered by loss sharing agreements between the Bank and the FDIC, of $34.4 million. The loss sharing agreements between the Bank and the FDIC afforded us significant protection against losses in the loan portfolio and repossessed assets acquired in the Statewide transaction. The Bank also recorded a core deposit intangible asset of $1.4 million and goodwill of $560,000 relating to the Statewide acquisition, and assumed liabilities of $223.9 million, which included $206.9 million in deposits and $16.8 million in FHLB advances.

CRITICAL ACCOUNTING POLICIES

The accounting and financial reporting policies of the Company conform to generally accepted accounting principles in the United States (GAAP) and to general practices within the banking industry. Accordingly, the financial statements require certain estimates, judgments and assumptions, which are believed to be reasonable, based upon the information available. These estimates and assumptions affect the reported amounts of assets and liabilities as of the date of the financial statements and the reported amounts of income and expenses during the periods presented. The following accounting policies comprise those that management believes are the most critical to aid in fully understanding and evaluating our reported financial results. These policies require numerous estimates or economic assumptions that may prove inaccurate or may be subject to variations which may significantly affect our reported results and financial condition for the period or in future periods.

Allowance for Loan Losses. The allowance for loan losses on loans in our portfolio is maintained at an amount which management determines covers the reasonably estimable and probable losses on such portfolio. The allowance for loan losses is established through a provision for loan losses charged to expense. Loans are charged against the allowance for loan losses when management believes that the collectability of the principal is unlikely. Subsequent recoveries are added to the allowance. The allowance is an amount that represents the amount of probable and reasonably estimable known and inherent losses in the loan portfolio, based on evaluations of the collectability of loans. The evaluations take into consideration such factors as changes in the types and amount of loans in the loan portfolio, historical loss experience, adverse situations that may affect the borrower s ability to repay, estimated value of any underlying collateral, estimated losses relating to specifically identified loans and current economic conditions. This evaluation is inherently subjective as it requires material estimates including, among others, exposure to default, the amount and timing of expected future cash flows on loans, value of collateral, estimated losses on our commercial and residential loan portfolios as well as consideration of general loss experience. All of these estimates may be susceptible to significant change.

While management uses the best information available to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance. The OCC, as an integral part of its examination processes, periodically reviews our allowance for loan losses. The OCC may require the recognition of adjustments to the allowance for loan losses based on their judgment of information available to them at the time of their examinations. To the extent that actual outcomes differ from management s estimates, additional provisions to the allowance for loan losses may be required that would adversely impact earnings in future periods. As part of the risk management program, an independent review is performed on the loan portfolio, which supplements management s assessment of the loan portfolio and the allowance for loan losses. The result of the independent review is reported directly to the Audit Committee of the Board of Directors.

Acquired Loans were recorded at fair value at the date of acquisition with no carryover of the allowance for loan losses. As of December 31, 2016, our allowance for loan losses included $291,000 allocated to Acquired Loans with credit quality which had deteriorated since the date of acquisition. Our accounting policy for Acquired Loans is described below.

Accounting for Loans. The following briefly describes the distinction between originated and Acquired Loans and certain significant accounting policies relevant to each category.

Originated Loans

Loans originated for investment are reported at the principal balance outstanding net of unearned income. Interest on loans and accretion of unearned income are computed in a manner that approximates a level yield on recorded principal. Interest on loans is recorded as income as earned. The accrual of interest on an originated loan is discontinued when it is probable the borrower will not be able to meet payment obligations as they become due. The Company maintains an allowance for loan losses on originated loans that represents management s estimate of probable losses incurred in this portfolio category.

Acquired Loans

Acquired Loans are those collectively associated with our acquisitions of Statewide, GSFC, Britton & Koontz and BNO. These loans were recorded at estimated fair value at the acquisition date with no carryover of the related allowance for loan losses. The Acquired Loans were segregated between those considered to be performing (acquired performing) and those with evidence of credit deterioration (acquired impaired), and then further segregated into loan pools designed to facilitate the estimation of expected cash flows. The fair value estimate for each pool of acquired performing and acquired impaired loans was based on the estimate of expected cash flows, both principal and interest, from that pool, discounted at prevailing market interest rates.

The difference between the fair value of an acquired performing loan pool and the contractual amounts due at the acquisition date (the fair value discount) is accreted into income over the estimated life of the pool. Management estimates an allowance for loan losses for acquired performing loans using a methodology similar to that used for originated loans. The allowance determined for each loan pool is compared to the remaining fair value discount for that pool. If the allowance amount calculated under the Company s methodology is greater than the Company s remaining discount, the additional amount called for is added to the reported allowance through a provision for loan losses. If the allowance amount calculated under the Company s methodology is less than the Company s recorded discount, no additional allowance or provision is recognized. Actual losses first reduce any remaining fair value discount for the loan pool. Once the discount is fully depleted, losses are applied against the allowance established for that pool. Acquired performing loans are placed on nonaccrual status and considered and reported as nonperforming or past due using the same criteria applied to the originated portfolio.

The excess of cash flows expected to be collected from an acquired impaired loan pool over the pool s estimated fair value at acquisition is referred to as the accretable yield and is recognized in interest income using an effective yield method over the remaining life of the pool. Each pool of acquired impaired loans is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

Management recasts the estimate of cash flows expected to be collected on each acquired impaired loan pool periodically. If the present value of expected cash flows for a pool is less than its carrying value, an impairment is recognized by an increase in the allowance for loan losses and a charge to the provision for loan losses. If the present value of expected cash flows for a pool is greater than its carrying value, any previously established allowance for loan losses is reversed and any remaining difference increases the accretable yield which will be taken into interest income over the remaining life of the loan pool. Acquired impaired loans are generally not subject to individual evaluation for impairment and are not reported with impaired loans, even if they would otherwise qualify for such treatment.

Certain loans purchased in the Statewide acquisition are covered by loss sharing agreements between the FDIC and the Company. Historically, the Company has referred to loans subject to loss share agreements with the FDIC as covered loans. However, as of March 31, 2015, a significant portion of the loss share agreements had expired and any future losses on certain formerly covered loans are no longer eligible for reimbursement from the FDIC. As of March 2015, only residential mortgage loans acquired from Statewide remained subject to loss sharing agreements with the FDIC. As of December 31, 2016, the Company s remaining covered loans amounted to approximately $2.8 million, or 0.2% of the Company s total loan portfolio, at such date. Given the limited amount of covered loans remaining, the Company is no longer reporting such loans as covered loans, and the remaining covered loans are included in Acquired Loans.

Income Taxes. We make estimates and judgments to calculate some of our tax liabilities and determine the recoverability of some of our deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenues and expenses. We also estimate a valuation allowance for deferred tax assets if, based on the available evidence, it is more likely than not that some portion or all of the recorded deferred tax assets will not be realized in future periods. These estimates and judgments are inherently subjective. Historically, our estimates and judgments to calculate our deferred tax accounts have not required significant revision to our initial estimates.

In evaluating our ability to recover deferred tax assets, we consider all available positive and negative evidence, including our past operating results, recent cumulative losses and our forecast of future taxable income. In determining future taxable income, we make assumptions for the amount of taxable income, the reversal of temporary differences and the implementation of feasible and prudent tax planning strategies. These assumptions require us to make judgments about our future taxable income and are consistent with the plans and estimates we use to manage our business. Any reduction in estimated future taxable income may require us to record a valuation allowance against our deferred tax assets. An increase in the valuation allowance would result in additional income tax expense in the period and could have a significant impact on our future earnings.

Other-than-temporary Impairment of Investment Securities. Securities are evaluated periodically to determine whether a decline in their fair value is other-than-temporary. The term other-than-temporary is not intended to indicate a permanent decline in value. Rather, it means that the prospects for near term recovery of value are not necessarily favorable, or that there is a lack of evidence to support fair values equal to, or greater than, the carrying value of the investment. Management reviews criteria such as the magnitude and duration of the decline, the reasons for the decline and the performance and valuation of the underlying collateral, when applicable, to predict whether the loss in value is other-than-temporary and the intent and ability of the Company to retain the investment for a period of time sufficient to allow for any anticipated recovery in fair value. Once a decline in value is determined to be other-than-temporary, the carrying value of the security is reduced to its fair value and a corresponding charge to earnings is recognized for the decline in value determined to be credit related. The decline in value attributable to noncredit factors is recognized in other comprehensive income.

Stock-based Compensation. The Company accounts for its stock options in accordance with ASC Topic 718, *Compensation Stock Compensation*. ASC 718 requires companies to expense the fair value of employee stock options and other forms of stock-based compensation. Management utilizes the Black-Scholes option valuation model to estimate the fair value of stock options. The option valuation model requires the input of highly subjective assumptions, including expected stock price volatility and option life. These subjective input assumptions materially affect the fair value estimate.

FINANCIAL CONDITION

Loans, Loan Quality and Allowance for Loan Losses

Loans The types of loans originated by the Company are subject to federal and state laws and regulations. Interest rates charged on loans are affected principally by the demand for such loans and the supply of money available for lending purposes and the rates offered by our competitors. These factors are, in turn, affected by general and economic conditions, the monetary policy of the federal government, including the FRB, legislative tax policies and governmental budgetary matters.

The Company s lending activities are subject to underwriting standards and loan origination procedures established by our Board of Directors and management. Loan originations are obtained through a variety of sources, primarily existing customers as well as new customers obtained from referrals and local advertising and promotional efforts. Single-family residential mortgage loan applications and consumer loan applications are taken at any of the Bank s branch offices. Applications for other loans typically are taken personally by one of our loan officers, although they may be received by a branch office initially and then referred to a loan officer. All loan applications are processed and underwritten centrally at the Bank s main office.

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

			December 31,		
(dollars in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Real estate loans:					
One- to four-family first mortgage	$ 341,883	$ 371,238	$ 222,157	$ 164,673	$ 166,718
Home equity loans and lines	88,821	94,060	56,000	40,561	40,425
Commercial real estate	427,515	405,379	352,863	269,849	252,805
Construction and land	141,167	136,803	100,246	98,104	86,627
Multi-family residential	46,369	43,863	27,375	16,578	19,659
Total real estate loans	1,045,755	1,051,343	758,641	589,765	566,234
Other loans:					
Commercial and industrial	139,810	125,108	104,446	77,533	72,253

Consumer	42,268	47,915	45,881	40,158	34,641
Total other loans	182,078	173,023	150,327	117,691	106,894
Total loans	$ 1,227,833	$ 1,224,366	$ 908,968	$ 707,456	$ 673,128

The loan portfolio increased $3.5 million, or 0.3%, during 2016. Growth in originated loans during the year was related primarily to commercial real estate loans, construction and land loans, commercial and industrial loans and multi-family residential loans, which were partially offset by repayment activity in our portfolio of Acquired Loans, primarily one-to four-family residential mortgage loans. The balance of loans to companies in the energy sector totaled $34.0 million, or 2.8%, of our outstanding loan portfolio at December 31, 2016. In addition to outstanding loans at December 31, 2016, we also had unfunded loan commitments to companies in the energy sector amounting to $6.7 million at such date.

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The following table reflects contractual loan maturities as of December 31, 2016, unadjusted for scheduled principal reductions, prepayments or repricing opportunities. Of the $966.6 million in loans which have contractual maturity dates subsequent to December 31, 2017, $736.1 million have fixed interest rates and $230.5 million have floating or adjustable interest rates.

		Due In		
(dollars in thousands)	**One year or less**	**One through five years**	**More than five years**	**Total**
One- to four-family first mortgage	$ 14,383	$ 66,347	$ 261,153	$ 341,883
Home equity loans and lines	949	10,465	77,407	88,821
Commercial real estate	49,595	239,147	138,773	427,515
Construction and land	110,841	26,207	4,119	141,167
Multi-family residential	8,829	22,196	15,344	46,369
Commercial and industrial	72,498	55,170	12,142	139,810
Consumer	4,081	8,190	29,997	42,268
Total	$ 261,176	$ 427,722	$ 538,935	$ 1,227,833

Loan 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 the 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 his/her 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.

An impaired loan generally is one for which it is probable, based on current information, that the lender will not collect all the amounts due under the contractual terms of the loan. Large groups of smaller balance, homogeneous loans are collectively evaluated for impairment. Loans collectively evaluated for impairment include smaller balance commercial loans, residential real estate loans and consumer loans. These loans are evaluated as a group because they have similar characteristics and performance experience. Larger commercial real estate, multi-family residential, construction and land loans and commercial and industrial loans are individually evaluated for impairment. 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 help determine if there is impairment, 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. The Company typically orders an as is valuation for collateral property if the loan is in a criticized loan classification. The Board of Directors is provided with monthly reports on impaired loans. As of December 31, 2016 and 2015, loans individually evaluated for impairment, excluding Acquired Loans, amounted to $5.6 million and $966,000, respectively. As of December 31, 2016 and 2015, acquired impaired loans, which are loans considered to have had deteriorated credit quality at the time of acquisition, amounted to $13.1 million and $20.0 million, respectively. As of December 31, 2016 and 2015, substandard loans, excluding Acquired Loans, amounted to $23.8 million and $7.7 million, respectively. As of December 31, 2016 and 2015, Acquired Loans considered substandard amounted to $8.6 million and $9.7 million, respectively. The amount of the allowance for loan losses allocated to originated impaired or substandard loans

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totaled $795,000 and $153,000 as of December 31, 2016 and 2015, respectively. The amount of allowance for loan losses allocated to Acquired Loans totaled $291,000 and $373,000, respectively, at such dates. There were no assets classified as doubtful or loss as of December 31, 2016 or 2015.

Federal regulations and our policies require that we utilize an internal asset classification system as a means of reporting problem and potential problem assets. We have incorporated an internal asset classification system, substantially consistent with Federal banking regulations, as a part of our credit monitoring system. Federal banking regulations set forth a classification scheme for problem and potential problem assets as substandard, doubtful or loss assets. An asset is considered substandard if it is inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Substandard assets include those characterized by the distinct possibility that the insured institution will sustain some loss if the deficiencies are not corrected. Assets classified as doubtful have all of the weaknesses inherent in those classified substandard with the added characteristic that the weaknesses present make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable. Assets classified as loss are those considered uncollectible and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted.

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. Our management believes that, based on information currently available, our allowance for loan losses is maintained at a level which covers all known and inherent losses that are both probable and reasonably estimable as of each reporting date. However, actual losses are dependent upon future events and, as such, further additions to the level of allowances for loan losses may become necessary.

The following table sets forth the composition of the Company s total nonperforming assets and troubled debt restructurings, excluding acquired impaired loans, as of the dates indicated.

