



**News Announcement
For immediate release**

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Grand Island, Nebraska

Third Quarter 2021 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$909,000 for the third quarter of fiscal year ending June 30, 2021, or \$0.32 per share, compared to \$358,000, or \$0.12 per share for the third quarter of fiscal year June 2020.
- Net interest income increased \$345,000, or 12% during the third quarter of fiscal year June 2021 compared to the first quarter in fiscal year June 2020. Interest income decreased year over year due to lower interest rates. The decrease realized was \$126,000, or 3%. Offsetting the decrease in interest income was a decrease in interest expense of \$471,000, or 42%.
- Net loans declined \$2.9 million, or 1% to \$338.8 million on March 31, 2021, compared to \$341.7 million on June 30, 2020. Net loans excluding Payroll Protection Program (PPP) funding were \$314.8 million on March 31, 2021 compared to \$313.6 million on June 30, 2020. This is a \$1.2 million increase in net loans. Provision for loan loss recorded during the quarter ended March 31, 2021 was \$85,000.
- Noninterest income increased \$1.8 million, or 47%, to \$5.6 million for the first nine months of fiscal year ending June 30, 2021 compared to \$3.8 million for the first nine months of fiscal year ending June 30, 2020. The majority of this increase is from gain on sale of loans, with a 170% increase to \$2.2 million for the first nine months of fiscal year ending June 30, 2021 compared to \$798,000 for the first nine months of fiscal year ending June 30, 2020. This increase is attributable to low interest rates in the mortgage area.
- Noninterest expense increased \$1.6 million, or 17%, for the first nine months of fiscal year June 30, 2021. The majority of the increase was in salaries and employee benefits. Salaries and employee benefits increased \$1.3 million, or 25%, to \$6.3 million for the first nine months of fiscal year June 30, 2021 from \$5.1 million for the first nine months of 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. Data processing fees increased \$119,000, or 19%. This increase is related to credits received in the previous year for converting to a new core platform and increased volumes. Loan expense also increased for the first nine months of June 30, 2021 by \$237,000, or 42%, this is a result of increased mortgage volume due to a low interest rate environment.
- Total assets were \$428.0 million as of March 31, 2021, an increase of \$33.6 million, or 9% from June 30, 2020; this increase is due to an increase in available for sale securities and interest-bearing deposits due to increased deposits. Deposits increased \$42.3 million, or 13% to \$370.6 million on March 31, 2021 compared to \$328.3 million on June 30, 2020.

During the quarter, the company repurchased 17,700 shares of stock for a total of \$218,512, at an average price per share of \$12.35.

President and CEO, Tom Gdowski stated “the economy continues to rebound, and business activity is strong within our markets. Our asset quality is good and additional reserves for potential loan losses remain low. Our non-interest income is very strong driven by mortgage financing and loan sales as well as our wealth management division being supported by the strong financial markets. We continue to work with our small business customers to obtain Paycheck Protection Program funding, while it is still available. Our continuing concerns are the low interest rate environment and its effect on our net interest margin and managing our non-interest expense. We anticipate opening a new branch location in Elkhorn, NE in the third calendar quarter of this year. We are excited to serve the Elkhorn and west Omaha markets, which is one of the fastest growing areas in the state of Nebraska. We look forward to serving new customers as well as providing another location for our existing customer base.

