



News Announcement
For immediate release
Grand Island, Nebraska

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Second Quarter Highlights

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$626,000 for the second quarter of fiscal year ending June 30, 2024, or \$.24 per share, compared to \$975,000 or .36 per share for the second quarter of fiscal year June 2023.
- Net interest income decreased \$643,000 to \$3.393 million for the quarter ending December 31, 2023, compared to \$4.036 million for the quarter ending December 31, 2022. This is related to higher funding costs.
- Net loans increased \$8.8 million to \$440 million for the quarter ending December 31, 2023, compared to \$431 million on December 31, 2022.
- Provision for loan losses for the second quarter of fiscal year ending December 31, 2023, was (\$10,000) compared to \$175,000 for the December 31, 2022, quarter end. This is due to decrease needed for loan loss reserves.
- Noninterest income increased \$100,000 to \$1,283,000 for the second quarter of fiscal year ending June 30, 2024 compared to \$1,183,000 for the second quarter of fiscal year ending June 30, 2023. Noninterest income continues to be affected primarily by decrease in mortgage banking activity.
- Noninterest expense was \$3.864 million for the second quarter of fiscal year ending June 30, 2024, compared to \$3.774 million for the second quarter of fiscal year ending June 2023.
- Total assets were \$497,897 million as of December 31, 2023 quarter, compared to \$494,270 million for the quarter of December 31, 2022.
- During the quarter, the company repurchased 17,900 shares of stock, total cost of \$215,158, at an average price per share of \$12.02.

President/CEO Tom Gdowski, stated, "While the environment of rapid increase of interest rates continues to impact bank performance due to funding cost and the slowdown of our mortgage banking operations, the liquidity concerns affecting bank valuations have eased due to the Fed's pause in raising rates. This is likely to persist for several more quarters until the expected decrease in rates occurs. We continue to focus on asset quality and deposit growth ad our core banking operations. "

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

	<u>December 31, 2023</u>	<u>June 30, 2023</u>
Assets		
Cash and due from financial institutions	\$ 4,503,363	\$ 6,705,585
Interest-earning deposits	<u>731,572</u>	<u>1,698,970</u>
	5,234,935	8,404,555
Interest-bearing time deposits in banks	424,000	249,000
Securities available-for-sale	28,940,998	30,233,000
Securities held-to-maturity	5,901	7,979
Federal Home Loan Bank stock, at cost	1,835,200	2,016,900
Federal Reserve Bank stock, at cost	473,700	473,400
Loans, net of allowance for loan losses of \$6,027,000 and \$6,155,000, respectively	440,092,349	419,720,970
Premises and equipment, net	8,006,016	8,162,359
Foreclosed assets, net	3,750	—
Accrued interest receivable	3,755,259	3,038,319
Deferred taxes, net	792,904	905,462
Customer list intangible	1,188,049	1,274,391
Bank-owned life insurance	3,997,465	3,942,259
Other assets	<u>3,146,217</u>	<u>2,620,129</u>
Total assets	<u>\$ 497,896,743</u>	<u>\$ 481,048,723</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 56,082,291	\$ 57,448,538
Interest-bearing deposits	<u>371,734,058</u>	<u>354,821,128</u>
	427,816,349	412,269,666
Lines of credit	200,000	685,000
Federal funds purchased	58,000	2,888,000
Federal Home Loan Bank Borrowings	18,000,000	15,000,000
Advance payments from borrowers for taxes and insurance	945,789	884,811
Accrued interest payable and other liabilities	<u>2,966,203</u>	<u>2,857,233</u>
Total liabilities	<u>449,986,341</u>	<u>434,584,710</u>
Common stock in ESOP subject to contingent repurchase obligation	1,492,645	1,484,656
Stockholders' equity:		
Common stock, \$0.01 par value, 25,000,000 shares authorized 2,638,434 and 2,666,305 shares issued and outstanding at December 31, 2023 and June 30, 2023, respectively	26,384	26,663
Additional paid-in capital	17,183,948	17,483,294
Retained earnings	31,774,545	30,535,299
Unearned ESOP shares	(571,288)	(595,096)
Shares reserved for stock compensation	(10,556)	(18,074)
Accumulated other comprehensive loss, net of tax	(492,631)	(968,073)
Reclassification of ESOP shares	<u>(1,492,645)</u>	<u>(1,484,656)</u>
Total stockholders' equity	<u>46,417,757</u>	<u>44,979,357</u>
Total liabilities and stockholders' equity	<u>\$ 497,896,743</u>	<u>\$ 481,048,723</u>

Equitable Financial Corp.

