

RICHMOND, Indiana. August 9, 2019 - West End Indiana Bancshares, Inc. (the "Company"), the Holding Company for West End Bank, S.B. (the "Bank"), announces net income of \$541,000, or \$0.54 per diluted share, for the six months ended June 30, 2019, a decrease of \$161,000, or 22.9%, as compared to \$702,000 net income, or \$0.68 per diluted share, for the six months ended June 30, 2018. The decrease in net income resulted primarily from increases in noninterest expenses of \$314,000, interest expense of \$266,000, and a decrease to other income of \$206,000, offset by a decrease in the provision for loan losses of \$368,000, increases in interest income of \$138,000, and a decrease to the provision for income tax of \$119,000.

For the six months ended June 30, 2019 net interest income decreased \$128,000, or 2.2%, to \$5.8 million from \$5.9 million for the comparable period ended June 30, 2018. The decrease was primarily a result of an increase of \$266,000 in interest expense driven by the increase in interest expense on deposits of \$203,000 offset by the increase in interest income of \$138,000.

The provision for loan losses was \$666,000 for the six months ended June 30, 2019, compared to \$1.0 million for the comparable period ended June 30, 2018, a decrease of \$368,000, or 35.6%. The decrease to the provision was based on management's quarterly analysis of the loan portfolio and credit quality indicators including charge off trends and qualitative factors.

Noninterest income decreased \$206,000, or 21.6%, to \$748,000 for the six months ended June 30, 2019, from \$954,000 for the comparable period ended June 30, 2018. The decrease was driven by the decrease in loan servicing income of \$181,000 along with the decrease to gain on other assets of \$85,000.

For the six months ended June 30, 2019, noninterest expense increased \$314,000, or 6.4%, to \$5.2 million, from \$4.9 million for the comparable period ended June 30, 2018. The increase was partially due to increases in professional fees of \$257,000 resulting in part from our announced P&A Agreement with Three Rivers Federal Credit Union, salaries and employee benefits of \$53,000, and data processing fees of \$45,000.

The provision for income taxes decreased \$119,000 to \$120,000 for period ended June 30, 2019 as compared to \$239,000 for period ended June 30, 2018, reflecting the decrease in pretax income. Our effective tax rates were 18.2% and 25.4% for the periods ended June 30, 2019 and 2018, respectively.

Total assets increased \$1.3 million, or 0.4%, to \$301.5 million at June 30, 2019 from \$300.2 million at December 31, 2018. The increase was primarily the result of \$7.0 million increase in cash and cash equivalents offset by decreases in investment securities available for sale of \$3.9 million and a decrease in bank owned life insurance of \$978,000.

Total Equity increased \$898,000 to \$31.1 million at June 30, 2019 from \$30.2 million at December 31, 2018. The increase was primarily the result of year to date net income of \$541,000, accumulated other comprehensive income of \$419,000, ESOP shares earned of \$73,000, and stock-based compensation expense of \$4,000, offset in part by dividends of \$139,000.

	June 30, 2019	December 31, 2018
	(In Thousands)	
SELECTED FINANCIAL CONDITION DATA:		
Total assets	\$ 301,498	\$ 300,151
Total cash and cash equivalents	16,941	9,935
Investment in available for sale securities, at fair value	15,918	19,796
Loans held for sale	-	133
Loans, net	245,070	244,955
Bank-owned life insurance	6,158	7,136
Premises and equipment	8,672	8,898
Foreclosed real estate held for sale	-	16
Federal Home Loan Bank of Indianapolis, at cost	2,436	2,436
Deposits	220,354	217,914
Borrowings	48,500	50,500
Total Equity	31,059	30,161
Total Stockholders' equity less maximum cash obligation related to ESOP shares	30,030	29,371

ASSET quality ratios: <sup>1</sup>

Nonperforming loans to total loans	0.67%	0.60%
Nonperforming assets to total assets	0.65%	0.62%
Net charge-offs annualized (recoveries) to average loans outstanding	0.66%	0.67%
Allowance for loan losses to non-performing loans	175.15%	204.99%
Allowance for loan losses to total loans	1.17%	1.23%

Selected Financial Ratios:

Interest rate spread (annualized)	4.06%	4.08%
Net interest margin (annualized)	4.21%	4.22%
Noninterest expense to average assets (annualized)	3.48%	3.30%
Efficiency ratio	72.49%	73.14%

<sup>1</sup> Bank-only ratios

	For the Three Months Ended		For the Six Months Ended	
	30-Jun		30-Jun	
	2019	2018	2019	2018
	(In Thousands, except per share amounts)		(In Thousands, except per share amounts)	
SELECTED FINANCIAL CONDITION DATA:				
Interest income	\$ 3,804	\$ 3,751	\$ 7,514	\$ 7,376
Interest expense	870	765	1,732	1,466
	2,934	2,986	5,782	5,910
Provision for loan losses	333	479	666	1,034
Net interest income after provision for loan losses	2,601	2,507	5,116	4,876
Noninterest income	321	447	748	954
Noninterest expense	2,656	2,480	5,203	4,889
Income before income tax expense	266	474	661	941
Income tax expense	40	120	120	239
Net income	226	354	541	702
Basic earnings per share	\$ 0.23	\$ 0.36	\$ 0.54	\$ 0.71
Diluted earnings per share	0.22	0.34	0.53	0.68
Dividends per share	0.07	0.07	0.14	0.13

