HOME BANCORP, INC.
Form 10-Q
May 09, 2011
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

x **Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the quarterly period ended: March 31, 2011

or

¨ **Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**
For the transition period from ______ to ______

Commission File Number: 001-34190

HOME BANCORP, INC.

(Exact name of Registrant as specified in its charter)

Louisiana	**71-1051785**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification Number)**
503 Kaliste Saloom Road, Lafayette, Louisiana	**70508**
(Address of Principal Executive Offices)	**(Zip Code)**

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

Not Applicable

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

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 x NO ¨

Indicate by check mark whether the Registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data 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 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	x
Non-accelerated filer	¨ (Do not check if a smaller reporting company)	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 x

At May 6, 2011, the registrant had 8,083,896 shares of common stock, $0.01 par value, outstanding.

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	(Unaudited) March 31, 2011	(Audited) December 31, 2010
Assets		
Cash and cash equivalents	$ 22,466,923	$ 36,970,638
Interest-bearing deposits in banks	8,857,000	7,867,000
Investment securities available for sale, at fair value	133,933,288	111,962,331
Investment securities held to maturity (fair values of $7,910,670 and $15,400,468, respectively)	7,764,023	15,220,474
Mortgage loans held for sale	560,991	2,436,986
Loans covered by loss sharing agreements	75,996,118	80,446,859
Noncovered loans, net of unearned income	366,003,288	359,464,400
Total loans, net of unearned income	441,999,406	439,911,259
Allowance for loan losses	(4,019,285)	(3,919,745)
Total loans, net of unearned income and allowance for loan losses	437,980,121	435,991,514
Office properties and equipment, net	23,216,809	23,371,915
Cash surrender value of bank-owned life insurance	16,338,064	16,192,645
FDIC loss sharing receivable	31,030,272	32,012,783
Accrued interest receivable and other assets	18,327,587	18,396,806
Total Assets	$ 700,475,078	$ 700,423,092
Liabilities		
Deposits:		
Noninterest-bearing	$ 102,334,567	$ 100,578,700
Interest-bearing	441,284,689	452,639,153
Total deposits	543,619,256	553,217,853
Short-term Federal Home Loan Bank (FHLB) advances	8,000,000	
Long-term Federal Home Loan Bank (FHLB) advances	13,000,000	13,000,000
Accrued interest payable and other liabilities	3,281,323	2,675,297
Total Liabilities	567,900,579	568,893,150
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; 8,926,875 shares issued; 8,087,159 and 8,131,002 shares outstanding, respectively	89,270	89,270
Additional paid-in capital	89,183,147	88,818,862
Treasury stock at cost - 839,716 and 795,873 shares, respectively	(11,028,575)	(10,425,725)
Unallocated common stock held by:		
Employee Stock Ownership Plan (ESOP)	(6,248,800)	(6,338,070)
Recognition and Retention Plan (RRP)	(3,427,762)	(3,432,486)
Retained earnings	62,920,252	62,125,568
Accumulated other comprehensive income	1,086,967	692,523

Total Shareholders Equity	132,574,499	131,529,942
Total Liabilities and Shareholders Equity	$ 700,475,078	$ 700,423,092

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME (Unaudited)

	For the Three Months Ended March 31, 2011	2010
Interest Income		
Loans, including fees	$ 7,160,653	$ 5,907,230
Investment securities	960,821	1,323,218
Other investments and deposits	36,721	27,323
Total interest income	8,158,195	7,257,771
Interest Expense		
Deposits	1,177,048	1,236,197
Short-term FHLB advances	912	7,711
Long-term FHLB advances	99,728	149,948
Total interest expense	1,277,688	1,393,856
Net interest income	6,880,507	5,863,915
Provision for loan losses	102,276	350,032
Net interest income after provision for loan losses	6,778,231	5,513,883
Noninterest Income		
Service fees and charges	474,824	467,389
Bank card fees	398,094	283,057
Gain on sale of loans, net	104,393	78,393
Income from bank-owned life insurance	145,419	149,246
Loss on sale of securities, net	(166,082)	
Discount accretion of FDIC loss sharing receivable	238,669	
Other income	48,036	19,535
Total noninterest income	1,243,353	997,620
Noninterest Expense		
Compensation and benefits	3,998,408	3,012,137
Occupancy	565,261	387,983
Marketing and advertising	161,050	201,737
Data processing and communication	541,507	379,382
Professional services	419,732	468,062
Forms, printing and supplies	113,980	130,160
Franchise and shares tax	180,500	201,071
Regulatory fees	229,739	110,904
Other expenses	518,398	355,047
Total noninterest expense	6,728,575	5,246,483
Income before income tax expense	1,293,009	1,265,020
Income tax expense	498,325	419,605

Net Income	$ 794,684	$ 845,415
Earnings per share:		
Basic	$ 0.11	$ 0.11
Diluted	$ 0.11	$ 0.11

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS EQUITY (Unaudited)

	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)	Total
Balance, December 31, 2009[1]	$ 89,270	$ 88,072,884	$ (1,848,862)	$ (6,695,150)	$ (4,218,320)	$ 57,437,444	$ (87,962)	$ 132,749,304
Comprehensive income:								
Net income						845,415		845,415
Change in unrealized loss on securities available for sale, net of taxes							(38,328)	(38,328)
Total comprehensive income								807,087
Treasury stock acquired at cost, 92,275 shares			(1,131,969)					(1,131,969)
ESOP shares released for allocation		23,482		89,270				112,752
Share-based compensation cost		328,187						328,187
Balance, March 31, 2010	$ 89,270	$ 88,424,553	$ (2,980,831)	$ (6,605,880)	$ (4,218,320)	$ 58,282,859	$ (126,290)	$ 132,865,361
Balance, December 31, 2010[1]	$ 89,270	$ 88,818,862	$ (10,425,725)	$ (6,338,070)	$ (3,432,486)	$ 62,125,568	$ 692,523	$ 131,529,942
Comprehensive income:								
Net income						794,684		794,684
Change in unrealized gain on securities available for sale, net of taxes							284,830	284,830
Reclassification adjustment for realized losses on securities sold, net of taxes							109,614	109,614
Total comprehensive income								1,189,128

Treasury stock acquired at cost, 43,843 shares			(602,850)					(602,850)
RRP shares released for allocation		(4,434)			4,724			290
ESOP shares released for allocation		36,077		89,270				125,347
Share-based compensation cost		332,642						332,642
Balance, March 31, 2011	$ 89,270	$ 89,183,147	$ (11,028,575)	$ (6,248,800)	$ (3,427,762)	$ 62,920,252	$ 1,086,967	$ 132,574,499

(1) Balances as of December 31, 2009 and December 31, 2010 are audited.

