



**News Announcement
For immediate release**

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Grand Island, Nebraska

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$629,000 for the fourth quarter of the fiscal year ending June 30, 2020, or \$0.21 per share, compared to \$246,000, or \$0.08 per share for the fourth quarter of fiscal year June 2019.
- Net interest income decreased \$370,000, or 13% during the fourth quarter of fiscal year June 2020 compared to the fourth quarter in fiscal year June 2019. The decrease in net interest income this quarter is primarily related to balance sheet management and pre-refunding some short-term liabilities.
- Net loans were \$342.6 million at June 30, 2020, representing an increase of \$42.5 million, or 14%, compared to \$300.1 million at June 30, 2019. During the same time-period deposits grew \$45.0 million, or 16% to \$328.3 million from \$283.3 million.
- During the fourth quarter of the fiscal year ending June 30, 2020 the Bank participated in the SBA PPP loans to assist their borrowers in continuing operations. This program increased loan balances by approximately \$28 million.
- Noninterest income increased \$937,000, or 86% to \$2.0 million for the fourth quarter of fiscal year June 2020 compared to \$1.1 million for the fourth quarter of fiscal year June 2019. This increase is attributable to increased volume in brokerage fee income, gain on sale of loans, PPP loan income recognized and other income.
- Noninterest expense increased \$195,000, or 6% for the fourth quarter of fiscal year June 2020 compared to the fourth quarter of fiscal year June 2019. The primary increases were in salaries and employee benefits, data processing fees, occupancy and equipment, and other expenses. These increases were primarily a result of general operating expense increases.
- Total assets were \$395.4 million as of June 30, 2020, an increase of \$65.2 million, or 20% from June 30, 2019.

During the quarter, the company repurchased 14,600 shares of stock for a total of \$145,277, at an average price per share of \$9.95.

President and CEO, Tom Gdowski, stated "The pandemic related to COVID-19 and the associated issues it has caused has been disruptive to our operations and led us to utilize new methods of serving our customers while protecting our staff. I am proud of the flexibility and adoption of new processes and procedures implemented by our staff! We have had the opportunity to support our current customers and many new ones with the Paycheck Protection Program, Main Street Lending Program and other loan programs being offered to support our nation's economy during this time.

Our operating performance continues to be strong and we have not seen significant stress in our lending portfolios at this time. Our agricultural markets have been under stress for some time due to low

commodity prices and we continue to work closely with borrowers to assist them in their operations. Our other markets continue to perform well and have not shown significant declines due to the pandemic.”

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.

