

WCF Bancorp, Inc.
Announces Fourth Quarter 2019 Financial Results
December 31, 2019

WCF Bancorp, Inc. (OTC Pink: WCFB) (“Company”), the parent holding company of WCF Financial Bank (“Bank”), today announced its results of operations for the twelve months ended December 31, 2019 and 2018.

The Company’s approximate net income for the twelve months ended December 31, 2019 was \$213,000, compared to approximate net income of \$226,000 for the same period in 2018. Core earnings before tax in the same period, subtracting out a one-time asset sale in 2018 of \$435,818 and in 2019 of \$107,875, were substantially higher in 2019 by approximately \$290,000.

Core earnings improvement can be attributable to a 2.1% increase in fees and service charge income and a 7.1% decrease in non-interest expense. Fees and service charge income improvement, a component of non-interest income, showed improvement due to increases in fees that went into effect on January 1, 2019. Non-interest expense improved due to overall cost cutting measures.

Net interest income decreased by \$11,442 over the same period. Net interest margin declined from 2.59% on December 31, 2018 to 2.47% on December 31, 2019, due to the rising rate environment. The decline is attributable to paying liabilities repricing faster than longer term assets. The bank is strategically working at repositioning the balance sheet with shorter term assets.

Loan loss provisions increased by approximately \$42,000 to \$120,000 for the first twelve months of 2019. Loan quality is very strong with a Texas Ratio of 2.71%, 30 – 89 day past due loan percentage of 1.12%, and minimal charge-offs year-to-date totaling approximately \$62,000. The allowance for loan loss is appropriate based on the 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.

Total assets were \$140.1 million at December 31, 2019, compared to \$137.4 million at December 31, 2018. Strategically WCF is emphasizing and making strong efforts to organically grow the commercial and agricultural business in 2020. We are making great progress to provide the resources for this growth in terms of investing in the infrastructure and personnel to accomplish future goals of growth and profitability. Our primary objective as a commercial bank is to provide acceptable returns to our shareholders in the coming years.

Total loans increased over the same period by \$1.7 million to \$65.5 million. The largest increase was in commercial real estate loans that grew by \$3 million. This is due to marketing efforts to gain market share and diversify the loan portfolio. Mortgage loans decreased by \$1.2 million and consumer loans remained unchanged at \$6.7 million at December 31, 2019. Total securities were \$48.1 million at December 31, 2019, a decrease of \$.1 million from December 31, 2018.

Deposits increased by \$8.3 million to a total of \$91.9 million at December 31, 2019. The increase was primarily from brokered deposits secured to lower funding costs. Borrowed funds declined at the same time by \$5.5 million from \$24 million at December 31, 2018 to \$18.5 million at December 31, 2019.

The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at December 31, 2019. Stockholders' equity was \$27.8 million at December 31, 2019, compared to \$27.8 million at December 31, 2018. The ratio of stockholders' equity to total assets was 19.9% at December 31, 2019 compared to 20.2% at December 31, 2018.

WCF Bancorp, Inc. began a stock repurchase period in June, 2019. As of December 31, 2019, the company repurchased 117,765 shares at an average price of \$8.44 per share for a total amount of \$994,416. The repurchase plan has expired. WCF Bancorp, Inc. had authorized its broker, Keefe, Bruyette, & Woods, Inc. (KBW) to repurchase up to 256,154 shares of stock.

NOTE: On July 15, 2019 the Board announced its intention to delist its common stock from the NASDAQ Stock Market ("NASDAQ") and the de-registration of its common stock under the Securities and Exchange Act of 1934. Subsequently that has occurred and WCF Bancorp, Inc. will benefit from the relief of expenses associated with the NASDAQ and the SEC. The estimate of this relief is substantial and WCF Bancorp, Inc.'s net revenues, in the future, will benefit as a result of this action.

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.

