

RICHMOND, Indiana. November 22, 2019 - West End Indiana Bancshares, Inc. (the "Company"), the holding company for West End Bank, S.B. (the "Bank"), announces net income of \$781,000, or \$0.76 per diluted share, for the nine months ended September 30, 2019, a decrease of \$323,000, or 29.3%, as compared to \$1.1 million net income, or \$1.07 per diluted share, for the nine months ended September 30, 2018. The decrease in net income resulted primarily from a decrease to other income of \$418,000, increases in interest expense of \$378,000, and in noninterest expenses, of \$306,000, offset by a decrease in the provision for loan losses of \$572,000, an increase in interest income of \$136,000, and a decrease to the provision for income tax of \$71,000.

For the nine months ended September 30, 2019 net interest income decreased \$242,000, or 2.8%, to \$8.6 million from \$8.9 million for the comparable period ended September 30, 2018. The decrease was primarily a result of an increase of \$378,000 in interest expense driven by the increase in interest expense on deposits of \$319,000 offset by the increase in interest income of \$136,000.

The provision for loan losses was \$978,000 for the nine months ended September 30, 2019, compared to \$1.6 million for the comparable period ended September 30, 2018, a decrease of \$572,000, or 36.9%. The decrease to the provision was based on management's quarterly analyses of the loan portfolio and credit quality indicators including charge-off trends and qualitative factors, including a shift in the portfolio mix and overall reduction in the risk profile. The change to the mix was a result of tightening of underwriting standards in consumer loans.

Noninterest income decreased \$418,000, or 28.3%, to \$1.1 million for the nine months ended September 30, 2019, from \$1.5 million for the comparable period ended September 30, 2018. The decrease was driven by a decrease in value of loan servicing assets of \$250,000 along with a decrease to other income of \$152,000. The decrease in value of loan servicing assets was due to decreasing market rates and the increased prepayment speeds on our sold mortgages.

For the nine months ended September 30, 2019, noninterest expense increased \$306,000, or 4.1%, to \$7.7 million, from \$7.4 million for the comparable period ended September 30, 2018. The increase was partially due to increases in professional fees of \$237,000 resulting primarily from our announced P&A Agreement with Three Rivers Federal Credit Union, salaries and employee benefits of \$79,000, and data processing fees of \$59,000.

The provision for income taxes decreased \$71,000 to \$196,000 for period ended September 30, 2019 as compared to \$267,000 for period ended September 30, 2018, reflecting the decrease in pretax income. Our effective tax rates were 20.1% and 19.5% for the periods ended September 30, 2019 and 2018, respectively.

Total assets decreased \$709,000, or 2.4%, to \$299.4 million at September 30, 2019 from \$300.2 million at December 31, 2018. The decrease was primarily the result of decreases in investment securities available for sale of \$4.7 million, bank owned life insurance of \$940,000, accounts receivable of \$880,000, and total loans of \$585,000 offset in part by a \$6.6 million increase in cash and cash equivalents.

Total Equity increased \$1.2 million to \$31.3 million at September 30, 2019 from \$30.2 million at December 31, 2018. The increase was primarily the result of year to date net income of \$781,000, change in accumulated other comprehensive income of \$492,000, and ESOP shares earned of \$124,000, offset in part by dividends of \$208,000.

	Sept 30, 2019	December 31, 2018
	(In Thousands)	
SELECTED FINANCIAL CONDITION DATA:		
Total assets	\$ 299,442	\$ 300,151
Total cash and cash equivalents	16,560	9,935
Investment in available for sale securities, at fair value	15,129	19,796
Loans held for sale	242	133
Loans, net	244,370	244,955
Bank-owned life insurance	6,196	7,136
Premises and equipment	8,582	8,898
Foreclosed real estate held for sale	-	16
Federal Home Loan Bank of Indianapolis, at cost	2,633	2,436
Deposits	217,882	217,914
Borrowings	48,500	50,500
Total Equity	31,341	30,161
Total Stockholders' equity less maximum cash obligation related to ESOP shares	30,437	29,371

ASSET quality ratios:¹

Nonperforming loans to total loans	1.25%	0.60%
Nonperforming assets to total assets	1.15%	0.62%
Net charge-offs annualized (recoveries) to average loans outstanding	0.66%	0.67%
Allowance for loan losses to non-performing loans	91.14%	204.99%
Allowance for loan losses to total loans	1.14%	1.23%

Selected Financial Ratios:

Interest rate spread (annualized)	4.00%	4.08%
Net interest margin (annualized)	4.17%	4.22%
Noninterest expense to average assets (annualized)	3.44%	3.30%
Efficiency ratio	74.03%	73.14%

¹ Bank-only ratios

	For the Three Months Ended		For the Nine Months Ended	
	30-Sept		30-Sept	
	2019	2018	2019	2018
	(In Thousands, except per share amounts)		(In Thousands, except per share amounts)	
SELECTED FINANCIAL CONDITION DATA:				
Interest income	\$ 3,789	\$ 3,791	\$ 11,303	\$ 11,167
Interest expense	931	819	2,663	2,285
Net interest income	2,858	2,972	8,640	8,882
Provision for loan losses	312	516	978	1,550
Net interest income after provision for loan losses	2,546	2,456	7,662	7,332
Noninterest income	309	521	1,057	1,475
Noninterest expense	2,539	2,547	7,742	7,436
Income before income tax expense	316	430	977	1,371
Income tax expense	76	28	196	267
Net income	240	402	781	1,104
Basic earnings per share	\$ 0.24	\$ 0.41	\$ 0.79	\$ 1.12
Diluted earnings per share	0.23	0.39	0.76	1.07
Dividends per share	0.07	0.07	0.21	0.20

