



**News Announcement
For immediate release**

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Grand Island, Nebraska

- Equitable Financial Corp, parent company of Equitable Bank, reported fourth quarter profits of \$235,000, or \$0.07 per share, compared to \$838,000, or \$0.25 per share. During the previous period a return to provision was recorded in the amount of \$302,000. This did not occur in the fourth quarter June 2019 because in June 2018 provision was reversed on one loan.
- In June 2019 there were one-time expenses related to the conversion to a new core software. These expenses approximated \$300,000. The Bank does not expect these expenses to occur in the next few quarters.
- Earnings for the fiscal year end for Equitable increased to \$1,571,000 an increase of 12% over the prior year. Earnings were driven by a combination of loan and deposit growth.
- Total assets were \$330.2 million as of June 30, 2019, an increase of \$46.7 million, or 16% from June 30, 2018.
- Loans increased \$35.3 million, or 13% to \$300.1 million as of June 30, 2019 from \$264.8 million as of June 30, 2018.
- During the same period deposits grew \$46.3 million, to \$283.3 million at June 30, 2019 from \$237.0 at June 30, 2018.
- Measures of asset quality remain healthy as levels of past dues and nonperforming loans continue to remain low.

During the quarter we repurchased 21,272 shares of stock for a total of \$252,350. Average price per share was \$11.86.

“In the last quarter we continued with the implementation of our new core operating system while also growing additional loan and deposit relationships. To continue growing our business while dealing with installation challenges of a new software is a credit to our team! We believe the new software system will position the Bank for future growth and the ability of offering products and services our customers desire. While our earnings were impacted by some one-time conversion expenses the long-term benefits will be worthwhile. Our overall asset growth has been profitable, and our loan quality remains acceptable. Overall, we are pleased with our results and continued progress” said Tom Gdowski, President and CEO.

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.

Selected Financial Data - Quarterly Trend

Unaudited

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

Quarter Ended Fiscal Year June 30,

	2019				2018			
	September 30	December 31	March 31	June 30	September 30	December 31	March 31	June 30
Selected Financial Data								
For the period:								
Interest income	\$ 3,164	\$ 3,266	\$ 3,393	\$ 3,734	\$ 2,805	\$ 2,804	\$ 2,913	\$ 3,007
Interest expense	\$ 612	\$ 673	\$ 796	\$ 972	\$ 388	\$ 426	\$ 469	\$ 549
Net interest income	\$ 2,552	\$ 2,593	\$ 2,597	\$ 2,762	\$ 2,417	\$ 2,378	\$ 2,444	\$ 2,458
Provision for loan losses	\$ 84	\$ 110	\$ 169	\$ 176	\$ 204	\$ 663	\$ 135	\$ (302)
Noninterest income	\$ 759	\$ 842	\$ 753	\$ 1,085	\$ 541	\$ 709	\$ 512	\$ 729
Noninterest expense	\$ 2,551	\$ 2,806	\$ 2,594	\$ 3,334	\$ 2,238	\$ 2,115	\$ 2,316	\$ 2,267
Income tax expense	\$ 176	\$ 140	\$ 130	\$ 91	\$ 188	\$ 416	\$ 155	\$ 384
Net income	\$ 500	\$ 379	\$ 457	\$ 246	\$ 328	\$ (107)	\$ 350	\$ 838
Period-end:								
Loans (net of deferred origination costs and ALLL)	\$ 268,424	\$ 271,775	\$ 285,376	\$ 300,087	\$ 245,505	\$ 250,963	\$ 255,947	\$ 264,781
Assets	\$ 289,837	\$ 292,341	\$ 323,456	\$ 330,234	\$ 262,801	\$ 270,277	\$ 305,668	\$ 283,619
Deposits	\$ 242,232	\$ 255,304	\$ 277,047	\$ 283,339	\$ 215,158	\$ 226,200	\$ 260,709	\$ 236,988
Shareholders' equity	\$ 36,958	\$ 37,037	\$ 37,115	\$ 36,979	\$ 35,946	\$ 35,814	\$ 35,659	\$ 36,540
Profitability Statistics								
Return on average assets	0.70%	0.52%	0.59%	0.30%	0.54%	-0.16%	0.49%	1.14%
Return on average shareholders' equity	5.44%	4.10%	4.93%	2.66%	3.67%	-1.19%	3.92%	9.29%
Average shareholders' equity to average assets	12.82%	12.72%	12.05%	11.31%	13.84%	13.44%	12.38%	12.40%
Common Stock Statistics								
Common shares outstanding	3,300,978	3,265,546	3,222,555	3,201,105	3,368,932	3,361,845	3,317,670	3,315,470
Book value per common share	\$ 11.20	\$ 11.34	\$ 11.52	\$ 11.55	\$ 10.67	\$ 10.65	\$ 10.75	\$ 11.02
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	12.0%	12.1%	11.6%	11.0%	13.0%	12.2%	12.2%	12.1%
Common equity Tier 1 capital	10.8%	10.8%	10.3%	9.8%	11.8%	11.0%	10.9%	10.9%
Tier 1 capital (to risk-weighted assets)	10.8%	10.8%	10.3%	9.8%	11.8%	11.0%	10.9%	10.9%
Tier 1 capital (to adjusted total assets)	10.1%	10.1%	9.8%	9.4%	11.0%	10.3%	10.0%	9.9%