			December 31,		
(dollars in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Nonaccrual loans [1]:					
Real estate loans:					
One- to four-family first mortgage	$ 1,724	$ 1,458	$ 2,894	$ 4,196	$ 2,985
Home equity loans and lines	1,088	260	136	325	149
Commercial real estate	1,963	2,684	1,291	2,678	4,241
Construction and land	75	156	742	1,265	934
Multi-family residential		763	1,560	1,572	528
Other loans:					
Commercial and industrial	8,542	2,458	1,210	3,881	170
Consumer	361	476	359	277	1

Total nonaccrual loans	13,753	8,255	8,192	14,194	9,008
Accruing loans 90 days or more past due					
Total nonperforming loans	13,753	8,255	8,192	14,194	9,008
Foreclosed property	2,893	3,128	5,215	4,566	6,454
Total nonperforming assets	16,646	11,383	13,407	18,760	15,462
Performing troubled debt restructurings	4,650	2,549	1,860	3,468	2,010
Total nonperforming assets and troubled debt restructurings	$ 21,296	$ 13,932	$ 15,267	$ 22,228	$ 17,472

Nonperforming loans to total loans	1.12%	0.67%	0.90%	2.01%	1.34%
Nonperforming loans to total assets	0.88%	0.53%	0.67%	1.44%	0.94%
Nonperforming assets to total assets	1.07%	0.73%	1.10%	1.91%	1.61%

(1) Table excludes Acquired Loans which were being accounted for under ASC 310-30 because they continue to earn interest from accretable yield regardless of their status as past due or otherwise not in compliance with their contractual terms. Acquired Loans with deteriorated credit quality, which were being accounting for under ASC 310-30 and which were 90 days or more past due totaled, $ 2.7 million, $4.0 million, $5.4 million, $7.8 million and $9.5 million as of December 31, 2016, 2015, 2014, 2013 and 2012, respectively.

Net loan charge-offs for 2016 were $237,000, or 0.02%, of total loans, compared to $283,000, or 0.02%, in 2015.

Repossessed assets which are acquired as a result of foreclosure are classified as repossessed assets until sold. Third party property valuations are obtained at the time the asset is repossessed and periodically until the property is liquidated. Repossessed assets are recorded at fair value less estimated selling costs, at the date acquired or upon receiving new property valuations. Costs associated with acquiring and improving a foreclosed property are usually capitalized to the extent that the carrying value does not exceed fair value less estimated selling costs. Holding costs are charged to expense. Gains and losses on the sale of repossessed assets are charged to operations, as incurred.

Allowance for Loan Losses The allowance for loan losses is established through provisions for loan losses. The Company maintains the allowance at a level believed, to the best of management s knowledge, to cover all known and inherent losses in the portfolio that are both probable and reasonable to estimate at each reporting date. Management reviews the allowance for loan losses at least quarterly in order to identify those inherent losses and to assess the overall collection probability for the loan portfolio. Our evaluation process includes, among other things, an analysis of delinquency trends, nonperforming loan trends, the level of charge-offs and recoveries, prior loss experience, total loans outstanding, the volume of loan originations, the type, size and geographic concentration of loans, the value of collateral securing loans, the borrower s ability to repay and repayment performance, the number of loans requiring heightened management oversight, economic conditions and industry experience. Based on this evaluation, management assigns risk rankings to segments of the loan portfolio. Such risk ratings are periodically reviewed by management and revised as deemed appropriate. These efforts are supplemented by independent reviews and validations performed by an independent loan reviewer. The results of the reviews are reported directly to the Audit Committee of the Board of Directors. The establishment of the allowance for loan losses is significantly affected by management judgment and uncertainties and there is a 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 allowance for loan losses. Such agencies may require management to make additional provisions for estimated loan losses based upon judgments different from those of management.

With respect to Acquired Loans, the Company follows the reserve standard set forth in ASC 310, *Receivables*. At acquisition, the Company reviews each loan to determine whether there is evidence of deterioration in credit quality since origination and if it is probable that the Company will be unable to collect all amounts due according to the loan s contractual terms. The Company considers expected prepayments and estimates the amount and timing of undiscounted expected principal, interest and other cash flows for each loan pool meeting the criteria above, and determines the excess of the loan pool s scheduled contractual principal and interest payments in excess of cash flows expected at acquisition as an amount that should not be accreted (nonaccretable difference). The remaining amount, representing the excess of the pool s cash flows expected to be collected over the fair value, is accreted into interest income over the remaining life of the pool (accretable yield). The Company records a discount on these loans at acquisition to record them at their estimated fair values. As a result, Acquired Loans subject to ASC 310 are excluded from the calculation of the allowance for loan losses as of the acquisition date.

Acquired Loans were recorded as of their acquisition date fair value, which was based on expected cash flows and included an estimation of expected future loan losses. Under current accounting principles, if the Company determines that losses arose after the acquisition date, the additional losses will be reflected as a provision for loan losses. As of December 31, 2016, $75,000 of our allowance for loan losses was allocated to Acquired Loans with deteriorated credit quality.

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

The following table presents the activity in the allowance for loan losses for the years indicated.

	For the Years Ended December 31,				
(dollars in thousands)	**2016**	**2015**	**2014**	**2013**	**2012**
Balance, beginning of year	$ 9,547	$ 7,760	$ 6,918	$ 5,319	$ 5,104
Provision charged to operations	3,200	2,071	2,364	3,653	2,411
Loans charged off:					
One- to four-family first mortgage	(33)	(104)	(213)	(112)	
Home equity loans and lines	(9)	(27)	(2)		(32)
Commercial real estate			(41)		(1,980)
Construction and land		(111)	(19)	(44)	(215)
Multi-family residential					
Commercial and industrial	(242)	(190)	(1,407)	(1,990)	(60)
Consumer	(162)	(130)	(32)	(9)	(38)
Recoveries on charged off loans	210	278	192	101	129
Balance, end of year	$ 12,511	$ 9,547	$ 7,760	$ 6,918	$ 5,319

At December 31, 2016, the Company s ratio of allowance for loan losses to total loans was 1.02%, compared to 0.78% at December 31, 2015. Excluding Acquired Loans, the ratio of allowance for loan losses to total originated loans was 1.38% at December 31, 2016, compared to 1.15% at December 31, 2015. The balance of loans to companies in the energy sector totaled $34.0 million, or 2.8%, of our outstanding loan portfolio at December 31, 2016. In addition to outstanding loans at December 31, 2016, we also had unfunded loan commitments to companies in the energy sector amounting to $6.7 million at such date. The Company remains in close contact with our energy company borrowers, and continues to monitor economic data to assess the potential indirect impact of low energy prices on our loan portfolio.

The following table presents the allocation of the allowance for loan losses as of December 31 of the years indicated.

	December 31,									
	2016		**2015**		**2014**		**2013**		**2012**	
(dollars in thousands)	**Amount**	**% Loans**	**Amount**	**% Loans**	**Amount**	**% Loans**	**Amount**	**% Loans**	**Amount**	**% Loans**
One- to four-family first mortgage	$ 1,511	27.9%	$ 1,464	30.3%	$ 1,310	24.4%	$ 1,088	23.3%	$ 982	24.8%
	728	7.2	760	7.8	553	6.2	424	5.7	343	6.0

Home equity loans and lines										
Commercial real estate	4,177	34.8	3,152	33.2	2,922	38.8	2,528	38.1	2,040	37.6
Construction and land	1,782	11.5	1,417	11.2	1,101	11.0	977	13.9	785	12.9
Multi-family	361	3.8	173	3.6	192	3.0	90	2.3	86	2.9
Commercial and industrial	3,439	11.4	2,010	10.2	1,161	11.5	1,338	11.0	683	10.7
Consumer	513	3.4	571	3.9	521	5.0	473	5.7	400	5.2
Total	$ 12,511	100.0%	$ 9,547	100.0%	$ 7,760	100.0%	$ 6,918	100.0%	$ 5,319	100.0%

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Investment Securities

The Company invests in securities pursuant to our Investment Policy, which has been approved by our Board of Directors. The Investment Policy is designed primarily to manage the interest rate sensitivity of our assets and liabilities, to generate a favorable return without incurring undue interest rate or credit risk and to provide and maintain liquidity. The Asset-Liability Committee (ALCO), comprised of the Chief Executive Officer, Chief Financial Officer, Chief Banking Officer, Chief Credit Officer, Director of Financial Management and Treasurer, monitors investment activity and ensures that investments are consistent with the Investment Policy. The Board of Directors of the Company reviews investment activity monthly.

The investment securities portfolio increased by an aggregate of $6.4 million, or 3.4%, during 2016. Securities available for sale made up 93.2% of the investment securities portfolio as of December 31, 2016. The following table sets forth the amortized cost and market value of our investment securities portfolio as of the dates indicated.

	December 31,					
	2016		2015		2014	
(dollars in thousands)	**Amortized Cost**	**Market Value**	**Amortized Cost**	**Market Value**	**Amortized Cost**	**Market Value**
Available for sale:						
U.S. agency mortgage-backed	$ 148,511	$ 148,225	$ 134,748	$ 135,478	$ 120,009	$ 121,498
Non-U.S. agency mortgage-backed	5,043	5,036	6,055	6,065	7,757	7,764
Municipal bonds	21,212	21,428	22,453	22,933	24,388	24,896
U.S. government agency	8,946	9,041	12,166	12,286	20,639	20,643
Total available for sale	183,712	183,730	175,422	176,762	172,793	174,801
Held to maturity:						
Municipal bonds	13,365	13,362	13,927	14,121	11,705	11,889
Total held to maturity	13,365	13,362	13,927	14,121	11,705	11,889
Total investment securities	$ 197,077	$ 197,092	$ 189,349	$ 190,883	$ 184,498	$ 186,690

The following table sets forth the fixed versus adjustable rate profile of the investment securities portfolio as of the dates indicated. All amounts are shown at amortized cost.

	December 31,		
(dollars in thousands)	**2016**	**2015**	**2014**
Fixed rate:			
Available for sale	$ 151,074	$ 133,700	$ 122,883
Held to maturity	13,365	13,927	11,705
Total fixed rate	164,439	147,627	134,588

Adjustable rate:			
Available for sale	32,638	41,722	49,910
Held to maturity			
Total adjustable rate	32,638	41,722	49,910
Total investment securities	$ 197,077	$ 189,349	$ 184,498

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The following table sets forth the amount of investment securities which mature during each of the periods indicated and the weighted average yields for each range of maturities as of December 31, 2016. No tax-exempt yields have been adjusted to a tax-equivalent basis. All amounts are shown at amortized cost.

	Amounts as of December 31, 2016 which mature in:				
(dollars in thousands)	One Year or Less	One Year to Five Years	Five to Ten Years	Over Ten Years	Total
Available for sale:					
U.S. agency mortgage-backed	$ 63	$ 4,426	$ 41,396	$ 102,626	$ 148,511
Non-U.S. agency mortgage-backed				5,043	5,043
Municipal bonds	1,876	9,925	8,651	760	21,212
U.S. government agency	999	4,993		2,954	8,946
Total available for sale	2,938	19,344	50,047	111,383	183,712
Weighted average yield	2.11%	2.05%	1.90%	1.97%	1.96%
Held to maturity:					
U.S. agency mortgage-backed					
Municipal bonds		2,723	7,900	2,742	13,365
Total held to maturity		2,723	7,900	2,742	13,365
Weighted average yield	%	1.36%	1.85%	1.46%	1.67%
Total investment securities	$ 2,938	$ 22,067	$ 57,947	$ 114,125	$ 197,077

The following table summarizes activity in the Company s investment securities portfolio during 2016.

(dollars in thousands)	Available for Sale	Held to Maturity
Balance, December 31, 2015	$ 176,762	$ 13,927
Purchases	47,076	
Sales		
Principal maturities, prepayments and calls	(37,458)	(235)
Amortization of premiums and accretion of discounts	(1,327)	(327)
Decrease in market value	(1,323)	
Balance, December 31, 2016	$ 183,730	$ 13,365

As of December 31, 2016, the Company had a net unrealized gain on its available for sale investment securities portfolio of $18,000, compared to $1.3 million as of December 31, 2015.

Funding Sources

General Deposits, loan repayments and prepayments, proceeds from investment securities sales, calls, maturities and paydowns, cash flows generated from operations and FHLB advances are our primary, ongoing sources of funds for use in lending, investing and for other general purposes.

Deposits The Company offers a variety of deposit accounts with a range of interest rates and terms. Our deposits consist of checking, both interest-bearing and noninterest-bearing, money market, savings and certificate of deposit accounts.

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The flow of deposits is influenced significantly by general economic conditions, changes in market interest rates and competition. Our deposits are obtained predominantly from the areas where our branch offices are located. We have historically relied primarily on a high level of customer service and long-standing relationships with customers to attract and retain deposits; however, market interest rates and rates offered by competitors significantly affect our ability to attract and retain deposits. The Company uses traditional means of advertising its deposit products, including broadcast and print media. The Company generally does not solicit deposits from outside our market area.

Total deposits were $1.2 billion as of December 31, 2016, an increase of $3.9 million, or 0.3%, compared to $1.2 billion as of December 31, 2015. The following table sets forth the composition of the Company s deposits as of the dates indicated.

	December 31,		Increase/(Decrease)	
(dollars in thousands)	**2016**	**2015**	**Amount**	**Percent**
Demand deposit	$ 296,519	$ 296,617	$ (98)	%
Savings	109,414	109,393	21	
Money market	264,784	293,637	(28,853)	(9.8)
NOW	305,092	267,707	37,385	14.0
Certificates of deposit	272,263	276,863	(4,600)	(1.7)
Total deposits	$ 1,248,072	$ 1,244,217	$ 3,855	0.3%

The following table shows the average balance and average rate paid for each type of deposit for the periods indicated.

	For the Years Ended December 31,								
	2016			2015			2014		
(dollars in thousands)	**Average Balance**	**Interest Expense**	**Average Rate Paid**	**Average Balance**	**Interest Expense**	**Average Rate Paid**	**Average Balance**	**Interest Expense**	**Average Rate Paid**
Savings, checking and money market	$ 672,444	$ 1,577	0.23%	$ 588,684	$ 1,331	0.23%	$ 491,832	$ 1,102	0.22%
Certificates of deposit	267,878	2,124	0.79	236,803	1,742	0.74	231,164	1,640	0.71
Total interest -bearing deposits	$ 940,322	$ 3,701	0.39%	$ 825,487	$ 3,073	0.37%	$ 722,996	$ 2,742	0.38%

Certificates of deposit in the amount of $100,000 and over increased $6.7 million, or 5.5%, from $121.3 million as of December 31, 2015 to $128.0 million as of December 31, 2016. The following table details the remaining maturity of large-denomination certificates of deposit of $100,000 and over as of the dates indicated.

	December 31,		
(dollars in thousands)	**2016**	**2015**	**2014**
3 months or less	$ 19,795	$ 22,913	$ 16,179
3 - 6 months	20,175	18,042	15,853

6 - 12 months	25,405	27,253	35,039
12 - 36 months	51,376	37,907	20,386
More than 36 months	11,212	15,198	8,568
Total certificates of deposit greater than $100,000	$ 127,963	$ 121,313	$ 96,025

Federal Home Loan Bank Advances Advances from the FHLB may be obtained by the Company upon the security of the common stock it owns in the FHLB and certain of its real estate loans and investment securities, provided certain standards related to creditworthiness have been met. Such advances are made pursuant to several credit programs, each of which has its own interest rate and range of maturities. Advances from the FHLB may be either short-term, maturities of one year or less, or long-term, maturities in excess of one year.

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Short-term FHLB advances totaled $40.0 million as of December 31, 2016, an increase of $61,000, or 0.2%, compared to $39.9 million as of December 31, 2015.

Long-term FHLB advances totaled $78.5 million as of December 31, 2016, a decrease of $6.7 million, or 7.8%, compared to $85.2 million as of December 31, 2015.

Shareholders Equity Shareholders equity provides a source of permanent funding, allows for future growth and provides the Company with a cushion to withstand unforeseen adverse developments. As of December 31, 2016, shareholders equity totaled $179.8 million, an increase of $14.8 million, or 9.0%, compared to $165.0 million as of December 31, 2015.

