



**News Announcement
For immediate release**

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Grand Island, Nebraska

Second Quarter 2021 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1.1 million for the second quarter of fiscal year ending June 30, 2021, or \$0.39 per share, compared to \$869,000, or \$0.28 per share for the second quarter of fiscal year June 2020.
- Net interest income increased \$465,000, or 16% during the second quarter of fiscal year June 2021 compared to the first quarter in fiscal year June 2020. While interest income increased year over year by \$170,000, or 4%, this increase is related to Payroll Protection Program fee income recognized. Interest rates have decreased on loans due to the current rate environment. Interest expense decreased year over year by 27% due to lower interest rates.
- Net loans declined \$3.6 million, or 1% to \$338.1 million on December 31, 2020, compared to \$341.7 million on June 30, 2020. This decrease is the net effect of new loans booked offset by loans forgiven as part of the Payroll Protection Program. Provision for loan loss recorded during the quarter ended December 31, 2020 was \$79,000. This is due to improved asset quality and low levels of past due loans.
- Noninterest income increased \$1.3 million, or 45%, to \$4.1 million for the first six months of fiscal year ending June 30, 2021 compared to \$2.8 million for the first six months of fiscal year ending June 30, 2020. The majority of this increase is from gain on sale of loans, with a 144% increase. For the first six months of the fiscal year ending in June 2021, \$1.7 million was recorded for gain on sale of loans. For the first six months of the fiscal year ending June 2020, \$694,000 was recorded. This increase is attributable to low interest rates in the mortgage area.
- Noninterest expense increased \$1.3 million, or 21%, for the first six months of fiscal year June 30, 2021. The majority of the increase was in salaries and employee benefits. Salaries and employee benefits increased \$1.0 million, or 30%, to \$4.4 million for the first six months of fiscal year June 30, 2021 from \$3.3 million for the first six months of fiscal year June 30, 2020. These increases are a result of higher productions in several areas as well as growth. Data processing fees increased \$124,000, or 30%. This increase is related to credits received in the previous year for converting to a new core platform and increased volumes. Loan expense also increased for the first six months of June 30, 2021 by \$203,000, or 50%, this is a result of increased mortgage volume due to a low interest rate environment.
- Total assets were \$412.1 million as of December 31, 2020, an increase of \$17.7 million, or 4% from June 30, 2020; this increase is due to an increase in interest bearing deposits due to increased deposits. Deposits increased \$24.4 million, or 7% to \$352.7 million on December 31, 2020 compared to \$328.3 million on June 30, 2020.

During the quarter, the company repurchased 40,766 shares of stock for a total of \$493,888, at an average price per share of \$12.12.

President and CEO, Tom Gdowski, stated “the financial results for the second quarter continue to reflect strong operating performance of the Bank. While the pandemic has created disruption to our normal operations, we have been able to adapt and continue to serve our customers supporting them during this difficult time. Our focus is on our customer needs and insuring they are aware of all available support to deal with the disruptions the pandemic has created within their businesses.”

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**

	December 31, 2020	June 30, 2020
Assets		
Cash and due from financial institutions	\$ 4,384,358	\$ 5,187,505
Interest-earning deposits	28,083,877	10,161,397
	32,468,235	15,348,902
Securities available-for-sale	20,177,547	18,257,878
Securities held-to-maturity	35,773	53,417
Securities at market value	29,934	-
Federal Home Loan Bank stock, at cost	2,547,800	1,317,500
Federal Reserve Bank stock, at cost	472,050	472,050
Loans, net of allowance for loan losses of \$5,054,000 and \$4,931,000, respectively	338,057,790	341,675,944
Premises and equipment, net	6,634,570	6,499,629
Foreclosed assets, net	4,054	35,249
Accrued interest receivable	2,468,885	2,473,808
Deferred taxes, net	450,765	440,416
Customer list intangible	1,706,104	1,792,447
Bank-owned life insurance	3,671,104	3,615,439
Other assets	3,401,449	2,406,199
Total assets	\$ 412,126,060	\$ 394,388,878
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 54,765,309	\$ 50,570,497
Interest-bearing deposits	297,975,040	277,720,036
	352,740,349	328,290,533
Lines of credit	200,000	—
Federal Home Loan Bank Borrowings	16,000,000	24,000,000
Advance payments from borrowers for taxes and insurance	676,458	596,183
Accrued interest payable and other liabilities	2,485,262	3,006,595
Total liabilities	372,102,069	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 2,887,747 and 2,949,536 shares issued and outstanding at December 31, 2020 and June 30, 2020, respectively	28,877	29,495
Additional paid-in capital	20,327,290	21,033,904
Retained earnings	20,308,754	18,095,754
Unearned ESOP shares	(714,136)	(737,944)
Shares reserved for stock compensation	(190,710)	(226,528)
Accumulated other comprehensive loss, net of tax	263,916	300,886
Reclassification of ESOP shares	(1,201,148)	(1,235,981)
Total stockholders' equity	38,822,843	37,259,586
Total liabilities and stockholders' equity	\$ 412,126,060	\$ 394,388,878

Equitable Financial Corp.