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

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HOME BANCORP, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	For the Three Months Ended March 31, 2011	2010
Cash flows from operating activities, net of effects of acquisition:		
Net income	$ 794,684	$ 845,415
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for loan losses	102,276	350,032
Depreciation	307,415	233,074
Amortization of purchase accounting valuations and intangibles	(1,193,170)	
Net amortization of mortgage servicing asset	7,365	7,000
Federal Home Loan Bank stock dividends	(1,200)	(1,685)
Net amortization of premium (discount) on investments	(204,622)	(36,800)
Loss on sale of investment securities, net	166,082	
Gain on loans sold, net	(104,393)	(78,393)
Proceeds, including principal payments, from loans held for sale	9,827,555	13,292,896
Originations of loans held for sale	(6,615,532)	(14,906,853)
Non-cash compensation	457,989	440,939
Deferred income tax benefit	(1,087,115)	(290,404)
(Increase) decrease in interest receivable and other assets	1,958,338	(1,006,217)
Increase in cash surrender value of bank-owned life insurance	(145,419)	(447,544)
Decrease in accrued interest payable and other liabilities	609,049	989,061
Net cash provided by (used in) operating activities	4,879,302	(609,479)
Cash flows from investing activities, net of effects of acquisition:		
Purchases of securities available for sale	(32,601,078)	
Purchases of securities held to maturity	(3,000,000)	(5,000,000)
Proceeds from maturities, prepayments and calls on securities available for sale	7,810,943	7,741,680
Proceeds from maturities, prepayments and calls on securities held to maturity	10,455,897	3,469,553
Proceeds from sales on securities available for sale	3,455,913	
Net decrease in loans	(1,903,653)	(3,262,540)
Increase in certificates of deposit in other institutions	(990,000)	(2,123,000)
Proceeds from sale of real estate owned	324,001	20,990
Purchases of office properties and equipment	(152,309)	(1,423,655)
Net cash acquired in FDIC-assisted acquisition		46,892,158
Purchases of Federal Home Loan Bank stock	(478,100)	
Proceeds from redemption of Federal Home Loan Bank stock		460,000
Net cash provided by (used in) investing activities	(17,078,386)	46,775,186
Cash flows from financing activities, net of effects of acquisition:		
Decrease in deposits	(9,701,781)	(38,583,217)
Proceeds from Federal Home Loan Bank advances	153,901,000	7,500,000
Payments on Federal Home Loan Bank advances	(145,901,000)	(21,818,972)
Purchase of treasury stock	(602,850)	(1,131,969)
Net cash used in financing activities	(2,304,631)	(54,034,158)
Net change in cash and cash equivalents	(14,503,715)	(7,868,451)

Cash and cash equivalents at beginning of year	36,970,638	25,709,597
Cash and cash equivalents at end of period	$ 22,466,923	$ 17,841,146

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

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HOME BANCORP, INC. AND SUBSIDIARY

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The accompanying unaudited financial statements of the Company were prepared in accordance with instructions for Form 10-Q and Regulation S-X and do not include information or footnotes necessary for a complete presentation of financial condition, results of operations, and cash flows in conformity with accounting principles generally accepted in the United States of America. However, in the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation of the financial statements have been included. The results of operations for the three-month period ended March 31, 2011 are not necessarily indicative of the results which may be expected for the entire fiscal year. These statements should be read in conjunction with the Consolidated Financial Statements and notes thereto included in the Company s Annual Report on Form 10-K filed with the Securities and Exchange Commission (SEC) for the year ended December 31, 2010.

In preparing the financial statements, the Company is required to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements reflect all adjustments that are, in the opinion of management, necessary for a fair statement of the Company s financial condition, results of operations, changes in equity and cash flows for the interim periods presented. These adjustments are of a normal recurring nature and include appropriate estimated provisions.

Certain amounts reported in prior periods have been reclassified to conform to the current period presentation. Such reclassifications had no effect on previously reported equity or net income.

2. Accounting Developments

In January 2011, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2011-01, *Deferral of the Effective Date of Disclosures about Troubled Debt Restructurings in Update No. 2010-20*. ASU 2011-01 temporarily delays the effective date of the disclosures surrounding troubled debt restructurings in ASU 2010-20 for public companies. The effective date of the new disclosures is effective for interim and annual periods ending after June 15, 2011. The adoption of ASU 2011-01 will not have a material impact on the Company s results of operations or financial position.

In April 2011, the FASB issued ASU No. 2011-02, *A Creditor s Determination of Whether a Restructuring is a Troubled Debt Restructuring*. ASU 2011-02 provides clarification on guidance on a creditor s evaluation of whether it has granted a concession and whether a debtor is experiencing financial difficulties. The effective date for ASU 2011-02 is for the first interim or annual period beginning on or after June 15, 2011. The adoption of ASU 2011-02 is not expected to have a material impact on the Company s results of operations, financial position, disclosures or level of troubled debt restructurings.

3. Acquisition Activity

On March 30, 2011, the Company entered into a definitive agreement to merge with GS Financial Corp. (Nasdaq: GSLA), the holding company of the 74-year-old Guaranty Savings Bank. The holding companies for each bank will also merge. Under the terms of the agreement, shareholders of GS Financial will receive $21.00 per share in cash upon completion of the merger. The merger, which is expected to be completed in the third quarter of 2011, is subject to GS Financial Corp. shareholder approval, regulatory approval and other customary conditions. Upon completion of the merger, the combined company will have total assets of approximately $950 million, $625 million in loans and $750 million in deposits. The Company incurred $191,000 in pre-tax merger-related expenses during the first quarter of 2011.

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4. Investment Securities

Summary information regarding investment securities classified as available for sale and held to maturity as of March 31, 2011 and December 31, 2010 is as follows.

(dollars in thousands)	Amortized Cost[(1)]	Gross Unrealized Gains	Gross Unrealized Losses Less Than 1 Year	Gross Unrealized Losses Over 1 Year	Fair Value
March 31, 2011					
Available for sale:					
U.S. agency mortgage-backed	$ 96,744	$ 1,785	$ 101	$	$ 98,428
Non-U.S. agency mortgage-backed	16,529	119	12	249	16,387
U.S. government agency	19,013	106	1		19,118
Total available for sale	$ 132,286	$ 2,010	$ 114	$ 249	$ 133,933
Held to maturity:					
U.S. agency mortgage-backed	$ 3,401	$ 64	$	$	$ 3,465
Municipal bonds	1,363	80			1,443
U.S. government agency	3,000	3			3,003
Total held to maturity	$ 7,764	$ 147	$	$	$ 7,911

(1) Net of other-than-temporary impairment charges.

(dollars in thousands)	Amortized Cost[(1)]	Gross Unrealized Gains	Gross Unrealized Losses Less Than 1 Year	Gross Unrealized Losses Over 1 Year	Fair Value
December 31, 2010					
Available for sale:					
U.S. agency mortgage-backed	$ 83,514	$ 1,858	$ 37	$	$ 85,335
Non-U.S. agency mortgage-backed	21,305	160	107	907	20,451
U.S. government agency	6,094	82			6,176
Total available for sale	$ 110,913	$ 2,100	$ 144	$ 907	$ 111,962
Held to maturity:					
U.S. agency mortgage-backed	$ 3,857	$ 86	$	$	$ 3,943
Municipal bonds	1,363	78			1,441
U.S. government agency	10,000	16			10,016
Total held to maturity	$ 15,220	$ 180	$	$	$ 15,400

(1) Net of other-than-temporary impairment charges.

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The amortized cost and estimated fair value by maturity of the Company s investment securities as of March 31, 2011 are shown in the following table. Securities are classified according to their contractual maturities without consideration of principal amortization, potential prepayments or call options. The expected maturity of a security, in particular mortgage-backed securities, certain U.S. government agency securities and municipal bonds, may differ from its contractual maturity because of the exercise of call options. Accordingly, actual maturities may differ from contractual maturities.

