



**News Announcement  
For immediate release  
Grand Island, Nebraska**

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### **First Quarter Highlights**

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1,040,000 for the first quarter of fiscal year ending June 30, 2023, or \$0.38 per share, compared to \$1,638,000 or \$0.59 per share for the first quarter of fiscal year June 2022.
- Net interest income increased \$874,000 to \$4.1 million for the quarter ending September 30, 2022, compared to \$3.2 million for the prior quarter ending September 30, 2021, when excluding non-recurring PPP revenue of \$1.4 million.
- Net loans increased \$74 million, or 21% to \$414 million for the quarter ending September 30, 2022, compared to \$340 million on September 30, 2022. The increase in net loans was due to organic loan growth within our markets.
- Provision for loan losses for the first quarter of fiscal year ending September 30, 2022, was \$200,000 compared to \$114,000 for the September 30, 2022, quarter end.
- Noninterest income decreased \$133,000 to \$1,220,000 for the first quarter of fiscal year ending June 30, 2022, compared to \$1,353,000 for the first quarter of fiscal year ending June 30, 2022. Noninterest income, as in the prior quarter, was affected primarily by a decrease in mortgage banking activity. With average mortgage rates above 7% we continue to see a slowdown in purchases.
- Noninterest expense was \$3.7 million for the first quarter of fiscal year ending June 30, 2023, compared to \$3.6 million for the first quarter of fiscal year ending June 2022. We have been able to gain some operational efficiencies and added significant loan volume without incurring significant expense.
- Total assets were \$478.2 million as of June 30, 2022, first quarter, an increase of \$46 million, or 11% from September 30, 2021, first quarter. We have continued to gain new deposit and loan relationships in our primary markets, contributing to this growth. Our investment portfolio has not grown and is very short term.
- During the quarter, the company repurchased 38,609 shares of stock for a total of \$206,051, at an average price per share of \$12.86.

President and CEO, Tom Gdowski, stated, "The economy in the markets we serve continues to be strong. We feel good about our borrowers' balance sheet strength and markets in general. Low unemployment rates continue to provide challenges with staffing for many industries as well as general inflationary cost increases. Our overall asset quality remains strong; however, our borrowers' profit margins will be a challenge to maintain at current levels going forward. With the Federal Reserve's aggressive efforts to control inflation, borrowing costs will increase significantly for our Bank as well. We expect this will be mitigated by higher loan and investment rates but the swift and aggressive action by the Fed will present challenges not seen for some time.

We continue to believe investing in our own shares via our stock repurchase program at the current prices is an effective use of capital. Our ability to do so is contingent on the overall performance of the Bank. If interested parties wish to sell their stock, please contact us.”

#### **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 five 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

	September 30, 2022	June 30, 2022
<b>Assets</b>		
Cash and due from financial institutions	\$ 6,301,558	\$ 2,509,013
Interest-earning deposits	3,591,157	8,551,995
	9,892,716	11,061,008
Securities available-for-sale	31,356,656	31,984,463
Securities held-to-maturity	11,416	12,963
Federal Home Loan Bank stock, at cost	2,322,900	1,498,600
Federal Reserve Bank stock, at cost	472,750	472,550
Loans, net of allowance for loan losses of \$5,982,000 and \$5,782,000, respectively	413,951,216	389,756,710
Premises and equipment, net	8,636,593	8,727,274
Foreclosed assets, net	—	—
Accrued interest receivable	2,944,849	2,310,189
Deferred taxes, net	830,135	719,454
Customer list intangible	1,403,905	1,447,077
Bank-owned life insurance	3,861,168	3,834,391
Other assets	2,585,687	3,003,100
<b>Total assets</b>	<b>\$ 478,269,991</b>	<b>\$ 454,827,779</b>
<b>Liabilities and Stockholders' Equity</b>		
Liabilities:		
Noninterest-bearing deposits	\$ 67,697,179	\$ 70,265,526
Interest-bearing deposits	335,005,728	325,892,477
	402,702,907	396,158,003
Lines of credit	6,749,817	5,352,817
Federal Home Loan Bank Borrowings	22,266,300	6,000,000
Advance payments from borrowers for taxes and insurance	435,477	722,446
Accrued interest payable and other liabilities	1,881,451	2,537,016
<b>Total liabilities</b>	<b>434,035,952</b>	<b>410,770,282</b>
Common stock in ESOP subject to contingent repurchase obligation	1,642,473	1,647,542
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 2,714,438 and 2,753,047 shares issued and outstanding at September 30, 2022 and June 30, 2022, respectively	27,144	27,530
Additional paid-in capital	18,177,122	18,666,553
Retained earnings	27,987,095	26,947,373
Unearned ESOP shares	(630,808)	(642,712)
Shares reserved for stock compensation	(33,310)	(38,389)
Accumulated other comprehensive loss, net of tax	(1,293,205)	(902,860)
Reclassification of ESOP shares	(1,642,473)	(1,647,542)
<b>Total stockholders' equity</b>	<b>42,591,565</b>	<b>42,409,955</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 478,269,991</b>	<b>\$ 454,827,779</b>

