



**News Announcement
For immediate release**

Contact: Tom Gdowski
308-382-3136
tgdowski@equitableonline.com
Date: September 13, 2021

Grand Island, Nebraska

Fiscal Year 2021 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1.1 million for the fourth quarter of fiscal year ending June 30, 2021, or \$0.40 per share, compared to \$629,000, or \$0.21 per share for the fourth quarter of fiscal year June 2020.
- For the fiscal year ending June 30, 2021, Equitable Financial Corp reported profits of \$4.3 million or \$1.40 per share, compared to \$2.6 million, or \$0.85 per share for the fiscal year June 2020. The book value per share June 30, 2021, was \$14.07 per share compared to \$12.63 per share June 30, 2020.
- Net interest income increased \$2.0 million, or 18% for the fiscal year June 2021 compared to the fiscal year June 2020. Total interest income increased \$164,000, or 1% for the fiscal year June 2021 compared to the fiscal year for June 2020. However, total interest expense decreased \$1.9 million, or 40%, for the fiscal year June 2021 compared to fiscal year June 2020. This increase is primarily due to lower interest rates on deposits. Also, decreasing year over year was Federal Home Loan Bank interest expense due to pay offs on advances.
- Net loans increased \$8.0 million, or 2% to \$349.7 million on June 30, 2021, compared to \$341.7 million on June 30, 2020. Net loans excluding Payroll Protection Program (PPP) funding were \$327.3 million on June 30, 2021, compared to \$313.6 million on June 30, 2020. This is a \$13.7 million increase in net loans. Provision for loan loss recorded during the quarter ended June 30, 2021, was \$57,000.
- Noninterest income increased \$1.5 million, or 26%, to \$7.2 million for the fiscal year ending June 30, 2021, compared to \$5.7 million for the fiscal year ending June 30, 2020. Contributing to this increase was a rise in service charges on deposit accounts, brokerage fee income, and gain on sale of loans. Service charges on deposit accounts increased \$111,000, or 15%, brokerage fee income increased \$619,000, or 40%, and gain on sale of loans increased \$977,000, or 63%.
- Noninterest expense increased \$1.9 million, or 15%, for the fiscal year June 30, 2021. Much of the increase was in salaries and employee benefits. Salaries and employee benefits increased \$1.4 million, or 20%, to \$8.6 million for the fiscal year June 30, 2021, from \$7.1 million for the fiscal year June 30, 2020. These increases are related to higher compensation expense tied to additional staff, incentives related to PPP loan production, mortgage originations, and wealth management compensation as well as insurance costs.
- Total assets were \$422.6 million as of June 30, 2021, an increase of \$28.2 million, or 7% from June 30, 2020; this is due to an increase in interest-bearing deposits, available for sale securities and net loans. Deposits increased \$37.0 million, or 11% to \$365.3 million on June 30, 2021, compared to \$328.3 million on June 30, 2020.

During the quarter, the company repurchased 45,454 shares of stock for a total of \$580,587, at an average price per share of \$12.77. During the fiscal year ending June 30, 2021, the company repurchased 131,551 shares for a total of \$1,601,610, at an average price per share of \$12.17.

President and CEO, Tom Gdowski stated “our markets continue to perform well in terms of asset quality and lending opportunities. The increase in commodity prices this year has also assisted our ag producers in strengthening their balance sheets. The continuing overall economic recovery combined with low interest rates is fueling demand for housing and mortgages, which strengthens our mortgage banking department. The Paycheck Protection Program supported our borrowers this past year and we have been able to assist many customers in obtaining forgiveness of the loans, resulting in higher interest income. We expect this income to be recognized completely by calendar year end. We were able to open our new location in Elkhorn last month and are excited about the opportunity to serve this rapidly growing market. “

About Equitable Financial Corp.

Equitable Financial Corp. is the holding company for Equitable Bank, which is a Nebraska-based community bank headquartered in Grand Island. Equitable Bank has been in operation since 1882. A full-service bank with 4 branches in Grand Island, North Platte and Omaha, Equitable offers consumer, commercial and Ag loans, home loans, checking and savings accounts, financial planning, and retirement services.

