



Lakeside Bank

Investing in the Community



Dear Customers, Friends & Shareholders:

While Lakeside Bank achieved extraordinary financial results in 2013, the year ended on a very somber note with the passing of my father, my mentor, and our Chairman & CEO, Victor J. Cacciatore. As I consider the enormous contributions he has made to my life and to the success of the Bank, his emphasis on personal relationships stands out. In the late 1960's Raymond Spaeth, who later became Lakeside's President and whose own father co-founded the Bank in 1966, walked into my father's law office in Bridgeport to make a cold call on a prospective customer. This prospect was then a real estate investor, zoning attorney, and entrepreneur, deeply involved with his alma maters, Mount Carmel High School and DePaul University. Not only did that cold call evolve into a customer relationship but eventually turned into a directorship for my father on Lakeside Bank's board. Ray has often told me that Victor Cacciatore referred more business than any other director on the Board. Without Ray's initiative, without my father's willingness to listen to him, without the personal relationship that subsequently developed, Lakeside Bank would not be what it is today. My father emphasized to me from a very early age that all great endeavors require not only hard work and education but, most importantly, great people. He always advised treating employees as family and surrounding oneself with strong personal relationships repeating that "the key to this business is our personal relationships." My father loved Lakeside Bank and took pride in what this Bank had become not only because of the success we have achieved, but how we treat our employees and customers to get there.



Lakeside Bank ended 2013 with record earnings which allowed the Bank to further strengthen its balance sheet. Our net earnings of \$30.7 million represents an 87% increase over 2012 earnings of \$16.4 million with over \$1.1 billion in total assets including \$955.7 million in total loans. Our stockholder's equity also grew from \$134.0 million to \$151.9 – a substantial increase of \$17.9 million or 13.4%. Our capital ratios are substantially above "well capitalized" levels with risk based capital at 16.7% and leverage capital at 13.7%. We have developed a solid financial foundation and positioned ourselves for future growth. We have many exciting new developments in process; none of which is more important than the relocation of our Indiana Avenue branch to 14th Street & Michigan Avenue (a new full service state-of-the-art facility) which will be built and occupied by the end of 2014. The Bank implemented its succession plan in the fourth quarter of 2013 with my election as Chairman and CEO and the election of David Pinkerton to the offices of President and Vice-Chairman.

"The key to this business is our personal relationships"



Mr. Pinkerton has been with the Bank for over 24 years serving as a member of the executive committee and a senior commercial lending officer. He succeeds Donald Anderson who served the bank for over 11 years most recently as it's as President & COO. I am happy to report that Mr. Anderson will stay on as a member of our Board of Directors. Stan Bochnowski, who has been an integral part of Lakeside Bank for over 30 years as a senior commercial lending officer and Executive Vice-President, was also elected to serve on the Board of Directors. We are also very pleased to have made several promotions including Dalia Balciunas from Loan Services Specialist to AVP of Loan Operations, Aniceto Ron, from Network Administrator to Information Systems Officer, Jeff Miller from VP to SVP & Chief Information Systems Officer, Susan Schliep from Human Resources Officer to VP of Human Resources, Justin Newhuis from Commercial Loan Officer to AVP Commercial Lending, Odis Cole from Personal Banker to Personal Banking Officer and Nick Wycklendt from Commercial Loan Officer to AVP of commercial lending. We congratulate all of these individuals and thank them for their contributions.

Many banks say "We Are Chicago" but no institution is more connected to or provides better service to the communities of Chicago than Lakeside Bank. "A world-class bank for a world-class city" - We are a locally owned community bank with over \$1.1 billion in assets. Our Directors, shareholders, and employees are all passionate about how Lakeside Bank serves its customers and the communities of this great city. We reinvest all of our deposits into the Chicago communities that we serve to stabilize and nourish them. Our lending expertise extends from the futures and securities industry to builders, developers, and a wide variety of businesses. We understand middle market banking, crafting solutions to help small and mid-size businesses prosper. We are recognized for more than just lending money and accepting deposits because of the service we offer. Our officers and employees are truly dedicated to their work and the customers they serve by providing them and the communities in which they live and work with extraordinary service. We are relationship-driven and personalized service will always remain the focus of our business model.