(dollars in thousands)	One Year or Less	One Year to Five Years	Five to Ten Years	Over Ten Years	Total
Fair Value					
Securities available for sale:					
U.S. agency mortgage-backed	$	$ 2,696	$ 17,637	$ 78,095	$ 98,428
Non-U.S. agency mortgage-backed			409	15,978	16,387
U.S. government agency		8,004	5,000	6,114	19,118
Total available for sale	$	$ 10,700	$ 23,046	$ 100,187	$ 133,933
Securities held to maturity:					
U.S. agency mortgage-backed	$	$ 2,171	$ 1,294	$	$ 3,465
Municipal bonds	190	997	256		1,443
U.S. government agency			3,003		3,003
Total held to maturity	190	3,168	4,553		7,911
Total investment securities	$ 190	$ 13,868	$ 27,599	$ 100,187	$ 141,844

(dollars in thousands)	One Year or Less	One Year to Five Years	Five to Ten Years	Over Ten Years	Total
Amortized Cost					
Securities available for sale:					
U.S. agency mortgage-backed	$	$ 2,614	$ 17,650	$ 76,480	$ 96,744
Non-U.S. agency mortgage-backed			390	16,139	16,529
U.S. government agency		8,000	5,000	6,013	19,013
Total available for sale	$	$ 10,614	$ 23,040	$ 98,632	$ 132,286
Securities held to maturity:					
U.S. agency mortgage-backed	$	$ 2,139	$ 1,262	$	$ 3,401
Municipal bonds	190	938	235		1,363
U.S. government agency			3,000		3,000
Total held to maturity	190	3,077	4,497		7,764
Total investment securities	$ 190	$ 13,691	$ 27,537	$ 98,632	$ 140,050

Management evaluates securities for other-than-temporary impairment at least quarterly, 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; and (3) the Company s intent to sell a security or whether it is more likely than not the Company will be required to sell the security before the recovery of its amortized cost, which may extend to maturity.

The Company has developed 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. The Company performs a credit analysis based on different credit scenarios at least quarterly to detect impairment on its investment securities. When the Company determines that a security is deemed to be other-than-temporarily impaired, an impairment loss is recognized.

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During the three months ended March 31, 2011, the Company recorded gross gains of $238,000 and gross losses of $404,000 related to the sale of investment securities. The Company did not sell investment securities during the three months ended March 31, 2010.

5. Earnings Per Share

Earnings per common share were computed based on the following:

	Three Months Ended March 31,	
(in thousands, except per share data)	**2011**	**2010**
Numerator:		
Income available common shareholders	$ 795	$ 845
Denominator:		
Weighted average common shares outstanding	7,177	7,707
Effect of dilutive securities:		
Restricted stock	92	82
Stock options	8	
Weighted average common shares outstanding assuming dilution	7,277	7,789
Earnings per common share	$ 0.11	$ 0.11
Earnings per common share assuming dilution	$ 0.11	$ 0.11

Options on 11,000 and 821,080 shares of common stock were not included in computing diluted earnings per shares for the three months ended March 31, 2011 and March 31, 2010, respectively, because the effect of these shares was anti-dilutive.

6. Credit Quality and Allowance for Loan Losses

On March 12, 2010, the Bank acquired certain assets and liabilities of the former Statewide Bank in a Federal Deposit Insurance Corporation (FDIC) assisted transaction. In connection with the transaction, Home Bank entered into loss sharing agreements with the FDIC which cover the acquired loan portfolio (Covered Loans) and repossessed assets (collectively referred to as Covered Assets). Under the terms of the loss sharing agreements, the FDIC will absorb 80% of the first $41,000,000 of losses incurred on Covered Assets and 95% of losses on Covered Assets exceeding $41,000,000.

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

	As of March 31, 2011			
(dollars in thousands)	**Collectively Evaluated for Impairment**	**Individually Evaluated for Impairment**	**Loans Acquired with Deteriorated Credit Quality**	**Total**
Allowance for loan losses:				
One- to four-family first mortgage	$ 602	$ 20	$	$ 622
Home equity loans and lines	296			296
Commercial real estate	1,303	12		1,315
Construction and land	557	88		645
Multi-family residential	47			47
Other commercial	549	269		818
Other consumer	271	5		276

Total allowance for loan losses	$ 3,625	$ 394	$	$ 4,019

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(dollars in thousands)	As of March 31, 2011 Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	Total
Loans:				
One- to four-family first mortgage	$ 103,424	$ 800	$ 16,452	$ 120,676
Home equity loans and lines	24,705	91	5,973	30,769
Commercial real estate	116,292	972	36,657	153,921
Construction and land	43,309	950	8,354	52,613
Multi-family residential	4,634		1,216	5,850
Other commercial	48,163	277	5,477	53,917
Other consumer	22,381	5	1,867	24,253
Total loans	$ 362,908	$ 3,095	$ 75,996	$ 441,999

(dollars in thousands)	As of December 31, 2010 Collectively Evaluated for Impairment	Individually Evaluated for Impairment	Loans Acquired with Deteriorated Credit Quality	Total
Allowance for loan losses:				
One- to four-family first mortgage	$ 621	$ 20	$	$ 641
Home equity loans and lines	296			296
Commercial real estate	1,258			1,258
Construction and land	578	88		666
Multi-family residential	46			46
Other commercial	465	281		746
Other consumer	262	5		267
Total allowance for loan losses	$ 3,526	$ 394	$	$ 3,920
Loans:				
One- to four-family first mortgage	$ 104,941	$ 216	$ 17,457	$ 122,614
Home equity loans and lines	24,898		6,017	30,915
Commercial real estate	115,024	922	34,878	150,824
Construction and land	44,970	207	12,361	57,538
Multi-family residential	4,493		1,225	5,718
Other commercial	41,907	340	6,163	48,410
Other consumer	21,541	5	2,346	23,892
Total loans	$ 357,774	$ 1,690	$ 80,447	$ 439,911

A summary of the activity in the allowance for loan losses during the three months ended March 31, 2011 is as follows.

(dollars in thousands)	For the Three Months Ended March 31, 2011 Beginning Balance	Charge-offs	Recoveries	Provision	Ending Balance
Allowance for loan losses:					
One- to four-family first mortgage	$ 641	$	$	$ (19)	$ 622
Home equity loans and lines	296				296
Commercial real estate	1,258		2	55	1,315
Construction and land	666			(22)	644

Multi-family residential	46			2	48
Other commercial	746		2	70	818
Other consumer	267	(9)	2	16	276
Total allowance for loan losses	$ 3,920	$ (9)	$ 6	$ 102	$ 4,019

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

	March 31, 2011				
(dollars in thousands)	Pass	Special Mention	Substandard	Doubtful	Total
One- to four-family first mortgage	$ 101,639	$ 1,312	$ 1,273	$	$ 104,224
Home equity loans and lines	24,549	15	232		24,796
Commercial real estate	111,556	4,459	1,249		117,264
Construction and land	42,680	617	962		44,259
Multi-family residential	4,634				4,634
Other commercial	45,407	2,751	282		48,440
Other consumer	22,267	60	59		22,386
Total loans	$ 352,732	$ 9,214	$ 4,057	$	$ 366,003

	December 31, 2010				
(dollars in thousands)	Pass	Special Mention	Substandard	Doubtful	Total
One- to four-family first mortgage	$ 102,872	$ 1,543	$ 742	$	$ 105,157
Home equity loans and lines	24,815	46	37		24,898
Commercial real estate	111,739	3,286	921		115,946
Construction and land	43,399	1,559	219		45,177
Multi-family residential	4,493				4,493
Other commercial	38,467	3,400	380		42,247
Other consumer	21,470	40	36		21,546
Total loans	$ 347,255	$ 9,874	$ 2,335	$	$ 359,464

The above classifications follow regulatory guidelines and can generally be described as follows: pass loans are of satisfactory quality, special mention loans have a potential weakness or risk that may result in the deterioration of future repayment, substandard loans are inadequately protected by the current net worth and paying capacity of the borrower or of the collateral pledged (these loans have a well defined weakness and there is a distinct possibility that the Company will sustain some loss); doubtful loans, based on existing circumstances, have weaknesses that make collection or liquidation in full highly questionable and improbable. In addition, residential loans are classified using an inter-agency regulatory methodology that incorporates the extent of the delinquency and the loan-to-value ratios. These classifications were the most current available as of the dates indicated and were generally updated within the quarter. Covered loans are excluded from the schedule of credit quality indicators due to reduced loss exposure resulting from the FDIC loss sharing agreements.

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Age analysis of past due Noncovered Loans as of the dates indicated is as follows.

