

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Balance Sheets
September 30, 2024 and December 31, 2023
(Unaudited)

| | September 30, 2024 | December 31, 2023 |
|--|-------------------------------|------------------------------|
| Assets | | |
| Cash and due from banks | \$ 4,814,569 | \$ 3,511,709 |
| Interest bearing deposits | <u>7,864,089</u> | <u>9,884,710</u> |
| Total cash and cash equivalents | 12,678,658 | 13,396,419 |
| Securities available for sale | 18,648,163 | 18,781,463 |
| Loans, net of allowance for credit losses of \$4,303,412 and \$4,370,934 at September 30, 2024 and December 31, 2023, respectively | 304,154,854 | 312,181,918 |
| Loans held for sale | 372,663 | - |
| Premises and equipment, net | 6,065,779 | 5,998,742 |
| Accrued interest receivable | 1,903,494 | 1,700,911 |
| Deferred tax assets | 2,273,159 | 2,799,503 |
| Cash value of life insurance | 2,757,376 | 2,717,888 |
| Goodwill | 649,869 | 649,869 |
| Core deposit intangible | 8,662 | 31,909 |
| Other assets | <u>5,690,036</u> | <u>5,659,196</u> |
| Total assets | <u><u>\$ 355,202,713</u></u> | <u><u>\$ 363,917,818</u></u> |
| Liabilities and Stockholders' Equity | | |
| Liabilities | | |
| Deposits: | | |
| Non-interest bearing | \$ 20,492,939 | \$ 23,839,628 |
| Interest bearing | <u>254,775,688</u> | <u>257,246,330</u> |
| Total deposits | 275,268,627 | 281,085,958 |
| Accrued interest payable | 743,159 | 320,238 |
| FHLB advances | 28,500,000 | 30,750,000 |
| Fed funds purchased | 2,772,000 | 2,235,000 |
| Long term debt | 1,415,128 | 1,700,000 |
| Allowance for credit losses on off-balance sheet credit exposures | 77,257 | 94,136 |
| Other liabilities | <u>3,663,328</u> | <u>4,400,892</u> |
| Total liabilities | <u>312,439,499</u> | <u>320,586,224</u> |
| Commitments and contingencies | | |
| ESOP Repurchase Obligation | <u>1,583,522</u> | <u>1,691,975</u> |
| Stockholders' Equity | | |
| Common stock, \$.01 par value, 12,000,000 shares authorized; 2,480,994 and 2,552,971 shares issued at September 30, 2024 and December 31, 2023, respectively | 24,792 | 25,529 |
| Additional paid-in-capital | 23,783,277 | 24,738,476 |
| Retained earnings | 21,246,475 | 21,798,054 |
| Unallocated ESOP shares | (682,192) | (682,192) |
| Unallocated management recognition plan shares | (82,028) | (103,417) |
| Accumulated other comprehensive loss | <u>(1,527,110)</u> | <u>(2,444,856)</u> |
| | 42,763,214 | 43,331,594 |
| Less: | | |
| ESOP Owned Shares | <u>(1,583,522)</u> | <u>(1,691,975)</u> |
| Total stockholders' equity | <u>41,179,692</u> | <u>41,639,619</u> |
| Total liabilities and stockholders' equity | <u><u>\$ 355,202,713</u></u> | <u><u>\$ 363,917,818</u></u> |

Ottawa Bancorp, Inc. & Subsidiary
Consolidated Statements of Operations
Three and Nine Months Ended September 30, 2024 and 2023
(Unaudited)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|---|-------------------|--|---------------------|
| | 2024 | 2023 | 2024 | 2023 |
| Interest and dividend income: | | | | |
| Interest and fees on loans | \$ 3,820,409 | \$ 3,660,212 | \$11,221,660 | \$10,773,586 |
| Securities: | | | | |
| Residential mortgage-backed and related securities | 109,640 | 85,638 | 264,709 | 237,272 |
| State and municipal securities | 18,329 | 25,031 | 55,506 | 67,642 |
| Dividends on non-marketable equity securities | 28,500 | 23,253 | 94,715 | 53,173 |
| Interest-bearing deposits | 76,863 | 43,166 | 285,779 | 129,813 |
| Total interest and dividend income | 4,053,741 | 3,837,300 | 11,922,369 | 11,261,486 |
| Interest expense: | | | | |
| Deposits | 1,681,896 | 1,386,099 | 4,751,642 | 3,688,342 |
| Borrowings | 221,905 | 162,346 | 651,898 | 423,473 |
| Total interest expense | 1,903,801 | 1,548,445 | 5,403,540 | 4,111,815 |
| Net interest income | 2,149,940 | 2,288,855 | 6,518,829 | 7,149,671 |
| Provision for (recovery of) credit losses - loans | 8,919 | (209,269) | (68,412) | (204,186) |
| Recovery of credit losses – off-balance sheet credit exposures | (4,170) | - | (16,879) | - |
| Net interest income after provision for loan losses | 2,145,191 | 2,498,124 | 6,604,120 | 7,353,857 |
| Other income: | | | | |
| Gain on sale of loans | 62,378 | 32,746 | 126,742 | 96,398 |
| Loan origination and servicing income | 148,808 | 141,415 | 436,931 | 433,700 |
| Origination of mortgage servicing rights, net of amortization | (92,872) | 1,667 | (140,076) | 56,692 |
| Customer service fees | 126,357 | 117,016 | 350,009 | 345,065 |
| Increase in cash surrender value of life insurance | 13,961 | 12,472 | 39,488 | 36,535 |
| Other | - | 10,332 | - | 17,140 |
| Total other income | 258,632 | 315,648 | 813,094 | 985,530 |
| Other expenses: | | | | |
| Salaries and employee benefits | 1,191,074 | 1,159,391 | 3,539,225 | 3,539,398 |
| Directors' fees | 45,000 | 45,000 | 130,000 | 135,000 |
| Occupancy | 152,238 | 157,306 | 465,339 | 471,349 |
| Deposit insurance premium | 37,402 | 36,762 | 112,104 | 97,532 |
| Legal and professional services | 77,472 | 121,701 | 412,964 | 284,388 |
| Data processing | 304,367 | 319,176 | 903,768 | 921,235 |
| Loss on sale of securities | - | - | 600,408 | - |
| Loan expense | 66,473 | 60,891 | 233,711 | 194,264 |
| Other | 242,288 | 249,315 | 621,819 | 672,588 |
| Total other expenses | 2,116,314 | 2,149,542 | 7,019,338 | 6,315,754 |
| Income before income tax | 287,509 | 664,230 | 397,876 | 2,023,633 |
| Income tax expense | 88,739 | 183,400 | 136,422 | 558,566 |
| Net income | \$ 198,770 | \$ 480,830 | \$ 261,454 | \$ 1,465,067 |
| Basic earnings per share | \$ 0.08 | \$ 0.20 | \$ 0.10 | \$ 0.58 |
| Diluted earnings per share | \$ 0.08 | \$ 0.20 | \$ 0.10 | \$ 0.58 |
| Dividends per share | \$ 0.104 | \$ 0.111 | \$ 0.322 | \$ 0.325 |