



**News Announcement
For immediate release**

Contact: Tom Gdowski
308-382-3136
tgdowski@equitableonline.com
Date: September 29, 2022

Grand Island, Nebraska

Fourth Quarter and Fiscal Year 2022 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1,253,000 for the fourth quarter of fiscal year ending June 30, 2022, or \$0.46 per share, compared to \$1,139,000 or \$0.40 per share for the second quarter of fiscal year June 2021.
- For the fiscal year ending June 30, 2022, Equitable Financial Corp. reported profits of \$4,591,134 or \$1.66 per share, compared to \$4,260,485 or \$1.48 per share for the fiscal year ending June 30, 2021. The book value per share June 30, 2022, was \$15.40 per share vs \$14.07 per share June 30, 2021.
- Net interest income increased to \$3.7 million for the quarter ending June 30, 2022, compared to \$3.6 million for the prior quarter ending June 30, 2021. For the fiscal year ending June 30, 2022, net interest income increased \$1.9 million compared to the same period in fiscal year June 30, 2021.
- Net loans increased \$40 million, or 11% to \$390 million for the fiscal year end 2022 compared to \$349.7 million on June 30, 2021. The increase in net loans was due to organic loan growth.
- Provision for loan losses for the fourth quarter of fiscal year ending June 30, 2022, was \$272,000 compared to \$57,000 for the fourth quarter of fiscal year ending June 30, 2021.
- Noninterest income increased \$79,000 to \$1,669,000 for the fourth quarter of fiscal year ending June 30, 2022, compared to \$1,590,000 for the fourth quarter of fiscal year ending June 30, 2021. Noninterest income was affected primarily by a decrease in mortgage banking activity. The gain on sale of loans decreased by \$1,300,000 compared to the prior year period. Brokerage fee income increased by \$166,000 compared to the prior year.
- Noninterest expense decreased by \$361,000 for the fourth quarter of fiscal year ending June 30, 2022, compared to the fourth quarter of fiscal year ending June 2021. The decrease is mainly due to lower salaries and employee benefits.
- Total assets were \$454.8 million as of June 30, 2022, an increase of \$32 million, or 7% from June 30, 2021; this increase is due to a rise in securities available for sale and net loans. Deposits increased \$31 million, or 8% to \$397 million on June 30, 2022, compared to \$365.3 million on June 30, 2021.
- During the quarter, the company repurchased 16,000 shares of stock for a total of \$206,051, at an average price per share of \$12.80. During the fiscal year ending June 30, 2022, the company repurchased 81,045 shares for a total value of \$1,062,783 at an average price of \$13.06.

President and CEO, Tom Gdowski, stated, "The company experienced a very good year continuing our goal of building value in our communities for our customers and shareholders. Our growth is generated in the markets we serve and built on the high level of value we deliver to our customers. Our growth resulted in

record income for the bank. This has allowed us to continue executing on our stock repurchase program and increasing our shareholder equity to 11.91%.

