WCF BANCORP, INC.

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WCF Bancorp, Inc. Announces Second Quarter (Unaudited) Financial Results & Dividend Declaration

WCF Bancorp, Inc. (OTC Pink: WCFB) ("WCFB" or the "Company"), the holding company for WCF Financial Bank (the "bank"), today reported unaudited financial results for the three-month and six-month periods ended June 30, 2024.

Net income decreased $169,000, or 92.9%, to $13,000 for the quarter ended June 30, 2024, compared to $182,000 for the quarter ended June 30, 2023. The decrease in second quarter net income year-over-year was primarily attributable to net interest income decreasing $133,000, noninterest expense increasing $126,000, and the provision for credit losses increasing $30,000, offset, in part, by noninterest income increasing $73,000 and income tax expense decreasing $46,000. Higher interest rates caused interest expense to increase more rapidly than interest income, which led to the decrease in both net interest income and net income.

Net income decreased $280,000, or 88.3%, to $37,000 for the six months ended June 30, 2024, compared to $317,000 for the six months ended June 30, 2023. The decrease in six-month net income year-over-year was primarily attributable to net interest income decreasing $256,000, noninterest expense increasing $208,000, and the provision for credit losses increasing $41,000, offset, in part, by income tax expense decreasing $90,000 and noninterest income increasing $136,000. Again, higher interest rates caused interest expense to increase more rapidly than interest income, which led to the decrease in both net interest income and net income.

Total assets increased $11.4 million, or 5.8%, to a Company-record $207.5 million at June 30, 2024, compared to $196.2 million at December 31, 2023. During the six-month period, gross loans increased $18.8 million, or 12.8%, to a Company-record $165.6 million, total securities available for sale increased $1.4 million, or 6.0%, to $24.5 million, cash and equivalents decreased $9.0 million, or 79.0%, to $2.4 million, deposits increased $10.2 million, or 7.1%, to $152.3 million, and other borrowed funds increased $1.0 million, or 3.5%, to $30.1 million.

Loan quality remains strong with 2024 year-to-date gross charge offs of $2,000, compared to $0 charge offs from the first six months of 2023. Nonaccrual loans as of June 30, 2024 were $648,000, representing 0.4% of gross loans outstanding, an increase of $334,000, or 106.4%, from $314,000 and 0.2% of gross loans outstanding at June 30, 2023. The allowance for credit losses on June 30, 2024 totaled $1.2 million, representing 0.7% of gross loans outstanding, as compared to $1.1 million and 0.8% of gross loans outstanding at June 30, 2023.

In accordance with regulatory requirements, on January 1, 2023, the Company implemented the Current Expected Credit Losses (CECL) accounting standard, which is the new, required methodology for estimating allowances for credit losses. We believe the allowance for loan loss is appropriate based on an assessment that includes prior loss experience, risk selection, underwriting standards, level of lending management experience, quality of the loan review system, volume and types of loans in the portfolio, past due loans, economic conditions, concentration of credit, and other factors related to the collectability of the loans.

The Company remains well-capitalized with stockholders' equity at June 30, 2024 of $22.4 million, as compared to $23.2 million at June 30, 2023. The ratio of stockholders' equity to total assets was 10.8% on June 30, 2024, compared to 13.0% on June 30, 2023. The year-over-year decrease resulted primarily from the Company's repurchase of its shares totaling $271,400, a decrease in retained earnings of $820,800, and asset growth of $28.9 million.

During the first quarter of 2023 the Company announced a fourth share repurchase plan, authorizing the buyback of 206,400 shares, representing approximately 10% of outstanding shares. During the most recent quarter 5,788 shares were repurchased. Since inception this plan resulted in the repurchase of 60,809 shares at an average price of $7.83/share. These repurchases are accretive to all remaining shareholders, as the average price paid is well below the Company's tangible book value/share, which was $11.16 at June 30, 2024. At June 30, 2024, 145,591 shares remained authorized for repurchase under the Company's announced repurchase plans.

WCF Bancorp, Inc. Declares Dividend

The Company announced that its Board of Directors has approved a quarterly cash dividend of $0.05 per share on the Company's common stock. The dividend reflects an annual cash dividend rate of $0.20 per share, which is the same rate as the dividend declared during the previous quarter. The cash dividend for the quarter ended June 30, 2024, will be paid to shareholders of record as of July 31, 2024, and is expected to be paid on August 9, 2024.

About Us

WCF Bancorp, Inc. is a bank holding company headquartered in Webster City, Iowa. The Company provides a wide range of banking and financial services to businesses, farmers, and individuals through its wholly owned subsidiary bank, WCF Financial Bank, which maintains offices in Webster City, Independence, and Tama, Iowa.

Forward-Looking Statements

This release may contain forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts; rather, they are statements based on the company's current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements are preceded by terms such as "expects," "believes," "anticipates," "intends," and similar expressions.

Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the company's actual results, performance and achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates, changes in monetary and fiscal policies of the federal government, legislative and regulatory changes.

Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this report or made elsewhere from time to time by the company or on its behalf. Except as may be required by applicable law or regulation, the company assumes no obligation to update any forward-looking statements.

