



 Lakeside Bank  
50 Years of Financial Strength



 Lakeside Bank  
2016 Annual Report

Strength  
Longevity  
Wisdom  
Loyalty  
Power  
Heritage  
Honor

2016  
2010  
2000  
1990  
1980  
1970  
1966

*It's about time.™*



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Dear Shareholders, Customers & Friends,

*Lakeside Bank was founded half a century ago. Which makes this our "Golden Anniversary" and an appropriate time to reflect on who we are, what we've done...and what we plan to do.*

For five decades Lakeside has grown dramatically, offering products and services that were often industry firsts. Plus, we've always been one of the most efficient and productive banks in the country. Not just in the city, in the country!

We've grown by emphasizing our local roots. Neighborhood by neighborhood, Lakeside investments support the communities in which we're based, helping developers, businesses and individuals establish themselves and thrive. We understand the diverse demands of middle-market banking and craft individual solutions to meet the needs of our clients. All our deposits are reinvested into Chicago.

2015 continued our growth and prosperity. Our net earnings of \$26.9 million represents a 2.15% return on average assets and a 17.03% return on equity, another year we can be proud of. We ended 2015 with approximately \$1.3 billion in total assets, including \$1.07 billion in total loans. Our stockholders' equity grew from \$158.0 to \$166.3 million and our capital ratios continue to be substantially above the regulatory "well capitalized" levels with risk-based capital at 16.38% and leverage capital at 13.51%. Our solid foundation continues and provides a unique platform for growth.

On this occasion of our 50th birthday, I'd like to point out an important fact that makes us different: *Lakeside personnel stay with the bank. They believe in our vision: Help your clients. Innovate. Tailor individual solutions. Move smart and move fast. Be there for the long haul. Surviving the test of time!*

Having personnel with responsibility, flexibility and the authority to make good things happen means happy, satisfied clients. *So clients then stay with Lakeside for years, decades...even generations...and become friends.* It's true; banking is indeed about relationships. And no one does personal banking better than Lakeside Bank.

2016 will be an exciting year for Lakeside Bank. We're opening a new branch in Elmhurst, our first outside Chicago. Elmhurst is a core community of over 45,000, with more than 2,400 businesses. We're excited about our branch potential!

I'm also pleased to announce a new marketing campaign will launch spring 2016. It will include a strong and diverse media presence and a new website. All communication will carry the theme, *"It's about time.™"* The marketing is the beginning of a significant investment in additional Lakeside growth opportunities.

On behalf of the Board of Directors, our Executive Committee and our entire Lakeside Bank team, thank you for your continued support. Or, if you're not yet a member of the extended Lakeside family, I hope this letter encourages you to join us, soon.

Sincerely,



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





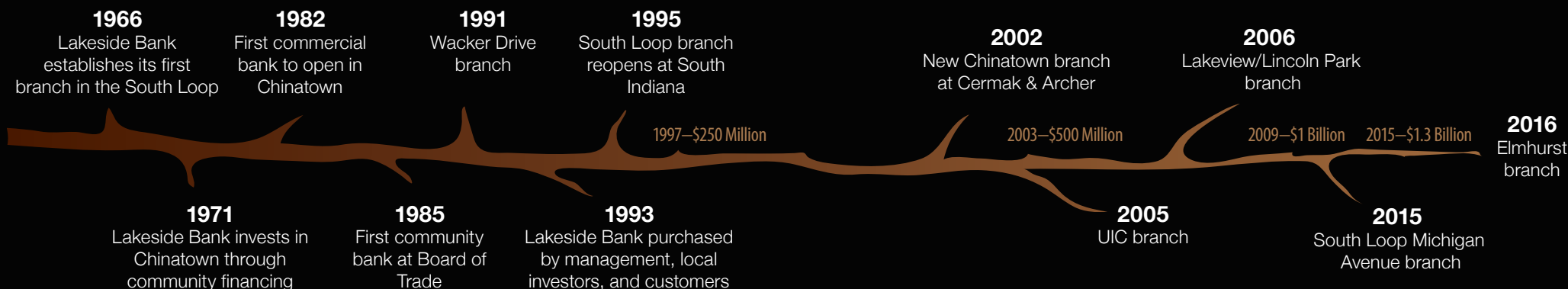
# It's about time.™

since 1966

Our mighty bank, Chicago's community bank, has earned its undeniable reputation. We've been here for 50 years, experiencing strong growth and witnessing history. We've weathered many storms, offered strength and stability to our customers, and helped them realize their hopes & dreams.

