

Ottawa Savings Bancorp, Inc.
Form 10-Q
August 14, 2015
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

(mark one)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2015

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _____ to _____

Commission File Number 000-51367

OTTAWA SAVINGS BANCORP, INC.

(Exact name of registrant as specified in its charter)

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United States **20-3074627**
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification Number)

925 LaSalle Street **61350**
Ottawa, Illinois (Zip Code)
(Address of principal executive offices)

(815) 433-2525
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer Accelerated Filer
Non-Accelerated Filer (Do not check if a smaller reporting company) Smaller Reporting Company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

Class	Outstanding as of August 14, 2015
Common Stock, \$0.01 par value	2,894,123

OTTAWA SAVINGS BANCORP, INC.

FORM 10-Q

For the quarterly period ended June 30, 2015

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Part I – Financial Information

ITEM 1 – FINANCIAL STATEMENTS

OTTAWA SAVINGS BANCORP, INC.**Consolidated Balance Sheets****June 30, 2015 and December 31, 2014**

(Unaudited)

	June 30, 2015	December 31, 2014
Assets		
Cash and due from banks	\$2,485,820	\$2,053,117
Interest bearing deposits	2,462,526	3,140,118
Total cash and cash equivalents	4,948,346	5,193,235
Time deposits	649,000	854,861
Federal funds sold	4,738,000	1,662,000
Securities available for sale	50,476,523	52,772,108
Non-marketable equity securities	1,358,121	1,780,674
Loans, net of allowance for loan losses of \$2,528,216 and \$2,314,607 at June 30, 2015 and December 31, 2014, respectively	137,774,350	142,501,513
Premises and equipment, net	6,994,413	7,040,228
Accrued interest receivable	869,962	881,612
Foreclosed real estate	377,476	232,650
Deferred tax assets	3,206,594	3,055,068
Cash value of life insurance	2,172,299	2,148,043
Goodwill	649,869	649,869
Core deposit intangible	509,000	567,000
Other assets	1,992,255	2,386,030
Total assets	\$216,716,208	\$221,724,891
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Non-interest bearing	\$9,118,809	\$8,198,356
Interest bearing	171,216,048	174,034,663
Total deposits	180,334,857	182,233,019
Accrued interest payable	1,744	369
FHLB advances	2,672,003	5,483,036
Other liabilities	3,483,590	3,876,053
Total liabilities	186,492,194	191,592,477

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Commitments and contingencies Redeemable common stock held by ESOP plan	533,001	424,730
Stockholders' Equity		
Common stock, \$.01 par value, 12,000,000 shares authorized; 3,001,055 shares issued	30,010	30,010
Additional paid-in-capital	15,838,754	15,830,623
Retained earnings	15,490,099	15,423,412
Unallocated ESOP shares	(228,942)	(254,380)
Unearned management recognition plan shares	(8,112)	(12,388)
Accumulated other comprehensive income	314,323	327,255
	31,436,132	31,344,532
Less:		
Treasury stock, at cost; 106,932 shares	(1,212,118)	(1,212,118)
Maximum cash obligation related to ESOP shares	(533,001)	(424,730)
Total stockholders' equity	29,691,013	29,707,684
Total liabilities and stockholders' equity	\$216,716,208	\$221,724,891

See accompanying notes to these unaudited consolidated financial statements.

OTTAWA SAVINGS BANCORP, INC.

Consolidated Statements of Operations

Three and Six Months Ended June 30, 2015 and 2014

(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Interest and dividend income:				
Interest and fees on loans	\$1,717,130	\$1,450,924	\$3,456,714	\$2,846,708
Securities:				
Residential mortgage-backed and related securities	156,707	135,874	313,980	281,203
State and municipal securities	140,876	72,615	282,903	142,193
Dividends on non-marketable equity securities	1,902	1,289	3,278	2,080
Interest-bearing deposits	2,518	612	7,870	1,972
Total interest and dividend income	2,019,133	1,661,314	4,064,745	3,274,156
Interest expense:				
Deposits	218,911	244,983	443,166	506,811
Borrowings	15,664	-	31,532	-
Total interest expense	234,575	244,983	474,698	506,811
Net interest income	1,784,558	1,416,331	3,590,047	2,767,345
Provision for loan losses	55,000	245,000	220,000	470,000
Net interest income after provision for loan losses	1,729,558	1,171,331	3,370,047	2,297,345
Other non-interest income:				
Gain on sale of securities	-	-	21,630	-
Gain on sale of loans	51,801	4,966	90,409	6,987
Gain on sale of OREO	41,442	4,802	46,933	20,995
Gain on sale of repossessed assets	2,335	3,872	2,335	3,872
Origination of mortgage servicing rights, net of amortization	10,836	(726)	10,836	(2,881)
Customer service fees	110,761	73,824	205,558	143,582
Income on bank owned life insurance	12,072	12,371	24,256	26,420
Other	26,353	27,361	52,772	55,198
Total other non-interest income	255,600	126,470	454,729	254,173
Other non-interest expenses:				
Salaries and employee benefits	700,212	425,516	1,411,555	824,178
Directors fees	37,800	25,200	75,600	50,400
Occupancy	176,846	128,336	330,611	260,272
Deposit insurance premium	44,198	35,743	89,105	68,674
Legal and professional services	81,743	128,171	185,403	220,929
Data processing	797,238	70,656	1,172,166	138,477
Loss on sale of securities	-	-	2,039	-
Valuation adjustments and expenses on foreclosed real estate	89,805	19,365	109,903	42,186
Loss on sale of OREO	-	1,870	-	10,271
Loss on sale of repossessed assets	2,088	-	11,971	2,919
Other	254,118	182,751	475,305	308,274

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Total other non-interest expenses	2,184,048	1,017,608	3,863,658	1,926,580
(Loss) income before income tax expense	(198,890)	280,193	(38,882)	624,938