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**

	March 31, 2021	June 30, 2020
Assets		
Cash and due from financial institutions	\$ 3,336,543	\$ 5,187,505
Interest-earning deposits	36,507,850	10,161,397
	39,844,393	15,348,902
Securities available-for-sale	27,994,265	18,257,878
Securities held-to-maturity	32,490	53,417
Securities at market value	29,934	-
Federal Home Loan Bank stock, at cost	2,571,600	1,317,500
Federal Reserve Bank stock, at cost	471,500	472,050
Loans, net of allowance for loan losses of \$5,138,000 and \$4,905,000, respectively	338,825,480	341,675,944
Premises and equipment, net	6,953,104	6,499,629
Foreclosed assets, net	4,054	35,249
Accrued interest receivable	2,152,380	2,473,808
Deferred taxes, net	465,746	440,416
Customer list intangible	1,662,933	1,792,447
Bank-owned life insurance	3,698,432	3,615,439
Other assets	3,261,394	2,406,199
Total assets	\$ 427,967,705	\$ 394,388,878
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 58,825,407	\$ 50,570,497
Interest-bearing deposits	311,760,459	277,720,036
	370,585,866	328,290,533
Lines of credit	1,616,000	—
Federal Home Loan Bank Borrowings	11,000,000	24,000,000
Advance payments from borrowers for taxes and insurance	635,316	596,183
Accrued interest payable and other liabilities	3,405,744	3,006,595
Total liabilities	387,242,926	355,893,311
Common stock in ESOP subject to contingent repurchase obligation	1,201,148	1,235,981
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 2,870,047 and 2,949,536 shares issued and outstanding at March 31, 2021 and June 30, 2020, respectively	28,700	29,495
Additional paid-in capital	20,128,022	21,033,904
Retained earnings	21,218,019	18,095,754
Unearned ESOP shares	(702,232)	(737,944)
Shares reserved for stock compensation	(178,999)	(226,528)
Accumulated other comprehensive loss, net of tax	231,269	300,886
Reclassification of ESOP shares	(1,201,148)	(1,235,981)
Total stockholders' equity	39,523,631	37,259,586
Total liabilities and stockholders' equity	\$ 427,967,705	\$ 394,388,878

Equitable Financial Corp.

Income Statement Unaudited

	For the nine months ended	
	March 31, 2021	March 31, 2020
Interest income:		
Loans	\$ 11,572,939	\$ 11,584,149
Securities	157,258	180,419
Other	103,195	92,806
Total interest income	11,833,392	11,857,374
Interest expense:		
Deposits	2,101,929	3,026,289
Federal Home Loan Bank borrowings	92,631	241,660
Other	57,831	9,020
Total interest expense	2,252,391	3,276,969
Net interest income	9,581,001	8,580,405
Provision for loan losses	207,793	469,095
Net interest income after provision for loan losses	9,373,208	8,111,310
Noninterest income:		
Service charges on deposit accounts	615,532	544,791
Brokerage fee income	1,624,898	1,294,822
Gain on sale of loans	2,157,864	797,703
Other loan fees	788,730	746,461
Other income	380,025	411,147
Total noninterest income	5,567,049	3,794,924
Noninterest expense:		
Salaries and employee benefits	6,330,998	5,067,986
Director and committee fees	119,004	136,568
Data processing fees	727,872	609,114
Occupancy and equipment	945,554	859,862
Regulatory fees and deposit insurance premium	153,939	89,349
Advertising and public relations	366,736	348,463
Professional fees	142,174	140,107
Supplies, telephone and postage	80,946	103,796
Loan Fees	803,006	565,998
Other expenses	1,182,056	1,360,265
Total noninterest expense	10,852,285	9,281,508
Income before income taxes	4,087,972	2,624,726
Income tax expense	(965,707)	(621,952)
Net income	\$ 3,122,265	\$ 2,002,774