RESULTS OF OPERATIONS

The Company earned net income of $16.0 million in 2016, an increase of $3.5 million, or 27.6%, compared to 2015. The Company s net income of $12.6 million in 2015 was an increase of $2.7 million, or 27.1%, compared to 2014. Diluted earnings per share for 2016 were $2.25, an increase of 25.7% from 2015. Diluted earnings per share for 2015 were $1.79, an increase of 26.1% from 2014.

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. Our 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.

Net interest income totaled $62.4 million in 2016, an increase of $7.9 million, or 14.4%, compared to the $54.5 million in net interest income in 2015. The increase was due to a $9.3 million, or 15.9%, increase in interest income, which was partially offset by a $1.4 million, or 36.3%, increase in interest expense. The increases in 2016 compared to 2015 were primarily due to increases in average loans and deposits due to the full year impact of the Louisiana Bancorp acquisition.

In 2015, net interest income totaled $54.5 million, an increase of $3.5 million, or 6.9%, compared to the $51.0 million in net interest income in 2014. The increase was due to a $4.1 million, or 7.5%, increase in interest income, which was partially offset by a $582,000, or 17.7%, increase in interest expense. The increases in 2015 compared to 2014 were primarily due to increases in average loans and deposits driven by organic growth and acquired balances from Louisiana Bancorp in the third quarter of 2015.

The Company s net interest spread was 4.22%, 4.32% and 4.45% for the years ended December 31, 2016, 2015 and 2014, respectively. The Company s net interest margin, which is net interest income as a percentage of average interest-earning assets, was 4.34%, 4.43% and 4.54% during the years ended December 31, 2016, 2015 and 2014, respectively.

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The following table sets forth, for the periods indicated, information regarding (i) the total dollar amount of interest income to 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 (TE) yields have been calculated using a marginal tax rate of 35%.

	For the Years Ended December 31,								
	2016			2015			2014		
(dollars in thousands)	**Average Balance**	**Interest**	**Average Yield/ Rate**	**Average Balance**	**Interest**	**Average Yield/ Rate**	**Average Balance**	**Interest**	**Average Yield/ Rate**
Interest-earning assets:									
Loans receivable[1]	$ 1,225,690	$ 63,731	5.15%	$ 1,013,482	$ 54,466	5.33%	$ 891,401	$ 50,273	5.59%
Investment securities (TE)									
Taxable	152,426	3,002	1.97	154,102	3,032	1.97	155,480	3,149	2.03
Tax-exempt	34,168	675	3.04	36,249	712	3.02	36,621	737	3.10
Total investment securities	186,594	3,677	2.17	190,351	3,744	2.17	192,101	3,886	2.23
Other interest-earning assets	19,695	276	1.40	24,935	199	0.80	38,965	163	0.42
Total interest-earning assets (TE)	1,431,979	67,684	4.71	1,228,768	58,409	4.75	1,122,467	54,322	4.84
Noninterest-earning assets	109,761			109,258			111,643		
Total assets	$ 1,541,740			$ 1,338,026			$ 1,234,110		
Interest-bearing liabilities:									
Deposits:									
Savings, checking and money market	$ 672,444	$ 1,577	0.23%	$ 588,683	$ 1,331	0.23%	$ 491,832	$ 1,102	0.22%
Certificates of deposit	267,878	2,124	0.79	236,804	1,742	0.74	231,164	1,640	0.71
Total interest-bearing deposits	940,322	3,701	0.39	825,487	3,073	0.37	722,996	2,742	0.38
Securities sold under repurchase agreements				10,291	39	0.38	20,716	73	0.35
FHLB advances	125,653	1,567	1.24	62,677	753	1.20	94,531	468	0.49
	1,065,975	5,268	0.49	898,455	3,865	0.43	838,243	3,283	0.39

Total interest-bearing liabilities								
Noninterest-bearing liabilities	301,515			279,200			247,490		
Total liabilities	1,367,490			1,177,655			1,085,733		
Shareholders equity	174,250			160,371			148,377		
Total liabilities and shareholders equity	$ 1,541,740			$ 1,338,026			$ 1,234,110		
Net interest-earning assets	$ 366,004			$ 330,313			$ 284,224		
Net interest income; net interest spread (TE)		$ 62,416	4.22%		$ 54,544	4.32%		$ 51,039	4.45%
Net interest margin (TE)			4.34%			4.43%			4.54%

(1) Nonperforming loans are included in the respective average loan balances, net of deferred fees, discounts and loans in process. Acquired Loans were recorded at fair value upon acquisition and accrete interest income over the remaining life of the respective loans.

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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).

	2016 Compared to 2015 Change Attributable To			2015 Compared to 2014 Change Attributable To		
(dollars in thousands)	**Rate**	**Volume**	**Total Increase (Decrease)**	**Rate**	**Volume**	**Total Increase (Decrease)**
Interest income:						
Loans receivable	$ (1,855)	$ 11,120	$ 9,265	$ (1,511)	$ 5,704	$ 4,193
Investment securities	19	(86)	(67)	(107)	(35)	(142)
Other interest-earning assets	134	(57)	77	122	(86)	36
Total interest income	(1,702)	10,977	9,275	(1,496)	5,583	4,087
Interest expense:						
Savings, checking and money market accounts	44	203	247	9	220	229
Certificates of deposit	144	238	382	61	41	102
Securities sold under repurchase agreements		(39)	(39)	4	(38)	(34)
FHLB advances	39	774	813	(185)	470	285
Total interest expense	227	1,176	1,403	(111)	693	582
Increase (decrease) in net interest income	$ (1,929)	$ 9,801	$ 7,872	$ (1,385)	$ 4,890	$ 3,505

Interest income includes interest income earned on earning assets as well as applicable loan fees earned. Interest income that would have been earned on nonaccrual loans had they been on accrual status is not included in the data reported above.

Provision for Loan Losses - We have identified the evaluation of the allowance for loan losses as a critical accounting policy where amounts are sensitive to material variation. This policy is significantly affected by our judgment and uncertainties. There is likelihood that materially different amounts would be reported under different, but reasonably plausible, conditions or assumptions. Our activity in the provision for loan losses, which are charges or recoveries to operating results, is undertaken in order to maintain a level of total allowance for loan losses that management believes covers all known and inherent losses that are both probable and reasonably estimable as of each reporting date. Our evaluation process typically includes, among other things, an analysis of delinquency trends, non-performing loan trends, the level of charge-offs and recoveries, prior loss experience, total loans outstanding, the volume of loan originations, the type, size and geographic concentration of loans, the value of collateral securing the loan, the borrower s ability to repay and repayment performance, the number of loans requiring heightened management oversight, general economic conditions and industry experience. The OCC, as an integral part of its examination process, periodically reviews our allowance for loan losses. The OCC may require the Bank to make additional provisions for estimated loan losses based upon judgments different from those of management. As part of the risk management program, independent reviews are performed on the loan portfolio, which supplement management s assessment of the loan portfolio and the allowance for loan losses. The results of independent reviews are reported to the Audit Committee of the Board of Directors.

For the year ended December 31, 2016, the Company recorded a provision for loan losses of $3.2 million, compared to provisions of $2.1 million and $2.4 million for 2015 and 2014, respectively. The provision for 2016 primarily related to downgrades of credit quality recorded as a result of our internal loan review and classification policy, as well as organic loan growth. The provision for 2015 related primarily to organic loan growth and an 11 basis point increase, or $873,000, on originated loans based on our analysis of the risk elements in our loan portfolio, including market conditions and the effects on state and local economies of continued low energy

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prices. The provision for loan losses recorded during 2014 resulted primarily from a $1.3 million partial charge-off on a $1.7 million medical equipment loan relationship and organic loan growth. Net charge-offs were $237,000 for 2016, compared to $283,000 and $1.5 million for 2015 and 2014, respectively. Charge-offs during 2014 resulted primarily from a $1.3 million partial charge-off mentioned previously.

At December 31, 2016, the Company s ratio of allowance for loan losses to total loans was 1.02%, compared to 0.78% at December 31, 2015. Excluding Acquired Loans, the ratio of allowance for loan losses to total originated loans was 1.38% at December 31, 2016, compared to 1.15% at December 31, 2015. Over the past two years, the Company has increased the ratio of its overall allowance for loan losses to loans on originated loans from 1.04% at December 31, 2014 due primarily to the potential direct and indirect impact of continuing low energy prices on our borrowers.

Noninterest Income The following table illustrates the primary components of noninterest income for the years indicated.

(dollars in thousands)	**2016**	**2015**	**2016 vs 2015 Percent Increase (Decrease)**	**2014**	**2015 vs 2014 Percent Increase (Decrease)**
Noninterest income:					
Service fees and charges	$ 4,061	$ 3,938	3.1%	$ 3,747	5.1%
Bank card fees	2,603	2,413	7.9	2,178	10.8
Gain on sale of loans, net	1,770	1,528	15.8	1,212	26.1
Income from bank-owned life insurance	483	504	(4.2)	458	10.0
Gain on sale of securities, net		7	(100.0)	2	250.0
Gain (loss) on sale of assets, net	595	(491)	221.3		
Other income	1,645	871	88.9	578	50.7
Total noninterest income	$ 11,157	$ 8,770	27.2%	$ 8,175	7.3%

2016 compared to 2015

Noninterest income for 2016 totaled $11.2 million, an increase of $2.4 million, or 27.2%, compared to 2015. The increase was primarily the result of increases in gains on sale of assets (up $1.1 million due to a $641,000 gain on the sale of a banking center in 2016 compared to a $491,000 loss on the sale of property during 2015), other income (up $774,000 primarily due to recoveries on previously charged off Acquired Loans), gains on the sale of mortgage loans (up $243,000), bank card fees (up $190,000) and service fees and charges (up $123,000).

2015 compared to 2014

Noninterest income for 2015 totaled $8.8 million, an increase of $595,000, or 7.3%, compared to 2014. The increase was primarily the result of increases in gains on the sale of mortgage loans (up $316,000), bank card fees (up $235,000) and service fees and charges (up $191,000). The increases were due to increased activity and the acquisition of Louisiana Bancorp.

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Noninterest Expense The following table illustrates the primary components of noninterest expense for the years indicated.

(dollars in thousands)	2016	2015	2016 vs 2015 Percent Increase (Decrease)	2014	2015 vs 2014 Percent Increase (Decrease)
Noninterest expense:					
Compensation and benefits	$ 27,634	$ 25,036	10.4%	$ 24,387	2.7%
Occupancy	5,255	4,876	7.8	4,670	4.4
Marketing and advertising	1,063	486	118.7	919	(47.1)
Data processing and communication	4,967	4,045	22.8	4,431	(8.7)
Professional services	983	1,755	(44.0)	1,160	51.3
Forms, printing and supplies	623	597	4.4	662	(9.8)
Franchise and shares tax	821	650	26.3	574	13.2
Regulatory fees	1,317	1,122	17.4	1,067	5.2
Foreclosed assets, net	140	443	(68.4)	997	(55.6)
Other expenses	3,994	3,012	32.6	2,905	3.7
Total noninterest expense	$ 46,797	$ 42,022	11.4%	$ 41,772	0.6%

2016 compared to 2015

Noninterest expense for 2016 totaled $46.8 million, an increase of $4.8 million, or 11.4%, from 2015. Noninterest expense includes merger-related expenses related to the acquisition of Louisiana Bancorp of $856,000 and $1.4 million for the years ended December 31, 2016 and 2015, respectively. Excluding merger-related expenses, noninterest expense increased $5.3 million, or 13.1%, for the year ended December 31, 2016. The increase was primarily the result of higher compensation and benefits, data processing and communications, marketing and advertising and other expenses due primarily to the Company s growth.

2015 compared to 2014

Noninterest expense for 2015 totaled $42.0 million, an increase of $250,000, or 0.6%, from 2014. Noninterest expense includes merger-related expenses related to the acquisition of Louisiana Bancorp of $1.4 million for the year ended December 31, 2015 and $2.3 million for the year ended December 31, 2014 due to the Britton & Koontz acquisition. Excluding merger-related expenses, noninterest expense increased $1.1 million, or 2.9%, for the year ended December 31, 2015. The increase in noninterest expense was primarily the result of the addition of Louisiana Bancorp employees, its operation and facilities.

Income Taxes For the years ended December 31, 2016, 2015 and 2014, the Company incurred income tax expense of $7.6 million, $6.7 million and $5.2 million, respectively. The Company s effective tax rate amounted to 32.1%, 34.7% and 34.5% during 2016, 2015 and 2014, respectively. The difference between the effective tax rate and the statutory tax rate primarily related to variances in items that are non-taxable or non-deductible, primarily the effect of tax-exempt income and various tax credits taken. The lower effective tax rate for 2016 resulted from our adoption of ASU No. 2016-09, Compensation - Stock Compensation (Topic 718): Improvements to Employee Share-Based

Payment Accounting. This ASU simplified several aspects of share-based payment transactions, including the income tax consequences. Excess tax benefits and tax deficiencies are now recognized as income tax expense or benefit in the income statement in the period exercise or vesting occurs, whereas they were previously recognized as adjustments to additional paid-in capital. See Note 12 to the Consolidated Financial Statements for additional information concerning our income taxes.

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LIQUIDITY AND CAPITAL RESOURCES

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. We also maintain excess funds in short-term, interest-bearing assets that provide additional liquidity. As of December 31, 2016, our cash and cash equivalents totaled $29.3 million. In addition, as of such date, our available for sale investment securities totaled $183.7 million.

We use our 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. As of December 31, 2016, we had certificates of deposit maturing within the next 12 months totaling $151.5 million. Based upon historical experience, we anticipate that the majority of the maturing certificates of deposit will be redeposited with us in certificates of deposit or other deposit accounts.

In addition to cash flows from loan and securities payments and prepayments as well as from sales of available for sale securities, we have significant borrowing capacity available to fund liquidity needs. In recent years, we have utilized borrowings as a cost efficient addition to deposits as a source of funds. Our borrowings consist of advances from the FHLB, of which we are a member. Under terms of the collateral agreement with the FHLB, we may pledge residential mortgage loans and mortgage-backed securities as well as our stock in the FHLB as collateral for such advances. For the year ended December 31, 2016, the average balance of our outstanding FHLB advances was $125.7 million. As of December 31, 2016, we had $118.5 million in outstanding FHLB advances and $494.9 million in additional FHLB advances available to us.

Liquidity management is both a daily and long-term function of business management. Excess liquidity is generally invested in short-term investments such as overnight deposits. On a longer-term basis, the Company maintains a strategy of investing in various lending and investment security products. The Company uses its sources of funds primarily to meet its ongoing commitments and fund loan commitments. The Company has been able to generate sufficient cash through its deposits, as well as borrowings, and anticipates it will continue to have sufficient funds to meet its liquidity requirements.

ASSET/ LIABILITY MANAGEMENT AND MARKET RISK

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 is also monitored by management through the use of models which generate 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 December 31, 2016.

Shift in Interest Rates

(in bps)	% Change in Projected Net Interest Income
+300	0.1%
+200	0.3
+100	0.3

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 interest-earning assets and maintain a desired mix of interest-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.

Market risk is the risk of loss from adverse changes in market prices and rates. Our market risk arises primarily from the interest rate risk which is inherent in our lending and deposit taking activities. To that end, management actively monitors and manages interest rate risk exposure. In addition to market risk, our primary risk is credit risk on our loan portfolio. We attempt to manage credit risk through our loan underwriting and oversight policies.