So, on behalf of the Board of Directors, our Executive Committee, and our entire Lakeside Bank team we thank you for your continued support of our vision. We are committed to providing you with the best possible banking relationship and invite you to begin a relationship with Lakeside Bank to begin investing in your future.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip D. Cacciatore". The signature is fluid and cursive, with a large initial "P" and a long, sweeping underline.

Philip D. Cacciatore
Chairman of the Board and Chief Executive Officer



Lakeside Bank Celebrates Community

Make A Difference Day

In Honor of Make a Difference Day, the largest national day of helping others, Lakeside Bank hosted its 6th Annual “Women Who Make a Difference” Awards Reception on October 23rd and gathered employees, family and friends, for a day of service at the West Side Association for Community Action (WACA), 3600 W. Ogden, on October 26th where volunteers painted and tore down wood paneling in a community room. Make a Difference Day, founded by USA Weekend Magazine, is celebrated on the fourth Saturday of every October through a day of volunteerism.

The awards reception was held at Fulton’s on the River and emceed by ABC7 Chicago news anchor Linda Yu. Over 150 guests attended and honored three Lakeside Bank customers, Gloria & Lola Jenkins, and Susan Weber. The Jenkins’ sisters run WACA, a west-side social service agency founded by their parents that works with at-risk youth. Weber, CFO and Treasurer for New Frontier Management Corp, Pacific Management, Inc. and its related entities by day, founded the Russell C. Page Charitable Trust in honor of her late husband, which donates money to groups focused on counseling and suicide prevention, youth and young adult services and activities, support for families dealing with illness, assistance to the homeless and disadvantaged, and programs dealing with eldercare and Alzheimer’s.

Mercy Hospital’s Comprehensive Women’s Health and Cancer Center was a partner of this event, since October is also National Breast Cancer Awareness Month. Christine Benz, Director of Personal Finance at Morningstar, Inc., was the keynote speaker.





Concerts in the Park

Lakeside Bank presented VanderCook College of Music's Graduate Band at two special outdoor concerts over the summer; one in Chinatown Square on July 2nd and one at the Chicago Women's Park and Gardens behind the Clarke House Museum on July 16th. A combined total of nearly 700 people attended the two family friendly events. Kids enjoyed face painters and balloon artists, prizes, and danced to the music. Parents brought their picnics and socialized with neighbors. The concerts were done in partnership with the Chicago Chinatown Chamber of Commerce, the Chicago Park District, the Greater South Loop Association, the Near South Planning Board, and the Prairie District Neighborhood Alliance.

 Lakeside Bank *presents*

Concerts in the Park

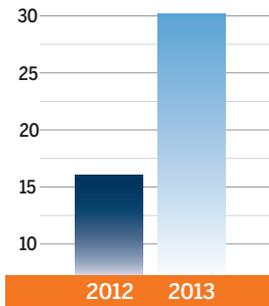
 VanderCook
COLLEGE OF MUSIC
www.vandercook.edu



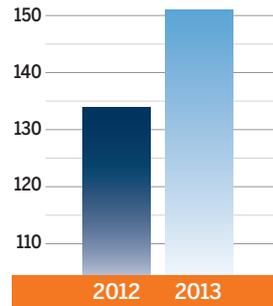
FINANCIAL HIGHLIGHTS

	2013	2012
Net income	\$ 30,689,000	\$ 16,415,000
<i>Balances at year end:</i>		
Assets	1,123,396,000	1,104,411,000
Loans, net	955,764,000	909,925,000
Deposits	942,258,000	935,844,000
Stockholder's equity	151,990,000	134,047,000

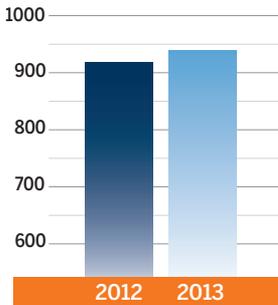
NET INCOME
(in millions)



