

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Balance Sheets
September 30, 2021 and December 31, 2020
(Unaudited)

	<u>September 30,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Assets		
Cash and due from banks	\$ 5,594,003	\$ 4,793,872
Interest bearing deposits	<u>2,797,761</u>	<u>5,581,139</u>
Total cash and cash equivalents	8,391,764	10,375,011
Time deposits	250,000	3,232,500
Federal funds sold	15,617,000	3,486,000
Securities available for sale	29,499,890	18,711,631
Loans, net of allowance for loan losses of \$3,613,612 and \$3,479,150 at September 30, 2021 and December 31, 2020, respectively	271,891,789	255,103,054
Loans held for sale	-	-
Premises and equipment, net	6,371,860	6,312,256
Accrued interest receivable	956,172	972,602
Foreclosed real estate	122,265	107,100
Deferred tax assets	1,765,808	1,666,339
Cash surrender value of life insurance	2,638,767	2,603,046
Goodwill	649,869	649,869
Core deposit intangible	103,493	131,996
Other assets	<u>4,967,057</u>	<u>4,234,003</u>
Total assets	<u>\$ 343,225,734</u>	<u>\$307,585,407</u>
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$ 21,880,019	\$ 18,285,211
Interest bearing	<u>251,800,084</u>	<u>217,774,806</u>
Total deposits	273,680,103	236,060,017
Accrued interest payable	47,229	54,851
FHLB advances	16,536,698	17,548,560
Other liabilities	<u>4,106,749</u>	<u>4,731,352</u>
Total liabilities	<u>294,370,780</u>	<u>258,394,780</u>
Commitments and contingencies		
Redeemable common stock held by ESOP plan	<u>1,461,946</u>	<u>957,167</u>
Stockholders' Equity		
Common stock, \$.01 par value, 12,000,000 shares authorized; 2,892,465 and 2,949,324 shares issued at June 30, 2021 and December 31, 2020, respectively	28,924	29,491
Additional paid-in-capital	29,584,386	30,434,207
Retained earnings	20,054,787	19,457,092
Unallocated ESOP shares	(1,037,487)	(1,151,958)
Unearned management recognition plan shares	(106,799)	(62,070)
Accumulated other comprehensive (loss) income	<u>331,143</u>	<u>483,865</u>
	48,854,954	49,190,627
Less:		
Maximum cash obligation related to ESOP shares	<u>(1,461,946)</u>	<u>(957,167)</u>
Total stockholders' equity	<u>47,393,008</u>	<u>48,233,460</u>
Total liabilities and stockholders' equity	<u>\$ 343,225,734</u>	<u>\$307,585,407</u>

See accompanying notes to these consolidated financial statements.

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Statements of Operations
Three and Nine Months Ended June 30, 2021 and 2020
(Unaudited)

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Interest and dividend income:				
Interest and fees on loans	\$ 3,080,510	\$ 2,887,455	\$ 8,927,109	\$ 8,619,115
Securities:				
Residential mortgage-backed and related securities	\$ 54,459	55,146	135,054	183,556
State and municipal securities	53,238	92,169	188,844	282,731
Dividends on non-marketable equity securities	8,332	8,216	25,472	21,505
Interest-bearing deposits	6,132	12,902	16,812	72,343
Total interest and dividend income	<u>3,202,671</u>	<u>3,055,888</u>	<u>9,293,291</u>	<u>9,179,250</u>
Interest expense:				
Deposits	290,237	476,017	992,914	1,770,563
Borrowings	64,714	77,730	208,240	205,554
Total interest expense	<u>354,952</u>	<u>553,747</u>	<u>1,201,154</u>	<u>1,976,117</u>
Net interest income	<u>2,847,719</u>	<u>2,502,141</u>	<u>8,092,136</u>	<u>7,203,133</u>
Provision for loan losses	-	80,000	125,000	660,000
Net interest income after provision for loan losses	<u>2,847,719</u>	<u>2,422,141</u>	<u>7,967,136</u>	<u>6,543,133</u>
Other income:				
Gain on sale of securities	-	-	-	857
Gain on sale of loans	260,629	471,560	779,471	1,042,358
Gain on sale of foreclosed real estate	(2,018)	-	4,056	-
Gain on sale of repossessed assets	-	4,552	-	20,883
Loan origination and servicing income	295,215	390,014	859,159	942,785
Origination of mortgage servicing rights, net of amortization	28,962	66,205	90,952	140,713
Customer service fees	102,751	89,383	290,524	279,233
Increase in cash surrender value of life insurance	11,328	13,054	35,721	38,656
Gain(Loss) of sale of foreclosed real estate	-	-	-	-
Other	37,436	50,088	84,224	109,036
Total other income	<u>734,302</u>	<u>1,084,856</u>	<u>2,144,107</u>	<u>2,574,521</u>
Other expenses:				
Salaries and employee benefits	1,575,609	1,467,248	4,485,035	4,090,350
Directors fees	35,000	30,000	113,750	120,000
Occupancy	151,921	163,754	457,616	491,671
Deposit insurance premium	18,000	16,500	54,178	33,000
Legal and professional services	91,755	121,289	263,431	327,155
Data processing	271,808	232,240	780,339	706,982
Loss on sale of securities	-	-	-	-
Loan expense	113,328	164,359	408,721	420,811
Valuation adjustments and expenses on foreclosed real estate	6,989	555	16,703	1,503
Loss on sale of repossessed assets	-	-	-	-
Loss on consumer loans	-	-	-	-
Other	183,503	221,501	600,469	668,012
Total other expenses	<u>2,447,912</u>	<u>2,417,446</u>	<u>7,180,244</u>	<u>6,859,484</u>
Income before income tax expense	<u>1,134,110</u>	<u>1,089,551</u>	<u>2,931,000</u>	<u>2,258,170</u>
Income tax expense	306,645	294,135	787,236	626,533
Net income	<u>\$ 827,465</u>	<u>\$ 795,416</u>	<u>\$ 2,143,764</u>	<u>\$ 1,631,637</u>
Basic earnings per share	<u>\$ 0.29</u>	<u>\$ 0.27</u>	<u>\$ 0.76</u>	<u>\$ 0.55</u>
Diluted earnings per share	<u>\$ 0.29</u>	<u>\$ 0.27</u>	<u>\$ 0.75</u>	<u>\$ 0.55</u>
Dividends per share	<u>\$ 0.100</u>	<u>\$ 0.085</u>	<u>\$ 0.545</u>	<u>\$ 0.624</u>