



**News Announcement
For immediate release**

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Grand Island, Nebraska

First Quarter 2021 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1.1 million for the first quarter of fiscal year ending June 30, 2021, or \$0.37 per share, compared to \$774,000, or \$0.25 per share for the first quarter of fiscal year June 2020.
- Net interest income increased \$191,000, or 7% during the first quarter of fiscal year June 2021 compared to the first quarter in fiscal year June 2020. This increase is attributable to lower interest rates on deposit accounts offset by lower interest rates on loans.
- Net loans remained nearly the same ending at \$342.2 million on September 30, 2020, compared to \$341.7 million on June 30, 2020. With the small change in net loans a smaller amount of provision for loan losses was recorded. For the first quarter in fiscal year ending June 30, 2021 the provision for loan losses was \$44,000 compared to \$140,000 for the first quarter of fiscal year ending June 30, 2020.
- Noninterest income increased \$835,000, or 61% to \$2.2 million for the first quarter of fiscal year June 2021 compared to \$1.4 million for the first quarter of fiscal year June 2020. This increase is attributable to increased volume in brokerage fee income, gain on sale of loans, PPP loan income recognized and other income.
- Noninterest expense increased \$741,000, or 25% to \$3.7 million for the first quarter of fiscal year June 2021 compared to \$3.0 million for the first quarter of fiscal year June 2020. The primary increases were in salaries and employee benefits, data processing fees, occupancy and equipment, professional fees, and other expenses. The increase in salaries and employee benefits is attributable to a one-time increase. The other expense increase is attributable to higher loan volume resulting increased expense for loan production.
- Total assets were \$402.2 million as of September 30, 2020, an increase of \$7.8 million, or 2% from June 30, 2020. This increase is in interest bearing deposits because of increased deposits. Deposits increased \$12.2 million, or 4% to \$340.5 million on September 30, 2020 compared to \$328.3 million on June 30, 2020.

During the quarter, the company repurchased 27,631 shares of stock for a total of \$308,623, at an average price per share of \$11.17.

President and CEO, Tom Gdowski, stated "While dealing with the issues related to the pandemic and focusing on the health and safety of our staff members, customers and families, we are pleased to report strong financial performance in the prior quarter. Our staff continues to be flexible and open to adapting to

the new operating reality. Our technology platforms and operating systems have proven to be strong and validate the decisions and investment we have made over the prior 24 months.

As outlined above, our net operating income was strong, and we are pleased with the results. Our asset quality remained strong as we have limited exposure to industries directly impacted by the pandemic resulting in a nominal increase to our reserves. With the sudden decrease in rates and the volume of Paycheck Protection Loans the Bank originated, we did experience a decrease in our net interest margin. This could present challenges should rates remain low for an extended period of time. Our mortgage banking and investment departments continue to perform well and produce a steady stream of fee income. Overall, it was a very strong quarter, and we continue to look for trends as to the longer-term economic impact of the pandemic and its impact on our customers and economy.”

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**

| | September 30, 2020 | June 30, 2020 |
|--|---------------------------|-----------------------|
| Assets | | |
| Cash and due from financial institutions | \$ 5,793,645 | \$ 5,187,505 |
| Interest-earning deposits | 17,502,457 | 10,161,397 |
| Securities available-for-sale | 23,296,102 | 15,348,902 |
| Securities held-to-maturity | 16,846,498 | 18,257,878 |
| Securities at market value | 47,910 | 53,417 |
| Federal Home Loan Bank stock, at cost | 29,934 | - |
| Federal Reserve Bank stock, at cost | 1,325,300 | 1,317,500 |
| Loans, net of allowance for loan losses of \$4,975,000 and \$4,931,000, respectively | 472,050 | 472,050 |
| Premises and equipment, net | 342,211,926 | 341,675,944 |
| Foreclosed assets, net | 6,599,284 | 6,499,629 |
| Accrued interest receivable | 4,054 | 35,249 |
| Deferred taxes, net | 2,828,575 | 2,473,808 |
| Customer list intangible | 444,998 | 440,416 |
| Bank-owned life insurance | 1,749,276 | 1,792,447 |
| Other assets | 3,643,172 | 3,615,439 |
| | 2,672,663 | 2,406,199 |
| Total assets | \$ 402,171,742 | \$ 394,388,878 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Noninterest-bearing deposits | \$ 50,538,144 | \$ 50,570,497 |
| Interest-bearing deposits | 289,922,977 | 277,720,036 |
| | 340,461,121 | 328,290,533 |
| Lines of credit | — | — |
| Federal Home Loan Bank Borrowings | 19,000,000 | 24,000,000 |
| Advance payments from borrowers for taxes and insurance | 345,680 | 596,183 |
| Accrued interest payable and other liabilities | 3,046,244 | 3,006,595 |
| Total liabilities | 362,853,045 | 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 2,928,513 and 2,949,536 shares issued and outstanding at September 30, 2020 and June 30, 2020, respectively | 29,285 | 29,495 |
| Additional paid-in capital | 20,802,571 | 21,033,904 |
| Retained earnings | 19,173,023 | 18,095,754 |
| Unearned ESOP shares | (726,040) | (737,944) |
| Shares reserved for stock compensation | (244,771) | (226,528) |
| Accumulated other comprehensive loss, net of tax | 284,629 | 300,886 |
| Reclassification of ESOP shares | (1,201,148) | (1,235,981) |
| Total stockholders' equity | 38,117,549 | 37,259,586 |
| Total liabilities and stockholders' equity | \$ 402,171,742 | \$ 394,388,878 |

Equitable Financial Corp.

