

WCF BANCORP, INC.

401 Fair Meadow Drive
Webster City, IA 50595
(515) 832-3071

FOR MORE INFORMATION CONTACT

Timothy R. Kluender, President/CEO
(515) 832-1120
tkluender@wcfbank.com

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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 <u>06/30/24</u>	3 Months Ended <u>06/30/23</u>	6 Months Ended <u>06/30/24</u>	6 Months Ended <u>06/30/23</u>
Interest Income	\$2,679	\$1,997	\$5,212	\$3,717
Interest Expense	<u>\$1,571</u>	<u>\$ 756</u>	<u>\$2,999</u>	<u>\$1,248</u>
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	<u>\$1,294</u>	<u>\$1,168</u>	<u>\$2,616</u>	<u>\$2,408</u>
Net Pre-Tax Income	\$ 0	\$ 215	\$ 15	\$ 385
Income Tax (Credit) Expense	<u>\$ (13)</u>	<u>\$ 33</u>	<u>\$ (22)</u>	<u>\$ 68</u>
Net After Tax Income	\$ 13	\$ 182	\$ 37	\$ 317

	As of <u>06/30/24</u>	As of <u>12/31/23</u>	As of <u>06/30/23</u>
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