CONSOLIDATED FINANCIAL HIGHLIGHTS (Unaudited)
Dollar amounts in thousands

	3 Months Ended 06/30/24	3 Months Ended 06/30/23	6 Months Ended 06/30/24	6 Months Ended 06/30/23
Interest Income	$2,679	$1,997	$5,212	$3,717
Interest Expense	$1,571	$ 756	$2,999	$1,248
Net Interest Income	$1,108	$1,241	$2,213	$2,469
Loan Loss Provision	$ 45	$ 15	$ 71	$ 30
Noninterest Income	$ 231	$ 158	$ 490	$ 354
Noninterest Expense	$1,294	$1,168	$2,616	$2,408
Net Pre-Tax Income	$ 0	$ 215	$ 15	$ 385
Income Tax (Credit) Expense	$ (13)	$ 33	$ (22)	$ 68
Net After Tax Income	$ 13	$ 182	$ 37	$ 317

	As of 06/30/24	As of 12/31/23	As of 06/30/23
Total Assets	$207,534	$196,168	$178,589
Gross Loans	$165,649	$146,897	$133,748
Total Deposits	$152,269	$142,109	$127,454
Total Capital	$ 22,363	$ 22,609	$ 23,225
Book Value/Share	$11.18	$11.31	$11.42
Tangible Book Value/Share	$11.16	$11.29	$11.40
WCFB Stock Price	$ 6.40	$ 7.01	$ 7.01
Price/Tangible Book Value (PTBV)	0.57	0.62	0.61
Earnings/Share*	$ 0.04	$(0.08)	$ 0.31
Net Interest Margin* (Bank)	2.30	2.74	3.00
Return on Average Assets* (Bank)	0.04	(0.11)	0.36
Return on Average Equity* (Bank)	0.37	(0.93)	2.99

*annualized

WCF Bancorp, Inc. and Subsidiaries
Consolidated Balance Sheets
June 30, 2024 (unaudited) and December 31, 2023

Assets	June 30, 2024	December 31, 2023
Cash and due from banks	$ 2,387,392	$ 4,007,459
Federal Funds sold	-	7,355,000
Cash and cash equivalents	2,387,392	11,362,459
Time deposits in other financial institutions	-	980,000
Securities available-for-sale, at fair value	24,455,988	23,060,819
Loans receivable	165,648,824	146,896,840
Allowance for credit losses	(1,170,786)	(1,101,279)
Loans receivable, net	164,478,038	145,795,561
Federal Home Loan Bank (FHLB) stock, at cost	1,449,200	1,405,200
Bankers' Bank stock, at fair value	661,500	626,800
Office property and equipment, net	6,997,957	6,087,363
Deferred taxes on income	831,899	770,120
Accrued interest receivable	2,164,193	2,060,107
Goodwill	55,148	55,148
Income taxes receivable	158,776	170,817
Bank-owned life insurance	3,693,830	3,647,981
Prepaid expenses and other assets	200,458	146,103
Total assets	$ 207,534,379	$ 196,168,478
Liabilities and Stockholders' Equity		
Deposits	$ 152,268,551	$ 142,108,833
FHLB advances	29,600,000	29,100,000
Fed funds purchased	510,000	-
Advance payments by borrowers for taxes and insurance	587,209	520,549
Accrued interest payable	1,487,733	1,160,992
Accrued expenses and other liabilities	718,042	669,354
Total liabilities	185,171,535	173,559,728
Stockholders' equity:		
Preferred stock, $0.01 par value. Authorized 10,000,000 shares; issued none	-	-
Common stock, $0.01 par value. Authorized 30,000,000 shares; 1,999,378 shares issued and outstanding at June 30, 2024 and 1,998,400 issued and outstanding at December 31, 2023	25,615	25,615
Additional paid-in capital	14,475,928	14,475,928
Treasury stock at cost, 562,164 shares as of June 30, 2024 and 563,142 shares on December 31, 2023	(4,461,875)	(4,423,526)
Retained earnings, substantially restricted	15,044,306	15,195,401
Unvested stock-based restricted stock and stock options	(118,466)	(118,467)
Unearned ESOP shares	(903,584)	(930,968)
Accumulated other comprehensive income	(1,699,080)	(1,615,233)
Total stockholders' equity	22,362,844	22,608,750
Total liabilities and stockholders' equity	$ 207,534,379	$ 196,168,478

WCF Bancorp, Inc. and Subsidiaries
Consolidated Statements of Income
(unaudited)

	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Interest income:		
Loans receivable	$ 4,660,778	$ 3,168,853
Investment securities - taxable	262,933	248,849
Investment securities - tax exempt	85,777	97,056
Other interest earning assets	202,234	202,133
Total interest income	5,211,722	3,716,891
Interest expense:		
Deposits	2,435,104	957,164
FHLB advances	562,127	288,381
Overnight borrowings	1,473	2,743
Total interest expense	2,998,704	1,248,288
Net interest income	2,213,018	2,468,603
Provision for credit losses	71,144	30,000
Net interest income after provision for credit losses	2,141,874	2,438,603
Noninterest income:		
Fees and service charges	407,638	271,919
Unrealized gain on privately held equity securities	34,700	40,900
Gain on sale of investment property	0	(11,354)
Increase in cash value - bank-owned life insurance	45,850	41,271
Other income (loss)	1,601	11,637
Total noninterest income	489,789	354,373
Noninterest expense:		
Compensation, payroll taxes, and employee benefits	1,372,199	1,418,132
Advertising	37,976	46,901
Office property and equipment	318,215	214,624
Federal insurance premiums	46,564	21,600
Data processing services	270,533	242,590
Charitable contributions	6,775	2,550
Other real estate expenses, net	4,762	(1,164)
Dues and subscriptions	17,269	14,307
Accounting, regulatory and professional fees	155,524	139,225
Other expenses	386,360	309,351
Total noninterest expense	2,616,176	2,408,116
Earnings (loss) before taxes on income	15,488	384,860
Tax expense (benefit)	(21,864)	67,851
Net income (loss)	$ 37,352	$ 317,009