

MERGENT® INDUSTRIAL

NEW LISTING

June 12, 2018



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and BANK & FINANCE Manuals and will be included in the bound June 2018 Monthly News Reports and is published on our Website.

EDGEWATER BANCORP INC

Company Website: www.edgewaterbank.com

History: Incorporated in Maryland on Jan. 10, 2014.

Business Summary: Edgewater Bancorp is a bank holding company. Through its subsidiary, Edgewater Bank (the Bank), Co. is primarily engaged in providing a range of banking and financial services to individual and corporate customers in the Berrien, Van Buren and to a lesser extent Cass Counties, MI. Co.'s principal lending activity is originating residential one-four family, commercial real estate, commercial and industrial, warehouse line and consumer. Co. also invest in securities. As of Dec 31 2017, Co.'s had total assets of \$156.4 million and total deposit of \$137.6 million.

Property: Co. maintains its principal executive offices in St. Joseph, MI. Co. also maintains four additional branch offices in Royalton Township, Buchanan, Bridgman, Coloma and one loan production office in Fremont, MI.

Subsidiaries

Edgewater Bank
Explorer Financial Service Corporation
Edgewater Insurance Agency, Inc.
Waters Edge Real Estate Holdings, LLC

Officers

Kenneth F. Ankli, III, Chairman; Subsidiary Officer
Richard E. Dyer, President; Chief Executive Officer; Subsidiary Officer
Coleen S. Frens-Rossman, Chief Financial Officer; Senior Vice President; Subsidiary Officer

Directors

Kenneth F. Ankli, III, Chairman; Director
Richard E. Dyer, Director
James R. Marohn, Director
Stephen Ross, Director
Thomas L. Starks, Director
Norma Tirado-Kellenberger, Director
Lynn C. Todman, Director

Auditors: BKD, LLP

Legal Counsel: Varnum LLP, Grand Rapids, MI

Transfer Agent: Computershare

Annual Meeting: In May

Shareholder Relations: Richard E. Dyer, President & CEO Tel: 269-982-4175

No. of Stockholders: May 30, 2018, 148, non-broker

No. of Employees: May 30, 2018, 37

Address: 321 Main Street, St. Joseph, MI 49085

Tel: 269 982-4175

Fax: 269 982-1971

Web: www.edgewaterbank.com

Email: rdyer@edgewaterbank.com

Consolidated Income Statement, Years Ended Dec. 31 (\$):

	2017	2016	2015
		(revised)	(revised)

Interest income: loans, including fees	5,190,182	4,984,390	4,578,300
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Interest income: securities, taxable	132,018	110,996	117,293
Interest income: securities, tax-exempt	23,283	31,010	44,689
Interest income: Federal Home Loan Bank stock	29,143	28,884	36,735
Interest income: other interest-earning assets	152,111	51,977	18,720
Total interest income	5,526,737	5,207,257	4,795,737
Interest expense: deposits	574,100	519,339	410,222
Interest expense: FHLB Advances	110,920	128,149	125,664
Total interest expense	685,020	647,488	535,886
Net interest income	4,841,717	4,559,769	4,259,851
Provision for loan losses	60,000	183,000	65,000
Net interest income after provision for loan losses	4,781,717	4,376,769	4,194,851
Service charges, deposits	383,381	366,592	376,218
Mortgage banking activities	391,267	481,922	451,036
Other non-interest income	147,753	98,927	117,181
Salaries & employee benefits	2,839,938	2,728,975	2,641,966
Occupancy & equipment	747,108	751,934	776,886
Data processing	578,819	569,042	553,075
Gain (loss) on sale of other real estate, net	(32,065)	(36,600)	(5,167)
Interchange	141,124	112,171	95,221
Advertising	47,083	65,379	73,332
FDIC insurance premiums	72,148	92,418	106,764
Other real estate	60,154	22,951	27,311
Professional fees	328,496	432,110	491,195
Insurance	59,254	58,843	59,355
Other non-interest expense	312,607	303,747	266,876
Total non-interest expense	5,218,796	5,174,170	5,097,148
Net income (loss) before taxes	485,322	150,040	42,138
Net income (loss)	485,322	150,040	42,138
Dividends & undistributed earnings allocated to participating			

securities	6,868
Net income available to common stockholders	478,454	150,040	...
Weighted average shares outstanding - basic	621,869	619,726	617,589
Weighted average shares outstanding - diluted	621,869	619,726	617,589
Year end shares outstanding	683,198	667,898	667,898
Earnings (loss) per share - basic	\$0.77	\$0.24	\$0.07
Earnings (loss) per share - diluted	\$0.77	\$0.24	\$0.07
Number of full time employees	37	...	36
Number of common stockholders	148	...	667,898

