



**News Announcement
For immediate release**

Contact: Tom Gdowski
308-382-3136
tgdowski@equitableonline.com
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Grand Island, Nebraska

- Equitable Financial Corp, parent company of Equitable Bank, reported profits of \$358,000 for the third quarter of the fiscal year ending June 30, 2020, or \$0.12 per share, compared to \$457,000, or \$0.14 per share for the third quarter of fiscal year June 2019.
- Net interest income increased \$242,000, or 9% during the third quarter of fiscal year June 2020 compared to the second quarter in fiscal year June 2019. The primary reason for the increase is attributed to growth in gross loans. Net loans were \$318.9 million at March 31, 2020, representing an increase of \$33.5 million, or 12%, compared to \$285.4 million at March 31, 2019. During the same time period deposits grew \$28.5 million, or 10% to \$305.5 million from \$277.0 million.
- Noninterest income increased \$202,000, or 27% to \$955,000 for the third quarter of fiscal year June 2020 compared to \$753,000 for the third quarter of fiscal year June 2019. This increase is attributable to increased volume in brokerage fee income, gain on sale of loans and other income.
- Noninterest expense increased \$465,000, or 18% for the third quarter of fiscal year June 2020 compared to the third 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 \$367.6 million as of March 31, 2020, an increase of \$37.4 million, or 11% from June 30, 2019.
- During the same period deposits increased \$22.2 million or 8%, to \$305.5 million at March 31, 2020 from \$283.3 million at June 30, 2019.

During the quarter we repurchased 102,547 shares of stock for a total of \$1,192,497, at an average price per share of \$11.62.

President and CEO, Tom Gdowski, stated “While overall net income was down from the prior quarter our earnings before tax and provision expense remained strong. Due to the unprecedented drop in interest rates by the Fed, in reaction to the COVID 19 virus and the effect on the economy, Equitable Financial made a \$101,000 valuation adjustment to Mortgage Servicing Rights in addition to a \$276,000 provision for loan loss. The bank did not experience any significant charge-offs.

The general operations of the bank continue to be strong. Equitable Financial’s mortgage originations have been very robust due to refinancing activity with the drop in rates.

Brokerage income also continues to perform well.

Equitable Financial continues to work very closely with its customers supporting them in their business and helping them take advantage of the government programs currently available to assist them. We have

received positive feedback about our Bank's 'Team Effort' in supporting our customers during this challenging time. Our staff has adapted to the new operating environment that involves more remote support and continues to provide the service our customers need. Their efforts are greatly appreciated!"

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			2018					
	March 31	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	\$ 3,949	\$ 4,029	\$ 3,879	\$ 3,734	\$ 3,393	\$ 3,266	\$ 3,164	\$ 3,007	\$ 2,913	\$ 2,804	\$ 2,805	
Interest expense	\$ 1,110	\$ 1,092	\$ 1,075	\$ 972	\$ 796	\$ 673	\$ 612	\$ 549	\$ 469	\$ 426	\$ 388	
Net interest income	\$ 2,839	\$ 2,937	\$ 2,804	\$ 2,762	\$ 2,597	\$ 2,593	\$ 2,552	\$ 2,458	\$ 2,444	\$ 2,378	\$ 2,417	
Provision for loan losses	\$ 276	\$ 53	\$ 140	\$ 176	\$ 169	\$ 110	\$ 84	\$ (302)	\$ 135	\$ 663	\$ 204	
Noninterest income	\$ 955	\$ 1,503	\$ 1,337	\$ 1,085	\$ 753	\$ 842	\$ 759	\$ 729	\$ 512	\$ 709	\$ 541	
Noninterest expense	\$ 3,059	\$ 3,256	\$ 2,967	\$ 3,334	\$ 2,594	\$ 2,806	\$ 2,551	\$ 2,267	\$ 2,316	\$ 2,115	\$ 2,238	
Income tax expense	\$ 101	\$ 262	\$ 259	\$ 91	\$ 130	\$ 140	\$ 176	\$ 384	\$ 155	\$ 416	\$ 188	
Net income	\$ 358	\$ 869	\$ 775	\$ 246	\$ 457	\$ 379	\$ 500	\$ 838	\$ 350	\$ (107)	\$ 328	
Period-end:												
Loans (net of deferred origination costs and ALLL)	\$ 318,909	\$ 312,829	\$ 304,891	\$ 300,087	\$ 285,376	\$ 271,775	\$ 268,424	\$ 264,781	\$ 255,947	\$ 250,963	\$ 245,505	
Assets	\$ 367,629	\$ 357,020	\$ 336,662	\$ 330,234	\$ 323,456	\$ 292,341	\$ 289,837	\$ 283,619	\$ 305,668	\$ 270,277	\$ 262,801	
Deposits	\$ 305,539	\$ 292,761	\$ 281,669	\$ 283,339	\$ 277,047	\$ 255,304	\$ 242,232	\$ 236,988	\$ 260,709	\$ 226,200	\$ 215,158	
Shareholders' equity	\$ 36,410	\$ 37,193	\$ 36,445	\$ 36,979	\$ 37,115	\$ 37,037	\$ 36,958	\$ 36,540	\$ 35,659	\$ 35,814	\$ 35,946	
Profitability Statistics												
Return on average assets	0.40%	1.00%	0.93%	0.30%	0.59%	0.52%	0.70%	1.14%	0.49%	-0.16%	0.51%	
Return on average shareholders' equity	3.89%	9.44%	8.44%	2.66%	4.93%	4.10%	5.44%	9.29%	3.92%	-1.19%	3.67%	
Average shareholders' equity to average assets	10.16%	10.62%	11.01%	11.33%	12.04%	12.71%	12.82%	12.25%	12.41%	13.46%	13.84%	
Common Stock Statistics												
Common shares outstanding	2,964,136	3,066,683	3,086,580	3,201,105	3,222,555	3,265,546	3,300,978	3,315,470	3,317,670	3,361,845	3,368,932	
Book value per common share	\$ 12.28	\$ 12.13	\$ 11.81	\$ 11.55	\$ 11.49	\$ 11.37	\$ 11.20	\$ 10.84	\$ 10.79	\$ 10.61	\$ 10.85	
Earnings per common share	\$ 0.12	\$ 0.28	\$ 0.25	\$ 0.08	\$ 0.14	\$ 0.12	\$ 0.15	\$ 0.25	\$ 0.11	\$ (0.03)	\$ 0.10	
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%	0.00%	
Regulatory Capital Ratios (Bank)												
Total Capital	11.5%	11.8%	11.2%	11.0%	11.6%	12.1%	12.0%	12.1%	10.9%	12.2%	13.0%	
Common equity Tier 1 capital	10.3%	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	10.9%	10.9%	11.0%	11.8%	
Tier 1 capital (to risk-weighted assets)	10.3%	10.5%	10.0%	9.8%	10.3%	10.8%	10.8%	10.9%	12.2%	11.0%	11.7%	
Tier 1 capital (to adjusted total assets)	9.0%	9.4%	9.3%	9.4%	9.8%	10.1%	10.1%	9.9%	10.0%	10.3%	11.0%	

