

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Balance Sheets
June 30, 2023 and December 31, 2022
(Unaudited)

	June 30, 2023	December 31, 2022
Assets		
Cash and due from banks	\$ 6,282,729	\$ 10,338,273
Interest bearing deposits	<u>3,598,912</u>	<u>524,427</u>
Total cash and cash equivalents	9,881,641	10,862,700
Time deposits	-	250,000
Federal funds sold	-	55,000
Securities available for sale	20,589,482	20,898,175
Loans, net of allowance for loan losses of \$4,900,436 and \$4,301,307 at June 30, 2023 and December 31, 2022, respectively	317,658,515	307,750,228
Premises and equipment, net	6,062,477	6,163,630
Accrued interest receivable	1,173,256	1,309,931
Deferred tax assets	2,942,276	2,652,355
Cash value of life insurance	2,696,088	2,672,025
Goodwill	649,869	649,869
Core deposit intangible	51,907	67,567
Other assets	<u>5,060,250</u>	<u>4,515,880</u>
Total assets	<u><u>\$ 366,765,762</u></u>	<u><u>\$ 357,847,360</u></u>
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$ 27,197,513	\$ 22,634,695
Interest bearing	<u>264,156,098</u>	<u>267,048,730</u>
Total deposits	291,353,611	289,683,425
Accrued interest payable	261,152	119,769
FHLB advances	26,750,000	18,750,000
Long Term Debt	1,900,000	2,100,000
Other liabilities	<u>3,578,560</u>	<u>3,906,217</u>
Total liabilities	<u><u>323,843,323</u></u>	<u><u>314,559,411</u></u>
Commitments and Contingencies	1,670,851	1,821,029
ESOP Repurchase Obligation	<u>1,670,851</u>	<u>1,821,029</u>
Stockholders' Equity		
Common stock, \$.01 par value, 12,000,000 shares authorized; 2,550,691 and 2,561,406 shares issued at June 30, 2023 and December 31, 2022, respectively	25,506	25,613
Additional paid-in-capital	24,697,539	24,847,455
Retained earnings	21,775,999	21,861,151
Unallocated ESOP shares	(815,766)	(815,766)
Unallocated management recognition plan shares	(127,853)	(150,664)
Accumulated other comprehensive income	<u>(2,632,987)</u>	<u>(2,479,840)</u>
	<u>42,922,438</u>	<u>43,287,949</u>
Less:		
ESOP Owned Shares	<u>(1,670,851)</u>	<u>(1,821,029)</u>
Total stockholders' equity	<u>41,251,587</u>	<u>41,466,920</u>
Total liabilities and stockholders' equity	<u><u>\$ 366,765,762</u></u>	<u><u>\$ 357,847,360</u></u>

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Statements of Operations
Three and Six Months Ended June 30, 2023 and 2022
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
Interest and dividend income:				
Interest and fees on loans	\$ 3,669,838	\$ 3,030,894	\$ 7,113,373	\$ 6,049,719
Securities:				
Residential mortgage-backed and related securities	82,540	81,243	151,634	164,052
State and municipal securities	12,705	47,088	42,612	99,392
Dividends on non-marketable equity securities	16,657	9,672	29,919	18,647
Interest-bearing deposits	52,090	11,838	86,647	18,242
Total interest and dividend income	<u>3,833,830</u>	<u>3,180,736</u>	<u>7,424,185</u>	<u>6,350,052</u>
Interest expense:				
Deposits	1,301,577	276,050	2,302,243	528,457
Borrowings	149,699	53,381	261,127	112,720
Total interest expense	<u>1,451,276</u>	<u>329,431</u>	<u>2,563,370</u>	<u>641,177</u>
Net interest income	<u>2,382,554</u>	<u>2,851,305</u>	<u>4,860,816</u>	<u>5,708,875</u>
Provision for loan losses	(132,417)	-	5,083	-
Net interest income after provision for loan losses	<u>2,514,971</u>	<u>2,851,305</u>	<u>4,855,733</u>	<u>5,708,875</u>
Other income:				
Gain on sale of loans	45,683	31,490	63,652	121,823
Loan origination and servicing income	156,160	-	292,286	460,014
Origination of mortgage servicing rights, net of amortization	(5,508)	193,231	55,025	10,360
Customer service fees	115,733	(4,279)	219,757	234,671
Increase in cash surrender value of life insurance	12,354	119,964	24,063	21,529
Gain (Loss) on sale of foreclosed real estate	5,653	10,816	5,653	-
Other	1,180	10,159	9,448	25,246
Total other income	<u>331,556</u>	<u>361,381</u>	<u>669,883</u>	<u>873,643</u>
Other expenses:				
Salaries and employee benefits	1,193,914	1,339,518	2,380,007	2,627,883
Directors' fees	45,000	46,500	90,000	93,000
Occupancy	153,569	154,271	314,043	322,614
Deposit insurance premium	35,626	21,500	60,769	42,548
Legal and professional services	84,066	79,591	162,687	150,496
Data processing	306,605	282,634	602,059	564,008
Loss on sale of securities	-	2,823	-	2,823
Loan expense	70,061	71,117	133,373	155,859
Valuation adjustments and expenses on foreclosed real estate	3,352	-	3,352	-
Other	209,444	208,029	419,922	395,396
Total other expenses	<u>2,101,636</u>	<u>2,205,983</u>	<u>4,166,212</u>	<u>4,354,628</u>
Income before income tax expense	744,890	1,006,703	1,359,403	2,227,889
Income tax expense	<u>203,121</u>	<u>276,386</u>	<u>375,166</u>	<u>618,756</u>
Net income	<u>\$ 541,769</u>	<u>\$ 730,317</u>	<u>\$ 984,237</u>	<u>\$ 1,609,133</u>
Basic earnings per share	<u>\$ 0.22</u>	<u>\$ 0.28</u>	<u>\$ 0.39</u>	<u>\$ 0.59</u>
Diluted earnings per share	<u>\$ 0.22</u>	<u>\$ 0.28</u>	<u>\$ 0.39</u>	<u>\$ 0.59</u>
Dividends per share	<u>\$ 0.113</u>	<u>\$ 0.11</u>	<u>\$ 0.222</u>	<u>\$ 0.23</u>