

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

|  | <b>June 30,<br/>2021</b> | <b>December 31,<br/>2020</b> |
|--|--------------------------|------------------------------|
| <b>Assets</b>  |                          |                              |
| Cash and due from banks  | \$ 5,056,495             | \$ 4,793,872                 |
| Interest bearing deposits  | <u>5,857,476</u>         | <u>5,581,139</u>             |
| <b>Total cash and cash equivalents</b>   | 10,913,971               | 10,375,011                   |
| Time deposits  | 250,000                  | 3,232,500                    |
| Federal funds sold   | 3,828,000                | 3,486,000                    |
| Securities available for sale  | 17,626,315               | 18,711,631                   |
| Loans, net of allowance for loan losses of \$3,625,450 and \$3,497,150<br>at June 30, 2021 and December 31, 2020, respectively                             | 280,790,166              | 255,103,054                  |
| Premises and equipment, net  | 6,288,407                | 6,312,256                    |
| Accrued interest receivable  | 827,683                  | 972,602                      |
| Foreclosed Real Estate   | 77,265                   | 107,100                      |
| Deferred tax assets  | 1,729,822                | 1,666,339                    |
| Cash value of life insurance   | 2,627,440                | 2,603,046                    |
| Goodwill   | 649,869                  | 649,869                      |
| Core deposit intangible  | 112,994                  | 131,996                      |
| Other assets   | <u>4,766,848</u>         | <u>4,234,003</u>             |
| <b>Total assets</b>  | <u>\$ 330,488,780</u>    | <u>\$ 307,585,407</u>        |
| <b>Liabilities and Stockholders' Equity</b>  |                          |                              |
| <b>Liabilities</b>   |                          |                              |
| Deposits:  |                          |                              |
| Non-interest bearing   | \$ 22,875,171            | \$ 18,285,211                |
| Interest bearing   | <u>236,377,856</u>       | <u>217,774,806</u>           |
| <b>Total deposits</b>  | 259,253,027              | 236,060,017                  |
| Accrued interest payable   | 56,463                   | 54,851                       |
| FHLB advances  | 17,536,698               | 17,548,560                   |
| Other liabilities  | <u>4,866,622</u>         | <u>4,731,352</u>             |
| <b>Total liabilities</b>   | <u>281,712,810</u>       | <u>258,394,780</u>           |
| Commitments and contingencies  |                          |                              |
| ESOP Repurchase Obligation   | <u>1,461,946</u>         | <u>957,167</u>               |
| <b>Stockholders' Equity</b>  |                          |                              |
| Common stock, \$.01 par value, 12,000,000 shares authorized; 2,924,465 and 2,949,324<br>shares issued at June 30, 2021 and December 31, 2020, respectively | 29,244                   | 29,491                       |
| Additional paid-in-capital   | 30,042,863               | 30,415,091                   |
| Retained earnings  | 19,508,939               | 19,457,092                   |
| Unallocated ESOP shares  | (1,069,272)              | (1,132,842)                  |
| Unallocated management recognition plan shares   | (114,245)                | (62,070)                     |
| Accumulated other comprehensive income   | <u>378,440</u>           | <u>483,865</u>               |
|  | 48,775,969               | 49,190,627                   |
| <b>Less:</b>   |                          |                              |
| ESOP Owned Shares  | <u>(1,461,946)</u>       | <u>(957,167)</u>             |
| <b>Total stockholders' equity</b>  | <u>47,314,023</u>        | <u>48,233,460</u>            |
| <b>Total liabilities and stockholders' equity</b>  | <u>\$ 330,488,780</u>    | <u>\$ 307,585,407</u>        |