The principal objective of our interest rate risk management function is to evaluate the interest rate risk embedded in certain balance sheet accounts, determine the level of risk appropriate given our business strategy, operating environment, capital and liquidity requirements, performance objectives and interest rate environment and manage the risk consistent with approved guidelines. We seek to manage our exposure to risks from changes in interest rates while at the same time trying to improve our net interest spread. We monitor interest rate risk as such risk relates to our operating strategies. We have established an Asset/Liability Committee (ALCO), which is comprised of our Chief Executive Officer, Chief Financial Officer, Chief Banking Officer, Chief Credit Officer, Chief Operating Officer, Director of Financial Management and Treasurer. ALCO is responsible for reviewing our asset/liability and investment policies and interest rate risk position. ALCO meets at least monthly. The extent of the movement of interest rates is an uncertainty that could have a negative impact on future earnings.

In recent years, we primarily have utilized the following strategies in our efforts to manage interest rate risk:

- we have increased our originations of shorter term loans, particularly commercial real estate and commercial and industrial loans;
- we generally sell our conforming long-term (30-year) fixed-rate single-family residential mortgage loans into the secondary market; and
- we have invested in securities, consisting primarily of mortgage-backed securities and collateral mortgage obligations, with relatively short average lives, generally three to five years, and we maintain adequate amounts of liquid assets.

OFF-BALANCE SHEET ACTIVITIES

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. The Company s exposure to credit losses from these financial instruments is represented by their contractual amounts.

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 the undisbursed portion of construction loans as of December 31 of the years indicated.

	Contract Amount	
(dollars in thousands)	**2016**	**2015**

Standby letters of credit	$ 5,233	$ 3,764
Available portion of lines of credit	141,968	127,393
Undisbursed portion of loans in process	62,791	73,699
Commitments to originate loans	98,714	89,653

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.

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Unfunded commitments under commercial lines-of-credit and revolving credit lines 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 position or results of operations of the Company.

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 the undisbursed portion of construction loans as of December 31, 2016.

(dollars in thousands)	**Less Than One Year**	**One to Three Years**	**Three to Five Years**	**Over Five Years**	**Total**
Unused commercial lines of credit	$ 59,853	$ 13,512	$ 530	$	$ 73,895
Unused personal lines of credit	3,641	6,866	4,776	52,790	68,073
Undisbursed portion of loans in process	51,838	7,287	3,543	123	62,791
Commitments to originate loans	98,714				98,714
Standby letters of credit	4,513	600	120		5,233
Total	$ 218,559	$ 28,265	$ 8,969	$ 52,913	$ 308,706

The Company has utilized leasing arrangements to support the ongoing activities of the Company. The required payments under such commitments and other contractual cash commitments as of December 31, 2016 are shown in the following table.

(dollars in thousands)	**2017**	**2018**	**2019**	**2020**	**2021**	**Thereafter**	**Total**
Operating leases	$ 179	$ 179	$ 134	$ 101	$ 100	$ 638	$ 1,331
Certificates of deposit	151,474	78,337	17,779	8,777	12,435	3,461	272,263
Long-term FHLB advances	22,788	6,000	12,563	31,830	848	4,504	78,533
Total	$ 174,441	$ 84,516	$ 30,476	$ 40,708	$ 13,383	$ 8,603	$ 352,127

IMPACT OF INFLATION AND CHANGING PRICES

The financial statements, accompanying notes and related financial data of the Company presented herein have been prepared in accordance with GAAP, which require the measurement of financial position and operating results in terms of historical dollars without considering the changes in purchasing power of money over time due to inflation. The impact of inflation is reflected in the increased cost of operations. Most of our assets and liabilities are monetary in nature; therefore, the impact of interest rates has a greater impact on its performance than the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or to the same extent as the prices of goods and services.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk.

The information contained in the section captioned Management s Discussion and Analysis of Financial Condition and Results of Operations Asset/Liability Management and Market Risk in Item 7 hereof is incorporated herein by reference.

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Item 8. Financial Statements and Supplementary Data.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Shareholders

Home Bancorp, Inc.

Lafayette, Louisiana

We have audited the accompanying consolidated statements of financial condition of Home Bancorp, Inc. and subsidiary (the Company) as of December 31, 2016 and 2015, and the related consolidated statements of income, comprehensive income, changes in shareholders equity, and cash flows for each of the three years in the period ended December 31, 2016. We also have examined the internal control over financial reporting of the Company as of December 31, 2016, based on criteria established in Internal Control Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013. The Company s management is responsible for these financial statements, for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting included in the accompanying Management s Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on these financial statements and an opinion on the Company s internal control over financial reporting based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement and whether effective internal control over financial reporting was maintained in all material respects. Our audits of the financial statements included examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and those charged with governance; and (c) provide reasonable assurance regarding prevention, or timely detection and correction, of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

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Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2016 and 2015, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2016, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2016, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission in 2013.

/s/ Porter Keadle Moore, LLC

Atlanta, Georgia

March 14, 2017

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	December 31, 2016	December 31, 2015
Assets		
Cash and cash equivalents	$ 29,314,741	$ 24,797,599
Interest-bearing deposits in banks	1,884,000	5,143,585
Investment securities available for sale, at fair value	183,729,857	176,762,200
Investment securities held to maturity (fair values of $13,362,062 and $14,120,842, respectively)	13,365,479	13,926,861
Mortgage loans held for sale	4,156,186	5,651,250
Loans, net of unearned income	1,227,833,309	1,224,365,916
Allowance for loan losses	(12,510,708)	(9,547,487)
Total loans, net of unearned income and allowance for loan losses	1,215,322,601	1,214,818,429
Office properties and equipment, net	39,566,639	40,815,744
Cash surrender value of bank-owned life insurance	20,149,553	19,666,900
Accrued interest receivable and other assets	49,242,977	50,329,032
Total Assets	$ 1,556,732,033	$ 1,551,911,600
Liabilities		
Deposits:		
Noninterest-bearing	$ 296,519,496	$ 296,616,693
Interest-bearing	951,552,957	947,599,823
Total deposits	1,248,072,453	1,244,216,516
Short-term Federal Home Loan Bank advances	40,000,000	39,939,375
Long-term Federal Home Loan Bank advances	78,533,173	85,213,222
Accrued interest payable and other liabilities	10,283,383	17,496,133
Total Liabilities	1,376,889,009	1,386,865,246
Shareholders Equity		
Preferred stock, $0.01 par value - 10,000,000 shares authorized; none issued		
Common stock, $0.01 par value - 40,000,000 shares authorized; 7,350,102 and 7,239,821 shares issued and outstanding	73,502	72,399
Additional paid-in capital	79,425,604	76,948,914
Unallocated common stock held by:		
Employee Stock Ownership Plan (ESOP)	(4,195,590)	(4,552,670)
Recognition and Retention Plan (RRP)	(119,633)	(158,590)
Retained earnings	104,647,375	91,864,543
Accumulated other comprehensive income	11,766	871,758

Total Shareholders Equity	179,843,024	165,046,354
Total Liabilities and Shareholders Equity	$ 1,556,732,033	$ 1,551,911,600

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME

	Years Ended December 31,		
	2016	**2015**	**2014**
Interest Income			
Loans, including fees	$ 63,731,508	$ 54,466,025	$ 50,273,076
Investment securities:			
Taxable interest	3,001,887	3,031,381	3,146,187
Tax-exempt interest	674,695	712,602	740,333
Other investments and deposits	276,224	199,646	162,965
Total interest income	67,684,314	58,409,654	54,322,561
Interest Expense			
Deposits	3,701,244	3,072,725	2,742,106
Securities sold under repurchase agreements		39,126	72,986
Short-term Federal Home Loan Bank advances	188,425	51,406	125,021
Long-term Federal Home Loan Bank advances	1,378,702	702,136	343,306
Total interest expense	5,268,371	3,865,393	3,283,419
Net interest income	62,415,943	54,544,261	51,039,142
Provision for loan losses	3,200,000	2,070,894	2,364,358
Net interest income after provision for loan losses	59,215,943	52,473,367	48,674,784
Noninterest Income			
Service fees and charges	4,060,906	3,937,797	3,746,580
Bank card fees	2,603,075	2,413,459	2,178,194
Gain on sale of loans, net	1,770,249	1,527,721	1,212,157
Income from bank-owned life insurance	482,653	503,790	458,163
Gain on sale of securities, net		7,279	1,826
Gain (loss) on sale of assets, net	595,523	(491,109)	
Other income	1,644,758	870,581	577,858
Total noninterest income	11,157,164	8,769,518	8,174,778
Noninterest Expense			
Compensation and benefits	27,633,636	25,035,862	24,386,501
Occupancy	5,254,889	4,875,945	4,670,318
Marketing and advertising	1,062,935	486,341	919,483
Data processing and communication	4,967,028	4,044,553	4,430,519
Professional services	983,445	1,755,286	1,159,814
Forms, printing and supplies	623,495	596,748	662,074

Franchise and shares tax	820,774	650,461	574,060
Regulatory fees	1,317,015	1,122,254	1,066,999
Foreclosed assets, net	139,578	443,228	996,633
Other expenses	3,994,022	3,011,747	2,905,191
Total noninterest expense	46,796,817	42,022,425	41,771,592
Income before income tax expense	23,576,290	19,220,460	15,077,970
Income tax expense	7,567,954	6,670,559	5,206,383
Net Income	$ 16,008,336	$ 12,549,901	$ 9,871,587
Earnings per share:			
Basic	$ 2.34	$ 1.87	$ 1.51
Diluted	$ 2.25	$ 1.79	$ 1.42
Cash dividends declared per common share	$ 0.41	$ 0.30	$ 0.07

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	For the Years Ended December 31,		
	2016	**2015**	**2014**
Net Income	$ 16,008,336	$ 12,549,901	$ 9,871,587
Other Comprehensive (Loss) Income			
Unrealized (losses) gains on investment securities	(1,323,064)	(659,057)	1,709,151
Reclassification adjustment for gains included in net income		(7,279)	(1,826)
Tax effect	463,072	233,218	(597,564)
Other comprehensive (loss) income, net of taxes	(859,992)	(433,118)	1,109,761
Comprehensive Income	$ 15,148,344	$ 12,116,783	$ 10,981,348

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY

	Common Stock	Additional Paid-in Capital	Treasury Stock	Unallocated Common Stock Held by ESOP	Unallocated Common Stock Held by RRP	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	
ecember 31, 2013	$ 89,585	$ 92,192,410	$ (28,011,398)	$ (5,266,830)	$ (1,018,497)	$ 83,729,144	$ 195,115	$ 14
						9,871,587		
orehensive income							1,109,761	
f Company s common t, 26,222 shares			(561,493)					
ends declared, hare						(498,816)		
stock options	503	580,585						
released for allocation		(584,015)			815,907			
es released for allocation		447,496		357,080				
d compensation cost		695,632						
ecember 31, 2014	$ 90,088	$ 93,332,108	$ (28,572,891)	$ (4,909,750)	$ (202,590)	$ 93,101,915	$ 1,304,876	$ 15
						12,549,901		1
orehensive income							(433,118)	
f Company s common t, 155,218 shares			(3,465,959)					(
ation of treasury stock na law[1]	(20,405)	(20,393,258)	32,038,850			(11,625,187)		
ends declared, $0.30 per						(2,162,086)		(
stock options	2,716	3,279,481						
released for allocation		(32,106)			44,000			
es released for allocation		641,576		357,080				
d compensation cost		121,113						
ecember 31, 2015	$ 72,399	$ 76,948,914	$	$ (4,552,670)	$ (158,590)	$ 91,864,543	$ 871,758	$ 16
						16,008,336		1
orehensive income							(859,992)	
f Company s common t, 12,826 shares	(128)	(128,501)				(228,686)		
ends declared, $0.41 per						(2,987,597)		(

tock issued under ans, net of shares in payment, ax benefit, 3,877 shares	39	3,442				(9,221)		
stock options	1,192	1,414,744						
released for allocation		(25,992)			38,957			
es released for allocation		842,631		357,080				
d compensation cost		370,366						
ecember 31, 2016	$ 73,502	$ 79,425,604	$	$ (4,195,590)	$ (119,633)	$ 104,647,375	$ 11,766	$ 17

(1) See Note 2 for details on the Louisiana Business Corporation Act.

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2016	2015	2014
Cash flows from operating activities, net of effects of acquisitions:			
Net income	$ 16,008,336	$ 12,549,901	$ 9,871,587
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	3,200,000	2,070,894	2,364,358
Depreciation	1,794,714	1,807,480	1,737,579
Amortization and accretion of purchase accounting valuations and intangibles	3,256,194	4,045,736	8,650,398
Net amortization of mortgage servicing asset	254,077	180,364	160,071
Federal Home Loan Bank stock dividends	(86,600)	(12,800)	(18,800)
Net amortization of discount on investments	1,652,856	1,530,144	1,327,352
Gain on sale of investment securities, net		(7,279)	(1,826)
Gain on loans sold, net	(1,770,249)	(1,527,721)	(1,212,157)
Proceeds, including principal payments, from loans held for sale	179,638,804	153,954,728	113,074,911
Originations of loans held for sale	(176,373,491)	(153,561,422)	(112,793,674)
Non-cash compensation	1,570,077	1,119,769	1,451,883
Deferred income tax (benefit) expense	(321,490)	630,864	516,456
(Increase) decrease in accrued interest receivable and other assets	(588,526)	8,905,751	7,688,608
Increase in cash surrender value of bank-owned life insurance	(482,653)	(503,790)	(458,163)
(Increase) decrease in accrued interest payable and other liabilities	(7,264,364)	4,982,769	(4,458,388)
Net cash provided by operating activities	20,487,685	36,165,388	27,900,195
Cash flows from investing activities, net of effects of acquisitions:			
Purchases of securities available for sale	(47,075,669)	(18,713,312)	(22,810,016)
Purchases of securities held to maturity		(2,927,988)	(3,000,747)
Proceeds from maturities, prepayments and calls on securities available for sale	37,458,473	30,094,652	29,337,106
Proceeds from maturities, prepayments and calls on securities held to maturity	235,000	400,000	466,470
Proceeds from sales on securities available for sale		21,194,622	66,905,382
Increase in loans, net	(7,061,612)	(41,104,084)	(57,637,109)
Reimbursement from FDIC for covered assets	51,128	403,865	837,396

Decrease in interest-bearing deposits in banks	3,259,585	863,700	1,237,000
Proceeds from sale of repossessed assets	1,410,569	5,378,286	6,771,868
Purchases of office properties and equipment	(4,112,610)	(828,723)	(3,304,837)
Proceeds from sale of office properties and equipment	4,335,095	2,016,239	60,480
Net cash disbursed in business combinations		(56,404,340)	(22,995,649)
Purchases of Federal Home Loan Bank stock		(4,751,000)	(3,024,600)
Proceeds from redemption of Federal Home Loan Bank stock		2,444,900	5,360,300
Net cash used in investing activities	(11,500,041)	(61,933,183)	(1,796,956)
Cash flows from financing activities, net of effects of acquisitions:			
Increase in deposits	3,943,483	42,055,227	35,778,663
Borrowings on Federal Home Loan Bank advances	2,642,250,000	4,931,772,337	13,972,850,000
Repayments of Federal Home Loan Bank advances	(2,648,729,269)	(4,929,994,229)	(14,031,499,000)
Decrease in securitites sold under repurchase agreements		(20,000,000)	(6,314,674)
Proceeds from exercise of stock options	1,415,936	3,282,197	581,088
Issuance of stock under incentive plans	(5,740)		
Dividends paid to shareholders	(2,987,597)	(2,162,086)	(498,816)
Purchase of Company s common stock	(357,315)	(3,465,959)	(561,493)
Net cash provided (used in) by financing activities	(4,470,502)	21,487,487	(29,664,232)
Net change in cash and cash equivalents	4,517,142	(4,280,308)	(3,560,993)
Cash and cash equivalents at beginning of year	24,797,599	29,077,907	32,638,900
Cash and cash equivalents at end of year	$ 29,314,741	$ 24,797,599	$ 29,077,907
Supplementary cash flow information:			
Interest paid on deposits and borrowed funds	$ 5,207,346	$ 3,844,807	$ 3,524,374
Income taxes paid	7,913,000	3,702,500	5,140,000
Noncash investing and financing activities:			
Transfer of loans to repossessed assets	$ 1,885,180	$ 3,073,326	$ 8,062,009
Assets acquired and liabilities assumed in acquisitions:			
Assets acquired in acquisitions		351,138,388	298,929,990
Liablities assumed in acquisitions		291,313,436	264,457,929

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

HOME BANCORP, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Description of Business

Home Bancorp, Inc., a Louisiana Corporation (Company), was organized by Home Bank (a federally chartered savings bank and the predecessor of Home Bank, N.A.) (Bank) in May 2008 to facilitate the conversion of the Bank from the mutual to the stock form (Conversion) of ownership. The Conversion was completed on October 2, 2008, at which time the Company became the holding company for the Bank, with the Company owning all of the issued and outstanding shares of the Bank s common stock. The Company and Bank are headquartered in Lafayette, Louisiana. As of December 31, 2016, the Company was a bank holding company.

