

WCF Bancorp, Inc.
Announces Third Quarter 2019 Financial Results
September 30, 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 nine months ended September 30, 2019 and 2018.

The Company's approximate net income for the nine months ended September 30, 2019 was \$188,000, compared to approximate net income of \$307,000 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 actually higher in the same period for the first nine months of 2019 by \$7,963.

Earnings improved slightly and can be attributable to a 7.9% increase in fees and service charge income and a 7.3% decrease in non-interest expense. Fees and service charge income improvement was primarily due to increases in fees that went into effect on January 1, 2019. Non-interest expense improved due to overall cost cutting efforts.

Net interest income decreased by \$61,319 over the same period. Net interest margin declined from 2.67% on September 30, 2018 to 2.49% on September 30, 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 \$31,000 to \$90,000 for the first nine months of 2019. Loan quality is very strong with a Texas Ratio of 2.95%, 30 – 89 day past due loan percentage of 2.12%, and minimal charge-offs year-to-date totaling approximately \$49,000. 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 \$130.8 million at September 30, 2019, compared to \$137.4 million at December 31, 2018, resulting from a decrease in cash and cash equivalents, offset in part by increases in investment securities classified as available for sale and in net loans.

Total loans increased over the same period by \$3.1 million dollars to \$66.9 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 increased by \$.1 million and consumer loans remained unchanged at \$6.7 million at September 30, 2019. Total

securities were \$49.5 million at September 30, 2019, an increase of \$1.3 million from December 31, 2018.

Deposits increased by \$3.4 million to a total of \$87 million at September 30, 2019. The increase was primarily from brokered deposits secured to lower funding costs. Borrowed funds declined at the same time by \$10.5 million from \$24 million at December 31, 2018 to \$13.5 million at September 30, 2019.

The Bank was considered well-capitalized under applicable federal regulatory capital guidelines at September 30, 2019. Stockholders' equity was \$28.1 million at September 30, 2019, compared to \$27.8 million at December 31, 2018. The ratio of stockholders' equity to total assets was 21.5% at September 30, 2019 compared to 20.2% at December 31, 2018.

WCF Bancorp, Inc. began a stock repurchase period in June, 2019. As of September 30, 2019, the company repurchased 76,460 shares at an average price of 8.52 per share for a total amount of \$647,511. The repurchase plan is ongoing. WCF Bancorp, Inc. has 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
September 30, 2019 (unaudited) and December 31, 2018

| Assets | September 30, 2019 | December 31, 2018 |
|--|---------------------------|--------------------------|
| Cash and due from banks | \$ 3,465,220 | \$ 3,587,631 |
| Federal Funds sold | 1,279,000 | 11,175,000 |
| Cash and cash equivalents | 4,744,220 | 14,762,631 |
| Time deposits in other financial institutions | 5,274,778 | 4,540,687 |
| Securities available-for-sale, at fair value | 44,187,318 | 43,622,041 |
| Loans receivable | 67,478,184 | 64,314,968 |
| Allowance for loan losses | (553,772) | (508,920) |
| Loans receivable, net | 66,924,412 | 63,806,048 |
| Federal Home Loan Bank (FHLB) stock, at cost | 636,800 | 1,110,000 |
| Bankers' Bank stock, at cost | 147,500 | 147,500 |
| Office property and equipment, net | 3,422,867 | 3,585,740 |
| Deferred taxes on income | 454,972 | 768,831 |
| Income taxes receivable | 36,970 | 34,739 |
| Accrued interest receivable | 514,476 | 424,909 |
| Goodwill | 55,148 | 55,148 |
| Bank-owned life insurance | 3,296,990 | 3,231,032 |
| Prepaid expenses and other assets | 1,059,123 | 1,275,166 |
| Total assets | \$ 130,755,574 | \$ 137,364,472 |
| Liabilities and Stockholders' Equity | | |
| Deposits | \$ 86,973,707 | \$ 83,577,825 |
| FHLB advances | 12,000,000 | 24,000,000 |
| Fed funds purchased | 1,500,000 | - |
| Advance payments by borrowers for taxes and insurance | 727,931 | 556,494 |
| Accrued interest payable | 192,013 | 18,221 |
| Accrued expenses and other liabilities | 1,305,250 | 1,441,057 |
| Total liabilities | 102,698,901 | 109,593,597 |
| 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; 2,554,042 and 2,561,542 shares issued and outstanding at June 30, 2019 and December 31, 2018 | 24,851 | 25,615 |
| Additional paid-in capital | 13,211,648 | 14,223,738 |
| Retained earnings, substantially restricted | 15,753,426 | 15,565,683 |
| Unearned ESOP shares | (1,163,732) | (1,204,808) |
| Accumulated other comprehensive income (loss) | 230,481 | (839,353) |
| Total stockholders' equity | 28,056,673 | 27,770,875 |
| Total liabilities and stockholders' equity | \$ 130,755,574 | \$ 137,364,472 |

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

| | Nine Months Ended | |
|---|--------------------------|-------------------|
| | September 30, | |
| | 2019 | 2018 |
| Interest income: | | |
| Loans receivable | \$ 2,332,450 | \$ 2,230,331 |
| Investment securities - taxable | 634,463 | 589,010 |
| Investment securities - tax exempt | 143,207 | 172,787 |
| Other interest earning assets | 187,539 | 102,743 |
| Total interest income | <u>3,297,659</u> | <u>3,094,871</u> |
| Interest expense: | | |
| Deposits | 741,517 | 509,705 |
| FHLB advances | 269,349 | 241,173 |
| Overnight borrowings | 4,119 | 0 |
| Total interest expense | <u>1,014,985</u> | <u>750,878</u> |
| Net interest income | 2,282,674 | 2,343,993 |
| Provision for losses on loans | 90,000 | 58,751 |
| Net interest income after provision for losses on loans | <u>2,192,674</u> | <u>2,285,242</u> |
| Noninterest income: | | |
| Fees and service charges | 344,076 | 318,929 |
| Gain (losses) on sale of securities available-for-sale, net | 21,543 | (14,465) |
| Gain on sale of land | 0 | 435,818 |
| Increase in cash value - bank-owned life insurance | 65,957 | 70,851 |
| Other income (loss) | 120,889 | 25,304 |
| Total noninterest income | <u>552,464</u> | <u>836,437</u> |
| Noninterest expense: | | |
| Compensation, payroll taxes, and employee benefits | 1,046,811 | 1,130,194 |
| Advertising | 42,179 | 53,897 |
| Office property and equipment | 267,441 | 309,560 |
| Federal insurance premiums | 7,727 | 26,277 |
| Data processing services | 391,158 | 368,968 |
| Charitable contributions | 4,075 | 3,661 |
| Other real estate expenses, net | 23,523 | 23,286 |
| Dues and subscriptions | 23,950 | 29,137 |
| Accounting, regulatory and professional fees | 454,183 | 454,544 |
| Debit card expenses | 90 | 2,623 |
| Other expenses | 298,672 | 345,308 |
| Total noninterest expense | <u>2,559,809</u> | <u>2,747,455</u> |
| Earnings before taxes on income | 185,329 | 374,224 |
| Tax expense (benefit) | (2,415) | 67,284 |
| Net income (loss) | <u>\$ 187,744</u> | <u>\$ 306,940</u> |