



**HOME
BANCORP**
WISCONSIN, INC.

Quarterly Report September 30, 2020

Stockholder Information

Stock Symbol:
HWIS

Investor Relations:

Jim Bradley
President & CEO
608.282.6116



home-savings.com
3672 E. Washington Ave.
Madison, WI 53704



Financial Highlights

Home Bancorp Wisconsin Inc.'s (the "Company") net income for the twelve months ended September 30, 2020, was \$2.5 million compared to \$399,000 for the same period last year. Net income in fiscal 2020 includes the full elimination of the \$1.9 million allowance against the Company's deferred tax asset. Additionally, fiscal 2020 net income includes estimated combined federal and state income tax expense of \$224,000.

Net interest income for the twelve months ended September 30, 2020 was \$4.7 million, up from \$4.5 million for the same period last year. A provision for loan losses of \$154,000 was recognized during the fiscal year ended September 30, 2020; a provision of \$5,000 was taken in the same period last year.

Non-interest income of \$427,000 for the twelve-month period ended September 30, 2020 was down from \$511,000 for the same period last year, primarily due to a reduction in service fees.

Non-interest expense of \$4.2 million for the twelve months ended September 30, 2020 was down \$368,000 from last fiscal year. Cost savings were most significant in the areas of occupancy, data processing and office expense, and other noninterest expenses. The Bank has announced that it will close its Stoughton, Wisconsin branch office effective November 25, 2020. Bank customers will continue to be served by the Bank's two remaining Madison offices and a robust suite of alternative product and service delivery channels.

Loan balances, net of allowance, increased \$16.4 million during the twelve-month period to \$135.3 million at September 30, 2020, a growth of 13.80%. The Bank's loan portfolio continues to be predominately residential real estate mortgages. As of September 30, 2020, 79.43% of the bank's portfolio was secured by residential real estate; 3.35% was in commercial and industrial loans. The bank has been working with a limited number of applicants to access COVID-19 SBA Paycheck Protection Program (PPP) loans. At the date of this communication, the bank has processed about 83 PPP loan applications with aggregate loan amounts of approximately \$3 million.

Noncurrent loans/loans at September 30, 2020 was 0.34%, unchanged from September 30, 2019. The allowance for loan losses was 1.09% at September 30, 2020, compared to 1.12% on September 30, 2019.

Total deposits increased \$10.0 million during the twelve-month period to \$130.5 million at September 30, 2020, a growth of 8.34%.

Total equity as of September 30, 2020 was \$18.5 million, compared with \$16.0 million on September 30, 2019. The increase is attributable to \$783,00 net income for the twelve month period and an income tax benefit of \$1.7 million.

Total assets as of September 30, 2020 were \$177.8 million, up from \$153.9 million on September 30, 2019. The Bank's Regulatory Tier 1 Leverage Ratio as of September 30, 2020 is 8.94%, compared to 9.56% as of September 30, 2019.

The Bank began its response to COVID-19 on February 5, 2020. Multiple strategies are in place to enable safety-conscious continuity of customer service and Bank operations alike.

The Company has announced that the Annual Meeting of Stockholders of Home Bancorp Wisconsin, Inc., the holding company for Home Savings Bank, will be held on February 23, 2021 at 2:00 p.m. Central; the location of the meeting will be announced at a later date.

This communication may contain certain forward-looking statements. Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions or conditions within the securities markets, and legislative and regulatory changes that could adversely affect the business in which the Company and Home Savings Bank are engaged, including the effects of the coronavirus (COVID-19) pandemic. The Company and Home Savings Bank assume no obligation to publicly revise any forward-looking statements to reflect subsequent events or circumstances.

HOME BANCORP WISCONSIN, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(DOLLARS IN THOUSANDS)

ASSETS	09/30/20 (UNAUDITED)	09/30/19 (AUDITED)
Cash and Due from Banks	\$ 1,305	\$ 3,808
Interest-Bearing Deposits	300	486
Cash and Cash Equivalents	1,605	4,294
Other Interest-Bearing Deposits	27,398	18,904
Securities Available-for-Sale	252	397
Securities Held to Maturity	864	1,187
Loans, Net of Allowance for Loan Losses	135,343	118,926
Premises and Equipment, Net	4,779	4,954
Federal Home Loan Bank Stock, at Cost	1,094	679
Cash Value of Life Insurance	3,697	3,622
Other Real Estate Owned	-	46
Other Assets	2,753	906
Total Assets	<u>\$ 177,783</u>	<u>\$ 153,916</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Demand Deposits	\$ 36,844	\$ 31,476
Money Market and Savings Deposits	54,682	49,593
Time Deposits	38,935	39,353
Total Deposits	130,461	120,422
Advance Payments by Borrowers for Taxes and Insurance	680	720
Borrowed Funds	26,628	16,055
Other Liabilities	1,531	758
Total Liabilities	159,300	137,955
STOCKHOLDERS' EQUITY		
Common Stock - \$0.01 par Value; 30,000,000 Shares Authorized; Shares Shares Issued and Outstanding of 1,353,104 at September 30, 2020, and 1,317,139 at September 30, 2019	14	13
Additional Paid-In Capital	11,526	11,173
Retained Earnings	7,809	5,328
Unearned Employee Stock Ownership Plan (ESOP) Shares	(525)	(558)
Unearned Deferred Stock Compensation	(347)	-
Accumulated Other Comprehensive Loss	5	5
Total Stockholders' Equity	18,483	15,961
Total Liabilities and Stockholders' Equity	<u>\$ 177,783</u>	<u>\$ 153,916</u>
BOOK VALUE PER SHARE	<u>\$ 13.66</u>	<u>\$ 12.12</u>

HOME BANCORP WISCONSIN, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FISCAL YTD COMPARISON - TWELVE MONTH
(DOLLARS IN THOUSANDS)

	09/30/20	09/30/19
	(UNAUDITED)	(AUDITED)
INTEREST INCOME		
Loans, Including Fees	\$ 5,767	\$ 5,410
Interest-Bearing Deposits	489	363
Securities	28	36
Total Interest Income	6,284	5,809
INTEREST EXPENSE		
Deposits	1,125	933
Borrowed Funds	413	379
Total Interest Expense	1,538	1,312
NET INTEREST INCOME	4,746	4,497
PROVISION FOR LOAN LOSSES	154	5
Net Interest Income, After Provision for Loan Losses	4,592	4,492
NONINTEREST INCOME		
Service Fees	277	382
Increase in Cash Value of Life Insurance	75	76
Rental Income	25	25
Other Noninterest Income	50	28
Total Noninterest Income	427	511
NONINTEREST EXPENSE		
Compensation and Employee Benefits	2,318	2,230
Occupancy and Equipment	521	662
Data Processing and Office Expense	885	962
Advertising and Promotions	41	72
Professional Fees	336	210
Examinations and Assessments	60	85
Net Loss on Sale of Investments	-	1
Other Noninterest Expense	75	382
Total Noninterest Expense	4,236	4,604
Net Income Before Income Taxes	783	399
PROVISION FOR INCOME TAXES	(1,698)	-
NET INCOME	\$ 2,481	\$ 399
EARNINGS PER SHARE	\$ 1.88	\$ 0.30