



**News Announcement
For immediate release**

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Grand Island, Nebraska

First Quarter 2022 Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$1.6 million for the first quarter of fiscal year ending June 30, 2022, or \$0.59 per share, compared to \$1.1 million, or \$0.37 per share for the first quarter of fiscal year June 2021.
- Net interest income increased \$1.7 million, or 57% during the first quarter of fiscal year June 30, 2022, compared to the first quarter in fiscal year June 30, 2021. For the first quarter of fiscal year June 30, 2022, net interest income was \$4.7 million compared to \$3.0 million for the first quarter of fiscal year June 30, 2021. Interest income increased \$1.3 million, or 34%, to \$5.1 million for the first quarter of fiscal year ending June 30, 2022, compared to \$3.8 million for the first quarter ending fiscal year June 30, 2021. The main cause for the increase was Payroll Protection Program (PPP) fee income recognized of \$1.5 million during the first quarter of fiscal year ending June 30, 2022, compared to \$141,000 during the first quarter of fiscal year ending June 30, 2021. Also contributing to the increase in net interest income was a decrease in interest expense related to lower deposit rates.
- Net loans decreased \$9.8 million, or 3% to \$339.9 million on September 30, 2021, compared to \$349.7 million on June 30, 2021. The decrease in net loans was due to \$19.0 million of PPP loans being forgiven. Offsetting this decrease was an increase in organic loan growth. Provision for loan losses for the first quarter of fiscal year ending June 30, 2022, was \$114,000 compared to \$44,000 for the first quarter of fiscal year ending June 30, 2021.
- Noninterest income decreased \$838,000, or 38%, to \$1.4 million for the first quarter of fiscal year ending June 30, 2022, compared to \$2.2 million for the first quarter of fiscal year ending June 30, 2021. Gain on sale of loans had the most significant reduction year over year with a decline of \$579,000, or 65%. During the previous year there was several opportunities to help customers refinance their mortgage loan resulting in the income being recognized.
- Noninterest expense increased \$13,000 for the first quarter of fiscal year ending June 30, 2022, compared to the first fiscal quarter of fiscal year ending June 2021. The Company recorded increases in advertising and public relations and occupancy and equipment related to the new branch opened in Omaha, Nebraska. Professional fees increased due to additional audits performed during the first quarter of fiscal year ending June 30, 2022, as well as timing of current reviews performed varying from the previous year. Offsetting these increases were decreases in salaries and employee benefits, data processing fees and other expenses.
- Total assets were \$432.0 million as of September 30, 2021, an increase of \$9.4 million, or 2% from June 30, 2021; this increase is due to an increase in interest-bearing deposits which is a result of loan reductions from PPP forgiveness and increased deposits. Deposits increased \$8.8 million, or 2% to \$374.1 million on September 30, 2021, compared to \$365.3 million on June 30, 2021.

During the quarter, the company repurchased 32,372 shares of stock for a total of \$420,188, at an average price per share of \$12.98.

President and CEO, Tom Gdowski stated “earnings were largely driven by PPP loan forgiveness. Asset quality remains high. The excess liquidity driven by the PPP funds continues to compress margins as investment grade options are limited. The economy continues to improve, and we expect the government to begin tapering the asset purchases begun with the start of the pandemic. This should move short term rates higher sometime in calendar year 2022 and give additional options for excess liquidity.

We completed the opening of our Elkhorn branch in Omaha. This is our second location in the Omaha market, and we have had a positive response from customers in the area. Our mortgage and wealth management area continue to do well as lower rates support real estate purchases and the equity markets remain strong.”

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**

	<u>September 30, 2021</u>	<u>June 30, 2021</u>
Assets		
Cash and due from financial institutions	\$ 3,803,677	\$ 4,168,982
Interest-earning deposits	<u>44,506,161</u>	<u>25,567,226</u>
	48,309,838	29,736,208
Securities available-for-sale	21,599,218	22,111,286
Securities held-to-maturity	20,725	23,915
Federal Home Loan Bank stock, at cost	1,825,600	2,048,000
Federal Reserve Bank stock, at cost	471,500	471,500
Loans, net of allowance for loan losses of \$5,308,000 and \$5,194,000, respectively	339,922,062	349,742,509
Premises and equipment, net	8,450,081	7,117,514
Foreclosed assets, net	-	4,054
Accrued interest receivable	2,532,911	2,122,977
Deferred taxes, net	786,726	771,528
Customer list intangible	1,576,591	1,619,762
Bank-owned life insurance	3,753,196	3,726,055
Other assets	<u>2,736,381</u>	<u>3,083,406</u>
Total assets	<u><u>\$ 431,984,829</u></u>	<u><u>\$ 422,578,714</u></u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 63,970,558	\$ 57,525,889
Interest-bearing deposits	<u>310,127,552</u>	<u>307,808,272</u>
	374,098,110	365,334,161
Lines of credit	1,230,000	880,000
Federal Home Loan Bank Borrowings	11,000,000	11,000,000
Advance payments from borrowers for taxes and insurance	334,511	602,129
Accrued interest payable and other liabilities	<u>2,777,747</u>	<u>3,471,929</u>
Total liabilities	<u>389,440,368</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 2,791,914 and 2,824,286 shares issued and outstanding at September 30, 2021 and June 30, 2021, respectively	27,919	28,243
Additional paid-in capital	19,165,085	19,564,401
Retained earnings	23,994,381	22,356,239
Unearned ESOP shares	(678,424)	(690,328)
Shares reserved for stock compensation	(105,996)	(142,498)
Accumulated other comprehensive loss, net of tax	141,496	174,438
Reclassification of ESOP shares	<u>(1,562,832)</u>	<u>(1,549,557)</u>
Total stockholders' equity	<u>40,981,629</u>	<u>39,740,938</u>
Total liabilities and stockholders' equity	<u><u>\$ 431,984,829</u></u>	<u><u>\$ 422,578,714</u></u>

Equitable Financial Corp.