WCF Bancorp, Inc. and Subsidiaries
Consolidated Balance Sheets
December 31, 2019 (unaudited) and December 31, 2018

Assets	December 31, 2019	December 31, 2018
Cash and due from banks	\$ 5,125,906	\$ 3,587,631
Federal Funds sold	11,481,000	11,175,000
Cash and cash equivalents	<u>16,606,906</u>	<u>14,762,631</u>
Time deposits in other financial institutions	4,904,474	4,540,687
Securities available-for-sale, at fair value	43,195,982	43,622,041
Loans receivable	66,071,785	64,314,968
Allowance for loan losses	(572,046)	(508,920)
Loans receivable, net	<u>65,499,739</u>	<u>63,806,048</u>
Federal Home Loan Bank (FHLB) stock, at cost	896,800	1,110,000
Bankers' Bank stock, at cost	445,900	147,500
Office property and equipment, net	3,404,827	3,585,740
Deferred taxes on income	431,903	768,831
Income taxes receivable	22,154	34,739
Accrued interest receivable	464,537	424,909
Goodwill	55,148	55,148
Bank-owned life insurance	3,318,366	3,231,032
Prepaid expenses and other assets	860,333	1,275,166
Total assets	<u><u>\$ 140,107,069</u></u>	<u><u>\$ 137,364,472</u></u>
Liabilities and Stockholders' Equity		
Deposits	\$ 91,890,211	\$ 83,577,825
FHLB advances	7,500,000	24,000,000
Fed funds purchased	11,000,000	-
Advance payments by borrowers for taxes and insurance	522,673	556,494
Accrued interest payable	27,876	18,221
Accrued expenses and other liabilities	1,329,700	1,441,057
Total liabilities	<u>112,270,459</u>	<u>109,593,597</u>
Commitments and contingencies		
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; 2,561,542 shares issued and outstanding at December 31, 2019 and December 31, 2018	25,615	25,615
Additional paid-in capital	14,226,123	14,223,738
Treasury stock at cost, 117,765 shares as of December 31, 2019 and no shares as of December 31, 2018	(1,001,481)	-
Retained earnings, substantially restricted	15,500,758	15,565,683
Unearned ESOP shares	(1,150,040)	(1,204,808)
Accumulated other comprehensive income (loss)	235,635	(839,353)
Total stockholders' equity	<u>27,836,610</u>	<u>27,770,875</u>
Total liabilities and stockholders' equity	<u><u>\$ 140,107,069</u></u>	<u><u>\$ 137,364,472</u></u>

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

	Twelve Months Ended	
	December 31,	
	2019	2018
Interest income:		
Loans receivable	\$ 3,079,928	\$ 2,935,821
Investment securities - taxable	843,374	795,790
Investment securities - tax exempt	182,240	190,883
Other interest earning assets	257,420	156,417
Total interest income	4,362,962	4,078,911
Interest expense:		
Deposits	999,421	712,667
FHLB advances	331,921	324,930
Overnight borrowings	8,309	6,560
Total interest expense	1,339,650	1,044,157
Net interest income	3,023,312	3,034,754
Provision for losses on loans	120,000	78,000
Net interest income after provision for losses on loans	2,903,312	2,956,754
Noninterest income:		
Fees and service charges	447,934	438,874
Gain (losses) on sale of securities available-for-sale, net	30,401	(14,465)
Unrealized gain on privately held equity securities	34,100	0
Gain on sale of land	0	435,818
Increase in cash value - bank-owned life insurance	87,333	92,920
Other income (loss)	162,665	38,729
Total noninterest income	762,432	991,876
Noninterest expense:		
Compensation, payroll taxes, and employee benefits	1,447,196	1,559,324
Advertising	55,891	66,721
Office property and equipment	358,056	370,737
Federal insurance premiums	7,727	25,024
Data processing services	530,339	487,087
Charitable contributions	4,450	3,846
Other real estate expenses, net	28,121	68,871
Dues and subscriptions	32,272	36,948
Accounting, regulatory and professional fees	591,396	628,483
Debit card expenses	90	2,623
Other expenses	400,188	451,404
Total noninterest expense	3,455,725	3,701,068
Earnings before taxes on income	210,019	247,562
Tax expense (benefit)	(2,757)	21,155
Net income (loss)	\$ 212,776	\$ 226,407