



**News Announcement
For immediate release**

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Grand Island, Nebraska

Second Quarter 2022 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$732,000 for the second quarter of fiscal year ending June 30, 2022, or \$0.26 per share, compared to \$1.1 million, or \$0.39 per share for the second quarter of fiscal year June 2021.
- Net interest income decreased \$52,000, or 15% during the second quarter of fiscal year June 30, 2022, compared to the second quarter in fiscal year June 30, 2021. Interest income decreased \$451,000, or 11%, to \$3.7 million for the second quarter of fiscal year ending June 30, 2022, compared to \$4.2 million for the second quarter ending fiscal year June 30, 2021. The main cause for the decrease was Payroll Protection Program (PPP) fee income recognized of \$62,000 during the second quarter of fiscal year ending June 30, 2022, compared to \$554,000 during the second quarter of fiscal year ending June 30, 2021.
- Excluding the decrease in PPP fee income, interest income increased due to loan growth and a decrease in interest expense due to lower interest rates.
- Net loans increased \$12.4 million, or 4% to \$362.1 million on December 21, 2021, 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 second quarter of fiscal year ending June 30, 2022, was \$149,000 compared to \$79,000 for the second quarter of fiscal year ending June 30, 2021.
- Noninterest income decreased \$345,000, or 18%, to \$1.6 million for the second quarter of fiscal year ending June 30, 2022, compared to \$1.9 million for the second quarter of fiscal year ending June 30, 2021. Gain on sale of loans was down \$517,000 for the second quarter of fiscal year June 2022 compared to the second quarter of June 2021. Offsetting the decrease in noninterest income was an increase in brokerage fee income of \$161,000 and service charges on deposit accounts of \$67,000.
- Noninterest expense increased \$28,000 for the second quarter of fiscal year ending June 30, 2022, compared to the second fiscal quarter of fiscal year ending June 2021. The increase is mainly due to increased salaries and employee benefits.
- Total assets were \$434.8 million as of December 31, 2021, an increase of \$12.2 million, or 3% from June 30, 2021; this increase is due to an increase in securities available for sale and net loans. Deposits increased \$10.6 million, or 3% to \$375.9 million on December 31, 2021, compared to \$365.3 million on June 30, 2021.

During the quarter, the company repurchased 20,030 shares of stock for a total of \$271,497, at an average price per share of \$13.55.

President and CEO, Tom Gdowski stated “operating results were in line with expectations as we recognized the majority of income generated by the PPP loans originated in 2021 and are now focused on normal operations. The low interest rate environment continues to put pressure on our net interest margin and resulting operating profits. With the Fed indicating an increase in rates this spring, we anticipate some relief. Our mortgage originations have returned to more normal levels after seeing several years of very strong activity due to refinancing, which has resulted in less income from loan sales. Asset quality remains strong in our markets and increases in our provision expense are due to portfolio loan growth.”

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, 2021	June 30, 2021
Assets		
Cash and due from financial institutions	\$ 4,550,387	\$ 4,168,982
Interest-earning deposits	15,684,067	25,567,226
	<u>20,234,454</u>	<u>29,736,208</u>
Securities available-for-sale	29,285,815	22,111,286
Securities held-to-maturity	17,380	23,915
Federal Home Loan Bank stock, at cost	1,789,000	2,048,000
Federal Reserve Bank stock, at cost	471,500	471,500
Loans, net of allowance for loan losses of \$5,457,000 and \$5,194,000, respectively	362,120,332	349,742,509
Premises and equipment, net	9,114,617	7,117,514
Foreclosed assets, net	-	4,054
Accrued interest receivable	2,333,083	2,122,977
Deferred taxes, net	826,240	771,528
Customer list intangible	1,533,419	1,619,762
Bank-owned life insurance	3,780,523	3,726,055
Other assets	3,335,539	3,083,406
	<u>3,335,539</u>	<u>3,083,406</u>
Total assets	<u>\$ 434,841,902</u>	<u>\$ 422,578,714</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 64,852,755	\$ 57,525,889
Interest-bearing deposits	311,015,091	307,808,272
	<u>375,867,846</u>	<u>365,334,161</u>
Lines of credit	1,504,682	880,000
Federal Home Loan Bank Borrowings	11,000,000	11,000,000
Advance payments from borrowers for taxes and insurance	696,481	602,129
Accrued interest payable and other liabilities	2,823,416	3,471,929
Total liabilities	<u>391,892,425</u>	<u>381,288,219</u>
Common stock in ESOP subject to contingent repurchase obligation	1,562,832	1,549,557
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 2,771,884 and 2,824,286 shares issued and outstanding at December 31, 2021 and June 30, 2021, respectively	27,719	28,243
Additional paid-in capital	18,914,339	19,564,401
Retained earnings	24,726,347	22,356,239
Unearned ESOP shares	(666,520)	(690,328)
Shares reserved for stock compensation	(69,495)	(142,498)
Accumulated other comprehensive loss, net of tax	17,087	174,438
Reclassification of ESOP shares	(1,562,832)	(1,549,557)
Total stockholders' equity	<u>41,386,645</u>	<u>39,740,938</u>
Total liabilities and stockholders' equity	<u>\$ 434,841,902</u>	<u>\$ 422,578,714</u>

Equitable Financial Corp.