Income Statement Unaudited

	For the year ended	
	December 31, 2023	December 31, 2022
Interest income:		
Loans	\$ 12,041,168	\$ 9,853,665
Securities	168,681	204,747
Other	363,753	118,740
Total interest income	12,573,602	10,177,152
Interest expense:		
Deposits	5,487,011	1,747,285
Federal Home Loan Bank borrowings	301,499	217,756
Other	35,444	102,237
Total interest expense	5,823,954	2,067,278
Net interest income	6,749,648	8,109,874
Provision for loan losses	(125,186)	375,081
Net interest income after provision for loan losses	6,874,834	7,734,793
Noninterest income:		
Service charges on deposit accounts	608,342	679,493
Brokerage fee income	1,206,967	1,015,749
Gain on sale of loans	53,521	83,210
Other loan fees	417,689	374,299
Other income	260,973	250,743
Total noninterest income	2,547,492	2,403,494
Noninterest expense:		
Salaries and employee benefits	4,351,955	4,147,906
Director and committee fees	86,700	77,735
Data processing fees	654,476	531,113
Occupancy and equipment	719,883	672,772
Regulatory fees and deposit insurance premium	154,288	98,308
Advertising and public relations	187,079	242,986
Professional fees	303,878	234,431
Supplies, telephone and postage	45,477	54,242
Other expenses	1,347,974	1,454,410
Total noninterest expense	7,851,710	7,513,903
Income before income taxes	1,570,616	2,624,384
Income tax expense	(373,449)	(608,901)
Net income	\$ 1,197,167	\$ 2,015,483

Equitable Financial Corp.

Selected Financial Data - Quarterly Trend

Unaudited

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

	Quarter Ended Fiscal Year June 30,									
	2024		2023				2022			
	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	\$ 6,421	\$ 6,153	\$ 5,714	\$ 5,422	\$ 5,406	\$ 4,771	\$ 4,101	\$ 3,772	\$ 3,748	\$ 5,102
Interest expense	\$ 3,028	\$ 2,796	\$ 2,295	\$ 1,860	\$ 1,370	\$ 697	\$ 428	\$ 389	\$ 398	\$ 449
Net interest income	\$ 3,393	\$ 3,357	\$ 3,419	\$ 3,562	\$ 4,036	\$ 4,074	\$ 3,673	\$ 3,383	\$ 3,350	\$ 4,653
Provision for loan losses	\$ (10)	\$ (115)	\$ 209	\$ (117)	\$ 175	\$ 200	\$ 272	\$ 89	\$ 149	\$ 114
Noninterest income	\$ 1,283	\$ 1,264	\$ 1,278	\$ 1,129	\$ 1,183	\$ 1,220	\$ 1,669	\$ 1,451	\$ 1,584	\$ 1,353
Noninterest expense	\$ 3,864	\$ 3,988	\$ 3,713	\$ 3,538	\$ 3,774	\$ 3,740	\$ 3,460	\$ 3,522	\$ 3,818	\$ 3,739
Income tax expense	\$ 196	\$ 177	\$ 108	\$ 364	\$ 295	\$ 314	\$ 357	\$ 255	\$ 235	\$ 515
Net income	\$ 626	\$ 571	\$ 667	\$ 906	\$ 975	\$ 1,040	\$ 1,253	\$ 968	\$ 732	\$ 1,638
Period-end:										
Loans (net of deferred origination costs and ALLL)	\$ 440,092	\$ 420,323	\$ 419,721	\$ 408,850	\$ 431,296	\$ 413,951	\$ 389,757	\$ 361,842	\$ 362,120	\$ 339,922
Assets	\$ 497,897	\$ 492,816	\$ 481,049	\$ 472,127	\$ 494,270	\$ 478,270	\$ 454,828	\$ 456,667	\$ 434,842	\$ 431,985
Deposits	\$ 427,816	\$ 427,165	\$ 412,270	\$ 414,409	\$ 418,618	\$ 402,703	\$ 396,158	\$ 396,777	\$ 375,867	\$ 374,098
Shareholders' equity	\$ 46,418	\$ 45,692	\$ 44,979	\$ 44,355	\$ 43,488	\$ 42,592	\$ 42,410	\$ 41,743	\$ 41,387	\$ 40,982
Profitability Statistics										
Return on average assets	0.51%	0.47%	0.56%	0.75%	0.80%	0.89%	1.10%	0.87%	0.68%	1.53%
Return on average shareholders' equity	5.44%	5.04%	5.97%	8.25%	9.06%	9.79%	11.91%	9.32%	7.11%	16.23%
Average shareholders' equity to average assets	9.30%	9.31%	9.37%	9.09%	8.85%	9.11%	9.23%	9.32%	9.50%	9.45%
Common Stock Statistics										
Common shares outstanding	2,638,434	2,657,740	2,666,305	2,678,582	2,698,838	2,714,438	2,753,047	2,769,047	2,771,884	2,791,914
Book value per common share	\$ 17.59	\$ 17.19	\$ 16.87	\$ 16.56	\$ 16.11	\$ 15.69	\$ 15.40	\$ 15.07	\$ 14.93	\$ 14.68
Earnings per common share	\$ 0.24	\$ 0.21	\$ 0.25	\$ 0.34	\$ 0.36	\$ 0.38	\$ 0.46	\$ 0.35	\$ 0.26	\$ 0.59
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	12.5%	12.9%	12.7%	12.7%	11.7%	12.4%	12.3%	12.8%	12.3%	12.6%
Common equity Tier 1 capital	11.3%	11.6%	11.4%	11.4%	10.4%	11.1%	11.1%	11.5%	11.1%	11.3%
Tier 1 capital (to risk-weighted assets)	11.3%	11.6%	11.4%	11.4%	10.4%	11.1%	11.1%	11.5%	11.1%	11.3%
Tier 1 capital (to adjusted total assets)	9.2%	9.3%	9.4%	9.2%	8.8%	9.6%	9.5%	9.2%	9.1%	9.0%