	March 31, 2011					
(dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Real estate loans:						
One- to four-family first mortgage	$ 1,997	$	$ 270	$ 2,267	$ 101,957	$ 104,224
Home equity loans and lines	54		126	180	24,616	24,796
Commercial real estate	359		407	766	116,498	117,264
Construction and land	158		12	170	44,089	44,259
Multi-family residential					4,634	4,634
Total real estate loans	2,568		815	3,383	291,794	295,177
Other loans:						
Commercial	105	9	244	358	48,082	48,440
Consumer	52	69	31	152	22,234	22,386
Total other loans	157	78	275	510	70,316	70,826
Total loans	$ 2,725	$ 78	$ 1,090	$ 3,893	$ 362,110	$ 366,003

	December 31, 2010					
(dollars in thousands)	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days Past Due	Total Past Due	Current Loans	Total Loans
Real estate loans:						
One- to four-family first mortgage	$ 3,413	$ 234	$ 277	$ 3,924	$ 101,233	$ 105,157
Home equity loans and lines	196	22		218	24,680	24,898
Commercial real estate	443		408	851	115,095	115,946
Construction and land	94	207	12	313	44,864	45,177
Multi-family residential					4,493	4,493
Total real estate loans	4,146	463	697	5,306	290,365	295,671
Other loans:						
Commercial	334	289	351	974	41,273	42,247
Consumer	192	71	8	271	21,275	21,546
Total other loans	526	360	359	1,245	62,548	63,793
Total loans	$ 4,672	$ 823	$ 1,056	$ 6,551	$ 352,913	$ 359,464

As of March 31, 2011 and December 31, 2010, the Company did not have any Noncovered loans greater than 90 days past due and accruing.

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The following is a summary of information pertaining to impaired Noncovered Loans as of the dates indicated.

	For the Three Months Ended March 31, 2011				
(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	$ 761	$ 761	$	$ 323	$
Home equity loans and lines	91	91		23	
Commercial real estate	785	785		909	2
Construction and land	764	764		191	1
Multi-family residential					
Other commercial	8	8		37	1
Other consumer					
Total	$ 2,409	$ 2,409	$	$ 1,483	$ 4
With an allowance recorded:					
One- to four-family first mortgage	$ 39	$ 39	$ 20	$ 39	$ 12
Home equity loans and lines					1
Commercial real estate	187	187	12	24	9
Construction and land	186	186	88	191	14
Multi-family residential					
Other commercial	269	269	269	284	
Other consumer	5	5	5	5	
Total	$ 686	$ 686	$ 394	$ 543	$ 36
Total impaired loans:					
One- to four-family first mortgage	$ 800	$ 800	$ 20	$ 362	$ 12
Home equity loans and lines	91	91		23	1
Commercial real estate	972	972	12	933	11
Construction and land	950	950	88	382	15
Multi-family residential					
Other commercial	277	277	269	321	1
Other consumer	5	5	5	5	
Total	$ 3,095	$ 3,095	$ 394	$ 2,026	$ 40

	As of December 31, 2010		
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance
With no related allowance recorded:			
One- to four-family first mortgage	$ 176	$ 176	$
Home equity loans and lines			
Commercial real estate	922	922	
Construction and land			
Multi-family residential			
Other commercial	52	52	
Other consumer			
Total	$ 1,150	$ 1,150	$

With an allowance recorded:			
One- to four-family first mortgage	$ 39	$ 39	$ 20
Home equity loans and lines			
Commercial real estate			
Construction and land	207	207	88
Multi-family residential			
Other commercial	289	289	281
Other consumer	5	5	5
Total	$ 540	$ 540	$ 394

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	As of December 31, 2010		
(dollars in thousands)	Recorded Investment	Unpaid Principal Balance	Related Allowance
Total impaired loans:			
One- to four-family first mortgage	$ 216	$ 216	$ 20
Home equity loans and lines			
Commercial real estate	922	922	
Construction and land	207	207	88
Multi-family residential			
Other commercial	340	340	281
Other consumer	5	5	5
Total	$ 1,690	$ 1,690	$ 394

A summary of information pertaining to nonaccrual Noncovered Loans as of dates indicated is as follows.

(dollars in thousands)	March 31, 2011	December 31, 2010
Nonaccrual loans:		
One- to four-family first mortgage	$ 270	$ 277
Home equity loans and lines	126	
Commercial real estate	407	408
Construction and land	12	12
Other commercial	244	351
Other consumer	31	8
Total	$ 1,090	$ 1,056

7. Fair Value Disclosures

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

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities. This includes certain pricing models, discounted cash flow methodologies, and similar techniques that use significant unobservable inputs.

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

Recurring Basis

Investment Securities Available for Sale

Fair values of investment securities available for sale were primarily measured using information from a third-party pricing service. This pricing service provides pricing information by utilizing evaluated pricing models

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

Management primarily identifies investment securities which may have traded in illiquid or inactive markets by identifying instances of a significant decrease in the volume and frequency of trades, relative to historical levels, as well as instances of a significant widening of the bid-ask spread in the brokered markets. Investment securities that are deemed to have been trading in illiquid or inactive markets may require the use of significant unobservable inputs. For example, management may use quoted prices for similar investment securities in the absence of a liquid and active market for the investment securities being valued. As of March 31, 2011, management did not make adjustments to prices provided by the third-party pricing service as a result of illiquid or inactive markets.

The following tables present the balances of assets and liabilities measured on a recurring basis as of March 31, 2011 and December 31, 2010.

		Fair Value Measurements Using		
(dollars in thousands)	**March 31, 2011**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Securities available for sale:				
U.S. agency mortgage-backed	$ 98,428	$	$ 98,428	$
Non-U.S. agency mortgage-backed	16,387		16,387	
U.S. government agency	19,119		19,119	
Total	$ 133,934	$	$ 133,934	$

		Fair Value Measurements Using		
(dollars in thousands)	**December 31, 2010**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Securities available for sale:				
U.S. agency mortgage-backed	$ 85,335	$	$ 85,335	$
Non-U.S. agency mortgage-backed	20,451		17,216	3,235
U.S. government agency	6,176		6,176	
Total	$ 111,962	$	$ 108,727	$ 3,235

The Company did not record any liabilities at fair value for which measurement of the fair value was made on a recurring basis.

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The following table reconciles assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3):

(dollars in thousands)	Non-U.S. agency mortgage-backed securities
Balance at beginning of year	$ 3,235
Total gains or losses (realized/unrealized)	
Included in earnings	25
Included in other comprehensive income	41
Principal payments	(203)
Sales	(3,098)
Transfers in and/or out of Level 3	
Balance as of March 31, 2011	$
The amount of total gains or losses for the period included in earnings attributable to the change in unrealized gains or losses relating to assets still held as of March 31, 2011	$

Nonrecurring Basis

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

		Fair Value Measurements Using		
(dollars in thousands)	March 31, 2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Loans, covered by loss sharing agreements	$ 75,996	$	$	$ 75,996
Impaired loans	2,701		2,701	
Repossessed assets	5,326		5,326	
FDIC loss sharing receivable	31,030			31,030
Total	$ 115,053	$	$ 8,027	$ 107,026
Liabilities				
Deposits acquired through business combination	$ 47,888	$	$	$ 47,888

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		Fair Value Measurements Using		
(dollars in thousands)	December 31, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets				
Loans, covered by loss sharing agreements	$ 80,447	$	$	$ 80,447
Impaired loans	1,296		1,296	
Repossessed assets	5,683		5,683	
FDIC loss sharing receivable	32,013			32,013
Total	$ 119,439	$	$ 6,979	$ 112,460
Liabilities				
Deposits acquired through business combination	$ 67,466	$	$	$ 67,466

In accordance with the provisions of ASC 310, *Receivables*, the Company records loans considered impaired at their fair value. A loan is considered impaired if it is probable the Company will be unable to collect all amounts due according to the contractual terms of the loan agreement. Fair value is measured at the fair value of the collateral for collateral-dependent loans. Impaired loans are classified as Level 2 assets when measured using appraisals from external parties of the collateral less any prior liens. Impaired loans are classified as Level 3 when an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value and there is no observable market price. Repossessed assets are initially recorded at fair value less estimated costs to sell. The fair value of repossessed assets is based on property appraisals and an analysis of similar properties available. As such, the Company classifies repossessed assets as Level 2 assets. Repossessed assets are classified as Level 3 assets when an appraised value is not available or management determines the fair value of the property is further impaired below the appraised value and there is no observable market price.

