WCF BANCORP, INC.

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

WCF Bancorp, Inc. ("WCFB" or the "Company") (OTC Pink: WCFB), the holding company for WCF Financial Bank (the "bank"), today reported unaudited financial results for the three-month and twelve-month periods ended December 31, 2024.

Net income increased $462,000, or 80.5%, to ($112,000) for the quarter ended December 31, 2024, compared to ($574,000) for the quarter ended December 31, 2023. The increase in fourth quarter net income year-over-year was primarily attributable to noninterest expense decreasing $500,000, net interest income increasing $170,000, noninterest income increasing $44,000, and the provision for credit losses decreasing $6,000, offset, in part, by income tax expense increasing $258,000. The decrease in noninterest expense was primarily attributable to a one-time $760,000 expense in the fourth quarter of 2023 associated with the bank's withdrawal from our frozen multi-employer pension plan.

Net income increased $127,000, or 77.8%, to ($36,000) for the twelve months ended December 31, 2024, compared to ($163,000) for the twelve months ended December 31, 2023. The increase in twelve-month net income year-over-year was primarily attributable to noninterest income increasing $274,000 and noninterest expense decreasing $108,000, offset, in part, by income tax expense increasing $150,000, the provision for credit losses increasing $65,000, and net interest income decreasing $40,000.

Total assets increased $31.2 million, or 15.9%, to a Company-record $227.4 million at December 31, 2024, compared to $196.2 million at December 31, 2023. During the period, gross loans increased $21.2 million, or 14.4%, to a Company-record $168.1 million, the fair market value of total securities available for sale increased $3.8 million, or 16.6%, to $26.9 million, cash and equivalents increased $2.8 million, or 25.1%, to $14.2 million, deposits increased $19.0 million, or 13.4%, to a Company-record $161.1 million, and other borrowed funds increased $12.4 million, or 42.6%, to $41.5 million. $15 million of borrowed funds were obtained and invested in the fourth quarter to meet the bank's liquidity and investment strategy goals and objectives.

Loan quality remains strong with 2024 gross charge offs of $2,300, a decrease of $9,300, or 80.2%, from 2023. Nonaccrual loans as of December 31, 2024, were $806,000, representing 0.5% of gross loans outstanding, an increase of $622,000, or 438.0%, from $184,000 and 0.1% of gross loans outstanding at December 31, 2023. The allowance for credit losses at December 31, 2024, totaled $1.3 million, representing 0.8% of gross loans outstanding, as compared to $1.1 million and 0.8% of gross loans outstanding at December 31, 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 December 31, 2024 of $22.2 million, as compared to $22.6 million at December 31, 2023. The ratio of stockholders' equity to total assets was 9.8% at December 31, 2024, compared to 11.5% at December 31, 2023. The year-over-year decrease resulted primarily from a reduction in the Company's retained earnings due to dividend payments, along with the Company's ongoing repurchase of its shares.

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 6,074 shares were repurchased. Since inception this plan resulted in the repurchase of 71,064 shares at an average price of $7.72/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 $11.15 at December 31, 2024. At December 31, 2024, 135,336 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 December 31, 2024, will be paid to shareholders of record as of February 12, 2025, and is expected to be paid on February 21, 2025.

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 12/31/24	3 Months Ended 12/31/23	12 Months Ended 12/31/24	12 Months Ended 12/31/23
Interest Income	$2,838	$2,368	$10,895	$8,259
Interest Expense	$1,580	$1,279	$ 6,216	$3,540
Net Interest Income	$1,259	$1,089	$ 4,679	$4,719
Loan Loss Provision	$ 45	$ 51	$ 161	$ 96
Noninterest Income	$ 212	$ 169	$ 958	$ 684
Noninterest Expense	$1,534	$2,034	$ 5,537	$5,645
Net Pre-Tax Income	$ (108)	$ (828)	$ (61)	$ (338)
Income Tax (Credit) Expense	$ 4	$ (254)	$ (24)	$ (175)
Net After Tax Income	$ (112)	$ (574)	$ (36)	$ (163)

