



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 \$906,000 for the third quarter of fiscal year ending June 30, 2023, or \$.34 per share, compared to \$968,000 or \$0.35 per share for the third quarter of fiscal year June 2022.
- Net interest income increased \$179,000 to \$3.562 million for the quarter ending March 31, 2023, compared to \$3.383 million for the quarter ending March 31, 2022.
- Net loans increased \$47 million to \$409 million for the quarter ending March 31, 2023, compared to \$362 million on March 31, 2022.
- Provision for loan losses for the third quarter of fiscal year ending June 30, 2023, was (\$117,000) compared to \$89,000 for the March 31, 2022, quarter end.
- Noninterest income decreased \$322,000 to \$1,129,000 for the third quarter of fiscal year ending June 30, 2023, compared to \$1,451,000 for the third quarter of fiscal year ending June 30, 2022. As in the prior quarter, noninterest income was affected primarily by a decrease in mortgage banking activity and loan originations and sales.
- Noninterest expense was \$3.538 million for the third quarter of fiscal year ending June 30, 2023, compared to \$3.522 million for the third quarter of fiscal year ending June 2022.
- Total assets were \$472 million as of March 31, 2023, compared to \$456 million for the quarter of March 31, 2022.
- During the quarter, the company repurchased 27,350 shares of stock at an average price per share of \$12.77.

President and CEO, Tom Gdowski, stated, "The operating environment in the prior quarter continues to provide challenges primarily driven by the Federal Reserve increasing rates at a pace not seen in decades. The widely publicized regional bank failures have not had a material effect on our deposit base as we have been able to provide our customers with assurance their funds are secure. In this environment of rising rates, inverted yield curves and uncertain economic conditions, we will continue to focus on asset quality, duration, and operational efficiencies.

We continue to believe investing in our own shares via our stock repurchase program at the current prices is an effective use of capital and the impact of negative market sentiment. 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**

	March 31, 2023	June 30, 2022
Assets		
Cash and due from financial institutions	\$ 6,741,132	\$ 2,509,013
Interest-earning deposits	<u>2,510,960</u>	<u>8,551,995</u>
	9,252,093	11,061,008
Securities available-for-sale	31,486,693	31,984,463
Securities held-to-maturity	8,924	12,963
Federal Home Loan Bank stock, at cost	1,547,000	1,498,600
Federal Reserve Bank stock, at cost	473,200	472,550
Loans, net of allowance for loan losses of \$6,027,000 and \$5,782,000, respectively	408,850,435	389,756,710
Premises and equipment, net	8,402,990	8,727,274
Foreclosed assets, net	—	—
Accrued interest receivable	2,674,753	2,310,189
Deferred taxes, net	738,751	719,454
Customer list intangible	1,317,563	1,447,077
Bank-owned life insurance	3,915,040	3,834,391
Other assets	<u>3,210,424</u>	<u>3,003,100</u>
Total assets	<u><u>\$ 472,126,867</u></u>	<u><u>\$ 454,827,779</u></u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 58,526,374	\$ 70,265,526
Interest-bearing deposits	<u>355,882,501</u>	<u>325,892,477</u>
	414,408,875	396,158,003
Lines of credit	525,000	5,352,817
Federal Home Loan Bank Borrowings	8,000,000	6,000,000
Advance payments from borrowers for taxes and insurance	858,008	722,446
Accrued interest payable and other liabilities	<u>2,337,231</u>	<u>2,537,016</u>
Total liabilities	<u>426,129,114</u>	<u>410,770,282</u>
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 2,678,582 and 2,753,047 shares issued and outstanding at March 31, 2023 and June 30, 2022, respectively	26,786	27,530
Additional paid-in capital	17,630,552	18,666,553
Retained earnings	29,867,946	26,947,373
Unearned ESOP shares	(607,000)	(642,712)
Shares reserved for stock compensation	(23,153)	(38,389)
Accumulated other comprehensive loss, net of tax	(897,379)	(902,860)
Reclassification of ESOP shares	<u>(1,642,473)</u>	<u>(1,647,542)</u>
Total stockholders' equity	<u>44,355,280</u>	<u>42,409,955</u>
Total liabilities and stockholders' equity	<u><u>\$ 472,126,867</u></u>	<u><u>\$ 454,827,779</u></u>

Equitable Financial Corp.

