



Edgewater Bancorp Reports First Quarter Earnings

SAINT JOSEPH, Mich., May 03, 2019 (GLOBE NEWSWIRE) -- **Edgewater Bancorp, Inc.** (EGDW) announced year-to-date March 31, 2019 net income of \$184,006, or \$0.27 per share, compared to net income of \$230,905 or \$0.36 per share, for the first quarter of 2018. The net income number suggests a material reduction in earnings, however operating income for the first quarter was flat compared to the first quarter of 2018. \$43,264 of income tax expense was recognized in 2019, compared to no income tax expense in 2018 due to the use of a portion of the deferred tax asset valuation allowance. Net income before income tax for the first quarter of 2019 was \$227,270 compared to \$230,905 for the first quarter of 2018.

Net interest income increased \$146,733, or 11.3% to \$1.4 million for the quarter, compared to \$1.3 million during the first quarter of 2018. Total loan loss provision expense was \$12,500 for the first quarter of 2019 compared to \$20,000 for the first quarter of 2018. The level of provision expense is calculated based on growth and other various asset quality considerations.

Total non-interest income was down \$44,261 from \$211,899 during the first quarter of 2018 to \$167,638 during the first quarter of 2019. The decrease is primarily the result of slower residential mortgage loan volume during the first quarter. Total non-interest expense increased by \$113,607 from the prior year to \$1.4 million. The increase is attributed to expenses related to new computer software, professional fees for human resource consulting, and personnel costs. A portion of the personnel cost increase realized during the first quarter of 2019 is attributed to a one-time transaction. As previously stated, the first quarter 2019 income statement includes a tax provision expense whereas the first quarter of 2018 does not include tax expense.

Total consolidated assets at March 31, 2019 were \$169.3 million, down slightly from \$170.0 million at December 31, 2018. Loans receivable, net of allowance, increased from \$126.9 million at December 31, 2018 to \$127.1 million at March 31, 2019. Bank securities and interest-bearing time deposits decreased slightly for the quarter to \$15.1 million, compared to \$15.4 million at December 31, 2018.

Total deposits increased by \$848,532 to \$144.6 million during the quarter while the Federal Home Loan Bank Advances decreased by \$2.0 million to \$5 million at March 31, 2019.

Total equity increased to \$15.6 million at March 31, 2019 compared to \$15.2 million at December 31, 2018.

Based in Saint Joseph, Michigan, Edgewater Bancorp is the bank holding company for Edgewater Bank. Edgewater provides commercial, mortgage, and consumer loan and deposit banking services from 5 banking offices in St. Joseph, Bridgman, Buchanan, Coloma, and Royalton Township. Edgewater Bancorp's common stock is listed under the symbol "EGDW."

This news release contains comments or information that constitute forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Actual results may differ materially from the results expressed in forward-looking statements. Factors that might cause such a difference include changes in interest rates and interest rate relationships; demand for products and services; the degree of competition by traditional and nontraditional competitors; changes in banking regulation or actions by bank regulators; changes in tax laws; changes in prices, levies, and assessments; the impact of technological advances; governmental and regulatory policy changes; the outcomes of contingencies; trends in customer behavior as well as their ability to repay loans; changes in local real estate values; changes in the national and local economies; and other factors. Edgewater undertakes no obligation to update or clarify forward-looking statements, whether as a result of new information, future events or otherwise.

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