Selected Financial Data - Quarterly Trend

Unaudited

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

Quarter Ended Fiscal Year June 30,

| | 2020 | | | | 2019 | | | |
|--|------------|------------|-------------|--------------|------------|------------|-------------|--------------|
| | 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 | \$ 3,949 | \$ 4,029 | \$ 3,879 | \$ 3,734 | \$ 3,393 | \$ 3,266 | \$ 3,164 |
| Interest expense | \$ 1,356 | \$ 1,110 | \$ 1,092 | \$ 1,075 | \$ 972 | \$ 796 | \$ 673 | \$ 612 |
| Net interest income | \$ 2,392 | \$ 2,839 | \$ 2,937 | \$ 2,804 | \$ 2,762 | \$ 2,597 | \$ 2,593 | \$ 2,552 |
| Provision for loan losses | \$ 63 | \$ 276 | \$ 53 | \$ 140 | \$ 176 | \$ 169 | \$ 110 | \$ 84 |
| Noninterest income | \$ 2,022 | \$ 955 | \$ 1,503 | \$ 1,337 | \$ 1,085 | \$ 753 | \$ 842 | \$ 759 |
| Noninterest expense | \$ 3,529 | \$ 3,059 | \$ 3,256 | \$ 2,967 | \$ 3,334 | \$ 2,594 | \$ 2,806 | \$ 2,551 |
| Income tax expense | \$ 193 | \$ 101 | \$ 262 | \$ 259 | \$ 91 | \$ 130 | \$ 140 | \$ 176 |
| Net income | \$ 629 | \$ 358 | \$ 869 | \$ 775 | \$ 246 | \$ 457 | \$ 379 | \$ 500 |
| Period-end: | | | | | | | | |
| Loans (net of deferred origination costs and ALLL) | \$ 342,643 | \$ 318,909 | \$ 312,829 | \$ 304,891 | \$ 300,087 | \$ 285,376 | \$ 271,775 | \$ 268,424 |
| Assets | \$ 395,356 | \$ 367,629 | \$ 357,020 | \$ 336,662 | \$ 330,234 | \$ 323,456 | \$ 292,341 | \$ 289,837 |
| Deposits | \$ 328,291 | \$ 305,539 | \$ 292,761 | \$ 281,669 | \$ 283,339 | \$ 277,047 | \$ 255,304 | \$ 242,232 |
| Shareholders' equity | \$ 37,260 | \$ 36,410 | \$ 37,193 | \$ 36,445 | \$ 36,979 | \$ 37,115 | \$ 37,037 | \$ 36,958 |
| Profitability Statistics | | | | | | | | |
| Return on average assets | 0.66% | 0.40% | 1.00% | 0.93% | 0.30% | 0.59% | 0.52% | 0.70% |
| Return on average shareholders' equity | 6.83% | 3.89% | 9.44% | 8.44% | 2.66% | 4.93% | 4.10% | 5.44% |
| Average shareholders' equity to average assets | 9.66% | 10.16% | 10.62% | 11.01% | 11.33% | 12.04% | 12.71% | 12.82% |
| Common Stock Statistics | | | | | | | | |
| Common shares outstanding | 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 | \$ 12.63 | \$ 12.28 | \$ 12.13 | \$ 11.81 | \$ 11.55 | \$ 11.49 | \$ 11.37 | \$ 11.20 |
| Earnings per common share | \$ 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% |
| Regulatory Capital Ratios (Bank) | | | | | | | | |
| Total Capital | 11.0% | 11.5% | 11.8% | 11.2% | 11.0% | 11.6% | 12.1% | 12.0% |
| Common equity Tier 1 capital | 9.7% | 10.3% | 10.5% | 10.0% | 9.8% | 10.3% | 10.8% | 10.8% |
| Tier 1 capital (to risk-weighted assets) | 9.7% | 10.3% | 10.5% | 10.0% | 9.8% | 10.3% | 10.8% | 10.8% |
| Tier 1 capital (to adjusted total assets) | 8.4% | 9.0% | 9.4% | 9.3% | 9.4% | 9.8% | 10.1% | 10.1% |

Equitable Financial Corp.

