

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 <u>12/31/24</u>	3 Months Ended <u>12/31/23</u>	12 Months Ended <u>12/31/24</u>	12 Months Ended <u>12/31/23</u>
Interest Income	\$2,838	\$2,368	\$10,895	\$8,259
Interest Expense	<u>\$1,580</u>	<u>\$1,279</u>	<u>\$ 6,216</u>	<u>\$3,540</u>
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	<u>\$1,534</u>	<u>\$2,034</u>	<u>\$ 5,537</u>	<u>\$5,645</u>
Net Pre-Tax Income	\$ (108)	\$ (828)	\$ (61)	\$ (338)
Income Tax (Credit) Expense	<u>\$ 4</u>	<u>\$ (254)</u>	<u>\$ (24)</u>	<u>\$ (175)</u>
Net After Tax Income	\$ (112)	\$ (574)	\$ (36)	\$ (163)

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