As of May 30, 2018; Non-broker; Approximately; As of March 15, 2016

Consolidated Balance Sheet, Years Ended Dec. 31 (\$):

	2017	2016
		(revised)
Assets:		
Cash & due from banks	715,152	879,168
Interest-bearing demand accounts	20,159,757	13,360,600
Total cash & cash equivalents	20,874,909	14,239,768
Available-for-sale securities	11,220,499	9,615,090
Loans held for sale	...	148,000
Real estate: residential		
1- 4 family	55,221,766	48,959,756
Real estate: commercial	40,580,873	41,101,468
Real estate: construction & land development	1,794,401	1,193,824
Commercial & industrial	12,614,131	10,387,698
Warehouse line loans	2,167,807	14,119,027
Consumer: home equity loans & lines of credit	6,448,693	7,283,873
Other consumer loans	1,364,565	962,458
Total loans	7,813,259	8,246,331
Net deferred loan costs	(32,584)	(31,332)
Allowance for loan losses	1,276,434	1,251,647
Loans receivable, net	118,948,386	122,787,789
Land	864,420	864,420
Land improvements	325,774	322,809
Buildings & improvements	4,532,399	4,523,329
Furniture, fixtures & equipment	3,399,523	3,333,517
Premises & equipment, gross	9,122,116	9,044,075
Less accumulated depreciation	6,096,008	5,725,509
Premises & equipment,		

net.....	3,026,108	3,318,566	Federal Home Loan Bank			ing interest at rates ranging from 1.62% to 1.79%, maturing in
Federal Home Loan Bank			(FHLB) advances	4,000,000	11,000,000	2019.
(FHLB) Stock	686,200	686,200	Accrued & other			Line of Credit: Co.'s subsidiary, Edgewater Bank (the Bank),
Other real estate, net	495,448	273,167	liabilities	680,217	599,360	had a \$2,000,000 line of credit with the Federal Home Loan Bank
Interest receivable	352,206	313,234	Total liabilities	142,310,489	138,705,191	and a \$2,000,000 federal funds line with United Bankers Bank,
Mortgage servicing right	372,075	394,527	ESOP shares subject to			none of which was outstanding at Dec. 31, 2017. The line of
Other assets	408,510	450,581	mandatory redemption	107,493	73,474	credit is secured by mortgage loans.
Total assets	156,384,341	152,226,922	Common stock	6,832	6,679	Capital Stock: 1. Edgewater Bancorp Inc common; par \$
Liabilities:			Paid-in-capital	4,734,077	4,683,434	0.01.
Non-interest bearing			Retained earnings	9,285,414	8,800,092	AUTHORIZED—4,000,000 shs.
deposits	20,277,320	15,509,534	Accumulated other			OUTSTANDING—Dec. 31, 2017, 683,198 shs; par \$ 0.01.
Interest bearing demand			comprehensive income			VOTING RIGHTS—Entitled to one vote per share with non-
deposits	54,407,613	48,756,006	(loss)	(59,964)	(41,948)	cumulative voting for directors.
Money market accounts	20,920,249	20,714,524	Total equity	13,966,359	13,448,257	PRIMARY EXCHANGE—National Bulletin Board (NBB):
Savings accounts	16,566,049	15,684,212				EGDW.
Certificates of deposits	25,459,041	26,441,555				OFFERED—(897,000 shares) at \$10.00 a share on Nov. 12,
Total deposits	137,630,272	127,105,831				2013through Sterne, Agee & Leach. IPO
			Long-Term Debt: Dec. 31, 2017, \$4,000,000 (including cur-			
			rent portion) secured Federal Home Loan Bank advances, bear-			

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