Income Statement

Unaudited

	For the six months ended	
	December 31, 2021	December 31, 2020
Interest income:		
Loans	\$ 8,670,762	\$ 7,830,742
Securities	102,852	112,936
Other	77,328	66,786
Total interest income	8,850,942	8,010,464
Interest expense:		
Deposits	766,058	1,495,084
Federal Home Loan Bank borrowings	42,807	62,709
Other	38,599	55,079
Total interest expense	847,464	1,612,872
Net interest income	8,003,478	6,397,592
Provision for loan losses	262,849	123,450
Net interest income after provision for loan losses	7,740,629	6,274,142
Noninterest income:		
Service charges on deposit accounts	518,330	404,710
Brokerage fee income	1,179,840	1,093,895
Gain on sale of loans	599,098	1,694,863
Other loan fees	404,327	616,949
Other income	235,395	308,463
Total noninterest income	2,936,990	4,118,880
Noninterest expense:		
Salaries and employee benefits	4,132,855	4,373,480
Director and committee fees	87,600	80,550
Data processing fees	509,128	529,844
Occupancy and equipment	736,250	607,314
Regulatory fees and deposit insurance premium	106,401	105,226
Advertising and public relations	362,147	243,987
Professional fees	146,054	125,206
Supplies, telephone and postage	68,320	54,393
Loan Fees	443,545	603,789
Other expenses	965,173	791,999
Total noninterest expense	7,557,473	7,515,788
Income before income taxes	3,120,146	2,877,234
Income tax expense	(750,038)	(664,236)
Net income	\$ 2,370,108	\$ 2,212,998

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				2020			
	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	\$ 3,748	\$ 5,102	\$ 4,071	\$ 3,823	\$ 4,199	\$ 3,811	\$ 3,883	\$ 3,949	\$ 4,029	\$ 3,879
Interest expense	\$ 398	\$ 449	\$ 511	\$ 639	\$ 797	\$ 816	\$ 1,356	\$ 1,110	\$ 1,092	\$ 1,075
Net interest income	\$ 3,350	\$ 4,653	\$ 3,560	\$ 3,184	\$ 3,402	\$ 2,995	\$ 2,527	\$ 2,839	\$ 2,937	\$ 2,804
Provision for loan losses	\$ 149	\$ 114	\$ 57	\$ 85	\$ 79	\$ 44	\$ 63	\$ 276	\$ 53	\$ 140
Noninterest income	\$ 1,584	\$ 1,353	\$ 1,590	\$ 1,448	\$ 1,929	\$ 2,190	\$ 1,887	\$ 955	\$ 1,503	\$ 1,337
Noninterest expense	\$ 3,818	\$ 3,739	\$ 3,821	\$ 3,336	\$ 3,790	\$ 3,726	\$ 3,529	\$ 3,059	\$ 3,256	\$ 2,967
Income tax expense	\$ 235	\$ 515	\$ 133	\$ 302	\$ 326	\$ 338	\$ 193	\$ 101	\$ 262	\$ 259
Net income	\$ 732	\$ 1,638	\$ 1,139	\$ 909	\$ 1,136	\$ 1,077	\$ 629	\$ 358	\$ 869	\$ 775
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 362,120	\$ 339,922	\$ 349,743	\$ 338,825	\$ 338,058	\$ 342,212	\$ 341,676	\$ 318,909	\$ 312,829	\$ 304,891
Assets	\$ 434,842	\$ 431,985	\$ 422,579	\$ 427,968	\$ 412,126	\$ 402,172	\$ 394,389	\$ 367,629	\$ 357,020	\$ 336,662
Deposits	\$ 375,867	\$ 374,098	\$ 365,334	\$ 370,586	\$ 352,740	\$ 340,461	\$ 328,291	\$ 305,539	\$ 292,761	\$ 281,669
Shareholders' equity	\$ 41,387	\$ 40,982	\$ 39,741	\$ 39,524	\$ 38,823	\$ 38,118	\$ 37,260	\$ 36,410	\$ 37,193	\$ 36,445
Profitability Statistics										
Return on average assets	0.68%	1.53%	1.07%	0.87%	1.12%	1.08%	0.66%	0.40%	1.00%	0.93%
Return on average shareholders' equity	7.11%	16.23%	11.50%	9.28%	11.81%	11.43%	6.83%	3.89%	9.44%	8.44%
Average shareholders' equity to average assets	9.50%	9.45%	9.32%	9.33%	9.45%	9.46%	9.67%	10.16%	10.62%	11.01%
Common Stock Statistics										
Common shares outstanding	2,771,884	2,791,914	2,824,286	2,870,047	2,887,747	2,928,513	2,949,536	2,964,136	3,066,683	3,086,580
Book value per common share	\$ 14.93	\$ 14.68	\$ 14.07	\$ 13.77	\$ 13.44	\$ 13.02	\$ 12.63	\$ 12.28	\$ 12.13	\$ 11.81
Earnings per common share	\$ 0.26	\$ 0.59	\$ 0.40	\$ 0.32	\$ 0.39	\$ 0.37	\$ 0.21	\$ 0.12	\$ 0.28	\$ 0.25
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	12.3%	12.6%	12.5%	11.9%	11.7%	11.2%	11.0%	11.5%	11.8%	11.2%
Common equity Tier 1 capital	11.1%	11.3%	11.2%	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%
Tier 1 capital (to risk-weighted assets)	11.1%	11.3%	11.2%	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%
Tier 1 capital (to adjusted total assets)	9.1%	9.0%	8.7%	8.7%	8.9%	8.7%	8.4%	9.0%	9.4%	9.3%