Income Statement

Unaudited

	For the three months ended	
	September 30, 2021	September 30, 2020
Interest income:		
Loans	\$ 5,021,007	\$ 3,734,436
Securities	52,741	60,557
Other	28,103	16,749
Total interest income	5,101,851	3,811,742
Interest expense:		
Deposits	403,972	784,850
Federal Home Loan Bank borrowings	21,404	31,479
Other	23,800	28
Total interest expense	449,176	816,357
Net interest income	4,652,675	2,995,385
Provision for loan losses	113,765	43,882
Net interest income after provision for loan losses	4,538,910	2,951,503
Noninterest income:		
Service charges on deposit accounts	245,181	198,101
Brokerage fee income	557,888	632,675
Gain on sale of loans	308,276	887,265
Other loan fees	198,078	319,969
Other income	43,431	152,359
Total noninterest income	1,352,854	2,190,369
Noninterest expense:		
Salaries and employee benefits	2,048,162	2,116,837
Director and committee fees	43,554	37,392
Data processing fees	256,927	276,084
Occupancy and equipment	337,993	328,480
Regulatory fees and deposit insurance premium	55,834	57,873
Advertising and public relations	170,538	91,501
Professional fees	101,776	82,581
Supplies, telephone and postage	29,457	28,508
Other expenses	694,519	706,994
Total noninterest expense	3,738,760	3,726,250
Income before income taxes	2,153,004	1,415,622
Income tax expense	(514,864)	(338,353)
Net income	\$ 1,638,140	\$ 1,077,269

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			
	September 30	June 30	March 31	December 31	September 30	June 30	March 31	December 31	September 30	September 30
Selected Financial Data										
For the period:										
Interest income	\$ 5,102	\$ 4,071	\$ 3,823	\$ 4,199	\$ 3,811	\$ 3,883	\$ 3,949	\$ 4,029	\$ 3,879	
Interest expense	\$ 449	\$ 511	\$ 639	\$ 797	\$ 816	\$ 1,356	\$ 1,110	\$ 1,092	\$ 1,075	
Net interest income	\$ 4,653	\$ 3,560	\$ 3,184	\$ 3,402	\$ 2,995	\$ 2,527	\$ 2,839	\$ 2,937	\$ 2,804	
Provision for loan losses	\$ 114	\$ 57	\$ 85	\$ 79	\$ 44	\$ 63	\$ 276	\$ 53	\$ 140	
Noninterest income	\$ 1,353	\$ 1,590	\$ 1,448	\$ 1,929	\$ 2,190	\$ 1,887	\$ 955	\$ 1,503	\$ 1,337	
Noninterest expense	\$ 3,739	\$ 3,821	\$ 3,336	\$ 3,790	\$ 3,726	\$ 3,529	\$ 3,059	\$ 3,256	\$ 2,967	
Income tax expense	\$ 515	\$ 133	\$ 302	\$ 326	\$ 338	\$ 193	\$ 101	\$ 262	\$ 259	
Net income	\$ 1,638	\$ 1,139	\$ 909	\$ 1,136	\$ 1,077	\$ 629	\$ 358	\$ 869	\$ 775	
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 339,922	\$ 349,743	\$ 338,825	\$ 338,058	\$ 342,212	\$ 341,676	\$ 318,909	\$ 312,829	\$ 304,891	
Assets	\$ 431,985	\$ 422,579	\$ 427,968	\$ 412,126	\$ 402,172	\$ 394,389	\$ 367,629	\$ 357,020	\$ 336,662	
Deposits	\$ 374,098	\$ 365,334	\$ 370,586	\$ 352,740	\$ 340,461	\$ 328,291	\$ 305,539	\$ 292,761	\$ 281,669	
Shareholders' equity	\$ 40,982	\$ 39,741	\$ 39,524	\$ 38,823	\$ 38,118	\$ 37,260	\$ 36,410	\$ 37,193	\$ 36,445	
Profitability Statistics										
Return on average assets	1.53%	1.07%	0.87%	1.12%	1.08%	0.66%	0.40%	1.00%	0.93%	
Return on average shareholders' equity	16.23%	11.50%	9.28%	11.81%	11.43%	6.83%	3.89%	9.44%	8.44%	
Average shareholders' equity to average assets	9.45%	9.32%	9.33%	9.45%	9.46%	9.67%	10.16%	10.62%	11.01%	
Common Stock Statistics										
Common shares outstanding	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	\$ 14.68	\$ 14.07	\$ 13.77	\$ 13.44	\$ 13.02	\$ 12.63	\$ 12.28	\$ 12.13	\$ 11.81	
Earnings per common share	\$ 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%	
Regulatory Capital Ratios (Bank)										
Total Capital	12.6%	12.5%	11.9%	11.7%	11.2%	11.0%	11.5%	11.8%	11.2%	
Common equity Tier 1 capital	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)	11.3%	11.2%	10.6%	10.5%	10.0%	9.7%	10.3%	10.5%	10.0%	
Tier 1 capital (to adjusted total assets)	9.0%	8.7%	8.7%	8.9%	8.7%	8.4%	9.0%	9.4%	9.3%	