	As of 12/31/24	As of 12/31/23
Total Assets	$227,393	$196,168
Gross Loans	$168,114	$146,897
Total Deposits	$161,112	$142,109
Total Capital	$ 22,243	$ 22,609
Book Value/Share	$11.18	$11.31
Tangible Book Value/Share	$11.15	$11.29
WCFB Stock Price	$ 7.60	$ 7.01
Price/Tangible Book Value (PTBV)	0.68	0.62
Earnings/Share*	$(0.02)	$(0.08)
Net Interest Margin* (Bank)	2.38	2.74
Return on Average Assets* (Bank)	(0.02)	(0.11)
Return on Average Equity* (Bank)	(0.16)	(0.93)

*annualized

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

Assets	December 31, 2024	December 31, 2023
Cash and due from banks	$ 2,544,083	$ 4,007,459
Federal Funds sold	11,667,000	7,355,000
Cash and cash equivalents	14,211,083	11,362,459
Time deposits in other financial institutions	1,960,000	980,000
Securities available-for-sale, at fair value	26,893,181	23,060,819
Loans receivable	168,114,458	146,896,840
Allowance for credit losses	(1,261,586)	(1,101,279)
Loans receivable, net	166,852,872	145,795,561
Federal Home Loan Bank (FHLB) stock, at cost	1,984,700	1,405,200
Bankers' Bank stock, at fair value	661,500	626,800
Office property and equipment, net	6,880,344	6,087,363
Deferred taxes on income	921,497	770,120
Accrued interest receivable	3,000,205	2,060,107
Goodwill	55,148	55,148
Income taxes receivable	45,469	170,817
Bank-owned life insurance	3,742,338	3,647,981
Prepaid expenses and other assets	185,033	146,103
Total assets	$ 227,393,369	$ 196,168,478
Liabilities and Stockholders' Equity		
Deposits	$ 161,112,102	$ 142,108,833
FHLB advances	41,500,000	29,100,000
Fed funds purchased	-	-
Advance payments by borrowers for taxes and insurance	558,334	520,549
Accrued interest payable	1,280,557	1,160,992
Accrued expenses and other liabilities	699,164	669,354
Total liabilities	205,150,157	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; 1,989,123 shares issued and outstanding at December 31, 2024 and 1,998,400 issued and outstanding at December 31, 2023	25,615	25,615
Additional paid-in capital	14,543,065	14,475,928
Treasury stock at cost, 572,419 shares as of December 31, 2024 and 563,142 shares on December 31, 2023	(4,535,111)	(4,423,526)
Retained earnings, substantially restricted	14,782,660	15,195,401
Unvested stock-based restricted stock and stock options	(76,442)	(118,467)
Unearned ESOP shares	(876,200)	(930,968)
Accumulated other comprehensive income	(1,620,375)	(1,615,233)
Total stockholders' equity	22,243,212	22,608,750
Total liabilities and stockholders' equity	$ 227,393,369	$ 196,168,478

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

	Twelve Months Ended December 31, 2024	Twelve Months Ended December 31, 2023
Interest income:		
Loans receivable	$ 9,848,048	$ 7,121,790
Investment securities - taxable	536,964	484,258
Investment securities - tax exempt	172,207	191,382
Other interest earning assets	337,944	461,228
Total interest income	10,895,163	8,258,658
Interest expense:		
Deposits	4,987,373	2,689,958
FHLB advances	1,223,487	846,772
Overnight borrowings	5,246	2,837
Total interest expense	6,216,106	3,539,567
Net interest income	4,679,057	4,719,091
Provision for credit losses	161,144	96,235
Net interest income after provision for credit losses	4,517,913	4,622,856
Noninterest income:		
Fees and service charges	819,481	549,703
Unrealized gain on privately held equity securities	34,700	40,900
Gain (loss) on sale of investment property	0	(11,354)
Increase in cash value - bank-owned life insurance	94,357	85,519
Other income (loss)	9,765	19,445
Total noninterest income	958,303	684,213
Noninterest expense:		
Compensation, payroll taxes, and employee benefits	2,836,542	3,436,810
Advertising	67,456	92,188
Office property and equipment	762,520	450,811
Federal insurance premiums	95,221	77,200
Data processing services	589,354	516,127
Charitable contributions	11,292	5,434
Other real estate expenses, net	12,739	(863)
Dues and subscriptions	29,649	25,355
Accounting, regulatory and professional fees	382,114	390,743
Other expenses	749,860	650,990
Total noninterest expense	5,536,747	5,644,795
Earnings (loss) before taxes on income	(60,531)	(337,726)
Tax expense (benefit)	(24,320)	(174,629)
Net income (loss)	$ (36,211)	$ (163,097)