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

|   | Three Months Ended<br>June 30, |                   | Six Months Ended<br>June 30, |                   |
|---|--------------------------------|-------------------|------------------------------|-------------------|
|   | 2021                           | 2020              | 2021                         | 2020              |
| Interest and dividend income:                                 |                                |                   |                              |                   |
| Interest and fees on loans                                    | \$ 3,051,210                   | \$ 2,822,580      | \$ 5,846,598                 | \$ 5,731,660      |
| Securities:   |                                |                   |                              |                   |
| Residential mortgage-backed and related securities            | 39,153                         | 61,180            | 80,595                       | 128,411           |
| State and municipal securities                                | 67,682                         | 94,618            | 135,606                      | 190,562           |
| Dividends on non-marketable equity securities                 | 8,469                          | 6,698             | 17,140                       | 13,288            |
| Interest-bearing deposits                                     | 4,509                          | 19,293            | 10,681                       | 59,411            |
| <b>Total interest and dividend income</b>                     | <u>3,171,023</u>               | <u>3,004,369</u>  | <u>6,090,620</u>             | <u>6,123,362</u>  |
| Interest expense:   |                                |                   |                              |                   |
| Deposits  | 326,540                        | 563,727           | 702,677                      | 1,294,546         |
| Borrowings  | 57,003                         | 65,928            | 143,526                      | 127,824           |
| <b>Total interest expense</b>                                 | <u>383,543</u>                 | <u>629,655</u>    | <u>846,203</u>               | <u>1,422,370</u>  |
| <b>Net interest income</b>                                    | <u>2,787,480</u>               | <u>2,374,714</u>  | <u>5,244,417</u>             | <u>4,700,992</u>  |
| Provision for loan losses                                     | 75,000                         | 130,000           | 125,000                      | 580,000           |
| <b>Net interest income after provision for loan losses</b>    | <u>2,712,480</u>               | <u>2,244,714</u>  | <u>5,119,417</u>             | <u>4,120,992</u>  |
| Other income:   |                                |                   |                              |                   |
| Gain on sale of loans   | 345,029                        | 463,730           | 518,842                      | 570,797           |
| Gain on sale of securities, net                               | -                              | -                 | -                            | 857               |
| Gain on sale of repossessed assets, net                       | 5,118                          | 300               | 6,074                        | 16,331            |
| Loan origination and servicing income                         | 258,336                        | 437,814           | 563,943                      | 552,771           |
| Origination of mortgage servicing rights, net of amortization | 52,374                         | 84,951            | 61,990                       | 74,508            |
| Customer service fees   | 97,440                         | 83,011            | 187,774                      | 189,850           |
| Increase in cash surrender value of life insurance            | 11,893                         | 12,904            | 24,394                       | 25,602            |
| Other   | 21,768                         | 21,273            | 46,788                       | 58,949            |
| <b>Total other income</b>                                     | <u>791,958</u>                 | <u>1,103,983</u>  | <u>1,409,805</u>             | <u>1,489,665</u>  |
| Other expenses:   |                                |                   |                              |                   |
| Salaries and employee benefits                                | 1,561,034                      | 1,358,457         | 2,909,426                    | 2,623,102         |
| Directors fees  | 38,750                         | 47,000            | 78,750                       | 90,000            |
| Occupancy   | 157,981                        | 149,392           | 305,695                      | 327,917           |
| Deposit insurance premium                                     | 18,000                         | 16,500            | 36,178                       | 16,500            |
| Legal and professional services                               | 92,468                         | 101,244           | 171,677                      | 205,866           |
| Data processing   | 284,235                        | 251,468           | 508,531                      | 474,742           |
| Loan expense  | 107,676                        | 122,102           | 295,394                      | 256,452           |
| Valuation adjustments and expenses on foreclosed real estate  | 7,712                          | 389               | 9,714                        | 948               |
| Other   | 212,954                        | 234,846           | 416,966                      | 446,511           |
| <b>Total other expenses</b>                                   | <u>2,480,809</u>               | <u>2,281,398</u>  | <u>4,732,331</u>             | <u>4,442,038</u>  |
| <b>Income before income tax expense</b>                       | <u>1,023,629</u>               | <u>1,067,299</u>  | <u>1,796,891</u>             | <u>1,168,619</u>  |
| Income tax expense  | 275,017                        | 317,035           | 480,591                      | 332,398           |
| <b>Net income</b>   | <u>\$ 748,612</u>              | <u>\$ 750,264</u> | <u>\$ 1,316,300</u>          | <u>\$ 836,221</u> |
| <b>Basic earnings per share</b>                               | <u>\$ 0.26</u>                 | <u>\$ 0.25</u>    | <u>\$ 0.46</u>               | <u>\$ 0.27</u>    |
| <b>Diluted earnings per share</b>                             | <u>\$ 0.26</u>                 | <u>\$ 0.25</u>    | <u>\$ 0.46</u>               | <u>\$ 0.27</u>    |
| <b>Dividends per share</b>                                    | <u>\$ 0.10</u>                 | <u>\$ 0.08</u>    | <u>\$ 0.44</u>               | <u>\$ 0.63</u>    |