Equitable Financial Corp.**Balance Sheet****Unaudited**

	<u>March 31, 2020</u>	<u>June 30, 2019</u>
Assets		
Cash and due from financial institutions	\$ 7,700,363	\$ 3,149,820
Interest-earning deposits	3,202,000	1,409,852
	<u>10,902,363</u>	<u>4,559,672</u>
Securities available-for-sale	18,920,069	9,364,450
Securities held-to-maturity	60,762	270,475
Federal Home Loan Bank stock, at cost	958,000	325,300
Federal Reserve Bank stock, at cost	469,200	469,200
Loans, net of allowance for loan losses of \$4,905,000 and \$4,445,000, respectively	318,908,968	300,087,266
Premises and equipment, net	6,572,765	6,412,662
Foreclosed assets, net	279,749	223,200
Accrued interest receivable	2,281,786	2,120,629
Deferred taxes, net	389,393	386,051
Customer list intangible	1,835,619	1,965,132
Bank-owned life insurance	3,587,250	1,750,000
Other assets	2,462,959	2,300,067
	<u>367,628,883</u>	<u>330,234,104</u>
Total assets	<u>\$ 367,628,883</u>	<u>\$ 330,234,104</u>
Liabilities and Stockholders' Equity		
Liabilities:		
Noninterest-bearing deposits	\$ 36,702,855	\$ 33,199,553
Interest-bearing deposits	268,835,941	250,141,818
	<u>305,538,796</u>	<u>283,341,371</u>
Lines of credit	200,000	—
Federal Home Loan Bank Borrowings	21,000,000	5,000,000
Advance payments from borrowers for taxes and insurance	651,993	532,175
Accrued interest payable and other liabilities	2,592,304	3,134,690
Total liabilities	<u>329,983,093</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 2,964,136 and 3,201,105 shares issued and outstanding at March 31, 2020 and June 30, 2019, respectively	29,641	32,011
Additional paid-in capital	21,175,435	23,936,182
Retained earnings	17,468,397	15,465,624
Unearned ESOP shares	(749,848)	(830,966)
Shares reserved for stock compensation	(262,587)	(374,308)
Accumulated other comprehensive loss, net of tax	(15,248)	(2,675)
Reclassification of ESOP shares	(1,235,981)	(1,235,981)
Total stockholders' equity	<u>36,409,809</u>	<u>36,989,887</u>
Total liabilities and stockholders' equity	<u>\$ 367,628,883</u>	<u>\$ 330,234,104</u>

Equitable Financial Corp.

Income Statement Unaudited

	For the nine months ended	
	March 31, 2020	March 31, 2019
Interest income:		
Loans	\$ 11,584,149	\$ 9,713,923
Securities	180,419	38,089
Other	92,806	71,005
Total interest income	11,857,374	9,823,017
Interest expense:		
Deposits	3,026,289	1,985,668
Federal Home Loan Bank borrowings	241,660	83,268
Other	9,020	11,598
Total interest expense	3,276,969	2,080,534
Net interest income	8,580,405	7,742,483
Provision for loan losses	469,095	362,618
Net interest income after provision for loan losses	8,111,310	7,379,865
Noninterest income:		
Service charges on deposit accounts	544,791	544,824
Brokerage fee income	1,294,822	1,012,640
Gain on sale of loans	797,703	366,883
Other loan fees	746,461	332,861
Other income	411,147	96,419
Total noninterest income	3,794,924	2,353,627
Noninterest expense:		
Salaries and employee benefits	5,067,986	4,429,353
Director and committee fees	136,568	122,192
Data processing fees	609,114	469,759
Occupancy and equipment	859,862	754,312
Regulatory fees and deposit insurance premium	89,349	187,904
Advertising and public relations	348,463	264,389
Professional fees	140,107	476,324
Supplies, telephone and postage	103,796	96,154
Other expenses	1,926,263	1,160,290
Total noninterest expense	9,281,508	7,960,677
Income before income taxes	2,624,726	1,772,815
Income tax expense	(621,952)	(445,861)
Net income	\$ 2,002,774	\$ 1,326,954