Home Bancorp (HBCP)

Updated April 21st, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$65	**5 Year CAGR Estimate:**	4.5%	**Market Cap:**	$517 M
Fair Value Price:	$67	**5 Year Growth Estimate:**	2.0%	**Ex-Dividend Date:**	5/4/26
% Fair Value:	97%	**5 Year Valuation Multiple Estimate:**	0.7%	**Dividend Payment Date:**	5/15/26
Dividend Yield:	1.9%	**5 Year Price Target**	$74	**Years Of Dividend Growth:**	12
Dividend Risk Score:	C	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

Home Bancorp (HBCP) is the holding company of Home Bank, National Association, a community bank that was founded in 1908, became public in 2008, and is headquartered in Lafayette, Louisiana. It operates 42 branches across Southern Louisiana, Western Mississippi and Houston and provides a wide range of banking loans and services. Home Bancorp has total assets of $3.6 billion and a market capitalization of $517 million.

Home Bancorp has a diversified loan portfolio. Commercial real estate, residential mortgage and commercial & industrial loans comprise 46%, 17% and 16% of total loans, respectively. Insiders own 14% of the shares of the company.

In mid-April, Home Bancorp reported (4/20/26) financial results for the first quarter of fiscal 2026. Loans and deposits grew 1% and 2%, respectively, over the previous quarter. Net interest margin expanded from 4.06% to 4.16% and thus net interest income edged up 1%. Net interest margin has expanded in 7 of the last 8 quarters. However, due to an increase in provisions for loan losses, earnings-per-share dipped -1%, from $1.46 to $1.45, though they exceeded the analysts' consensus by $0.06. Home Bancorp has exceeded the analysts' estimates for 13 consecutive quarters and has not missed the analysts' estimates for 23 consecutive quarters. The Fed began cutting interest rates last year but it has paused this year due to somewhat sticky inflation. If the crisis in Iran ends soon, the Fed may cut interest rates further. In such a case, the net interest margin of the bank is likely to improve. Management has provided guidance for mid-single-digit growth of loans in 2026.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$2.25	$2.28	$3.40	$3.05	$2.85	$5.77	$4.20	$4.99	$4.55	$5.87	***$5.80***	***$6.40***
DPS	$0.41	$0.55	$0.71	$0.84	$0.88	$0.91	$0.93	$1.00	$1.01	$1.14	***$1.24***	***$1.47***
Shares[1]	7.1	7.4	9.3	9.1	8.7	8.3	8.1	8.0	8.0	7.8	***7.7***	***7.5***

Home Bancorp has acquired six smaller banks since it became public, in 2008. Since then, the bank has grown its asset base by 12% per year on average. It has also grown its earnings-per-share by 11.2% per year on average over the last decade and by 11.5% per year on average over the last six years. Moreover, the Fed has resumed cutting interest rates and intends to reduce them further in the upcoming years. As a result, Home Bancorp is likely to enjoy a meaningful expansion of its net interest margin in the upcoming years. Nevertheless, given the increased risk related to the small market cap of the bank and its somewhat volatile performance record, we prefer to be cautious in our growth expectations. Given also a high comparison base, we assume 2.0% annual growth of earnings-per-share until 2031.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	12.6	17.0	12.6	12.1	9.5	6.5	9.4	7.0	9.0	8.8	***11.2***	***11.6***
Avg. Yld.	1.4%	1.4%	1.7%	2.3%	3.2%	2.4%	2.4%	2.9%	2.5%	2.2%	***1.9%***	***2.0%***

[1] In millions.

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Home Bancorp has traded at an average price-to-earnings ratio of 11.6 over the last decade. We assume this valuation level as fair for this stock. The stock is currently trading at a price-to-earnings ratio of 11.2, which is slightly lower than the historical average of the bank. If the stock trades at its average valuation level in five years, it will enjoy a 0.7% annualized valuation gain.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	18%	24%	21%	28%	31%	16%	22%	20%	22%	19%	***21%***	***23%***