Equitable Financial Corp.

Balance Sheet

Unaudited

	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Assets		
Cash and due from financial institutions	\$ 4,519,672	\$ 2,743,454
Interest-earning deposits	40,000	2,010,889
	<u>4,559,672</u>	<u>4,754,343</u>
Securities available-for-sale	9,364,450	1,272,916
Securities held-to-maturity	270,475	700,154
Federal Home Loan Bank stock, at cost	325,300	283,600
Federal Reserve Bank stock, at cost	469,200	-
Loans, net of allowance for loan losses of \$4,445,000 and \$4,292,000, respectively	300,087,266	264,781,238
Premises and equipment, net	6,412,662	6,042,544
Foreclosed assets, net	223,200	227,700
Accrued interest receivable	2,120,629	1,582,699
Deferred taxes, net	386,051	400,396
Customer list intangible	1,965,132	1,415,705
Other assets	4,050,067	2,063,088
	<u>4,050,067</u>	<u>2,063,088</u>
Total assets	<u>\$ 330,234,104</u>	<u>\$ 283,524,383</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 33,199,553	\$ 34,310,163
Interest-bearing deposits	250,141,818	202,677,976
	<u>283,341,371</u>	<u>236,988,139</u>
Lines of credit	—	1,543,000
Federal Home Loan Bank Borrowings	5,000,000	5,000,000
Advance payments from borrowers for taxes and insurance	532,175	468,989
Accrued interest payable and other liabilities	3,145,349	1,971,388
Total liabilities	<u>292,018,895</u>	<u>245,971,516</u>
Common stock in ESOP subject to contingent repurchase obligation	1,235,981	1,012,570
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 3,201,105 and 3,315,470 shares issued and outstanding at June 30, 2019 and June 30, 2018, respectively	32,011	33,155
Additional paid-in capital	23,936,182	25,191,460
Retained earnings	15,454,965	13,883,937
Unearned ESOP shares	(830,966)	(969,291)
Shares reserved for stock compensation	(374,308)	(551,149)
Accumulated other comprehensive loss, net of tax	(2,675)	(35,245)
Reclassification of ESOP shares	(1,235,981)	(1,012,570)
Total stockholders' equity	<u>36,979,228</u>	<u>36,540,297</u>
Total liabilities and stockholders' equity	<u>\$ 330,234,104</u>	<u>\$ 283,524,383</u>

Equitable Financial Corp.

Income Statement

Unaudited

	For the year ended	
	June 30, 2019	June 30, 2018
Interest income:		
Loans	\$ 13,376,703	\$ 11,366,276
Securities	91,949	62,072
Other	88,240	100,937
Total interest income	13,556,892	11,529,285
Interest expense:		
Deposits	2,921,801	1,738,334
Federal Home Loan Bank borrowings	119,170	88,650
Other	12,195	5,956
Total interest expense	3,053,166	1,832,940
Net interest income	10,503,726	9,696,345
Provision for loan losses	539,144	699,773
Net interest income after provision for loan losses	9,964,582	8,996,572
Noninterest income:		
Service charges on deposit accounts	756,659	674,463
Brokerage fee income	1,342,095	702,279
Gain on sale of loans	536,527	495,663
Other loan fees	469,775	253,669
Other income	333,949	365,832
Total noninterest income	3,439,005	2,491,906
Noninterest expense:		
Salaries and employee benefits	6,122,962	5,147,684
Director and committee fees	167,850	169,100
Data processing fees	1,016,600	634,324
Occupancy and equipment	1,059,814	1,034,919
Regulatory fees and deposit insurance premium	213,954	256,406
Advertising and public relations	321,527	241,458
Professional fees	536,220	401,274
Supplies, telephone and postage	138,699	271,602
Other expenses	1,707,175	779,304
Total noninterest expense	11,284,801	8,936,071
Income before income taxes	2,118,786	2,552,407
Income tax expense	(537,099)	(1,143,428)
Net income	\$ 1,581,687	\$ 1,408,979