Income Statement

Unaudited

	For the nine months ended	
	3/31/2023	3/31/2022
Interest income:		
Loans	\$ 15,109,366	\$ 12,339,688
Securities	305,579	170,314
Other	183,767	111,910
Total interest income	15,598,712	12,621,913
Interest expense:		
Deposits	3,518,747	1,111,879
Federal Home Loan Bank borrowings	286,832	63,746
Other	121,620	60,736
Total interest expense	3,927,199	1,236,360
Net interest income	11,671,513	11,385,553
Provision for loan losses	258,154	351,791
Net interest income after provision for loan losses	11,413,359	11,033,762
Noninterest income:		
Service charges on deposit accounts	966,598	802,867
Brokerage fee income	1,587,949	1,779,353
Gain on sale of loans	95,649	819,549
Other loan fees	498,147	584,943
Other income	383,985	401,164
Total noninterest income	3,532,329	4,387,875
Noninterest expense:		
Salaries and employee benefits	6,174,319	6,116,383
Director and committee fees	112,800	108,704
Data processing fees	813,821	767,301
Occupancy and equipment	1,040,005	1,090,936
Regulatory fees and deposit insurance premium	178,880	187,956
Advertising and public relations	345,326	463,732
Professional fees	306,207	172,808
Supplies, telephone and postage	81,710	91,202
Loan Fees	485,876	673,547
Other expenses	1,512,912	1,405,964
Total noninterest expense	11,051,857	11,078,533
Income before income taxes	3,893,831	4,343,104
Income tax expense	(973,258)	(1,005,176)
Net income	\$ 2,920,573	\$ 3,337,928

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			
	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30	June 30
Selected Financial Data												
For the period:												
Interest income	\$ 5,422	\$ 5,406	\$ 4,771	\$ 4,101	\$ 3,772	\$ 3,748	\$ 5,102	\$ 4,071	\$ 3,823	\$ 4,199	\$ 3,811	
Interest expense	\$ 1,860	\$ 1,370	\$ 697	\$ 428	\$ 389	\$ 398	\$ 449	\$ 511	\$ 639	\$ 797	\$ 816	
Net interest income	\$ 3,562	\$ 4,036	\$ 4,074	\$ 3,673	\$ 3,383	\$ 3,350	\$ 4,653	\$ 3,560	\$ 3,184	\$ 3,402	\$ 2,995	
Provision for loan losses	\$ (117)	\$ 175	\$ 200	\$ 272	\$ 89	\$ 149	\$ 114	\$ 57	\$ 85	\$ 79	\$ 44	
Noninterest income	\$ 1,129	\$ 1,183	\$ 1,220	\$ 1,669	\$ 1,451	\$ 1,584	\$ 1,353	\$ 1,590	\$ 1,448	\$ 1,929	\$ 2,190	
Noninterest expense	\$ 3,538	\$ 3,774	\$ 3,740	\$ 3,460	\$ 3,522	\$ 3,818	\$ 3,739	\$ 3,821	\$ 3,336	\$ 3,790	\$ 3,726	
Income tax expense	\$ 364	\$ 295	\$ 314	\$ 357	\$ 255	\$ 235	\$ 515	\$ 133	\$ 302	\$ 326	\$ 338	
Net income	\$ 906	\$ 975	\$ 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)	\$ 408,850	\$ 431,296	\$ 413,951	\$ 389,757	\$ 361,842	\$ 362,120	\$ 339,922	\$ 349,743	\$ 338,825	\$ 338,058	\$ 342,212	
Assets	\$ 472,127	\$ 494,270	\$ 478,270	\$ 454,828	\$ 456,667	\$ 434,842	\$ 431,985	\$ 422,579	\$ 427,968	\$ 412,126	\$ 402,172	
Deposits	\$ 414,409	\$ 418,618	\$ 402,703	\$ 396,158	\$ 396,777	\$ 375,867	\$ 374,098	\$ 365,334	\$ 370,586	\$ 352,740	\$ 340,461	
Shareholders' equity	\$ 44,355	\$ 43,488	\$ 42,592	\$ 42,410	\$ 41,743	\$ 41,387	\$ 40,982	\$ 39,741	\$ 39,524	\$ 38,823	\$ 38,118	
Profitability Statistics												
Return on average assets	0.75%	0.80%	0.87%	1.10%	0.87%	0.68%	1.53%	1.07%	0.87%	1.12%	1.08%	
Return on average shareholders' equity	8.25%	9.06%	9.77%	11.91%	9.32%	7.11%	16.23%	11.50%	9.28%	11.81%	11.43%	
Average shareholders' equity to average assets	9.09%	8.85%	8.91%	9.23%	9.32%	9.50%	9.45%	9.32%	9.33%	9.45%	9.46%	
Common Stock Statistics												
Common shares outstanding	2,678,582	2,698,838	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	\$ 16.56	\$ 16.11	\$ 15.69	\$ 15.40	\$ 15.07	\$ 14.93	\$ 14.68	\$ 14.07	\$ 13.77	\$ 13.44	\$ 13.02	
Earnings per common share	\$ 0.34	\$ 0.36	\$ 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%	0.00%	0.00%	
Regulatory Capital Ratios (Bank)												
Total Capital	12.7%	11.7%	12.4%	12.3%	12.8%	12.3%	12.6%	12.5%	11.9%	11.7%	11.2%	
Common equity Tier 1 capital	11.4%	10.4%	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)	11.4%	10.4%	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)	9.2%	8.8%	9.6%	9.5%	9.2%	9.1%	9.0%	8.7%	8.7%	8.9%	8.7%	