As of December 31, 2016, Home Bank, N.A. was a nationally chartered bank. The Bank was originally chartered in 1908 as a Louisiana state chartered savings association. The Bank converted to a federal mutual savings bank charter in 1993.

In 2010, the Bank expanded into the Northshore (of Lake Pontchartrain) region through a Federal Deposit Insurance Corporation (FDIC) assisted acquisition of certain assets and liabilities of the former Statewide Bank (Statewide). In July 2011, the Bank expanded into the Greater New Orleans region through its acquisition of GS Financial Corporation (GSFC), the former holding company of Guaranty Savings Bank (Guaranty). In February 2014, the Bank expanded into west Mississippi through its acquisition of Britton & Koontz Capital Corporation (Britton & Koontz), the holding company for Britton & Koontz Bank, N.A. (Britton & Koontz Bank) of Natchez, Mississippi. In September 2015, the Bank expanded its existing presence in the Greater New Orleans region through the acquisition of Louisiana Bancorp, Inc. (Louisiana Bancorp), the former holding company of Bank of New Orleans (BNO) of Metairie, Louisiana. As of December 31, 2016, the Bank conducted business from 29 banking offices in the Greater Lafayette, Northshore, Baton Rouge and Greater New Orleans regions of south Louisiana and west Mississippi.

The Bank is primarily engaged in attracting deposits from the general public and using those funds to invest in loans and investment securities. The Bank s principal sources of funds are customer deposits, repayments of loans, repayments of investments and funds borrowed from outside sources such as the Federal Home Loan Bank (FHLB) of Dallas. The Bank derives its income principally from interest earned on loans and investment securities and, to a lesser extent, from fees received in connection with the origination of loans, service charges on deposit accounts and for other services. The Bank s primary expenses are interest expense on deposits and borrowings and general operating expenses.

The Bank s primary regulator is the Office of the Comptroller of the Currency (OCC). Its deposits are insured to the maximum amount permissible under federal law by the FDIC. In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) was passed by Congress. The Dodd-Frank Act, among other things, imposed new restrictions and an expanded framework of regulatory oversight for financial institutions and their holding companies, including the Bank and the Company. The Dodd-Frank Act also created the Consumer Financial Protection Bureau (CFPB) that has the authority to promulgate rules intended to protect consumers in the financial products and services market. Because many of the regulations under the new law have not been promulgated, we cannot determine the full impact on our business and operations at this time.

2. Summary of Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the Bank. All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Material estimates that are particularly susceptible to significant change in the near term include, but are not limited to, the determination of the allowance for loan losses, income taxes, valuation of investments with other-than-temporary impairment, acquisition accounting valuations and valuation of share-based compensation.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, due from banks and interest-bearing deposits with the FHLB. The Company considers all highly liquid debt instruments with original maturities of three months or less (excluding interest-bearing deposits in banks) to be cash equivalents.

The Bank is required to maintain cash reserves with the Federal Reserve Bank. The requirement is dependent upon the Bank s cash on hand or noninterest-bearing balances. There was no reserve requirement as of December 31, 2016 and 2015. The Bank was in compliance with reserve requirements at such dates.

Investment Securities

The Company follows the guidance under the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, *Investments Debt and Equity Securities*. This standard addresses the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities. Under the topic, investment securities, which the Company both positively intends and has the ability to hold to maturity, are classified as held to maturity and carried at amortized cost.

Investment securities that are acquired with the intention of being resold in the near term are classified as trading securities under ASC 320 and are carried at fair value, with unrealized holding gains and losses recognized in current earnings. The Company did not hold any securities for trading purposes at, or during the years ended, December 31, 2016 or 2015.

Securities not meeting the criteria of either trading securities or held to maturity are classified as available for sale and are carried at fair value. Unrealized holding gains and losses for these securities are recognized, net of related income tax effects in the Consolidated Statements of Comprehensive Income.

Interest income earned on securities either held to maturity or available for sale is included in current earnings, including the amortization of premiums and the accretion of discounts using the interest method. Premiums and discounts are amortized or accreted over the life of the related security as an adjustment to the yield. The gain or loss realized on the sale of securities classified as available for sale or held to maturity, as determined using the specific identification method for determining the cost of the securities sold, is computed with reference to its amortized cost and is also included in current earnings.

The Company reviews investment securities for other-than-temporary impairment quarterly. Impairment is considered to be other-than-temporary if it is likely that all amounts contractually due will not be received for debt securities and when there is no positive evidence indicating that an investment s carrying amount is recoverable in the near term for equity securities. When a decline in the fair value of available for sale and held to maturity securities below cost is deemed to be credit related, a charge for other-than-temporary impairment is included in earnings as Other-than-temporary impairment of securities . The decline in fair value attributed to non-credit related factors is recognized in other comprehensive income and a new cost basis for the security is established. The new cost basis is not changed for subsequent recoveries in fair value. Increases and decreases between fair value and cost on available for sale securities are reflected in the Consolidated Statements of Comprehensive Income. In evaluating whether impairment is temporary or other-than-temporary, the Company considers, among other things, the time period the security has been in an unrealized loss position; the financial condition of the issuer and its industry; recommendations of investment advisors; economic forecasts; market or industry trends; changes in tax laws, regulations, or other governmental policies significantly affecting the issuer;

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any downgrades from rating agencies; and any reduction or elimination of dividends. The Company s intent and ability to hold a security for a period of time sufficient to allow for any anticipated recovery in fair value is also considered.

Loans Held for Sale

The Company sells mortgage loans and loan participations for an amount equal to the principal amount of loans or participations with yields to investors based upon current market rates. Realized gains and losses related to loan sales are included in noninterest income.

The Company allocates the cost to acquire or originate a mortgage loan between the loan and the right to service the loan if it intends to sell or securitize the loan and retain servicing rights. In addition, the Company periodically assesses capitalized mortgage servicing rights for impairment based on the fair value of such rights. To the extent that temporary impairment exists, write-downs are recognized in current earnings as an adjustment to the corresponding valuation allowance. Permanent impairment is recognized through a write-down of the asset with a corresponding reduction in the valuation allowance. For purposes of performing its impairment evaluation, the portfolio is stratified on the basis of certain risk characteristics, including loan type and interest rates. Capitalized servicing rights are amortized over the period of, and in proportion to, estimated net servicing income, which considers appropriate prepayment assumptions.

For financial reporting purposes, the Company classifies a portion of its loans as Mortgage loans held for sale . Included in this category are loans which the Company has the current intent to sell and loans which are available to be sold in the event that the Company determines that loans should be sold to support the Company s investment and liquidity objectives, as well as to support its overall asset and liability management strategies. Loans included in this category for which the Company has the current intention to sell are recorded at the lower of aggregate cost or fair value. As of December 31, 2016 and 2015, the Company had $4,156,000 and $5,651,000, respectively, in loans classified as Mortgage loans held for sale.

As of December 31, 2016 and 2015 the Company had $188,103,000 and $226,379,000, respectively, outstanding in loans sold to government agencies that it was servicing through a third party.

Loans

The following describes the distinction between originated and Acquired Loans and certain significant accounting policies relevant to each category.

Originated Loans

Loans are carried net of discounts on loan originations are amortized using the level yield interest method over the remaining contractual life of the loan. Nonrefundable loan origination fees, net of direct loan origination costs, are deferred and recognized over the life of the loan as an adjustment of yield using the interest method.

Interest on loans receivable is accrued as earned using the interest method over the life of the loan. Interest on loans deemed uncollectible is excluded from income. The accrual of interest is discontinued and reversed against current income once loans become more than 90 days past due or earlier if conditions warrant. The past due status of loans is determined based on the contractual terms. When a loan is placed on nonaccrual status, previously accrued and uncollected interest is charged against interest income on loans. Interest payments are applied to reduce the principal balance on nonaccrual loans. Loans are returned to accrual status when all past due payments are received in full and future payments are probable.

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 being deemed a criticized or classified loan, updated valuations may be ordered to help determine if there is impairment, which may lead to a recommendation for partial charge off or appropriate allowance allocation. Property valuations are ordered through, and reviewed by, the Company s Appraisal and Review Department. The Company typically orders an as is valuation for collateral property if the loan is in a criticized loan classification.

Loans, or portions of loans, are charged off in the period that such loans, or portions thereof, are deemed uncollectible. The collectability of individual loans is determined through an estimate of the fair value of the underlying collateral and/or assessment of the financial condition and repayment capacity of the borrower.

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Acquired Loans

Acquired Loans at December 31, 2016 and 2015 are those associated with our acquisitions of Statewide, GSFC, Britton & Koontz and Louisiana Bancorp. These loans were recorded at estimated fair value at the acquisition date with no carryover of the related allowance for loan losses. The Acquired Loans were segregated between those considered to be performing (acquired performing) and those with evidence of credit deterioration (acquired impaired), and then further segregated into loan pools designed to facilitate the development of expected cash flows. The fair value estimate for each pool of acquired performing and acquired impaired loans was based on the estimate of expected cash flows, both principal and interest, from that pool, discounted at prevailing market interest rates.

The difference between the fair value of an acquired performing loan pool and the contractual amounts due at the acquisition date (the fair value discount) is accreted into income over the estimated life of the pool. Management estimates an allowance for loan losses for acquired performing loans using a methodology similar to that used for originated loans. The allowance determined for each loan pool is compared to the remaining fair value discount for that pool. If the allowance amount calculated under the Company s methodology is greater than the Company s remaining discount, the additional amount called for is added to the reported allowance through a provision for loan losses. If the allowance amount calculated under the Company s methodology is less than the Company s recorded discount, no additional allowance or provision is recognized. Actual losses first reduce any remaining fair value discount for the loan pool. Once the discount is fully depleted, losses are applied against the allowance established for that pool. Acquired performing loans are placed on nonaccrual status and considered and reported as nonperforming or past due using the same criteria applied to the originated portfolio.

The excess of cash flows expected to be collected from an acquired impaired loan pool over the pool s estimated fair value at acquisition is referred to as the accretable yield and is recognized in interest income using an effective yield method over the remaining life of the pool. Each pool of acquired impaired loans is accounted for as a single asset with a single composite interest rate and an aggregate expectation of cash flows.

Management recasts the estimate of cash flows expected to be collected on each acquired impaired loan pool periodically. If the present value of expected cash flows for a pool is less than its carrying value, an impairment is recognized by an increase in the allowance for loan losses and a charge to the provision for loan losses. If the present value of expected cash flows for a pool is greater than its carrying value, any previously established allowance for loan losses is reversed and any remaining difference increases the accretable yield which will be taken into interest income over the remaining life of the loan pool. Acquired impaired loans are generally not subject to individual evaluation for impairment and are not reported with impaired loans, even if they would otherwise qualify for such treatment.

Certain loans purchased in the Statewide acquisition are covered by loss sharing agreements between the FDIC and the Company. Historically, the Company has referred to loans subject to loss share agreements with the FDIC as covered loans. However, in March 2015, a significant portion of the loss sharing agreements had expired and any future losses on these formerly covered loans are no longer eligible for reimbursement from the FDIC. As of December 31, 2016, only residential mortgage loans acquired from Statewide remained subject to loss sharing agreements with the FDIC. The Company s remaining loans subject to loss sharing agreements with the FDIC amounted to approximately $2.8 million, or less than 0.2% of the Company s total loan portfolio at such date. Given the limited amount of covered loans remaining, the Company is no longer reporting such loans as covered loans, and they are included in Acquired Loans.

Allowance for Loan Losses

The allowance for loan losses on loans in our portfolio is maintained at an amount which management believes covers the reasonably estimable and probable losses on such portfolio. The allowance for loan losses is comprised of specific and general reserves. The Company determines specific reserves based on the provisions of ASC 310, *Receivables*. The Company s allowance for loan losses includes a measure of impairment related to those loans specifically identified for evaluation under the topic. This measurement is based on a comparison of the recorded investment in the loan with either the expected cash flows discounted using the loan s original

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effective interest rate, observable market price for the loan or the fair value of the collateral underlying certain collateral-dependent loans. General reserves are based on management s evaluation of many factors, including current economic trends, industry experience, historical loss experience (generally three years), industry loan concentrations, the borrowers abilities to repay and repayment performance, probability of foreclosure and estimated collateral values. As these factors change, adjustments to the allowance for loan losses are charged to current operations. Loans that are determined to be uncollectible are charged-off against the allowance for loan losses once that determination is made.

While management uses available information to make loan loss allowance evaluations, adjustments to the allowance may be necessary based on changes in economic and other conditions or changes in accounting guidance. The OCC, as an integral part of its examination processes, periodically reviews the allowance for loan losses. The OCC may require the recognition of adjustments to the allowance for loan losses based on its judgment of information available to it as of the time of its examinations. To the extent the OCC s estimates differ from management s estimates, additional provisions to the allowance for loan losses may be required as of the time of its examination. As part of the risk management program, an independent review is performed on the loan portfolio, which supplements management s assessment of the loan portfolio and the allowance for loan losses. The result of the independent review is reported directly to the Audit Committee of the Board of Directors.

Repossessed Assets

Repossessed assets are recorded at fair value less estimated selling costs at the date acquired or upon receiving new property valuations. Costs relating to the development and improvement of foreclosed property are capitalized, and costs relating to holding and maintaining the property are expensed. Write-downs from cost to fair value at the dates of foreclosure are charged against the allowance for loan losses. Valuations are performed periodically and a charge to operations is recorded if the carrying value of a property exceeds its fair value less selling costs. Generally, the Company appraises the property at the time of foreclosure and at least every 12 months following the foreclosure. The Company had $2,893,000 and $3,128,000 of repossessed assets as of December 31, 2016 and 2015, respectively. Repossessed Assets are recorded in accrued interest receivable and other assets on the Consolidated Statements of Financial Condition.