Income Statement Unaudited

	For the six months ended	
	December 31, 2020	December 31, 2019
Interest income:		
Loans	\$ 7,830,742	\$ 7,761,435
Securities	112,936	88,917
Other	66,786	57,472
Total interest income	8,010,464	7,907,824
Interest expense:		
Deposits	1,495,084	2,025,059
Federal Home Loan Bank borrowings	62,709	134,223
Other	55,079	7,703
Total interest expense	1,612,872	2,166,985
Net interest income	6,397,592	5,740,839
Provision for loan losses	123,450	193,075
Net interest income after provision for loan losses	6,274,142	5,547,764
Noninterest income:		
Service charges on deposit accounts	404,710	368,422
Brokerage fee income	1,093,895	878,218
Gain on sale of loans	1,694,863	694,123
Other loan fees	616,949	539,055
Other income	308,463	360,175
Total noninterest income	4,118,880	2,839,993
Noninterest expense:		
Salaries and employee benefits	4,373,480	3,348,173
Director and committee fees	80,550	92,776
Data processing fees	529,844	405,709
Occupancy and equipment	607,314	595,951
Regulatory fees and deposit insurance premium	105,226	35,973
Advertising and public relations	243,987	230,466
Professional fees	125,206	95,551
Supplies, telephone and postage	54,393	64,821
Loan Fees	603,789	400,375
Other expenses	791,999	953,127
Total noninterest expense	7,515,788	6,222,922
Income before income taxes	2,877,234	2,164,835
Income tax expense	(664,236)	(520,554)
Net income	\$ 2,212,998	\$ 1,644,281

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			
	December 31	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	\$ 4,199	\$ 3,811	\$ 3,883	\$ 3,949	\$ 4,029	\$ 3,879	\$ 3,734	\$ 3,393	\$ 3,266	\$ 3,164
Interest expense	\$ 797	\$ 816	\$ 1,356	\$ 1,110	\$ 1,092	\$ 1,075	\$ 972	\$ 796	\$ 673	\$ 612
Net interest income	\$ 3,402	\$ 2,995	\$ 2,527	\$ 2,839	\$ 2,937	\$ 2,804	\$ 2,762	\$ 2,597	\$ 2,593	\$ 2,552
Provision for loan losses	\$ 79	\$ 44	\$ 63	\$ 276	\$ 53	\$ 140	\$ 176	\$ 169	\$ 110	\$ 84
Noninterest income	\$ 1,929	\$ 2,190	\$ 1,887	\$ 955	\$ 1,503	\$ 1,337	\$ 1,085	\$ 753	\$ 842	\$ 759
Noninterest expense	\$ 3,790	\$ 3,726	\$ 3,529	\$ 3,059	\$ 3,256	\$ 2,967	\$ 3,334	\$ 2,594	\$ 2,806	\$ 2,551
Income tax expense	\$ 326	\$ 338	\$ 193	\$ 101	\$ 262	\$ 259	\$ 91	\$ 130	\$ 140	\$ 176
Net income	\$ 1,136	\$ 1,077	\$ 629	\$ 358	\$ 869	\$ 775	\$ 246	\$ 457	\$ 379	\$ 500
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 338,058	\$ 342,212	\$ 341,676	\$ 318,909	\$ 312,829	\$ 304,891	\$ 300,087	\$ 285,376	\$ 271,775	\$ 268,424
Assets	\$ 412,126	\$ 402,172	\$ 394,389	\$ 367,629	\$ 357,020	\$ 336,662	\$ 330,234	\$ 323,456	\$ 292,341	\$ 289,837
Deposits	\$ 352,740	\$ 340,461	\$ 328,291	\$ 305,539	\$ 292,761	\$ 281,669	\$ 283,339	\$ 277,047	\$ 255,304	\$ 242,232
Shareholders' equity	\$ 38,823	\$ 38,118	\$ 37,260	\$ 36,410	\$ 37,193	\$ 36,445	\$ 36,979	\$ 37,115	\$ 37,037	\$ 36,958
Profitability Statistics										
Return on average assets	1.12%	1.08%	0.66%	0.40%	1.00%	0.93%	0.30%	0.59%	0.52%	0.70%
Return on average shareholders' equity	11.81%	11.43%	6.83%	3.89%	9.44%	8.44%	2.66%	4.93%	4.10%	5.44%
Average shareholders' equity to average assets	9.45%	9.46%	9.67%	10.16%	10.62%	11.01%	11.33%	12.04%	12.71%	12.82%
Common Stock Statistics										
Common shares outstanding	2,887,747	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	\$ 13.44	\$ 13.02	\$ 12.63	\$ 12.28	\$ 12.13	\$ 11.81	\$ 11.55	\$ 11.49	\$ 11.37	\$ 11.20
Earnings per common share	\$ 0.39	\$ 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%	0.00%
Regulatory Capital Ratios (Bank)										
Total Capital	11.7%	11.2%	11.0%	11.5%	11.8%	11.2%	11.0%	11.6%	12.1%	12.0%
Common equity Tier 1 capital	10.5%	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)	10.5%	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)	8.9%	8.7%	8.4%	9.0%	9.4%	9.3%	9.4%	9.8%	10.1%	10.1%