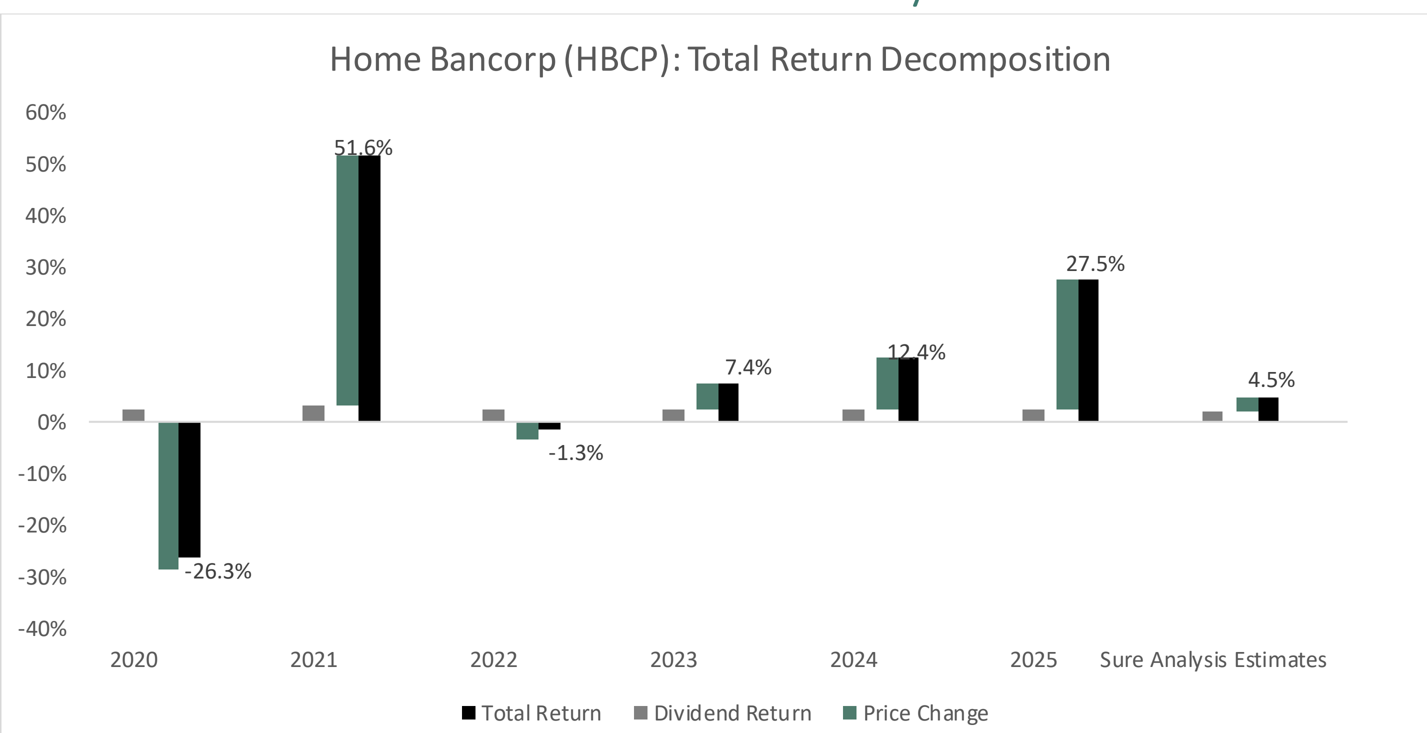
Home Bancorp raised its dividend by 12% last year and thus it has now raised its dividend for 12 consecutive years. Thanks to its solid payout ratio of 21% and its growth prospects, the bank can keep raising its dividend for years. However, the stock has always offered a lackluster dividend yield. It is currently offering a 1.9% dividend yield, which is lower than the 2.9% median dividend yield of the financial sector. The company has grown its dividend by 6.4% per year over the last five years. Overall, the stock is hardly attractive for income-oriented investors, though it is suitable for growth-oriented investors.

Home Bancorp has a Tier 1 capital ratio of 12.1% and has proved a disciplined acquirer of smaller banks. In addition, while the bank was affected by the pandemic and the downturn caused by the surge of interest rates in 2022, it proved more resilient than the average bank in these crises. Overall, despite the inherent risk related to small-cap stocks, Home Bancorp appears better-than-average in quality of management, growth prospects and resilience to downturns.

Final Thoughts & Recommendation

The stock of Home Bancorp has rallied 83% in the last two years thanks to strong business performance amid lower interest rates. Due to its steep rally, the stock has become less attractive. It could still offer a 4.5% average annual return over the next five years thanks to 2.0% growth of earnings-per-share, its 1.9% dividend and a 0.7% valuation tailwind. The stock maintains its hold rating.

Total Return Breakdown by Year



Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.

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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	74	78	105	100	107	117	132	135	135	149
SG&A Exp.	29	29	38	40	39	41	50	51	53	---
D&A Exp.	2	2	3	3	3	3	3	4	3	3
Net Profit	16	17	32	28	25	49	34	40	36	46
Net Margin	21.8%	21.6%	30.0%	27.8%	23.3%	41.5%	25.8%	29.7%	27.0%	30.9%
Free Cash Flow	16	23	42	40	47	53	48	39	45	45
Income Tax	8	12	7	6	6	12	8	10	9	12

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,557	2,228	2,154	2,200	2,592	2,938	3,228	3,320	3,444	3,493
Cash & Equivalents	31	153	61	40	188	602	88	76	99	142
Goodwill & Int. Ass.	13	68	66	64	63	62	88	86	85	84
Total Liabilities	1,377	1,950	1,850	1,884	2,270	2,586	2,898	2,953	3,048	3,058
Long-Term Debt	119	72	64	46	34	32	236	252	236	58
Shareholder's Equity	180	278	304	316	322	352	330	367	396	435
LTD/E Ratio	0.66	0.26	0.21	0.15	0.11	0.09	0.71	0.69	0.59	0.13

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	1.0%	0.9%	1.4%	1.3%	1.0%	1.8%	1.1%	1.2%	1.1%	1.3%
Return on Equity	9.3%	7.4%	10.9%	9.0%	7.8%	14.4%	10.0%	11.5%	9.5%	11.1%
ROIC	5.4%	5.2%	8.8%	7.6%	6.9%	13.1%	7.2%	6.8%	5.8%	8.1%
Shares Out.	7.1	7.4	9.3	9.1	8.7	8.3	8.1	8.0	8.0	7.9
Revenue/Share	10.35	10.53	11.34	10.98	12.24	13.91	16.10	16.78	16.85	26.53
FCF/Share	2.30	3.09	4.53	4.38	5.39	6.32	5.92	4.88	5.58	5.67

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.