

First Ottawa Bancshares, Inc. Announces Completion of \$33.5 Million Subordinated Notes Offering

Ottawa, Illinois, December 12, 2025. First Ottawa Bancshares, Inc. (OTC Pink: FOTB) (the "Company" or "First Ottawa"), the parent company of American Commercial Bank & Trust, National Association (the "Bank") announced today that it has completed the private placement of \$33.5 million in Fixed-to-Floating Rate Subordinated Notes due 2035 (the "Notes"). The Notes have been structured to qualify as Tier 2 capital for the Company under bank regulatory guidelines, and the proceeds from the sale of the Notes will be utilized to redeem outstanding subordinated notes and pay off existing debt and for general corporate purposes.

President and CEO, Steven M. Gonzalo, stated, "We are pleased to announce the successful completion of our subordinated debt offering, with favorable terms for First Ottawa and the Bank. The issuance of these Notes provides a cost-effective means of redeeming existing debt without diluting current shareholders."

The Notes will initially bear interest at 7.00% per annum, from and including the closing date to but excluding December 15, 2030 or earlier redemption date, payable semi-annually in arrears. From and including December 15, 2030, to but excluding the maturity date or earlier redemption date, the interest rate shall reset quarterly to an interest rate per annum equal to the then current three-month SOFR (provided, however, that in the event three-month SOFR is less than zero, three-month SOFR shall be deemed to be zero) plus a spread of 362 basis points, payable quarterly in arrears. If three-month SOFR cannot be determined on a given date, a different index shall be determined and used in accordance with the terms of the Notes.

The Company may redeem the Notes, in whole or in part, at its option, on or after December 15, 2030, or prior to such date under certain limited circumstances.

The Notes have not been registered under the Securities Act of 1933, as amended, or any state securities laws and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. This press release is for informational purposes only and shall not constitute an offer to sell, or the solicitation of an offer to buy any security, nor shall there be any sale in any jurisdiction in which such an offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The indebtedness evidenced by the Notes is not a deposit and is not insured by the Federal Deposit Insurance Corporation or any other government agency or fund.

D.A. Davidson & Co. served as the sole placement agent and was advised by Fenimore Kay Harrison LLP. First Ottawa Bancshares, Inc. was advised by Barack Ferrazzano Kirschbaum & Nagelberg LLP.

About First Ottawa Bancshares, Inc.

First Ottawa Bancshares, Inc. is a community-based bank holding company headquartered in Ottawa, Illinois, and is the sole shareholder of American Commercial Bank & Trust, National Association. As of September 30, 2025, First Ottawa Bancshares, Inc. had total assets of approximately \$1.95 billion.

Special Note Concerning Forward-Looking Statements.

This document contains, and future oral and written statements of the Company and its management may contain, forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company's management and on information currently available to management, are generally identifiable by the use of words such as "believe," "expect," "anticipate," "bode", "predict," "suggest," "project", "appear," "plan," "intend," "estimate," "annualize," "may," "will," "would," "could," "should," "likely," "might," "potential," "continue," "annualized," "target," "outlook," as well as the negative forms of those words, or other similar expressions. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

A number of factors, many of which are beyond the ability of the Company to control or predict, could cause actual results to differ materially from those in its forward-looking statements. These factors include, but are not limited to: (i) the strength of the local, state, national and international economies and financial markets (including effects of inflationary pressures and supply chain constraints); (ii) effects on the U.S. economy resulting from the implementation of policies proposed by the new presidential administration, including tariffs, mass deportations and tax regulations; (iii) the economic impact of any future terrorist threats and attacks, widespread disease or pandemics, acts of war or threats thereof (including the Russian invasion of Ukraine and ongoing conflicts in the Middle East), or other adverse events that could cause economic deterioration or instability in credit markets, and the response of the local, state and national governments to any such adverse external events; (iv) new or revised accounting policies and practices, as may be adopted by state and federal regulatory agencies, the Financial Accounting Standards Board or the Public Company Accounting Oversight Board; (v) the imposition of tariffs or other governmental policies impacting

the value of products produced by the Company's commercial borrowers; (vi) increased competition in the financial services sector, including from non-bank competitors such as credit unions and fintech companies, and the inability to attract new customers; (vii) changes in technology and the ability to develop and maintain secure and reliable electronic systems; (viii) unexpected results of acquisitions which may include failure to realize the anticipated benefits of the acquisitions and the possibility that transaction costs may be greater than anticipated; (ix) the loss of key executives and employees, talent shortages and employee turnover; (x) changes in consumer spending; (xi) unexpected outcomes and costs of existing or new litigation or other legal proceedings and regulatory actions involving the Company; (xii) the economic impact on the Company and its customers of climate change, natural disasters and exceptional weather occurrences such as tornadoes, floods and blizzards; (xiii) fluctuations in the value of securities held in our securities portfolio, including as a result of changes in interest rates; (xiv) credit risk and risks from concentrations (by type of borrower, geographic area, collateral and industry) within our loan portfolio and large loans to certain borrowers (including CRE loans); (xv) the overall health of the local and national real estate market; (xvi) the ability to maintain an adequate level of allowance for credit losses on loans; (xvii) the concentration of large deposits from certain clients who have balances above current FDIC insurance limits and who may withdraw deposits to diversify their exposure; (xviii) the ability to successfully manage liquidity risk, which may increase dependence on non-core funding sources such as brokered deposits, and may negatively impact the Company's cost of funds; (xix) the level of non-performing assets on our balance sheets; (xx) interruptions involving our information technology and communications systems or third-party servicers; (xxi) the occurrence of fraudulent activity, breaches or failures of our third-party vendors' information security controls or cybersecurity-related incidents, including as a result of sophisticated attacks using artificial intelligence and similar tools or as a result of insider fraud; (xxii) changes in the interest rates and repayment rates of the Company's assets; (xxiii) the effectiveness of the Company's risk management framework, and (xxiv) the ability of the Company to manage the risks associated with the foregoing as well as anticipated. These risks and uncertainties should be considered in evaluating forward-looking statements and undue reliance should not be placed on such statements.

Contacts

Steven M. Gonzalo, President & CEO
First Ottawa Bancshares, Inc. 815-434-0044