Certain assets and liabilities measured on a nonrecurring basis using significant unobservable inputs (Level 3) were acquired as part of the Statewide Bank acquisition. These assets and liabilities were recorded at their fair value upon acquisition in accordance with generally accepted accounting principles.

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

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

The carrying value of cash and cash equivalents and interest-bearing deposits in banks approximate their fair value.

The fair value for investment securities is determined from quoted market prices when available. If a quoted market price is not available, fair value is estimated using third-party pricing services or quoted market prices of securities with similar characteristics.

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The fair value of mortgage loans held for sale and loans is estimated by discounting the future cash flows using the current rates at which similar loans would be made to borrowers with similar credit ratings and for the same remaining maturity.

The fair value for cash surrender value of bank-owned life insurance is based on cash surrender values indicated by the insurance companies.

The fair value of demand deposits, savings, and interest-bearing demand deposits is the amount payable on demand. The fair value of fixed-maturity certificates of deposit is estimated by discounting the future cash flows using the rates currently offered for certificates of similar remaining maturities.

The carrying amount of FHLB advances is estimated using the rates currently offered for advances of similar maturities.

The fair value of off-balance sheet financial instruments as of March 31, 2011 was immaterial.

The following table presents estimated fair values of the Company s financial instruments as of March 31, 2011 and December 31, 2010.

	March 31, 2011		December 31, 2010	
(dollars in thousands)	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets				
Cash and cash equivalents	$ 22,467	$ 22,467	$ 36,970	$ 36,970
Interest-bearing deposits in banks	8,857	8,857	7,867	7,867
Investment securities available for sale	133,933	133,933	111,962	111,962
Investment securities held to maturity	7,764	7,911	15,220	15,400
Mortgage loans held for sale	561	561	2,437	2,437
Loans, net	437,980	454,746	435,992	449,061
Cash surrender value of bank-owned life insurance	16,338	16,338	16,193	16,193
Financial Liabilities				
Deposits	$ 543,619	$ 545,032	$ 553,218	$ 555,250
Short-term FHLB advances	8,000	8,000		
Long-term FHLB advances	13,000	13,265	13,000	13,305

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

The purpose of this discussion and analysis is to focus on significant changes in the financial condition of Home Bancorp, Inc. and its subsidiary, Home Bank, from December 31, 2010 to March 31, 2011 and on its results of operations for the three months ended March 31, 2011 and March 31, 2010. This discussion and analysis is intended to highlight and supplement information presented elsewhere in this quarterly report on Form 10-Q, particularly the financial statements and related notes appearing in Item 1.

Forward-Looking Statements

To the extent that statements in this Form 10-Q relate to future plans, objectives, financial results or performance of the Company or Bank, these statements are deemed to be forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements, which are based on management s current information, estimates and assumptions and the current economic environment, are generally identified by the use of words such as plan , believe , expect , intend , anticipate , estimate , project or similar expressions, or by conditional terms such as will , would , should , could , may , likely , probably , or possibly . The Company s or the Bank s actual strat in future periods may differ materially from those currently expected due to various risks and uncertainties. Factors that may cause actual results to differ materially from these forward-looking statements include, but are not limited to, the risk factors described under the heading Risk Factors in the Company s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2010. The Company undertakes no obligation to update these forward-looking statements to reflect events or circumstances that occur after the date on which such statements were made.

EXECUTIVE OVERVIEW

During the first quarter of 2011, the Company earned $795,000, a decrease of $51,000, or 6.0%, compared to the first quarter of 2010. Diluted earnings per share were $0.11 for the first quarters of 2011 and 2010.

On March 30, 2011, the Company entered into a definitive agreement with GS Financial Corp. (Nasdaq: GSLA), the holding company of the 74-year-old Guaranty Savings Bank, for Guaranty Savings Bank to merge into Home Bank. The holding companies for each bank will also merge. Under the terms of the agreement, shareholders of GS Financial will receive $21.00 per share in cash upon completion of the merger. The merger, which is expected to be completed in the third quarter of 2011, is subject to GS Financial Corp. shareholder approval, regulatory approval and other customary conditions. The Company anticipates that the transaction will be over 10% accretive to earnings once savings are fully phased in by 2012. The dilution to the Company s tangible book value is expected to be minimal. Upon completion of the merger, the combined company will have total assets of approximately $950 million, $625 million in loans and $750 million in deposits.

On March 12, 2010, the Bank acquired certain assets and liabilities of the former Statewide Bank (Statewide) in a Federal Deposit Insurance Corporation (FDIC) assisted transaction. In connection with the transaction, Home Bank entered into loss sharing agreements with the FDIC which cover the acquired loan portfolio (Covered Loans) and repossessed assets (collectively referred to as Covered Assets). Under the terms of the loss sharing agreements, the FDIC will absorb 80% of the first $41,000,000 of losses incurred on Covered Assets and 95% of losses on Covered Assets exceeding $41,000,000.

Key components of the Company s performance in the first quarter of 2011 are summarized below.

Assets totaled $700.5 million as of March 31, 2011, up $52,000, or 0.01%, from December 31, 2010.

The Company sold a sizable portion of the Company s non-agency mortgage-backed securities portfolio during the first quarter of 2011, which included the below-investment grade securities held by the Company. The remaining portfolio of non-agency mortgage-backed securities held by the Company is rated investment grade by either Standard & Poor s or Moody s. Investment securities totaled $141.7 million as of March 31, 2011, an increase of $14.5 million, or 11.4%, from December 31, 2010. The increase was attributable to purchases of U.S. agency mortgage-backed securities and U.S. agency securities, which more than offset sales.

Loans totaled $442.0 million as of March 31, 2011, an increase of $2.1 million, or 0.5%, from December 31, 2010. Noncovered Loans totaled $366.0 million as of March 31, 2011, an increase of $6.5 million, or 1.8%, from December 31, 2010. Growth in the Noncovered Loan portfolio was primarily in commercial other and commercial real estate loans. Covered Loans totaled $76.0 million as of March 31, 2011, a decrease of $4.5 million, or 5.5%, from December 31, 2010.

Core deposits (i.e., checking, savings, and money market) increased for the 7th consecutive quarter, increasing $12.0 million, or 3.6%, from December 31, 2010 totaling $343.0 million as of March 31, 2011. Customer deposits totaled $543.6 million as of March 31, 2011, a decrease of $9.6 million, or 1.7%, from December 31, 2010.

Interest income increased $900,000, or 12.4%, in the first quarter of 2011 compared to the first quarter of 2010. The increase was the result of an increase in average loans primarily driven by the Statewide acquisition, which more than offset a decrease in the average yield earned on interest-earning assets.

Interest expense decreased $116,000, or 8.3%, for the first quarter of 2011 compared to the first quarter of 2010. The decrease was primarily due to a decrease in the average rate paid on interest-bearing liabilities as the result of reduced market rates and changes in the composition of our interest-bearing liabilities, which more than offset increases in the average balances of our deposits.