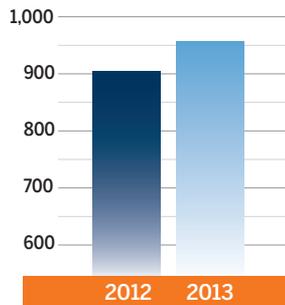
TOTAL STOCKHOLDER'S EQUITY
(in millions)



CUSTOMER DEPOSITS
(in millions)



TOTAL LOANS
(in millions)



STATEMENT OF EARNINGS

(unaudited in thousands)

	2013	2012
<i>Interest income on:</i>		
Loans	\$ 51,176	\$ 52,424
Securities	1,167	1,026
Other investments	345	364
Total Interest Income	52,688	53,814
<i>Interest expense on:</i>		
Deposits	5,789	7,052
Other borrowings	139	282
Total Interest Expense	5,928	7,334
Net Interest Income	46,760	46,480
<i>Provision for possible loan losses</i>	8,550	10,000
Net Interest Income <i>(After provision for possible loan losses)</i>	38,210	36,480
Other operating income	13,879	2,730
Other operating expenses	21,170	22,685
Income Before Income Taxes	30,919	16,525
Income taxes	230	110
Net Income	\$ 30,689	\$ 16,415

STATEMENT OF CONDITION

(unaudited in thousands)

	2013	2012
ASSETS		
Cash and due from banks	\$ 67,728	\$ 91,995
Federal funds sold & repurchase agreements	-	-
Investment securities	64,251	70,910
Loans, net of unearned discount	983,390	934,433
Less allowance for possible loan losses	27,626	24,508
Net Loans	955,764	909,925
Other assets	35,652	31,581
Total Assets	\$1,123,396	\$1,104,411
LIABILITIES & STOCKHOLDER'S EQUITY		
Deposits		
Non interest-bearing	\$ 249,247	\$ 241,021
Interest-bearing	693,011	694,823
Total deposits	942,258	935,844
Other borrowings	14,314	20,801
Other liabilities	14,834	13,719
Total Liabilities	971,406	970,364
Stockholder's equity	151,990	134,047
Total Liabilities & Stockholder's Equity	\$1,123,396	\$1,104,411

BOARD OF DIRECTORS



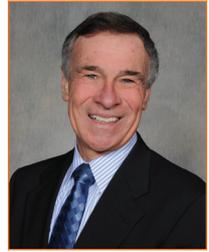
Philip D. Cacciatore
Chairman of the Board
& Chief Executive
Officer—Lakeside Bank,
President—
Lakeside Bancorp, Inc.



David V. Pinkerton
Vice Chairman &
President—
Lakeside Bank



Donald D. Anderson
Former President—
Lakeside Bank



Stan J. Bochnowski
Executive Vice
President—
Lakeside Bank



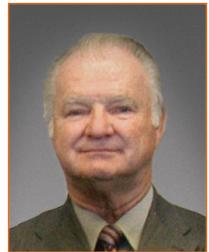
Julie Cellini
Investment Management



Raymond M. Chin
President—R.M. Chin &
Associates



John P. Davey
Attorney



Terry M. Gabinski
President—T.G.
Enterprises



Daniel P. Leahy
Executive Vice
President—NAI Hiffman



**George C.
Pappageorge**
FAIA, Founding
Partner & Principal—
Pappageorge/Haymes



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President—Jos. Cacciatore
& Co., President—
Hunter Parking, Inc.



**DIRECTOR
EMERITUS**
Dan K. Webb
Partner—Winston
& Strawn

EXECUTIVE COMMITTEE



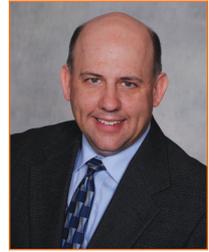
Philip D. Cacciatore
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& Chief Executive
Officer—Lakeside Bank,
President—
Lakeside Bancorp, Inc.