Forward-Looking Statements

When used in this Press Release, the words or phrases “will likely result,” “are expected to,” “will continue,” “is anticipated,” “estimate,” “project,” or similar expressions are intended to identify “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including, but not limited to, changes in economic conditions in the Company’s market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bank’s market area, competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, and other risks described in the Company’s filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company advises readers that the factors listed above could affect the Company’s financial performance and could cause the Company’s actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revision which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

Equitable Financial Corp.**Balance Sheet****Unaudited**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Assets		
Cash and due from financial institutions	\$ 4,168,982	\$ 5,187,505
Interest-earning deposits	<u>25,567,226</u>	<u>10,161,397</u>
	29,736,208	15,348,902
Securities available-for-sale	22,111,286	18,257,878
Securities held-to-maturity	23,915	53,417
Federal Home Loan Bank stock, at cost	2,048,000	1,317,500
Federal Reserve Bank stock, at cost	471,500	472,050
Loans, net of allowance for loan losses of \$5,194,000 and \$4,905,000, respectively	349,742,509	341,675,944
Premises and equipment, net	7,117,514	6,499,629
Foreclosed assets, net	4,054	35,249
Accrued interest receivable	2,122,977	2,473,808
Deferred taxes, net	771,528	440,416
Customer list intangible	1,619,762	1,792,447
Bank-owned life insurance	3,726,055	3,615,439
Other assets	<u>3,083,406</u>	<u>2,406,199</u>
Total assets	<u><u>\$ 422,578,714</u></u>	<u><u>\$ 394,388,878</u></u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 57,525,889	\$ 50,570,497
Interest-bearing deposits	<u>307,808,272</u>	<u>277,720,036</u>
	365,334,161	328,290,533
Lines of credit	880,000	—
Federal Home Loan Bank Borrowings	11,000,000	24,000,000
Advance payments from borrowers for taxes and insurance	602,129	596,183
Accrued interest payable and other liabilities	<u>3,471,929</u>	<u>3,006,595</u>
Total liabilities	<u><u>381,288,219</u></u>	<u><u>355,893,311</u></u>
Common stock in ESOP subject to contingent repurchase obligation	1,549,557	1,235,981
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 2,824,286 and 2,949,536 shares issued and outstanding at June 30, 2021 and June 30, 2020, respectively	28,243	29,495
Additional paid-in capital	19,564,401	21,033,904
Retained earnings	22,356,239	18,095,754
Unearned ESOP shares	(690,328)	(737,944)
Shares reserved for stock compensation	(142,498)	(226,528)
Accumulated other comprehensive loss, net of tax	174,438	300,886
Reclassification of ESOP shares	<u>(1,549,557)</u>	<u>(1,235,981)</u>
Total stockholders' equity	<u><u>39,740,938</u></u>	<u><u>37,259,586</u></u>
Total liabilities and stockholders' equity	<u><u>\$ 422,578,714</u></u>	<u><u>\$ 394,388,878</u></u>

Equitable Financial Corp.

Income Statement

Unaudited

	For the year ended	
	June 30, 2021	June 30, 2020
Interest income:		
Loans	\$ 15,541,046	\$ 15,352,395
Securities	214,353	260,015
Other	148,504	127,758
Total interest income	15,903,903	15,740,168
Interest expense:		
Deposits	2,591,150	3,866,202
Federal Home Loan Bank borrowings	113,802	756,242
Other	57,943	11,015
Total interest expense	2,762,895	4,633,459
Net interest income	13,141,008	11,106,709
Provision for loan losses	265,172	532,180
Net interest income after provision for loan losses	12,875,836	10,574,529
Noninterest income:		
Service charges on deposit accounts	849,335	719,761
Brokerage fee income	2,155,676	1,673,077
Gain on sale of loans	2,515,703	1,539,126
Other loan fees	1,008,623	1,122,184
Other income	627,233	627,626
Total noninterest income	7,156,570	5,681,774
Noninterest expense:		
Salaries and employee benefits	8,551,962	7,135,517
Director and committee fees	160,600	174,000
Data processing fees	978,888	852,667
Occupancy and equipment	1,287,013	1,150,889
Regulatory fees and deposit insurance premium	196,220	140,880
Advertising and public relations	484,596	447,597
Professional fees	218,958	212,564
Supplies, telephone and postage	120,245	137,120
Other expenses	2,674,831	2,559,522
Total noninterest expense	14,673,313	12,810,756
Income before income taxes	5,359,093	3,445,547
Income tax expense	(1,098,608)	(815,416)
Net income	\$ 4,260,485	\$ 2,630,131

Equitable Financial Corp.