The provision for loan losses totaled $102,000 for the first quarter of 2011, a decrease of $248,000, or 70.8%, compared to the first quarter of 2010. As of March 31, 2011, the allowance for loan losses as a percentage of loans not covered under the FDIC loss sharing agreements (Noncovered Loans) was 1.10%, compared to 1.09% as of December 31, 2010. Net charge-offs for the first three months of 2011 were $3,000, compared to $21,000 for the same period of 2010.

Noninterest income for the first quarter of 2011 increased $246,000, or 24.6%, compared to the first quarter of 2010. The increase resulted primarily from higher levels of bank card fees and the discount accretion of the FDIC loss sharing receivable associated with the Statewide acquisition.

Noninterest expense for the first quarter of 2011 increased $1.5 million, or 28.2%, compared to the first quarter of 2010. The increase was primarily due to higher compensation and benefits, occupancy and data processing and communications expenses related to the Statewide acquisition and the addition of our Baton Rouge headquarters location in mid-March 2010. Additionally, regulatory fees increased as a result of an increase in base insurance premium assessments on deposits by the FDIC.

FINANCIAL CONDITION

Loans, Asset Quality and Allowance for Loan Losses

Loans Loans totaled $442.0 million as of March 31, 2011, an increase of $2.1 million, or 0.5%, from December 31, 2010. The Company distinguishes its loan portfolio into two major classes: 1) loans subject to the FDIC loss sharing agreements, which are referred to as Covered Loans , and 2) loans that are not subject to the FDIC loss sharing agreements, which are referred to as Noncovered Loans. Noncovered Loans totaled $366.0 million as of March 31, 2011, an increase of $6.5 million, or 1.8%, from December 31, 2010. Noncovered Loan growth was concentrated in the commercial other and commercial real estate portfolios.

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

(dollars in thousands)	**March 31, 2011**	**December 31, 2010**	**Total Loans Increase/(Decrease)**	
Noncovered real estate loans:				
One- to four-family first mortgage	$ 104,224	$ 105,157	$ (933)	(0.9)%
Home equity loans and lines	24,796	24,898	(102)	(0.4)
Commercial real estate	117,264	115,946	1,318	1.1
Construction and land	44,259	45,177	(918)	(2.0)
Multi-family residential	4,634	4,493	141	3.1
Total noncovered real estate loans	295,177	295,671	(494)	(0.2)
Noncovered other loans:				
Commercial	48,440	42,247	6,193	14.7
Consumer	22,386	21,546	840	3.9
Total noncovered other loans	70,826	63,793	7,033	11.0
Total noncovered loans	366,003	359,464	6,539	1.8
Covered loans	75,996	80,447	(4,451)	(5.5)
Total loans	$ 441,999	$ 439,911	$ 2,088	0.5

(dollars in thousands)	**March 31, 2011**	**December 31, 2010**
Covered real estate loans:		
One- to four-family first mortgage	$ 16,452	$ 17,457
Home equity loans and lines	5,973	6,017
Commercial real estate	36,657	34,878
Construction and land	8,354	12,361
Multi-family residential	1,216	1,225
Total covered real estate loans	68,652	71,938
Covered other loans:		
Commercial	5,477	6,163
Consumer	1,867	2,346
Total covered other loans	7,344	8,509
Total covered loans	$ 75,996	$ 80,447

Asset Quality One of management s key objectives has been, and continues to be, maintaining a high level of asset quality. In addition to maintaining credit standards for new loan originations, the Company proactively monitors loans and collection and workout processes of delinquent or problem loans. When a borrower fails to make a scheduled payment, the Company attempts 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. 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 Company 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 the borrower s 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.

Repossessed assets which are acquired as a result of foreclosure are classified as repossessed assets until sold. Repossessed assets are recorded at the fair value less estimated selling costs. 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.

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An impaired loan generally is one for which it is probable, based on current information, that the Bank 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 real estate 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, and commercial other loans are individually evaluated for impairment.

Federal regulations and internal policies require that the Company utilize an internal asset classification system as a means of reporting problem and potential problem assets. The Company has 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 savings institution 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 at 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 Company reviews and classifies assets monthly. The Board of Directors is provided with monthly reports on our classified assets. Assets are classified in accordance with the management guidelines described above. As of March 31, 2011 and December 31, 2010, substandard loans, excluding Covered Loans, amounted to $4.1 million and $2.3 million, respectively. The amount of the allowance for loan losses allocated to substandard loans totaled $394,000 as of March 31, 2011 and December 31, 2010. There were no assets classified as doubtful or loss at March 31, 2011 or December 31, 2010.

The loans and repossessed assets that were acquired in the Statewide acquisition are covered by loss sharing agreements between the FDIC and the Bank, which affords the Bank significant loss coverage. As a result of the loss coverage provided by the FDIC, the risk of loss on the Covered Assets is significantly different from those assets not covered under the loss share agreements. At their acquisition date, Covered Assets were recorded at their fair value, which included an estimate of credit losses. Asset quality information on Covered Assets is reported before consideration of applied loan discounts, as these discounts were recorded based on the estimated cash flow of the total loan pool and not on a specific loan basis. Because of the loss share agreements, balances disclosed below are for general comparative purposes only and do not represent the Company s risk of loss on Covered Assets. Because these assets are covered by the loss share agreements with the FDIC, the FDIC will absorb 80% of the first $41,000,000 of losses incurred on Covered Assets and 95% of losses on Covered Assets exceeding $41,000,000.

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Nonperforming assets, defined as nonaccrual loans, accruing loans past due 90 days or more and foreclosed property, excluding Covered Assets, amounted to $1.2 million, or 0.19% of total assets, as of March 31, 2011, compared to $1.1 million, or 0.19% of total assets, as of December 31, 2010. The following table sets forth the composition of the Company s nonperforming assets and troubled debt restructurings as of the dates indicated.

(dollars in thousands)	March 31, 2011 Covered Assets	Noncovered Assets	Total	December 31, 2010 Covered Assets	Noncovered Assets	Total
Nonaccrual loans:						
Real estate loans:						
One- to four-family first mortgage	$ 4,997	$ 270	$ 5,267	$ 5,458	$ 277	$ 5,735
Home equity loans and lines	497	126	623	271		271
Commercial real estate and multi-family	2,741	407	3,148	2,879	408	3,287
Construction and land	4,264	12	4,276	4,221	12	4,233
Other loans:						
Commercial	2,835	244	3,079	3,008	351	3,359
Consumer	145	31	176	151	8	159
Total nonaccrual loans	15,479	1,090	16,569	15,988	1,056	17,044
Accruing loans 90 days or more past due						
Total nonperforming loans	15,479	1,090	16,569	15,988	1,056	17,044
Foreclosed property	5,281	92	5,373	5,661	92	5,753
Total nonperforming assets	20,760	1,182	21,942	21,649	1,148	22,797
Performing troubled debt restructurings		1,067	1,067		721	721
Total nonperforming assets and troubled debt restructurings	$ 20,760	$ 2,249	$ 23,009	$ 21,649	$ 1,869	$ 23,518
Nonperforming loans to total loans [(1)]		0.30%			0.29%	
Nonperforming loans to total assets [(1)]		0.18%			0.17%	
Nonperforming assets to total assets [(1)]		0.19%			0.19%	

[(1)] Asset quality information excludes assets covered under FDIC loss sharing agreements.

Net loan charge-offs for the first quarter of 2011 were $3,000, compared to $21,000 for the first quarter of 2010.

Real estate, or other collateral, which is acquired as a result of foreclosure is classified as foreclosed property until sold. Foreclosed property is recorded at fair value less estimated costs to sell. Holding costs are charged to expense. Gains and losses on the sale of real estate owned 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 our loans, the value of collateral securing loans, the borrower s ability to repay and repayment performance, the number of loans requiring heightened management oversight, local 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 outsourced 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 likelihood that different amounts would be reported under different conditions or assumptions. Various 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.