Federal Home Loan Bank Stock

As a member of the FHLB, the Bank is required to maintain a minimum investment in its stock that varies with the level of FHLB advances outstanding. The stock is bought from and sold to the FHLB based upon its $100 par value. The stock does not have a readily determinable fair value and as such is classified as restricted stock, carried at cost and evaluated for impairment in accordance with GAAP. The stock s value is determined by the ultimate recoverability of the par value rather than by recognizing temporary declines. The determination of whether the par value will ultimately be recovered is influenced by criteria such as: (a) the significance of the decline in net assets of the FHLB as compared to the capital stock amount and the length of time this situation has persisted, (b) commitments by the FHLB to make payments required by law or regulation and the level of such payments in relation to the operating performance, (c) the impact of legislative and regulatory changes on the customer base of the FHLB and (d) the liquidity position of the FHLB.

Office Properties and Equipment

Office properties and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method with rates based on the estimated useful lives of the individual assets, which range from 3 to 40 years. Expenditures which substantially increase the useful lives of existing property and equipment are capitalized while routine expenditures for repairs and maintenance are expensed as incurred.

Cash Surrender Value of Bank-owned Life Insurance

Life insurance contracts represent single premium life insurance contracts on the lives of certain officers of the Bank. The Bank is the beneficiary of these policies. These contracts are reported at their cash surrender value and changes in the cash surrender value are included in noninterest income.

Intangible Assets

Intangible assets consist of goodwill, core deposit intangibles and mortgage servicing rights. These assets are recorded in accrued interest receivable and other assets on the Consolidated Statements of Financial Condition. Goodwill represents the excess purchase price over the fair value of net assets acquired in business acquisitions.

Goodwill is not amortized but rather is evaluated for impairment at least annually. Core deposit intangibles represent the estimated value related to customer deposit relationships assumed in the Company s acquisitions. Core deposit intangibles are being amortized over nine to 15 years. The mortgage servicing rights represent servicing assets related to mortgage loans sold and serviced at fair value. Mortgage servicing rights are being amortized over a maximum of 10 years using an accelerated method.

Shareholders Equity

Effective January 1, 2015, companies incorporated under Louisiana law became subject to the Louisiana Business Corporation Act. Provisions of the Louisiana Business Corporation Act eliminate the concept of treasury stock and provide that shares reacquired by a company are to be treated as authorized but unissued shares. Accounting principles generally accepted in the United States of America state that accounting for treasury stock shall conform to state law. The Company s Consolidated Financial Statements at and for the years ended December 31, 2015 and 2016 reflect this change. For the years ended December 31, 2016 and 2015, the cost of shares repurchased by the Company have been allocated to common stock, additional paid-in capital and retained earnings.

Transfer of Financial Assets

Transfers of financial assets are accounted for as sales when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been isolated from the Company, the transferee obtains the right, free of conditions that constrain it from taking advantage of that right, to pledge or exchange the transferred assets and the Company does not maintain effective control over the transferred assets through an agreement to repurchase them before maturity.

Salary Continuation Agreements

The Company records the expense associated with its salary continuation agreements over the service periods of the persons covered under these agreements.

Income Taxes

The Company accounts for income taxes under the liability method. Deferred tax assets and liabilities are recorded for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax benefits are recognized to the extent that realization of such benefits is more likely than not. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the assets and liabilities are expected to be recovered or settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income taxes during the period that includes the enactment date.

In the event the future tax consequences of differences between the financial reporting bases and the tax bases of the Company s assets and liabilities results in deferred tax assets, an evaluation of the probability of being able to realize the future benefits indicated by such asset is required. A valuation allowance is provided for the portion of the deferred tax asset when it is more likely than not that some or all of the deferred tax asset will not be realized. In assessing the realizability of the deferred tax assets, management considers the scheduled reversals of deferred tax liabilities, projected future taxable earnings and tax planning strategies.

The income tax benefit or expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities.

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded.

The Company recognizes interest and penalties accrued related to unrecognized tax benefits, if applicable, in noninterest expense. During the years ended December 31, 2016, 2015, and 2014, the Company did not recognize any interest or penalties in its financial statements, nor has it recorded an accrued liability for interest or penalty payments.

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Stock-based Compensation Plans

The Company issues stock options under the 2009 Stock Option Plan and the 2014 Equity Incentive Plan to directors, officers and other key employees. In accordance with the requirements of ASC 718, *Compensation Stock Compensation*, the Company has adopted a fair value based method of accounting for employee stock compensation plans, whereby compensation cost is measured as of the grant date based on the fair value of the award and is recognized over the service period, which is usually the vesting period.

The Company may issue restricted stock under the 2009 Recognition and Retention Plan and restricted stock or restricted stock units under the 2014 Equity Incentive Plan for directors, officers and other key employees. Awards under the plans may not be sold or otherwise transferred until certain restrictions have lapsed. The unearned compensation related to these awards is amortized to compensation expense over the service period, which is usually the vesting period. The total share-based compensation expense for these awards is determined based on the market price of the Company s common stock as of the date of grant applied to the total number of shares granted and is amortized over the vesting period.

Earnings Per Share

Earnings per share represents income available to common shareholders divided by the weighted-average number of common shares outstanding during the period. Diluted earnings per share reflects additional common shares that would have been outstanding if dilutive potential common shares had been issued, as well as any adjustment to income that would result from the assumed issuance.

Comprehensive Income

GAAP generally requires that recognized revenues, expenses, gains and losses be included in net earnings. Although certain changes in assets and liabilities, such as unrealized gains and losses on available for sale securities, are reported as a separate component of the equity section of the balance sheets, such items, along with net earnings, are components of comprehensive income. The tax effect for unrealized gains and losses on investment securities was ($463,072), ($230,670) and $598,203 for the periods ending December 31, 2016, 2015 and 2014, respectively. The reclassification adjustment for gains included in net income had a tax effect of $0, ($2,548) and ($639) for the periods ending December 31, 2016, 2015 and 2014. Comprehensive income is reflected in the Consolidated Statements of Comprehensive Income.

Reclassifications

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

Recent Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-01, Recognition and Measurement of Financial Assets and Financial Liabilities . The ASU amendments include changes related to how certain equity investments are measured, recognize changes in the fair value of certain financial liabilities measured under the fair value option, and disclose and present financial assets and liabilities on the Company s consolidated financial statements. Additionally, the ASU will also require entities to present financial assets and financial liabilities separately, grouped by measurement category and form of financial asset in the statement of financial position or in the accompanying notes to the financial statements. Entities will also no longer have to disclose the methods and significant assumptions for financial instruments measured at amortized cost, but will be required to measure such instruments under the exit price notion for disclosure purposes. The ASU is effective for annual and interim periods beginning after December 15, 2017. The Company is currently assessing the Amendment but does not anticipate it will have a material impact on Consolidated Financial Statements.

In February 2016, the FASB issued ASU 2016-02, Conforming Amendments Related to Leases . This ASU amends the codification regarding leases in order to increase transparency and comparability. The ASU requires companies to recognize lease assets and liabilities on the statement of condition and disclose key information about leasing arrangements. A lessee would recognize a liability to make lease payments and a right-of-use asset representing its right to use the leased asset for the lease term. The ASU is effective for annual and interim periods beginning after December 15, 2018. The Company is currently assessing the amendment but does not anticipate it will have a material impact on our Consolidated Financial Statements. Based on the Company s preliminary assessment of its current leases, the impact to the Company s consolidated balance sheet is estimated to be less than a 1% increase in assets and liabilities.

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting . The ASU amends the codification to simplify several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification in the statement of cash flows. This ASU is effective for annual and interim periods beginning after December 15, 2016, with early adoption permitted. The Company elected to early adopt this ASU effective January 1, 2016. The Company elected to account for forfeitures as they occur. The adoption of ASU 2016-09 reduced income tax expense by $524,000 in 2016.

In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments . The ASU requires a financial asset (or a group of financial assets) measured at amortized cost basis to be presented at the net amount expected to be collected. The allowance for credit losses is a valuation account that is deducted from the amortized cost basis of the financial assets to present the net carrying value at the amount expected to be collected on the financial assets. The income statement reflects the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectability of the reported amount of financial assets. An entity must use judgment in determining the relevant information and estimation methods that are appropriate in its circumstances. The allowance for credit losses for purchased financial assets with a more-than-insignificant amount of credit deterioration since origination that are measured at amortized cost basis is determined in a similar manner to other financial assets measured at amortized cost basis; however, the initial allowance for credit losses is added to the purchase price rather than being reported as a credit loss expense. Only subsequent changes in the allowance for credit losses are recorded as a credit loss expense for these assets. Off-balance-sheet arrangements such as commitments to extend credit, guarantees, and standby letters of credit that and are not unconditionally cancellable are also within the scope of this amendment. Credit losses relating to available-for-sale debt securities should be recorded through an allowance for credit losses. This ASU is effective for fiscal years beginning after December 31, 2019. An entity will apply the amendments in this update on a modified retrospective basis, through a cumulative-effect adjustment to retained earnings as of the beginning of the first reporting period in which the guidance is effective. The Company is currently assessing the implementation of this accounting standard. It is too early to assess the impact that this guidance will have on our Consolidated Financial Statements.

In August 2016, FASB issued ASU No. 2016-15, Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments. The amendments in this ASU clarify the proper classification for certain cash receipts and cash payments, including clarification on debt prepayment or debt extinguishment costs, settlement of zero-coupon debt instruments, contingent consideration payments made after a business combination, proceeds from the settlement of insurance claims, and proceeds from the settlement of corporate-owned life insurance policies, including bank-owned life insurance policies, among others. The amendments in this update are effective for fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. The Company is currently assessing the amendment but does not anticipate it will have a material impact on our Consolidated Financial Statements.

3. Acquisition Activity

Louisiana Bancorp, Inc. On September 15, 2015, the Company acquired Louisiana Bancorp, Inc., the former holding company of Bank of New Orleans of Metairie, Louisiana. Assets acquired from Louisiana Bancorp totaled $352,897,000, which included loans of $281,583,000, investment securities of $36,420,000 and cash of $14,098,000. The Bank also recorded a core deposit intangible asset of $1,586,000 and goodwill of $8,454,000 relating to the acquisition of Louisiana Bancorp, and assumed liabilities of $291,313,000, which included $208,670,000 in deposits and $75,957,000 in FHLB advances. None of the loans acquired were considered impaired as of the date of acquisition.

Britton & Koontz Capital Corporation. On February 14, 2014, the Company acquired Britton & Koontz, the former holding company of Britton & Koontz Bank of Natchez, Mississippi. Assets acquired from Britton & Koontz totaled $298,930,000, which included loans of $162,581,000, investment securities of $97,985,000 and cash of $15,342,000. The Bank also recorded a core deposit intangible asset of $3,030,000 and goodwill of $43,000 relating to the acquisition of Britton & Koontz, and assumed liabilities of $264,458,000, which included $216,600,000 in deposits, $9,252,000 in FHLB advances and $27,291,000 in other borrowings.

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Acquired loans which are impaired as of the date of acquisition are accounted for under ASC 310-30, *Loans and Debt Securities Acquired with Deteriorated Credit Quality*. The nonaccretable difference on loans acquired from Britton & Koontz totaled $17,946,000 as of February 14, 2014 and represented an estimate of the undiscounted loss exposure in the acquired loans with deteriorated credit quality as of the acquisition date.

The following table summarizes the accretable yield on the loans acquired from Britton & Koontz with deteriorated credit quality as of February 14, 2014 and the changes therein through December 31, 2016.

(dollars in thousands)	**2016**	**2015**	**2014**
Balance, beginning of period	$ (1,682)	$ (1,824)	$
Acquisition accretable yield			(2,260)
Accretion	1,072	590	436
Net transfers from nonaccretable difference to accretable yield	(1,172)	(448)	
Balance, end of period	$ (1,782)	$ (1,682)	$ (1,824)

As of December 31, 2016, the weighted average remaining contractual life of the loan portfolio acquired with deteriorated credit quality from Britton & Koontz was 0.8 year.

GS Financial Corp. On July 15, 2011, the Company acquired GSFC, the former holding company of Guaranty Savings Bank of Metairie, Louisiana. Assets acquired from GSFC totaled $256,677,000, which included loans of $182,440,000, investment securities of $46,481,000 and cash of $9,262,000. The Bank also recorded a core deposit intangible asset of $859,000 and goodwill of $296,000 relating to the acquisition of GSFC, and assumed liabilities of $230,614,000, which included $193,518,000 in deposits and $34,707,000 in FHLB advances.

The nonaccretable difference on loans acquired from GSFC totaled $5,490,000 as of July 15, 2011 and represented an estimate of the undiscounted loss exposure in the acquired loans with deteriorated credit quality as of the acquisition date.

The following table summarizes the accretable yield on the loans acquired from GSFC with deteriorated credit quality as of July 15, 2011 and the changes therein through December 31, 2016.

(dollars in thousands)	**2016**	**2015**	**2014**
Balance, beginning of period	$ (1,240)	$ (1,270)	$ (1,281)
Acquisition accretable yield			
Accretion	942	30	11
Net transfers from nonaccretable difference to accretable yield			
Balance, end of period	$ (298)	$ (1,240)	$ (1,270)

As of December 31, 2016, the weighted average remaining contractual life of the loan portfolio acquired with deteriorated credit quality from GSFC was 5.9 years.

Statewide Bank. On March 12, 2010, the Bank acquired certain assets and liabilities of the former Statewide Bank, a full-service community bank formerly headquartered in Covington, Louisiana, from the FDIC. As a result of the Statewide acquisition, the Bank s branch office network was expanded to include six branches in the Northshore (of Lake Pontchartrain) region of Louisiana. Assets acquired in the Statewide transaction totaled $188,026,000, which included loans of $110,415,000, investment securities of $24,841,000 and cash of $11,569,000. In addition, the Bank recorded an FDIC Asset, representing the portion of estimated losses covered by loss sharing agreements between the Bank and the FDIC, of $34,422,000. The loss sharing agreements between the Bank and the FDIC afforded us significant protection against losses in the loan portfolio and repossessed assets acquired in the Statewide transaction. The Bank also recorded a core deposit intangible asset of $1,429,000 and goodwill of $560,000 relating to the Statewide acquisition, and assumed liabilities of $223,910,000, which included $206,925,000 in deposits and $16,824,000 in FHLB advances.

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The following table summarizes the accretable yield on the loans acquired from Statewide as of March 12, 2010 and the changes therein through December 31, 2016.

(dollars in thousands)	2016	2015	2014
Balance, beginning of period	$ (13,870)	$ (7,706)	$ (2,134)
Acquisition accretable yield			
Accretion	4,859	3,238	8,121
Net transfers from nonaccretable difference to accretable yield		(9,402)	(13,693)
Balance, end of period	$ (9,011)	$ (13,870)	$ (7,706)

As of December 31, 2016, the weighted average remaining contractual life of loan portfolio acquired with deteriorated credit quality from Statewide was 4.9 years.

4. Investment Securities

Summary information regarding the Company s investment securities classified as available for sale and held to maturity as of December 31, 2016 and 2015 follows.

