



**FIRST
OTTAWA
BANCSHARES, INC.**

January 28th, 2022

Dear Shareholders,

During the fourth quarter our strategy across commercial, residential, retail and fiduciary services continued to produce growth in clients, personnel and market share resulting in record performance.

The following are unaudited results for First Ottawa Bancshares for 4Q21 compared to 4Q20:

	2021	2020
Net Income (YTD)	\$11,516K	\$2,921K
Earnings Per Share (YTD)	\$13.61	\$3.54
ROAE (YTD)	20.68%	5.69%

The following are unaudited results for American Commercial Bank & Trust for 4Q21 compared to 4Q20:

ROAA (YTD)	1.32%	0.56%
Net Interest Margin (As of 12/31/21)	3.46%	3.37%
Tier 1 leverage (As of 12/31/21)	8.95%	8.64%

Average Balances, Allowance for Loan Losses, and Credit Quality

4Q21 compared to 4Q20, average total loans (net of the allowance), increased by \$192 million (32%), to \$799 million. Average total deposits increased by \$201 million (32%), to \$826 million. The allowance for loan losses totaled \$12.1 million compared to \$9.8 million for the prior year quarter. Classified assets for the quarter increased to 8.46% of Capital as compared to 6.56% for the prior year quarter.

Outlook

The economy continued to perform quite well despite headwinds related to the Omicron variant, inflation and supply chain bottlenecks. We maintained a disciplined contribution to our loan loss reserves in response to healthy levels of new client opportunities, increased risk due to persistently elevated inflation and commentary from the Federal Reserve that portends an end to quantitative easing and increasing short term interest rates. Stress in the credit portfolio remains muted however, past due ratios and classified assets increased modestly from positive levels.

On behalf of your Board of Directors, we thank you for your loyalty.

Sincerely

Steven M. Gonzalo, President & CEO