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With respect to Covered 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 meeting the criteria above, and determines the excess of the loan 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 loan s or pool s cash flows expected to be collected over the fair value, is accreted into interest income over the remaining life of the loan or pool (accretable yield). The Company records a discount on these loans at acquisition to record them at their realizable cash flow. As a result, acquired loans subject to ASC 310, *Receivables*, are excluded from the calculation of loan loss reserves at the acquisition date.

Loans acquired in the Statewide acquisition were recorded at their acquisition date fair value, which was based on expected cash flows and included an estimation of expected future loan losses. If the Company determines that losses arose after the acquisition date, the additional losses will be reflected as a provision for loan losses. Additionally, the acquired loans will be included in the calculation of the Company s allowance for loan losses to the extent the losses are not covered by the FDIC loss sharing agreements.

The Company 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 during the first three months of 2011.

(dollars in thousands)	**Amount**
Balance, December 31, 2010	$ 3,920
Provision charged to operations	102
Loans charged off	(9)
Recoveries on charged off loans	6
Balance, March 31, 2011	$ 4,019

Excluding Covered Loans, the allowance for loan losses amounted to 1.10% of total loans and 368.8% of total nonperforming loans as of March 31, 2011, compared to 1.09% and 371.2%, respectively, as of December 31, 2010.

Investment Securities

The Company s investment securities portfolio totaled $141.7 million as of March 31, 2011, an increase of $14.5 million, or 11.4%, from December 31, 2010. As of March 31, 2011, the Company had a net unrealized gain on its available for sale investment securities portfolio of $1.6 million compared to $1.0 million as of December 31, 2010.

Due to more favorable market pricing, the Company sold a sizeable portion of its non-agency mortgage-backed securities portfolio during the first three months of 2011. The sale of these securities, which included the below-investment-grade securities held by the Company, resulted in a $166,000 pre-tax net loss. The remaining portfolio of non-agency mortgage-backed securities, which had an amortized cost of $16.5 million as of March 31, 2011, is rated investment grade by either Standard & Poor s or Moody s.

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The following table summarizes activity in the Company s investment securities portfolio during the first three months of 2011.

(dollars in thousands)	Available for Sale	Held to Maturity
Balance, December 31, 2010	$ 111,962	$ 15,220
Purchases	32,601	3,000
Sales	(3,622)	
Principal payments and calls	(7,811)	(10,455)
Accretion of discounts and amortization of premiums, net	205	(1)
Increase in market value	598	
Balance, March 31, 2011	$ 133,933	$ 7,764

The Company holds no Federal National Mortgage Association (Fannie Mae) or Federal Home Loan Mortgage Corporation (Freddie Mac) preferred stock, equity securities, corporate bonds, trust preferred securities, hedge fund investments, or collateralized debt obligations.

Funding Sources

Deposits Deposits totaled $543.6 million as of March 31, 2011, a decrease of $9.6 million, or 1.7%, compared to December 31, 2010. The Company experienced its 7th consecutive quarter of core deposit (i.e., checking, savings, and money market) growth during the quarter ended March 31, 2011. Core deposits totaled $343.4 million as of March 31, 2011, an increase of $12.0 million, or 3.6%, compared to December 31, 2010. The following table sets forth the composition of the Company s deposits at the dates indicated.

	March 31,	December 31,	Increase (Decrease)	
(dollars in thousands)	2011	2010	Amount	Percent
Demand deposit	$ 102,335	$ 100,579	$ 1,756	1.7%
Savings	31,264	29,258	2,006	6.9
Money market	143,088	133,245	9,843	7.4
NOW	66,757	68,398	(1,641)	(2.4)
Certificates of deposit	200,175	221,738	(21,563)	(9.7)
Total deposits	$ 543,619	$ 553,218	$ (9,599)	(1.7)%

Federal Home Loan Bank Advances Short-term FHLB advances totaled $8.0 million as of March 31, 2011. The Company did not have short-term FHLB advances outstanding as of December 31, 2010. The average rates paid on short-term FHLB advances were 0.16% for the three ended March 31, 2011**,** compared to 0.21% for the three months ended March 31, 2010.

Long-term FHLB advances totaled $13.0 million as of March 31, 2011 and December 31, 2010. The average rates paid on long-term FHLB advances were 3.08% for the three months ended March 31, 2011, compared to 3.55% for the three months ended March 31, 2010.

Shareholders Equity Shareholders equity provides a source of permanent funding that allows for future growth and provides the Company with a cushion to withstand unforeseen adverse developments. Shareholders equity increased $1.0 million, or 0.8%, from $131.5 million as of December 31, 2010 to $132.6 million as of March 31, 2011.

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As of March 31, 2011, the Bank had regulatory capital that was well in excess of regulatory requirements. The following table details the Bank s actual levels and current regulatory capital requirements as of March 31, 2011.

(dollars in thousands)	**Actual**		**Required for Capital Adequacy Purposes**		**To Be Well Capitalized Under Prompt Corrective Action Provisions**	
	Amount	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 risk-based capital	$ 106,684	24.05%	$ 17,745	4.00%	$ 26,618	6.00%
Total risk-based capital	110,309	24.86	35,491	8.00	44,364	10.00
Tier 1 leverage capital	106,684	15.59	27,366	4.00	34,208	5.00
Tangible capital	106,684	15.59	10,262	1.50	N/A	N/A

LIQUIDITY AND ASSET/LIABILITY MANAGEMENT

Liquidity Management

Liquidity management encompasses our ability to ensure that funds are available to meet the cash flow requirements of depositors and borrowers, while also ensuring adequate cash flow exists to meet the Company s needs, including operating, strategic and capital. The Company develops its liquidity management strategies as part of its overall asset/liability management process. Our primary sources of funds are from deposits, amortization of loans, loan prepayments and the maturity of loans, investment securities and other investments, and other funds provided from operations. While scheduled payments from the amortization of loans and investment securities and maturing investment securities are relatively predictable sources of funds, deposit flows and loan prepayments can be greatly influenced by general interest rates, economic conditions and competition. The Company also maintains excess funds in short-term, interest-bearing assets that provide additional liquidity. As of March 31, 2011, cash and cash equivalents totaled $22.5 million. At such date, investment securities available for sale totaled $133.9 million.

The Company uses its liquidity to fund existing and future loan commitments, to fund maturing certificates of deposit and demand deposit withdrawals, to invest in other interest-earning assets, and to meet operating expenses. As of March 31, 2011, certificates of deposit maturing within the next 12 months totaled $146.3 million. Based upon historical experience, the Company anticipates that a significant portion of the maturing certificates of deposit will be redeposited with us. For the three months ended March 31, 2011, the average balance of our outstanding FHLB advances was $15.3 million. As of March 31, 2011, the Company had $21.0 million in outstanding FHLB advances and had $243.9 million in additional FHLB advances available.

In addition to cash flow from loan and securities payments and prepayments as well as from sales of securities available for sale, the Company has significant borrowing capacity available to fund liquidity needs. In recent years, the Company has utilized borrowings as a cost efficient addition to deposits as a source of funds. Our borrowings consist of advances from the FHLB of Dallas, of which the Company is a member. Under terms of the collateral agreement with the FHLB, the Company pledges residential mortgage loans and investment securities as well as the Company s stock in the FHLB as collateral for such advances.

Asset/Liability Management

The objective of asset/liability management is to implement strategies for the funding and deployment of the Company s financial resources that are expected to maximize soundness and profitability over time at acceptable levels of risk. Interest rate sensitivity is the potential impact of changing rate environments on both net interest income and cash flows. The Company measures its interest rate sensitivity over the near term primarily by running net interest income simulations.

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Our interest rate sensitivity also is 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 rate as of March 31, 2011.