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Fair Value
December 31, 2016			Less Than 1 Year	Over 1 Year	
Available for sale:					
U.S. agency mortgage-backed	$ 148,511	$ 984	$ 980	$ 290	$ 148,225
Non-U.S. agency mortgage-backed	5,043	38	1	44	5,036
Municipal bonds	21,212	260	44		21,428
U.S. government agency	8,946	95			9,041
Total available for sale	$ 183,712	$ 1,377	$ 1,025	$ 334	$ 183,730
Held to maturity:					
Municipal bonds	$ 13,365	$ 69	$ 72	$	$ 13,362
Total held to maturity	$ 13,365	$ 69	$ 72	$	$ 13,362

(dollars in thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses		Fair Value
December 31, 2015			Less Than 1 Year	Over 1 Year	

Available for sale:					
U.S. agency mortgage-backed	$ 134,748	$ 1,464	$ 287	$ 447	$ 135,478
Non-U.S. agency mortgage-backed	6,055	51		41	6,065
Municipal bonds	22,453	490	10		22,933
U.S. government agency	12,166	145	25		12,286
Total available for sale	$ 175,422	$ 2,150	$ 322	$ 488	$ 176,762
Held to maturity:					
Municipal bonds	$ 13,927	$ 239	$ 45	$	$ 14,121
Total held to maturity	$ 13,927	$ 239	$ 45	$	$ 14,121

Management evaluates securities for other-than-temporary impairment at least semi-annually, and more frequently when economic and market conditions warrant such evaluations. Consideration is given to (1) the extent and length of time the fair value has been below cost; (2) the reasons for the decline in value; (3) the Company s intent to sell a security or whether it is more likely than not we will be required to sell the security before the recovery of its amortized cost, which may extend to maturity and our ability and intent to hold the security for a period of time that allows for the recovery in value in the case of equity securities.

The Company performs a process to identify securities that could potentially have a credit impairment that is other-than-temporary. 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. When the Company determines that a security is deemed to be other than temporarily impaired, an impairment loss is recognized.

As of December 31, 2016, 83 of the Company s debt securities had unrealized losses totaling 1.5% of the individual securities amortized cost basis and 0.7% of the Company s total amortized cost basis of the investment securities portfolio. 10 of the 83 securities had been in a continuous loss position for over 12 months at such date. The 10 securities had an aggregate amortized cost basis and unrealized loss of $11,060,000 and $334,000, respectively, at December 31, 2016. Management has the intent and ability to hold these debt securities until maturity or until anticipated recovery. No declines in these 83 securities were deemed to be other-than-temporary.

The amortized cost and estimated fair value by maturity of the Company s investment securities as of December 31, 2016 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 the exercise of call options and potential paydowns. Accordingly, actual maturities may differ from contractual maturities.

(dollars in thousands)	**One Year or Less**	**After One Year through Five Years**	**After Five Years through Ten Years**	**After Ten Years**	**Total**
Fair Value					
Securities available for sale:					
U.S. agency mortgage-backed	$ 65	$ 4,463	$ 41,400	$ 102,297	$ 148,225
Non-U.S. agency mortgage-backed				5,036	5,036
Municipal bonds	1,877	10,024	8,722	805	21,428
U.S. government agency	1,011	5,023		3,007	9,041
Total securities available for sale	$ 2,953	$ 19,510	$ 50,122	$ 111,145	$ 183,730
Securities held to maturity:					
Municipal bonds	$	$ 2,730	$ 7,948	$ 2,684	$ 13,362
Total securities held to maturity	$ 2,953	$ 22,240	$ 58,070	$ 113,829	$ 197,092

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(dollars in thousands)	One Year or Less	After One Year through Five Years	After Five Years through Ten Years	After Ten Years	Total
Amortized Cost					
Securities available for sale:					
U.S. agency mortgage-backed	$ 63	$ 4,426	$ 41,396	$ 102,626	$ 148,511
Non-U.S. agency mortgage-backed				5,043	5,043
Municipal bonds	1,876	9,925	8,651	760	21,212
U.S. government agency	999	4,993		2,954	8,946
Total securities available for sale	$ 2,938	$ 19,344	$ 50,047	$ 111,383	$ 183,712
Securities held to maturity:					
Municipal bonds	$	$ 2,723	$ 7,900	$ 2,742	$ 13,365
Total securities held to maturity	$ 2,938	$ 22,067	$ 57,947	$ 114,125	$ 197,077

For the year ended December 31, 2016, the Company recorded no gross gains or losses related to the sale of investment securities. For the year ended December 31, 2015, the Company recorded gross gains of $8,000 and gross losses of $1,000 related to the sale of investment securities.

As of December 31, 2016 and 2015, the Company had accrued interest receivable for investment securities of $802,000 and $784,000, respectively.

As of December 31, 2016 and 2015, the Company had $91,773,000 and $94,661,000, respectively, of securities pledged to secure public deposits.

5. Loans

The Company s loans, net of unearned income, consisted of the following as of December 31 of the years indicated.

(dollars in thousands)	2016	2015
Real estate loans:		
One- to four-family first mortgage	$ 341,883	$ 371,238
Home equity loans and lines	88,821	94,060
Commercial real estate	427,515	405,379
Construction and land	141,167	136,803
Multi-family residential	46,369	43,863
Total real estate loans	1,045,755	1,051,343
Other loans:		
Commercial and industrial	139,810	125,108
Consumer	42,268	47,915

Total other loans	182,078	173,023
Total loans	$ 1,227,833	$ 1,224,366

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A summary of activity in the Company s allowance for loan losses for the years ended December 31, 2016, 2015 and 2014 is as follows.

	For the Year Ended December 31, 2016				
(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
Originated loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 1,372	$	$	$ 64	$ 1,436
Home equity loans and lines	536	(9)	2	125	654
Commercial real estate	3,152		1	1,024	4,177
Construction and land	1,360		52	351	1,763
Multi-family residential	173			188	361
Commercial and industrial	2,010	(242)	56	1,492	3,316
Consumer	571	(162)	5	99	513
Total allowance for loan losses	$ 9,174	$ (413)	$ 116	$ 3,343	$ 12,220
Acquired loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 92	$ (33)	$	$ 16	$ 75
Home equity loans and lines	224			(150)	74
Commercial real estate					
Construction and land	57			(38)	19
Multi-family residential					
Commercial and industrial			94	29	123
Consumer					
Total allowance for loan losses	$ 373	$ (33)	$ 94	$ (143)	$ 291
Total loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 1,464	$ (33)	$	$ 80	$ 1,511
Home equity loans and lines	760	(9)	2	(25)	728
Commercial real estate	3,152		1	1,024	4,177
Construction and land	1,417		52	313	1,782
Multi-family residential	173			188	361
Commercial and industrial	2,010	(242)	150	1,521	3,439
Consumer	571	(162)	5	99	513
Total allowance for loan losses	$ 9,547	$ (446)	$ 210	$ 3,200	$ 12,511

	For the Year Ended December 31, 2015				
(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance

Originated loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 1,136	$ (62)	$ 30	$ 268	$ 1,372
Home equity loans and lines	442	(15)	20	89	536
Commercial real estate	2,922		1	229	3,152
Construction and land	968			392	1,360
Multi-family residential	192			(19)	173
Commercial and industrial	1,161	(190)	226	813	2,010
Consumer	521	(130)	1	179	571
Total allowance for loan losses	$ 7,342	$ (397)	$ 278	$ 1,951	$ 9,174

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	For the Year Ended December 31, 2015				
(dollars in thousands)	**Beginning Balance**	**Charge-offs**	**Recoveries**	**Provision**	**Ending Balance**
Acquired loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 174	$ (42)	$	$ (40)	$ 92
Home equity loans and lines	111	(12)		125	224
Commercial real estate					
Construction and land	133	(111)		35	57
Multi-family residential					
Commercial and industrial					
Consumer					
Total allowance for loan losses	$ 418	$ (165)	$	$ 120	$ 373
Total loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 1,310	$ (104)	$ 30	$ 228	$ 1,464
Home equity loans and lines	553	(27)	20	214	760
Commercial real estate	2,922		1	229	3,152
Construction and land	1,101	(111)		427	1,417
Multi-family residential	192			(19)	173
Commercial and industrial	1,161	(190)	226	813	2,010
Consumer	521	(130)	1	179	571
Total allowance for loan losses	$ 7,760	$ (562)	$ 278	$ 2,071	$ 9,547

	For the Year Ended December 31, 2014				
(dollars in thousands)	**Beginning Balance**	**Charge-offs**	**Recoveries**	**Provision**	**Ending Balance**
Originated loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 904	$ (99)	$	$ 331	$ 1,136
Home equity loans and lines	366	(2)	5	73	442
Commercial real estate	2,528			394	2,922
Construction and land	977	(19)		10	968
Multi-family residential	90			102	192
Commercial and industrial	1,332	(1,407)	184	1,052	1,161
Consumer	473	(32)	3	77	521
Total allowance for loan losses	$ 6,670	$ (1,559)	$ 192	$ 2,039	$ 7,342
Acquired loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 184	$ (114)	$	$ 104	$ 174
Home equity loans and lines	58			53	111
Commercial real estate		(41)		41	

Construction and land				133	133
Multi-family residential					
Commercial and industrial	6			(6)	
Consumer					
Total allowance for loan losses	$ 248	$ (155)	$	$ 325	$ 418

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(dollars in thousands)	Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
	For the Year Ended December 31, 2014				
Total loans:					
Allowance for loan losses:					
One- to four-family first mortgage	$ 1,088	$ (213)	$	$ 435	$ 1,310
Home equity loans and lines	424	(2)	5	126	553
Commercial real estate	2,528	(41)		435	2,922
Construction and land	977	(19)		143	1,101
Multi-family residential	90			102	192
Commercial and industrial	1,338	(1,407)	184	1,046	1,161
Consumer	473	(32)	3	77	521
Total allowance for loan losses	$ 6,918	$ (1,714)	$ 192	$ 2,364	$ 7,760

The Company s allowance for loan losses and recorded investment in loans as of the dates indicated is as follows.

	As of December 31, 2016			
	Originated Loans			
(dollars in thousands)	Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Acquired Loans	Total
Allowance for loan losses:				
One- to four-family first mortgage	$ 1,397	$ 39	$ 75	$ 1,511
Home equity loans and lines	654		74	728
Commercial real estate	4,158	19		4,177
Construction and land	1,763		19	1,782
Multi-family residential	361			361
Commercial and industrial	2,579	737	123	3,439
Consumer	513			513
Total allowance for loan losses	$ 11,425	$ 795	$ 291	$ 12,511

	As of December 31, 2016			
	Originated Loans			
(dollars in thousands)	Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Acquired Loans(1)	Total
Loans:				
One- to four-family first mortgage	$ 176,392	$ 252	$ 165,239	$ 341,883
Home equity loans and lines	47,865		40,956	88,821
Commercial real estate	321,361	462	105,692	427,515
Construction and land	138,955		2,212	141,167
Multi-family residential	26,941		19,428	46,369

Commercial and industrial	126,791	4,844	8,175	139,810
Consumer	40,827		1,441	42,268
Total loans	$ 879,132	$ 5,558	$ 343,143	$ 1,227,833

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	As of December 31, 2015			
	Originated Loans			
(dollars in thousands)	Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Acquired Loans	Total
Allowance for loan losses:				
One- to four-family first mortgage	$ 1,338	$ 34	$ 92	$ 1,464
Home equity loans and lines	536		224	760
Commercial real estate	3,066	86		3,152
Construction and land	1,360		57	1,417
Multi-family residential	173			173
Commercial and industrial	1,977	33		2,010
Consumer	571			571
Total allowance for loan losses	$ 9,021	$ 153	$ 373	$ 9,547

	As of December 31, 2015			
	Originated Loans			
(dollars in thousands)	Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Acquired Loans(1)	Total
Loans:				
One- to four-family first mortgage	$ 165,774	$ 78	$ 205,386	$ 371,238
Home equity loans and lines	40,251		53,809	94,060
Commercial real estate	285,856	181	119,342	405,379
Construction and land	129,035		7,768	136,803
Multi-family residential	14,962		28,901	43,863
Commercial and industrial	115,360	707	9,041	125,108
Consumer	45,641		2,274	47,915
Total loans	$ 796,879	$ 966	$ 426,521	$ 1,224,366

(1) $13.1 million and $20.0 million in acquired loans were accounted for under ASC 310-30 at December 31, 2016 and 2015, respectively.

Although the Company has a diversified loan portfolio, a substantial portion of the loan portfolio is collateralized by improved and unimproved real estate and is dependent, in part, on values in the real estate market.

Credit quality indicators on the Company s loan portfolio as of the dates indicated are as follows.

	December 31, 2016				
(dollars in thousands)	Pass	Special Mention	Substandard	Doubtful	Total

Originated loans:					
One- to four-family first mortgage	$ 175,045	$ 276	$ 1,323	$	$ 176,644
Home equity loans and lines	46,536	331	998		47,865
Commercial real estate	311,517	822	9,484		321,823
Construction and land	138,000	22	933		138,955
Multi-family residential	26,941				26,941
Commercial and industrial	114,962	5,979	10,694		131,635
Consumer	40,369	98	360		40,827
Total originated loans	$ 853,370	$ 7,528	$ 23,792	$	$ 884,690

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(dollars in thousands)	December 31, 2016 Pass	Special Mention	Substandard	Doubtful	Total
Acquired loans:					
One- to four-family first mortgage	$ 162,037	$ 245	$ 2,957	$	$ 165,239
Home equity loans and lines	40,812	47	97		40,956
Commercial real estate	101,546	2,758	1,388		105,692
Construction and land	1,537	71	604		2,212
Multi-family residential	19,250		178		19,428
Commercial and industrial	4,843		3,332		8,175
Consumer	1,401	38	2		1,441
Total acquired loans	$ 331,426	$ 3,159	$ 8,558	$	$ 343,143
Total loans:					
One- to four-family first mortgage	$ 337,082	$ 521	$ 4,280	$	$ 341,883
Home equity loans and lines	87,348	378	1,095		88,821
Commercial real estate	413,063	3,580	10,872		427,515
Construction and land	139,537	93	1,537		141,167
Multi-family residential	46,191		178		46,369
Commercial and industrial	119,805	5,979	14,026		139,810
Consumer	41,770	136	362		42,268
Total loans	$ 1,184,796	$ 10,687	$ 32,350	$	$ 1,227,833

(dollars in thousands)	December 31, 2015 Pass	Special Mention	Substandard	Doubtful	Total
Originated loans:					
One- to four-family first mortgage	$ 163,835	$ 439	$ 1,578	$	$ 165,852
Home equity loans and lines	39,736	394	121		40,251
Commercial real estate	282,963	988	2,086		286,037
Construction and land	127,929		1,106		129,035
Multi-family residential	14,962				14,962
Commercial and industrial	113,108	585	2,374		116,067
Consumer	45,133	38	470		45,641
Total originated loans	$ 787,666	$ 2,444	$ 7,735	$	$ 797,845
Acquired loans:					
One- to four-family first mortgage	$ 200,966	$ 791	$ 3,629	$	$ 205,386
Home equity loans and lines	53,352	20	437		53,809
Commercial real estate	112,802	4,085	2,455		119,342
Construction and land	4,573	1,819	1,376		7,768
Multi-family residential	27,931	12	958		28,901
Commercial and industrial	7,071	1,191	779		9,041

Consumer	2,160	51	63	2,274
Total acquired loans	$ 408,855	$ 7,969	$ 9,697	$ $ 426,521

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	December 31, 2015				
(dollars in thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Total:					
One- to four-family first mortgage	$ 364,801	$ 1,230	$ 5,207	$	$ 371,238
Home equity loans and lines	93,088	414	558		94,060
Commercial real estate	395,765	5,073	4,541		405,379
Construction and land	132,502	1,819	2,482		136,803
Multi-family residential	42,893	12	958		43,863
Commercial and industrial	120,179	1,776	3,153		125,108
Consumer	47,293	89	533		47,915
Total loans	$ 1,196,521	$ 10,413	$ 17,432	$	$ 1,224,366

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 ratios. The loan 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-regulatory agency methodology that incorporates, among other factors, the extent of delinquencies and loan-to-value ratios. These classifications were the most current available as of December 31, 2016 and 2015, respectively, and were generally updated within the prior three months.