Balance Sheet

Unaudited

| | June 30, 2020 | June 30, 2019 |
|---|-----------------------|-----------------------|
| Assets | | |
| Cash and due from financial institutions | \$ 5,187,505 | \$ 3,149,820 |
| Interest-earning deposits | 10,161,397 | 1,409,852 |
| | 15,348,902 | 4,559,672 |
| Securities available-for-sale | 18,257,878 | 9,364,450 |
| Securities held-to-maturity | 53,417 | 270,475 |
| Federal Home Loan Bank stock, at cost | 1,317,500 | 325,300 |
| Federal Reserve Bank stock, at cost | 472,050 | 469,200 |
| Loans, net of allowance for loan losses of \$4,931,000 and \$4,445,000, respectively | 342,643,476 | 300,087,266 |
| Premises and equipment, net | 6,499,629 | 6,412,662 |
| Foreclosed assets, net | 35,249 | 223,200 |
| Accrued interest receivable | 2,473,808 | 2,120,629 |
| Deferred taxes, net | 440,416 | 386,051 |
| Customer list intangible | 1,792,447 | 1,965,132 |
| Bank-owned life insurance | 3,615,439 | 1,750,000 |
| Other assets | 2,406,199 | 2,300,067 |
| | <u>395,356,410</u> | <u>330,234,104</u> |
| Total assets | \$ 395,356,410 | \$ 330,234,104 |
| Liabilities and Stockholders' Equity | | |
| Liabilities: | | |
| Noninterest-bearing deposits | \$ 50,570,497 | \$ 33,199,553 |
| Interest-bearing deposits | 277,720,036 | 250,141,818 |
| | 328,290,533 | 283,341,371 |
| Lines of credit | — | — |
| Federal Home Loan Bank Borrowings | 24,000,000 | 5,000,000 |
| Advance payments from borrowers for taxes and insurance | 596,183 | 532,175 |
| Accrued interest payable and other liabilities | 3,974,127 | 3,134,690 |
| Total liabilities | <u>356,860,843</u> | <u>292,008,236</u> |
| Common stock in ESOP subject to contingent repurchase obligation | 1,235,981 | 1,235,981 |
| Stockholders' equity: | | |
| Common stock, \$0.01 par value, 25,000,000 shares authorized 2,949,536 and 3,201,105 shares issued and outstanding at June 30, 2020 and June 30, 2019, respectively | 29,495 | 32,011 |
| Additional paid-in capital | 21,033,904 | 23,936,182 |
| Retained earnings | 18,095,754 | 15,465,624 |
| Unearned ESOP shares | (737,944) | (830,966) |
| Shares reserved for stock compensation | (226,528) | (374,308) |
| Accumulated other comprehensive loss, net of tax | 300,886 | (2,675) |
| Reclassification of ESOP shares | (1,235,981) | (1,235,981) |
| Total stockholders' equity | <u>37,259,586</u> | <u>36,989,887</u> |
| Total liabilities and stockholders' equity | <u>\$ 395,356,410</u> | <u>\$ 330,234,104</u> |

Equitable Financial Corp.

Income Statement

Unaudited

For the year ended

| | <u>June 30, 2020</u> | <u>June 30, 2019</u> |
|--|----------------------|----------------------|
| Interest income: | | |
| Loans | \$ 15,216,792 | \$ 13,376,703 |
| Securities | 260,015 | 91,949 |
| Other | 127,758 | 88,240 |
| Total interest income | <u>15,604,565</u> | <u>13,556,892</u> |
| Interest expense: | | |
| Deposits | 3,866,202 | 2,921,801 |
| Federal Home Loan Bank borrowings | 756,242 | 119,170 |
| Other | 11,015 | 12,195 |
| Total interest expense | <u>4,633,459</u> | <u>3,053,166</u> |
| Net interest income | 10,971,106 | 10,503,726 |
| Provision for loan losses | 532,180 | 539,144 |
| Net interest income after provision for loan losses | <u>10,438,926</u> | <u>9,964,582</u> |
| Noninterest income: | | |
| Service charges on deposit accounts | 719,761 | 756,659 |
| Brokerage fee income | 1,673,077 | 1,342,095 |
| Gain on sale of loans | 1,539,126 | 536,527 |
| Other loan fees | 1,257,786 | 469,775 |
| Other income | 627,626 | 333,949 |
| Total noninterest income | <u>5,817,376</u> | <u>3,439,005</u> |
| Noninterest expense: | | |
| Salaries and employee benefits | 7,135,517 | 6,122,962 |
| Director and committee fees | 174,000 | 167,850 |
| Data processing fees | 823,977 | 1,016,600 |
| Occupancy and equipment | 1,150,889 | 1,059,814 |
| Regulatory fees and deposit insurance premium | 140,880 | 213,954 |
| Advertising and public relations | 447,597 | 321,527 |
| Professional fees | 212,564 | 536,220 |
| Supplies, telephone and postage | 137,120 | 138,699 |
| Other expenses | 2,588,212 | 1,707,175 |
| Total noninterest expense | <u>12,810,756</u> | <u>11,284,801</u> |
| Income before income taxes | 3,445,546 | 2,118,786 |
| Income tax expense | (815,416) | (537,099) |
| Net income | <u>\$ 2,630,130</u> | <u>\$ 1,581,687</u> |