Selected Financial Data - Quarterly Trend

Unaudited

(Dollars in thousands, except per share amounts and percentages)

Quarter Ended Fiscal Year June 30,

	2021				2020			
	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30
Selected Financial Data								
For the period:								
Interest income	\$ 4,071	\$ 3,823	\$ 4,199	\$ 3,811	\$ 3,883	\$ 3,949	\$ 4,029	\$ 3,879
Interest expense	\$ 511	\$ 639	\$ 797	\$ 816	\$ 1,356	\$ 1,110	\$ 1,092	\$ 1,075
Net interest income	\$ 3,560	\$ 3,184	\$ 3,402	\$ 2,995	\$ 2,527	\$ 2,839	\$ 2,937	\$ 2,804
Provision for loan losses	\$ 57	\$ 85	\$ 79	\$ 44	\$ 63	\$ 276	\$ 53	\$ 140
Noninterest income	\$ 1,590	\$ 1,448	\$ 1,929	\$ 2,190	\$ 1,887	\$ 955	\$ 1,503	\$ 1,337
Noninterest expense	\$ 3,821	\$ 3,336	\$ 3,790	\$ 3,726	\$ 3,529	\$ 3,059	\$ 3,256	\$ 2,967
Income tax expense	\$ 133	\$ 302	\$ 326	\$ 338	\$ 193	\$ 101	\$ 262	\$ 259
Net income	\$ 1,139	\$ 909	\$ 1,136	\$ 1,077	\$ 629	\$ 358	\$ 869	\$ 775
Period-end:								
Loans (net of deferred origination costs and ALLL)	\$ 349,743	\$ 338,825	\$ 338,058	\$ 342,212	\$ 341,676	\$ 318,909	\$ 312,829	\$ 304,891
Assets	\$ 422,579	\$ 427,968	\$ 412,126	\$ 402,172	\$ 394,389	\$ 367,629	\$ 357,020	\$ 336,662
Deposits	\$ 365,334	\$ 370,586	\$ 352,740	\$ 340,461	\$ 328,291	\$ 305,539	\$ 292,761	\$ 281,669
Shareholders' equity	\$ 39,741	\$ 39,524	\$ 38,823	\$ 38,118	\$ 37,260	\$ 36,410	\$ 37,193	\$ 36,445
Profitability Statistics								
Return on average assets	1.07%	0.87%	1.12%	1.08%	0.66%	0.40%	1.00%	0.93%
Return on average shareholders' equity	11.50%	9.28%	11.81%	11.43%	6.83%	3.89%	9.44%	8.44%
Average shareholders' equity to average assets	9.32%	9.33%	9.45%	9.46%	9.67%	10.16%	10.62%	11.01%
Common Stock Statistics								
Common shares outstanding	2,824,286	2,870,047	2,887,747	2,928,513	2,949,536	2,964,136	3,066,683	3,086,580
Book value per common share	\$ 14.07	\$ 13.77	\$ 13.44	\$ 13.02	\$ 12.63	\$ 12.28	\$ 12.13	\$ 11.81
Earnings per common share	\$ 0.40	\$ 0.32	\$ 0.39	\$ 0.37	\$ 0.21	\$ 0.12	\$ 0.28	\$ 0.25
Cash dividends declared per common share	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Dividend payout ratio	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Regulatory Capital Ratios (Bank)								
Total Capital	12.5%	11.9%	11.7%	11.2%	11.0%	11.5%	11.8%	11.2%
Common equity Tier 1 capital	11.2%	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%
Tier 1 capital (to risk-weighted assets)	11.2%	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%
Tier 1 capital (to adjusted total assets)	8.7%	8.7%	8.9%	8.7%	8.4%	9.0%	9.4%	9.3%