Shift in Interest Rates (in bps)	% Change in Projected Net Interest Income
+300	8.1%
+200	5.7
+100	3.1

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

Off-Balance Sheet Activities

To meet the financing needs of its customers, the Bank 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 undisbursed construction loans as of March 31, 2011 and December 31, 2010.

	Contract Amount	
(dollars in thousands)	March 31, 2011	December 31, 2010
Letters of credit	$ 1,445	$ 1,190
Lines of credit	39,373	39,225
Undisbursed portion of loans in process	34,461	37,170
Commitments to originate loans	38,197	47,906

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

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

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

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RESULTS OF OPERATIONS

The Company reported net income for the first quarter of 2011 of $795,000, a decrease of $51,000, or 6.0%, compared to the first quarter of 2010. Diluted earnings per share were $0.11 for the first quarters of 2011 and 2010.

Net Interest Income Net interest income is the difference between the interest income earned on interest-earning assets, such as loans and investment securities, and the interest expense paid on interest-bearing liabilities, such as deposits and borrowings. The Company s net interest income is largely determined by our net interest spread, which is the difference between the average yield earned on interest-earning assets and the average rate paid on interest bearing liabilities, and the relative amounts of interest-earning assets and interest-bearing liabilities. The Company s net interest spread was 4.42% and 4.21% for the three months ended March 31, 2011 and 2010, respectively. The Company s net interest margin, which is net interest income as a percentage of average interest-earning assets, was 4.67% and 4.69% for the three months ended March 31, 2011 and 2010, respectively. The decreases in net interest margin were primarily due to lower average yields on interest-earning assets as a result of the current low rate environment.

Net interest income totaled $6.9 million for the three months ended March 31, 2011, an increase of $1.0 million, or 17.3%, compared to the three months ended March 31, 2010.

Interest income increased $900,000, or 12.4%, in the first quarter of 2011 compared to the first quarter of 2010. The increases were primarily due to a higher average volume of loans receivable in the three months ended March 31, 2011 as the result of the Statewide Bank acquisition, which more than offset decreases in the average yield on interest-earning assets.

Interest expense decreased $116,000, or 8.3%, in the first quarter of 2011 compared to the first quarter of 2010. The decrease was primarily due to decreases in the average rate paid on interest-bearing liabilities as the result of reduced market rates and an increase in the average volume of lower cost interest-bearing liabilities.

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

	Three Months Ended March 31,					
	2011			2010		
(dollars in thousands)	Average Balance	Interest	Average Yield/ Rate[(1)]	Average Balance	Interest	Average Yield/ Rate[(1)]
Interest-earning assets:						
Loans receivable[(1)]	$ 439,490	$ 7,161	6.59%	$ 360,963	$ 5,908	6.61%
Investment securities	130,607	961	2.94	123,183	1,323	4.30
Other interest-earning assets	24,423	37	0.61	20,049	27	0.55
Total earning assets	594,520	8,159	5.55	504,195	7,258	5.81
Noninterest-earning assets	98,235			55,218		
Total assets	$ 692,755			$ 559,413		
Interest-bearing liabilities:						
Deposits:						
Savings, checking and money market	$ 233,440	$ 303	0.53%	$ 153,003	$ 272	0.72%
Certificates of deposit	209,734	875	1.69	181,861	964	2.15
Total interest-bearing deposits	443,174	1,178	1.08	334,864	1,236	1.50
FHLB advances	15,280	101	2.64	17,897	158	3.53
Total interest-bearing liabilities	458,454	1,279	1.13	352,761	1,394	1.60
Noninterest-bearing liabilities	102,307			77,034		
Total liabilities	560,761			429,795		
Shareholders equity	131,994			129,618		
Total liabilities and shareholders equity	$ 692,755			$ 559,413		
Net interest-earning assets	$ 136,066			$ 151,434		
Net interest spread		$ 6,880	4.42%		$ 5,864	4.21%
Net interest margin			4.67%			4.69%

(1) Includes nonaccrual loans during the respective periods. Calculated net of deferred fees and discounts and loans in process.

Provision for Loan Losses For the quarter ended March 31, 2011, the Company recorded a provision for loan losses of $102,000, compared to a provision of $350,000 for the same period in 2010. As of March 31, 2011, the Company s ratio of allowance for loan losses to total Noncovered Loans was 1.10%, compared to 1.09% as of December 31, 2010.

Noninterest Income The Company s noninterest income was $1.2 million for the three months ended March 31, 2011, $246,000, or 24.6%, higher than the $998,000 earned for the same period in 2010. The increase resulted primarily from higher levels of bank card fees and the discount accretion of the FDIC loss sharing receivable associated with the acquisition of Statewide Bank, which occurred late in the first quarter of 2010.

Noninterest Expense The Company s noninterest expense was $6.7 million for the three months ended March 31, 2011, $1.5 million, or 28.2%, higher than the $5.2 million in noninterest expense for the same period in 2010. The increase was primarily due to higher compensation and benefits, occupancy and data processing and communications expenses related to the Statewide Bank acquisition and the addition of our Baton Rouge headquarters location in mid-March 2010. Additionally, regulatory fees increased as a result of an increase in base insurance premium assessments on deposits by the FDIC.

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Income Taxes For the quarters ended March 31, 2011 and March 31, 2010, the Company incurred income tax expense of $498,000 and $420,000, respectively. The Company s effective tax rate amounted to 38.5% and 33.2% during the first quarters of 2011 and 2010, respectively. The effective tax rate during the first quarter of 2011 was higher than the statutory rate due to non-deductible merger-related expenses of $191,000. Other differences between the effective tax rate and the statutory tax rate primarily relates to variances in items that are non-taxable or non-deductible (i.e., state tax, tax-exempt income, tax credits, etc.).

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

Quantitative and qualitative disclosures about market risk are presented in the Company s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2010, under the heading Management s Discussion and Analysis of Financial Condition and Results of Operations Asset/ Liability Management and Market Risk . Additional information at March 31, 2011 is included herein under Item 2, Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Asset/Liability Management .

Item 4. Controls and Procedures.

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

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Securities Exchange Act of 1934) occurred during the first quarter of 2011 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

Not applicable.

Item 1A. Risk Factors.

There have been no material changes from the risk factors previously disclosed in the Company s Annual Report on Form 10-K for December 31, 2010 filed with the Securities and Exchange Committee.

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

The Company s purchases of its common stock made during the quarter consisted of stock repurchases under the Company s approved plan and are set forth in the following table.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet be Purchased Under the Plan or Programs(1)
January 1 - January 31, 2011	39,300	$ 13.72	39,300	35,198
February 1 - February 28, 2011	143	14.23	143	35,055
March 1 - March 31, 2011	4,400	14.03	4,400	30,655

Total	43,843	$ 13.75	43,843	30,655

(1) On July 26, 2010, the Company s Board of Directors approved a share repurchase program. Under the plan, the Company can repurchase up to 424,027 shares, or 5% of its common stock outstanding, through open market or privately negotiated transactions.

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Item 3. Defaults Upon Senior Securities.

None.

Item 4. Reserved.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Financial Statement Schedules.

No.	Description
31.1	Rule 13(a)-14(a) Certification of the Chief Executive Officer
31.2	Rule 13(a)-14(a) Certification of the Chief Financial Officer
32.0	Section 1350 Certification

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SIGNATURES

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

		HOME BANCORP, INC.
May 9, 2011	By:	/s/ John W. Bordelon John W. Bordelon *President and Chief Executive Officer*
May 9, 2011	By:	/s/ Joseph B. Zanco Joseph B. Zanco *Executive Vice President and Chief Financial Officer*
May 9, 2011	By:	/s/ Mary H. Hopkins Mary H. Hopkins *Home Bank First Vice President and Controller*