



American Commercial Bank & Trust

First Ottawa Bancshares, Inc.

THIRD QUARTER 2023 HIGHLIGHTS

(At or for period ended 9/30/2023 compared to period ended 9/30/2022)

Income Statement Highlights

- Quarter to Date and Year to Date Interest Income on Loans increased by \$6.2 million and \$20.2 million over the same periods in 2022. Increases were driven by higher loan balances and variable rate repricing.
- Quarter to Date and Year to Date Interest Income on Investments increased by \$961 thousand and \$3.0 million over the same periods in 2022. Increases were driven by higher balances and variable rate repricing.
- Quarter to Date and Year to Date Interest Expense increased by \$6.2 million and \$17.5 million over the same periods in 2022. Increases were driven by increases in the cost of funding due to the current rate environment and a \$238.8 million increase in deposit balances compared to the same period in 2022.
- Quarter to Date and Year to Date Income from Service Charges increased by \$38 thousand and \$92 thousand over the same periods in 2022. The increase is attributed to new customer acquisition and continued growth in deposit balances during 2023.
- Quarter to Date and Year to Date Residential Mortgage Servicing Income, including gain on sale, declined by \$27 thousand and \$1.7 million primarily due to a \$1.4 million valuation increase recorded in 2022 compared to no material valuation adjustment recorded in the current year.
- Quarter to Date and Year to Date Non-Interest Expense increased by \$728 thousand and \$1.7 million, primarily due to increased salaries and benefits expense and facilities related expenses.
- Quarter to Date Net Income decreased by \$126 thousand, due primarily to the \$1.4 million market value adjustment to the Mortgage Servicing Asset in 2022 as compared to no adjustment recorded in 2023. Year to Date Net Income increased by \$299 thousand compared to prior year periods. This increase was primarily driven by growth in earning assets.

Balance Sheet Highlights

- Securities Available for Sale increased by \$32.3 million, primarily in GNMA instruments compared to end of year 2022.
- Loans Held for Sale decreased by \$16.7 million compared to end of year 2022.
- Loans Net of ALLL increased by \$87.6 million compared to end of year 2022 as a result of new client acquisition.
- Deposits increased by \$161.6 million compared to end of year 2022. This increase was due to increased wholesale deposits and new customer acquisition.



Markets

Chicago - Goose Island

1315 N North Branch St., Chicago 60642

Lisle

4733 Main St., Lisle, IL 60532

Morris

1771 N. Division St., Morris, IL 60450

Ottawa

701 LaSalle St., Ottawa, IL 61350

Schaumburg

1475 Woodfield Rd., STE 100, Schaumburg, IL 60173

Streator

409 E. Bridge St., Streator, IL 61364

Yorkville

1459 Cannonball Tr., Yorkville, IL 60560

Return on Ave Equity	16.87%
Return on Ave Assets	.89%
Shares Outstanding	902,344
Book Value at Period End	\$97.20
Earnings Per Share - Basic	\$10.82
TTM EPS	\$13.97
NIM (annualized)*	3.80%

*Bank Only Ratio



Balance Sheet
(\$ in thousands, Except Share and Per Share Data)

	End of Period 9/30/2023	End of Period 9/30/2022	End of Period 12/31/2022	End of Period 12/31/2021
Assets				
Cash and Due from Banks	\$ 4,483	\$ 7,988	\$ 7,590	\$ 8,196
Interest Bearing Deposits in Financial Institutions	38,708	30,600	45,224	10,985
Cash and Cash Equivalents	43,191	38,588	52,814	19,181
Interest Bearing Time Deposits with Financial Institutions				
Securities Available for Sale	145,335	109,269	113,045	67,817
Loans Held for Sale	18,706	753	35,460	19,974
Loans, Net of Allowance for Loan Losses	1,176,395	1,053,083	1,088,775	810,909
Premise & Equipment, net	14,050	14,600	10,437	9,821
Other Real Estate Owned	134	-	-	654
Accrued Interest Receivable and Other Assets	58,959	48,813	54,157	42,524
Total Assets	<u>\$ 1,456,770</u>	<u>\$ 1,265,106</u>	<u>\$ 1,354,688</u>	<u>\$ 970,880</u>
Liabilities and Shareholder's Equity				
Deposits, Total	\$ 1,244,377	\$ 1,005,538	\$ 1,082,765	\$ 839,582
Borrowings	118,500	181,250	189,800	58,500
Other Liabilities	14,205	9,641	10,622	9,131
Total Liabilities	1,377,082	1,196,429	1,283,187	907,213
Shareholder's Equity	79,688	68,677	71,501	63,667
Total Liabilities and Shareholders Equity	<u>\$ 1,456,770</u>	<u>\$ 1,265,106</u>	<u>\$ 1,354,688</u>	<u>\$ 970,880</u>

Income Statement
(\$ in thousands, Except Share and Per Share Data)

	QTD 9/30/2023	QTD 9/30/2022	YTD 9/30/2023	YTD 9/30/2022
Interest and Dividend Income				
Loans, Including Fees	\$ 19,384	\$ 13,218	\$ 53,438	\$ 33,233
Securities Available for Sale:				
Taxable	1,811	854	4,713	1,685
Exempt from Federal Tax	50	46	150	138
Other	471	146	1,335	261
Total Interest and Dividend Income	<u>21,716</u>	<u>14,264</u>	<u>59,636</u>	<u>35,317</u>
Interest Expense				
Deposits	6,627	962	16,584	1,790
Borrowings	1,631	1,069	4,785	2,075
Total Interest Expense	<u>8,258</u>	<u>2,031</u>	<u>21,369</u>	<u>3,865</u>
Net Interest Income	13,458	12,233	38,267	31,452
Provision for Loan Losses	<u>1,770</u>	<u>1,000</u>	<u>5,310</u>	<u>2,250</u>
Net Income After Provision for Loan Losses	11,688	11,233	32,957	29,202
Non Interest Income				
Service Fees	642	604	1,798	1,706
Trust and Farm Management Fees	225	219	675	657
Mortgage Servicing Income, Net	20	47	106	1,859
Other	437	266	800	752
Total Non Interest Income	<u>1,324</u>	<u>1,136</u>	<u>3,379</u>	<u>4,974</u>
Non Interest Expense				
Salaries and Employment Benefits	5,324	5,087	15,664	14,932
Occupancy and Equipment	701	634	2,239	2,004
Data Processing Fees	485	378	1,424	1,284
Advertising	71	16	180	221
Professional Fees	180	220	639	639
Other Real Estate Owned, Net	(19)	(72)	67	(152)
Supplies	38	44	105	115
Other	1,084	829	2,707	2,269
Total Non Interest Expenses	<u>7,864</u>	<u>7,136</u>	<u>23,025</u>	<u>21,312</u>
Income Before Income Tax	5,148	5,233	13,311	12,864
Income Tax Expense	<u>1,442</u>	<u>1,401</u>	<u>3,575</u>	<u>3,427</u>
Net Income	<u>\$ 3,706</u>	<u>\$ 3,832</u>	<u>\$ 9,736</u>	<u>\$ 9,437</u>
Earnings Per Share	\$ 4.11	\$ 4.33	\$ 10.82	\$ 10.80