We believe with its stock price trading at a discount to book value per share, the current use of cash to repurchase shares presents an attractive opportunity that is both accretive to earnings and book value per share. If favorable economic conditions continue for the company, Equitable will continue to pursue the repurchase of stock. 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 5 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, 2022</u> | <u>June 30, 2021</u> |
|---|------------------------------|------------------------------|
| Assets | | |
| Cash and due from financial institutions | \$ 2,509,013 | \$ 4,168,982 |
| Interest-earning deposits | <u>8,551,995</u> | <u>25,567,226</u> |
| | 11,061,008 | 29,736,208 |
| Securities available-for-sale | 31,984,463 | 22,111,286 |
| Securities held-to-maturity | 12,963 | 23,915 |
| Federal Home Loan Bank stock, at cost | 1,498,600 | 2,048,000 |
| Federal Reserve Bank stock, at cost | 472,550 | 471,500 |
| Loans, net of allowance for loan losses of \$5,782,000 and \$5,194,000, respectively | 389,756,710 | 349,742,509 |
| Premises and equipment, net | 8,727,274 | 7,117,514 |
| Foreclosed assets, net | - | 4,054 |
| Accrued interest receivable | 2,310,189 | 2,122,977 |
| Deferred taxes, net | 719,454 | 771,528 |
| Customer list intangible | 1,447,077 | 1,619,762 |
| Bank-owned life insurance | 3,834,391 | 3,726,055 |
| Other assets | <u>3,003,100</u> | <u>3,083,406</u> |
| Total assets | <u><u>\$ 454,827,779</u></u> | <u><u>\$ 422,578,714</u></u> |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Noninterest-bearing deposits | \$ 70,265,526 | \$ 57,525,889 |
| Interest-bearing deposits | <u>325,892,477</u> | <u>307,808,272</u> |
| | 396,158,003 | 365,334,161 |
| Lines of credit | 5,352,817 | 880,000 |
| Federal Home Loan Bank Borrowings | 6,000,000 | 11,000,000 |
| Advance payments from borrowers for taxes and insurance | 722,446 | 602,129 |
| Accrued interest payable and other liabilities | <u>2,537,016</u> | <u>3,471,929</u> |
| Total liabilities | <u>410,770,282</u> | <u>381,288,219</u> |
| Common stock in ESOP subject to contingent repurchase obligation | 1,647,542 | 1,549,557 |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value, 25,000,000 shares authorized 2,753,047 and 2,824,286 shares issued and outstanding at June 30, 2022 and June 30, 2021, respectively | 27,530 | 28,243 |
| Additional paid-in capital | 18,666,553 | 19,564,401 |
| Retained earnings | 26,947,373 | 22,356,239 |
| Unearned ESOP shares | (642,712) | (690,328) |
| Shares reserved for stock compensation | (38,389) | (142,498) |
| Accumulated other comprehensive loss, net of tax | (902,860) | 174,438 |
| Reclassification of ESOP shares | <u>(1,647,542)</u> | <u>(1,549,557)</u> |
| Total stockholders' equity | <u>42,409,955</u> | <u>39,740,938</u> |
| Total liabilities and stockholders' equity | <u><u>\$ 454,827,779</u></u> | <u><u>\$ 422,578,714</u></u> |

Equitable Financial Corp.

Income Statement

Unaudited

| | For the year ended | |
|--|---------------------|---------------------|
| | June 30, 2022 | June 30, 2021 |
| Interest income: | | |
| Loans | \$ 16,279,657 | \$ 15,541,046 |
| Securities | 274,903 | 214,352 |
| Other | 167,950 | 148,504 |
| Total interest income | 16,722,509 | 15,903,903 |
| Interest expense: | | |
| Deposits | 1,495,481 | 2,591,150 |
| Federal Home Loan Bank borrowings | 81,465 | 113,802 |
| Other | 86,795 | 57,944 |
| Total interest expense | 1,663,741 | 2,762,895 |
| Net interest income | 15,058,768 | 13,141,007 |
| Provision for loan losses | 623,520 | 265,172 |
| Net interest income after provision for loan losses | 14,435,248 | 12,875,835 |
| Noninterest income: | | |
| Service charges on deposit accounts | 1,086,742 | 849,335 |
| Brokerage fee income | 2,322,006 | 2,155,676 |
| Gain on sale of loans | 1,190,099 | 2,515,703 |
| Other loan fees | 883,013 | 1,008,623 |
| Other income | 575,211 | 627,233 |
| Total noninterest income | 6,057,071 | 7,156,570 |
| Noninterest expense: | | |
| Salaries and employee benefits | 7,804,043 | 8,551,962 |
| Director and committee fees | 154,250 | 160,600 |
| Data processing fees | 1,039,384 | 978,888 |
| Occupancy and equipment | 1,571,133 | 1,287,013 |
| Regulatory fees and deposit insurance premium | 235,997 | 196,220 |
| Advertising and public relations | 564,043 | 484,596 |
| Professional fees | 239,870 | 218,958 |
| Supplies, telephone and postage | 113,654 | 120,245 |
| Loan Fees | 950,775 | 1,088,615 |
| Other expenses | 1,865,573 | 1,586,216 |
| Total noninterest expense | 14,538,722 | 14,673,313 |
| Income before income taxes | 5,953,598 | 5,359,093 |
| Income tax expense | (1,362,463) | (1,269,319) |
| Net income | \$ 4,591,134 | \$ 4,089,774 |

Equitable Financial Corp.

Selected Financial Data - Quarterly Trend

Unaudited

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

Quarter Ended Fiscal Year June 30,

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