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

	December 31, 2016					
(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
Originated loans:						
Real estate loans:						

One- to four-family first mortgage	$ 651	$	$ 563	$ 1,214	$ 175,430	$ 176,644
Home equity loans and lines	37	29		66	47,799	47,865
Commercial real estate	475		587	1,062	320,761	321,823
Construction and land	467		12	479	138,476	138,955
Multi-family residential					26,941	26,941
Total real estate loans	1,630	29	1,162	2,821	709,407	712,228
Other loans:						
Commercial and industrial	656	706	650	2,012	129,623	131,635
Consumer	531	97	192	820	40,007	40,827
Total other loans	1,187	803	842	2,832	169,630	172,462
Total originated loans	$ 2,817	$ 832	$ 2,004	$ 5,653	$ 879,037	$ 884,690

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(dollars in thousands)	December 31, 2016 30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Acquired loans:						
Real estate loans:						
One- to four-family first mortgage	$ 1,471	$ 969	$ 2,025	$ 4,465	$ 160,774	$ 165,239
Home equity loans and lines	136	27	38	201	40,755	40,956
Commercial real estate			1,164	1,164	104,528	105,692
Construction and land	21		30	51	2,161	2,212
Multi-family residential	19			19	19,409	19,428
Total real estate loans	1,647	996	3,257	5,900	327,627	333,527
Other loans:						
Commercial and industrial					8,175	8,175
Consumer	2	8	2	12	1,429	1,441
Total other loans	2	8	2	12	9,604	9,616
Total acquired loans	$ 1,649	$ 1,004	$ 3,259	$ 5,912	$ 337,231	$ 343,143
Total loans:						
Real estate loans:						
One- to four-family first mortgage	$ 2,122	$ 969	$ 2,588	$ 5,679	$ 336,204	$ 341,883
Home equity loans and lines	173	56	38	267	88,554	88,821
Commercial real estate	475		1,751	2,226	425,289	427,515
Construction and land	488		42	530	140,637	141,167
Multi-family residential	19			19	46,350	46,369
Total real estate loans	3,277	1,025	4,419	8,721	1,037,034	1,045,755
Other loans:						
Commercial and industrial	656	706	650	2,012	137,798	139,810
Consumer	533	105	194	832	41,436	42,268
Total other loans	1,189	811	844	2,844	179,234	182,078
Total loans	$ 4,466	$ 1,836	$ 5,263	$ 11,565	$ 1,216,268	$ 1,227,833

(dollars in thousands)	December 31, 2015 30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans

Originated loans:						
Real estate loans:						
One- to four-family first mortgage	$ 1,059	$ 435	$ 890	$ 2,384	$ 163,468	$ 165,852
Home equity loans and lines	87		121	208	40,043	40,251
Commercial real estate	438		602	1,040	284,997	286,037
Construction and land	1,232		87	1,319	127,716	129,035
Multi-family residential					14,962	14,962
Total real estate loans	2,816	435	1,700	4,951	631,186	636,137
Other loans:						
Commercial and industrial	411	15	707	1,133	114,934	116,067
Consumer	533	277	358	1,168	44,473	45,641
Total other loans	944	292	1,065	2,301	159,407	161,708
Total originated loans	$ 3,760	$ 727	$ 2,765	$ 7,252	$ 790,593	$ 797,845

(dollars in thousands)	December 31, 2015 30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Acquired loans:						
Real estate loans:						
One- to four-family first mortgage	$ 1,976	$ 885	$ 2,582	$ 5,443	$ 199,943	$ 205,386
Home equity loans and lines	327	40	317	684	53,125	53,809
Commercial real estate	140	6	1,441	1,587	117,755	119,342
Construction and land	592	7	48	647	7,121	7,768
Multi-family residential		14	12	26	28,875	28,901
Total real estate loans	3,035	952	4,400	8,387	406,819	415,206
Other loans:						
Commercial and industrial	14	7	429	450	8,591	9,041
Consumer	64	4	48	116	2,158	2,274
Total other loans	78	11	477	566	10,749	11,315
Total acquired loans	$ 3,113	$ 963	$ 4,877	$ 8,953	$ 417,568	$ 426,521
Total loans:						
Real estate loans:						
One- to four-family first mortgage	$ 3,035	$ 1,320	$ 3,472	$ 7,827	$ 363,411	$ 371,238
Home equity loans and lines	414	40	438	892	93,168	94,060
Commercial real estate	578	6	2,043	2,627	402,752	405,379
Construction and land	1,824	7	135	1,966	134,837	136,803
Multi-family residential		14	12	26	43,837	43,863
Total real estate loans	5,851	1,387	6,100	13,338	1,038,005	1,051,343
Other loans:						
Commercial and industrial	425	22	1,136	1,583	123,525	125,108
Consumer	597	281	406	1,284	46,631	47,915
Total other loans	1,022	303	1,542	2,867	170,156	173,023
Total loans	$ 6,873	$ 1,690	$ 7,642	$ 16,205	$ 1,208,161	$ 1,224,366

As of December 31, 2016 and 2015, the Company did not have any loans greater than 90 days past due which were accruing interest.

An impaired loan generally is one for which it is probable, based on current information, that the lender will not collect all the amounts due under the contractual terms of the loan. The Company evaluates loans for impairment on an individual basis when it believes that there is a potential for loss. When a determination is made that a loan has deteriorated to the point of becoming a problem loan, updated valuations may be ordered to help determine if there is impairment, which may lead to a recommendation for partial charge off or appropriate allowance allocation. The following is a summary of information pertaining to the Company s impaired loans, excluding acquired loans, as of the dates indicated.

	For the Year Ended December 31, 2016				
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
One- to four-family first mortgage	$	$	$	$	$
Home equity loans and lines					
Commercial real estate					
Construction and land					
Multi-family residential					
Commercial and industrial	3,144	3,178		262	166
Consumer					
Total	$ 3,144	$ 3,178	$	$ 262	$ 166
With an allowance recorded:					
One- to four-family first mortgage	$ 252	$ 260	$ 39	$ 93	$ 13
Home equity loans and lines					
Commercial real estate	462	483	19	423	14
Construction and land					
Multi-family residential					
Commercial and industrial	1,700	1,737	737	1,635	87
Consumer					
Total	$ 2,414	$ 2,480	$ 795	$ 2,151	$ 114
Total impaired loans:					
One- to four-family first mortgage	$ 252	$ 260	$ 39	$ 93	$ 13
Home equity loans and lines					
Commercial real estate	462	483	19	423	14
Construction and land					
Multi-family residential					
Commercial and industrial	4,844	4,914	737	1,897	253
Consumer					
Total	$ 5,558	$ 5,658	$ 795	$ 2,413	$ 280

	For the Year Ended December 31, 2015				
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
With no related allowance recorded:					
One- to four-family first mortgage	$	$	$	$ 72	$
Home equity loans and lines					
Commercial real estate					
Construction and land					
Multi-family residential					

Commercial and industrial				213	
Consumer					
Total	$	$	$	$ 285	$
With an allowance recorded:					
One- to four-family first mortgage	$ 78	$ 78	$ 34	$ 6	$ 5
Home equity loans and lines					
Commercial real estate	181	181	86	461	11
Construction and land					
Multi-family residential					
Commercial and industrial	707	707	33	729	39
Consumer					
Total	$ 966	$ 966	$ 153	$ 1,196	$ 55

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	For the Year Ended December 31, 2015				
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance	Average Recorded Investment	Interest Income Recognized
Total impaired loans:					
One- to four-family first mortgage	$ 78	$ 78	$ 34	$ 78	$ 5
Home equity loans and lines					
Commercial real estate	181	181	86	461	11
Construction and land					
Multi-family residential					
Commercial and industrial	707	707	33	942	39
Consumer					
Total	$ 966	$ 966	$ 153	$ 1,481	$ 55

The Company reviews its significant nonaccrual loans for specific impairment in accordance with its allowance for loan loss methodology. If it is determined that losses are probable when other credit quality indicators are considered, the loan is considered impaired and the Company specifically allocates a portion of the allowance for loan losses to these loans. A summary of information pertaining to the Company s nonaccrual loans as of December 31, 2016 and 2015 is as follows.

	December 31, 2016			December 31, 2015		
(dollars in thousands)	Originated	Acquired[1]	Total	Originated	Acquired[1]	Total
Nonaccrual loans:						
One- to four-family first mortgage	$ 891	$ 833	$ 1,724	$ 928	$ 530	$ 1,458
Home equity loans and lines	998	90	1,088	121	139	260
Commercial real estate	1,799	164	1,963	1,671	1,014	2,685
Construction and land	12	63	75	87	68	155
Multi-family residential					763	763
Commercial and industrial	8,230	312	8,542	2,374	84	2,458
Consumer	360	1	361	470	6	476
Total	$ 12,290	$ 1,463	$ 13,753	$ 5,651	$ 2,604	$ 8,255

(1) Table excludes acquired loans which were being accounted for under ASC 310-30 because they continue to earn interest from accretable yield regardless of their status as past due or otherwise not in compliance with their contractual terms. Acquired loans with deteriorated credit quality, which were being accounting for under ASC 310-30 and which were 90 days or more past due totaled $2.7 million and $4.0 million as of December 31, 2015 and 2014, respectively.

As of December 31, 2015, the Company was not committed to lend additional funds to any customer whose loan was classified as impaired.

As of December 31, 2016 and 2015, the Company had accrued interest receivable for loans of $3,897,000 and $3,940,000, respectively.

Troubled Debt Restructurings

During the course of its lending operations, the Company periodically grants concessions to its customers in an attempt to protect as much of its investment as possible and to minimize risk of loss. These concessions may include restructuring the terms of a customer loan to alleviate the burden of the customer s near-term cash requirements. The Company must conclude that the restructuring of a loan to a

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borrower who is experiencing financial difficulties constitutes a concession . The Company defines a concession as a modification of existing terms granted to a borrower for economic or legal reasons related to the borrower s financial difficulties that the Company would otherwise not consider. The concession is either granted through an agreement with the customer or is imposed by a court or by a law. Concessions include modifying original loan terms to reduce or defer cash payments required as part of the loan agreement, including but not limited to:

- a reduction of the stated interest rate for the remaining original life of the debt,
- an extension of the maturity date or dates at an interest rate lower than the current market rate for new debt with similar risk characteristics,
- a reduction of the face amount or maturity amount of the debt, or
- a reduction of accrued interest receivable on the debt.

In its determination of whether the customer is experiencing financial difficulties, the Company considers numerous indicators, including, but not limited to:

- whether the customer is currently in default on its existing loan, or is in an economic position where it is probable the customer will be in default on its loan in the foreseeable future without a modification,
- whether the customer has declared or is in the process of declaring bankruptcy,
- whether there is substantial doubt about the customer s ability to continue as a going concern,
- whether, based on its projections of the customer s current capabilities, the Company believes the customer s future cash flows will be insufficient to service the debt, including interest, in accordance with the contractual terms of the existing agreement for the foreseeable future, and
- whether, without modification, the customer cannot obtain sufficient funds from other sources at an effective interest rate equal to the current market rate for similar debt for a non-troubled debtor.

If the Company concludes that both a concession has been granted and the concession was granted to a customer experiencing financial difficulties, the Company identifies the loan as a TDR. For purposes of the determination of an allowance for loan losses on TDRs, such loans are reviewed for specific impairment in accordance with the Company s allowance for loan loss methodology. If it is determined that losses are probable on such TDRs, either because of delinquency or other credit quality indicators, the Company specifically allocates a portion of the allowance for loan losses to these loans.

Information about the Company s TDRs is presented in the following tables.

	As of December 31, 2016			
(dollars in thousands)	Current	Past Due Greater Than 30 Days	Nonaccrual TDRs	Total TDRs
Originated loans:				
Real estate loans:				
One- to four-family first mortgage	$ 276	$	$ 327	$ 603
Home equity loans and lines	331		988	1,319
Commercial real estate	102		1,717	1,819
Construction and land	562			562
Multi-family residential				
Total real estate loans	1,271		3,032	4,303
Other loans:				
Commercial and industrial			6,775	6,775
Consumer			168	168
Total other loans			6,943	6,943
Total loans	$ 1,271	$	$ 9,975	$ 11,246

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		As of December 31, 2016		
(dollars in thousands)	Current	Past Due Greater Than 30 Days	Nonaccrual TDRs	Total TDRs
Acquired loans:				
Real estate loans:				
One- to four-family first mortgage	$ 292	$ 86	$ 60	$ 438
Home equity loans and lines			62	62
Commercial real estate	288	860		1,148
Construction and land				
Multi-family residential				
Total real estate loans	580	946	122	1,648
Other loans:				
Commercial and industrial	1,853		313	2,166
Consumer				
Total other loans	1,853		313	2,166
Total loans	$ 2,433	$ 946	$ 435	$ 3,814
Total loans:				
Real estate loans:				
One- to four-family first mortgage	$ 568	$ 86	$ 387	$ 1,041
Home equity loans and lines	331		1,050	1,381
Commercial real estate	390	860	1,717	2,967
Construction and land	562			562
Multi-family residential				
Total real estate loans	1,851	946	3,154	5,951
Other loans:				
Commercial and industrial	1,853		7,088	8,941
Consumer			168	168
Total other loans	1,853		7,256	9,109
Total loans	$ 3,704	$ 946	$ 10,410	$ 15,060

		As of December 31, 2015		
(dollars in thousands)	Current	Past Due Greater Than 30 Days	Nonaccrual TDRs	Total TDRs
Originated loans:				
Real estate loans:				
One- to four-family first mortgage	$ 281	$	$ 38	$ 319

Home equity loans and lines	383		3	386
Commercial real estate	107		1,069	1,176
Construction and land			87	87
Multi-family residential				
Total real estate loans	771		1,197	1,968
Other loans:				
Commercial and industrial			2,374	2,374
Consumer	27		142	169
Total other loans	27		2,516	2,543
Total loans	$ 798	$	$ 3,713	$ 4,511

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(dollars in thousands)	Current	Past Due Greater Than 30 Days	Nonaccrual TDRs	Total TDRs
	As of December 31, 2015			
Acquired loans:				
Real estate loans:				
One- to four-family first mortgage	$ 419	$ 73	$ 15	$ 507
Home equity loans and lines				
Commercial real estate			1,192	1,192
Construction and land			52	52
Multi-family residential				
Total real estate loans	419	73	1,259	1,751
Other loans:				
Commercial and industrial				
Consumer				
Total other loans				
Total loans	$ 419	$ 73	$ 1,259	$ 1,751
Total loans:				
Real estate loans:				
One- to four-family first mortgage	$ 700	$ 73	$ 53	$ 826
Home equity loans and lines	383		3	386
Commercial real estate	107		2,261	2,368
Construction and land			139	139
Multi-family residential				
Total real estate loans	1,190	73	2,456	3,719
Other loans:				
Commercial and industrial			2,374	2,374
Consumer	27		142	169
Total other loans	27		2,516	2,543
Total loans	$ 1,217	$ 73	$ 4,972	$ 6,262