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				2019				
	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30	
Selected Financial Data												
For the period:												
Interest income	\$ 3,823	\$ 4,199	\$ 3,811	\$ 3,883	\$ 3,949	\$ 4,029	\$ 3,879	\$ 3,734	\$ 3,393	\$ 3,266	\$ 3,164	
Interest expense	\$ 639	\$ 797	\$ 816	\$ 1,356	\$ 1,110	\$ 1,092	\$ 1,075	\$ 972	\$ 796	\$ 673	\$ 612	
Net interest income	\$ 3,184	\$ 3,402	\$ 2,995	\$ 2,527	\$ 2,839	\$ 2,937	\$ 2,804	\$ 2,762	\$ 2,597	\$ 2,593	\$ 2,552	
Provision for loan losses	\$ 85	\$ 79	\$ 44	\$ 63	\$ 276	\$ 53	\$ 140	\$ 176	\$ 169	\$ 110	\$ 84	
Noninterest income	\$ 1,448	\$ 1,929	\$ 2,190	\$ 1,887	\$ 955	\$ 1,503	\$ 1,337	\$ 1,085	\$ 753	\$ 842	\$ 759	
Noninterest expense	\$ 3,336	\$ 3,790	\$ 3,726	\$ 3,529	\$ 3,059	\$ 3,256	\$ 2,967	\$ 3,334	\$ 2,594	\$ 2,806	\$ 2,551	
Income tax expense	\$ 302	\$ 326	\$ 338	\$ 193	\$ 101	\$ 262	\$ 259	\$ 91	\$ 130	\$ 140	\$ 176	
Net income	\$ 909	\$ 1,136	\$ 1,077	\$ 629	\$ 358	\$ 869	\$ 775	\$ 246	\$ 457	\$ 379	\$ 500	
Period-end:												
Loans (net of deferred origination costs and ALLL)	\$ 338,825	\$ 338,058	\$ 342,212	\$ 341,676	\$ 318,909	\$ 312,829	\$ 304,891	\$ 300,087	\$ 285,376	\$ 271,775	\$ 268,424	
Assets	\$ 427,968	\$ 412,126	\$ 402,172	\$ 394,389	\$ 367,629	\$ 357,020	\$ 336,662	\$ 330,234	\$ 323,456	\$ 292,341	\$ 289,837	
Deposits	\$ 370,586	\$ 352,740	\$ 340,461	\$ 328,291	\$ 305,539	\$ 292,761	\$ 281,669	\$ 283,339	\$ 277,047	\$ 255,304	\$ 242,232	
Shareholders' equity	\$ 39,524	\$ 38,823	\$ 38,118	\$ 37,260	\$ 36,410	\$ 37,193	\$ 36,445	\$ 36,979	\$ 37,115	\$ 37,037	\$ 36,958	
Profitability Statistics												
Return on average assets	0.87%	1.12%	1.08%	0.66%	0.40%	1.00%	0.93%	0.30%	0.59%	0.52%	0.70%	
Return on average shareholders' equity	9.28%	11.81%	11.43%	6.83%	3.89%	9.44%	8.44%	2.66%	4.93%	4.10%	5.44%	
Average shareholders' equity to average assets	9.33%	9.45%	9.46%	9.67%	10.16%	10.62%	11.01%	11.33%	12.04%	12.71%	12.82%	
Common Stock Statistics												
Common shares outstanding	2,870,047	2,887,747	2,928,513	2,949,536	2,964,136	3,066,683	3,086,580	3,201,105	3,222,555	3,265,546	3,300,978	
Book value per common share	\$ 13.77	\$ 13.44	\$ 13.02	\$ 12.63	\$ 12.28	\$ 12.13	\$ 11.81	\$ 11.55	\$ 11.49	\$ 11.37	\$ 11.20	
Earnings per common share	\$ 0.32	\$ 0.39	\$ 0.37	\$ 0.21	\$ 0.12	\$ 0.28	\$ 0.25	\$ 0.08	\$ 0.14	\$ 0.12	\$ 0.15	
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%	0.00%	0.00%	0.00%	
Regulatory Capital Ratios (Bank)												
Total Capital	11.9%	11.7%	11.2%	11.0%	11.5%	11.8%	11.2%	11.0%	11.6%	12.1%	12.0%	
Common equity Tier 1 capital	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	
Tier 1 capital (to risk-weighted assets)	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	
Tier 1 capital (to adjusted total assets)	8.7%	8.9%	8.7%	8.4%	9.0%	9.4%	9.3%	9.4%	9.8%	10.1%	10.1%	