Income Statement Unaudited

| | For the three months ended | |
|--|----------------------------|--------------------|
| | September 30, 2020 | September 30, 2019 |
| Interest income: | | |
| Loans | \$ 3,734,436 | \$ 3,819,244 |
| Securities | 60,557 | 43,787 |
| Other | 16,749 | 16,160 |
| Total interest income | 3,811,742 | 3,879,191 |
| Interest expense: | | |
| Deposits | 784,850 | 1,001,448 |
| Federal Home Loan Bank borrowings | 31,479 | 67,637 |
| Other | 28 | 5,468 |
| Total interest expense | 816,357 | 1,074,553 |
| Net interest income | 2,995,385 | 2,804,638 |
| Provision for loan losses | 43,882 | 140,054 |
| Net interest income after provision for loan losses | 2,951,503 | 2,664,584 |
| Noninterest income: | | |
| Service charges on deposit accounts | 198,101 | 193,637 |
| Brokerage fee income | 632,675 | 449,521 |
| Gain on sale of loans | 887,265 | 336,939 |
| Other loan fees | 319,969 | 250,121 |
| Other income | 152,359 | 124,486 |
| Total noninterest income | 2,190,369 | 1,354,704 |
| Noninterest expense: | | |
| Salaries and employee benefits | 2,116,837 | 1,686,610 |
| Director and committee fees | 37,392 | 42,968 |
| Data processing fees | 276,084 | 197,398 |
| Occupancy and equipment | 328,480 | 305,627 |
| Regulatory fees and deposit insurance premium | 57,873 | (8,000) |
| Advertising and public relations | 91,501 | 99,915 |
| Professional fees | 82,581 | 46,739 |
| Supplies, telephone and postage | 28,508 | 35,411 |
| Other expenses | 706,994 | 578,737 |
| Total noninterest expense | 3,726,250 | 2,985,405 |
| Income before income taxes | 1,415,622 | 1,033,883 |
| Income tax expense | (338,353) | (259,396) |
| Net income | \$ 1,077,269 | \$ 774,487 |

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 | | | |
| | 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 | \$ 3,811 | \$ 3,883 | \$ 3,949 | \$ 4,029 | \$ 3,879 | \$ 3,734 | \$ 3,393 | \$ 3,266 | \$ 3,164 |
| Interest expense | \$ 816 | \$ 1,356 | \$ 1,110 | \$ 1,092 | \$ 1,075 | \$ 972 | \$ 796 | \$ 673 | \$ 612 |
| Net interest income | \$ 2,995 | \$ 2,527 | \$ 2,839 | \$ 2,937 | \$ 2,804 | \$ 2,762 | \$ 2,597 | \$ 2,593 | \$ 2,552 |
| Provision for loan losses | \$ 44 | \$ 63 | \$ 276 | \$ 53 | \$ 140 | \$ 176 | \$ 169 | \$ 110 | \$ 84 |
| Noninterest income | \$ 2,190 | \$ 1,887 | \$ 955 | \$ 1,503 | \$ 1,337 | \$ 1,085 | \$ 753 | \$ 842 | \$ 759 |
| Noninterest expense | \$ 3,726 | \$ 3,529 | \$ 3,059 | \$ 3,256 | \$ 2,967 | \$ 3,334 | \$ 2,594 | \$ 2,806 | \$ 2,551 |
| Income tax expense | \$ 338 | \$ 193 | \$ 101 | \$ 262 | \$ 259 | \$ 91 | \$ 130 | \$ 140 | \$ 176 |
| Net income | \$ 1,077 | \$ 629 | \$ 358 | \$ 869 | \$ 775 | \$ 246 | \$ 457 | \$ 379 | \$ 500 |
| Period-end: | | | | | | | | | |
| Loans (net of deferred origination costs and ALLL) | \$ 342,212 | \$ 341,676 | \$ 318,909 | \$ 312,829 | \$ 304,891 | \$ 300,087 | \$ 285,376 | \$ 271,775 | \$ 268,424 |
| Assets | \$ 402,172 | \$ 394,389 | \$ 367,629 | \$ 357,020 | \$ 336,662 | \$ 330,234 | \$ 323,456 | \$ 292,341 | \$ 289,837 |
| Deposits | \$ 340,461 | \$ 328,291 | \$ 305,539 | \$ 292,761 | \$ 281,669 | \$ 283,339 | \$ 277,047 | \$ 255,304 | \$ 242,232 |
| Shareholders' equity | \$ 38,118 | \$ 37,260 | \$ 36,410 | \$ 37,193 | \$ 36,445 | \$ 36,979 | \$ 37,115 | \$ 37,037 | \$ 36,958 |
| Profitability Statistics | | | | | | | | | |
| Return on average assets | 1.08% | 0.66% | 0.40% | 1.00% | 0.93% | 0.30% | 0.59% | 0.52% | 0.70% |
| Return on average shareholders' equity | 11.43% | 6.83% | 3.89% | 9.44% | 8.44% | 2.66% | 4.93% | 4.10% | 5.44% |
| Average shareholders' equity to average assets | 9.46% | 9.67% | 10.16% | 10.62% | 11.01% | 11.33% | 12.04% | 12.71% | 12.82% |
| Common Stock Statistics | | | | | | | | | |
| Common shares outstanding | 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 | \$ 13.02 | \$ 12.63 | \$ 12.28 | \$ 12.13 | \$ 11.81 | \$ 11.55 | \$ 11.49 | \$ 11.37 | \$ 11.20 |
| Earnings per common share | \$ 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% |
| Regulatory Capital Ratios (Bank) | | | | | | | | | |
| Total Capital | 11.2% | 11.0% | 11.5% | 11.8% | 11.2% | 11.0% | 11.6% | 12.1% | 12.0% |
| Common equity Tier 1 capital | 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) | 10.0% | 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% | 8.4% | 9.0% | 9.4% | 9.3% | 9.4% | 9.8% | 10.1% | 10.1% |