# Equitable Financial Corp.

## Income Statement

### Unaudited

	For the three months ended	
	September 30, 2022	September 30, 2021
Interest income:		
Loans	\$ 4,618,367	\$ 5,021,007
Securities	102,750	52,741
Other	49,907	28,103
<b>Total interest income</b>	<b>4,771,025</b>	<b>5,101,851</b>
Interest expense:		
Deposits	554,995	403,972
Federal Home Loan Bank borrowings	79,849	21,404
Other	62,410	23,800
<b>Total interest expense</b>	<b>697,254</b>	<b>449,176</b>
<b>Net interest income</b>	<b>4,073,771</b>	<b>4,652,675</b>
Provision for loan losses	200,605	113,765
<b>Net interest income after provision for loan losses</b>	<b>3,873,166</b>	<b>4,538,910</b>
Noninterest income:		
Service charges on deposit accounts	339,416	245,181
Brokerage fee income	469,304	557,888
Gain on sale of loans	54,320	308,276
Other loan fees	237,072	198,078
Other income	120,235	43,431
<b>Total noninterest income</b>	<b>1,220,346</b>	<b>1,352,854</b>
Noninterest expense:		
Salaries and employee benefits	2,095,835	2,048,162
Director and committee fees	40,821	43,554
Data processing fees	272,007	256,927
Occupancy and equipment	330,000	337,993
Regulatory fees and deposit insurance premium	45,405	55,834
Advertising and public relations	108,885	170,538
Professional fees	136,524	101,776
Supplies, telephone and postage	26,775	29,457
Other expenses	683,589	694,519
<b>Total noninterest expense</b>	<b>3,739,842</b>	<b>3,738,760</b>
Income before income taxes	1,353,670	2,153,004
Income tax expense	(313,949)	(514,864)
<b>Net income</b>	<b>\$ 1,039,722</b>	<b>\$ 1,638,140</b>

## Equitable Financial Corp.

Selected Financial Data - Quarterly Trend

Unaudited

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

	Quarter Ended Fiscal Year June 30,									
	2023		2022				2021			
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
<b>Selected Financial Data</b>										
For the period:										
Interest income	\$ 4,771	\$ 4,101	\$ 3,772	\$ 3,748	\$ 5,102	\$ 4,071	\$ 3,823	\$ 4,199	\$ 3,811	
Interest expense	\$ 697	\$ 428	\$ 389	\$ 398	\$ 449	\$ 511	\$ 639	\$ 797	\$ 816	
Net interest income	\$ 4,074	\$ 3,673	\$ 3,383	\$ 3,350	\$ 4,653	\$ 3,560	\$ 3,184	\$ 3,402	\$ 2,995	
Provision for loan losses	\$ 200	\$ 272	\$ 89	\$ 149	\$ 114	\$ 57	\$ 85	\$ 79	\$ 44	
Noninterest income	\$ 1,220	\$ 1,669	\$ 1,451	\$ 1,584	\$ 1,353	\$ 1,590	\$ 1,448	\$ 1,929	\$ 2,190	
Noninterest expense	\$ 3,740	\$ 3,460	\$ 3,522	\$ 3,818	\$ 3,739	\$ 3,821	\$ 3,336	\$ 3,790	\$ 3,726	
Income tax expense	\$ 314	\$ 357	\$ 255	\$ 235	\$ 515	\$ 133	\$ 302	\$ 326	\$ 338	
Net income	\$ 1,040	\$ 1,253	\$ 968	\$ 732	\$ 1,638	\$ 1,139	\$ 909	\$ 1,136	\$ 1,077	
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 413,951	\$ 389,757	\$ 361,842	\$ 362,120	\$ 339,922	\$ 349,743	\$ 338,825	\$ 338,058	\$ 342,212	
Assets	\$ 478,270	\$ 454,828	\$ 456,667	\$ 434,842	\$ 431,985	\$ 422,579	\$ 427,968	\$ 412,126	\$ 402,172	
Deposits	\$ 402,703	\$ 396,158	\$ 396,777	\$ 375,867	\$ 374,098	\$ 365,334	\$ 370,586	\$ 352,740	\$ 340,461	
Shareholders' equity	\$ 42,592	\$ 42,410	\$ 41,743	\$ 41,387	\$ 40,982	\$ 39,741	\$ 39,524	\$ 38,823	\$ 38,118	
<b>Profitability Statistics</b>										
Return on average assets	0.87%	1.10%	0.87%	0.68%	1.53%	1.07%	0.87%	1.12%	1.08%	
Return on average shareholders' equity	9.77%	11.91%	9.32%	7.11%	16.23%	11.50%	9.28%	11.81%	11.43%	
Average shareholders' equity to average assets	8.91%	9.23%	9.32%	9.50%	9.45%	9.32%	9.33%	9.45%	9.46%	
<b>Common Stock Statistics</b>										
Common shares outstanding	2,714,438	2,753,047	2,769,047	2,771,884	2,791,914	2,824,286	2,870,047	2,887,747	2,928,513	
Book value per common share	\$ 15.69	\$ 15.40	\$ 15.07	\$ 14.93	\$ 14.68	\$ 14.07	\$ 13.77	\$ 13.44	\$ 13.02	
Earnings per common share	\$ 0.38	\$ 0.46	\$ 0.35	\$ 0.26	\$ 0.59	\$ 0.40	\$ 0.32	\$ 0.39	\$ 0.37	
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%	
<b>Regulatory Capital Ratios (Bank)</b>										
Total Capital	12.4%	12.3%	12.8%	12.3%	12.6%	12.5%	11.9%	11.7%	11.2%	
Common equity Tier 1 capital	11.1%	11.1%	11.5%	11.1%	11.3%	11.2%	10.6%	10.5%	10.0%	
Tier 1 capital (to risk-weighted assets)	11.1%	11.1%	11.5%	11.1%	11.3%	11.2%	10.6%	10.5%	10.0%	
Tier 1 capital (to adjusted total assets)	9.6%	9.5%	9.2%	9.1%	9.0%	8.7%	8.7%	8.9%	8.7%	