David V. Pinkerton
Vice Chairman &
President—
Lakeside Bank



Stan J. Bochnowski
Executive Vice
President—
Lakeside Bank



Todd G. Monte
Executive Vice President
& Chief Financial
Officer—
Lakeside Bank



Vincent J. Tolve
Executive Vice President,
General Counsel, Trust
Officer & Secretary—
Lakeside Bank

BANK OFFICERS

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Operations, BSA &
Security Officer

Donald Benjamin
Senior Vice President,
Commercial Lending

Jeffery W. Miller
Senior Vice President &
Chief Information Officer

Eva M. Ayala
Vice President &
Branch Manager

Christine Brown
Vice President,
Commercial Lending

Eric DeNaut
Vice President,
Commercial Lending

Michael L. Dollard
Vice President & Controller

Lisa Formanski
Vice President,
Branch Manager &
Compliance Officer

Raymond Groselak, Jr.
Vice President,
Commercial Lending

Connie Harris
Vice President &
Branch Manager

Suzanne T. Henson
Vice President,
Commercial Lending

Ken Kosin
Vice President,
Commercial Lending

Jennifer D. McCracken
Vice President, Marketing

Juanita Lazzerini
Vice President,
Residential Lending

Tim Savoca
Vice President &
Credit Officer

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Vice President,
Human Resources

Desiree D. White
Vice President, Operations

Jeffrey Wisniewski
Vice President,
Commercial Lending

Jo Ann Wong
Vice President,
Loan Documentation

Dalia Balcunas
Assistant Vice President,
Loan Documentation

Susanna L. Fong
Assistant Vice President
& Branch Manager

Carmen N. Madsen
Assistant Vice President &
Assistant Branch Manager

Grace Marcordes
Assistant Vice President &
Branch Manager

Justin Newhuis
Assistant Vice President,
Commercial Lending

Donna Reinke
Assistant Vice President,
Loan Documentation

Fanny Urquiza
Assistant Vice President

Robert Virzi
Assistant Vice President,
Risk Management

Nick Wycklendt
Assistant Vice President,
Commercial Lending

Fanny Yuen
Assistant Vice President &
Personal Banking Officer

Carolyn Booth
Personal Banking Officer

Odis Cole
Personal Banking Officer

Michael J. McCauley
Operations Officer

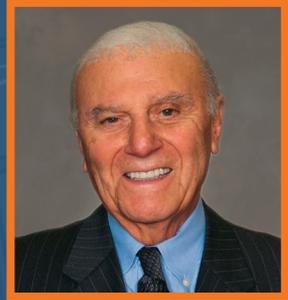
John H. Rogers III
Personal Banking Officer
& Branch Manager

Ancieto Ron
Information Systems Officer

Florence Wong
Personal Banking Officer

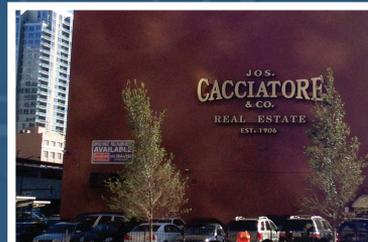
Remembering Victor J. Cacciatore

On December 30th Victor J. Cacciatore lost his battle with cancer, and Lakeside Bank lost its leader. As Phil Cacciatore noted, "He took so much pride in what this bank has become not only because of the success we have achieved but how we treat people to get there." Mr. Cacciatore was a successful businessman, with a foundation in real estate. He practiced law, and started a major street-sweeping operation in addition to purchasing Lakeside Bank. "He was just a really tough and fair-minded businessman. He was probably the most persistent entrepreneur I've ever met," said Ray Spaeth. He was also a philanthropist and a family man. Mr. Cacciatore always preached about the importance of relationships. In Phil's words, "One of my Father's favorite metaphors was, 'a one-way street is either dead or dying'. That was his way of saying give of yourself and demand that others reciprocate; a reciprocal relationship is one that survives whether it be personal or business relationships." Rest in peace Mr. Cacciatore. You will be missed and never forgotten.



“Work hard, respect everyone, be honest, love and be passionate about what you do; whatever it may be.”

- Victor J. Cacciatore





Contact Us!
312.435.5100



**MEMBER
FDIC**

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Chicago, IL 60616

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UIC/Near West
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Lakeview/Lincoln Park
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