As nature always finds a way, so do we. We're proud we've never taken financial assistance from the government. For a half a century, we've continued to grow and thrive, building loyal partnerships with real results.

Today we continue that growth, with employees and clients who have been with us for years—with a vitality that can't be denied. You can feel the energy of our people and the history and wisdom within each of our six branches—and growing. We are Chicago's bank—a bank like no other.





Print

Radio

# It's about time.™

2016 is the beginning of an intensified marketing focus for Lakeside Bank. A powerful radio, billboard, print and digital campaign will feature specific products, services and our people, demonstrating how Lakeside differs from competition. A new website is also launching.

All communication carries a new theme: "It's about time." The tagline has multiple positive meanings, always reinforcing how our points-of-difference are, well, about time! As one ad notes, "Why should banking be so complicated? Lakeside Bank makes it easy. It's about time."

Sponsorships

Outdoor

Online



**Not your typical banker.**

David Pinkerton  
Vice Chairman & President  
Lakeside Bank 27 Years

At Lakeside bank, we get to know you. In fact, we've known our clients for years and continue on-going relationships with them. We know their names and they know ours.

But it's more than just a personal connection that funds our financial partnerships—it's our years of experience, dedication and flexibility to implement customized solutions, and the power and authority to get things done quickly.

At Lakeside Bank, our clients don't call an 800 number or wait for a customer service department to open. They call us on our direct lines and mobile numbers. Isn't it time to get your own Lakeside Banker?

**Lakeside Bank** It's about time.

312-435-5100 • www.LakesideBank.com • 6 locations



**Live. Work. Succeed.**

She believed she could. So she did. Little girls with dreams become women with vision. 63% of our Lakeside Bank branch managers are women. The future can be better than the present, and they have the power to make it so.

It's time to stop in one of our six branches and learn how bright your future really can be.

**Lakeside Bank** It's about time.

312-435-5100 • www.LakesideBank.com • 6 locations



**Banking is Not Black & White**

For half a century, our family-owned bank has helped neighborhoods grow. We make decisions based on vision and potential—because it's not all black & white.

Stop in one of our neighborhood branches and get to know the energy of our people and the history and wisdom of the Lakeside family.

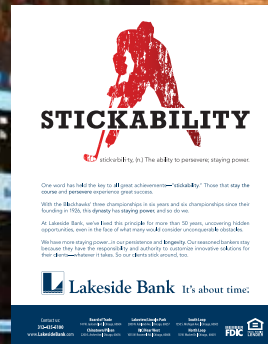
**Lakeside Bank**

312-435-5100 • www.LakesideBank.com • 6 locations



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**STICKABILITY**

Stickability is the ability to persevere, staying power.

One word has led to big things. Stickability. These four days the name and message experience great success.

With the Stickability theme, perseverance is key and our message is clear: Stickability is the key to success. It's about the power of the word.

At Lakeside Bank, we've had this phrase for more than 10 years, representing hidden opportunities, success and the power of the word.

We have more staying power, it's our persistence and longevity. Our message is clear: Stickability is the key to success. It's about the power of the word.

**Lakeside Bank** It's about time.

312-435-5100 • www.LakesideBank.com • 6 locations



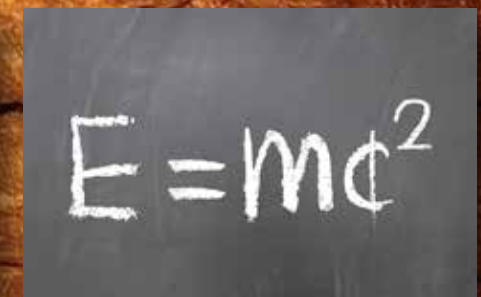
**Because time does matter.**

At Lakeside Bank, we know how to save time. One banker will work with you now and for years to come. We know the clock is ticking. Especially when a deal is on the line.

Call or come in to one of our branches and let us show you how to really save time.

**Lakeside Bank** It's about time.

312-435-5100 • www.LakesideBank.com • 6 locations



**E=mc<sup>2</sup>**

**In banking, time isn't relative. It's everything.**

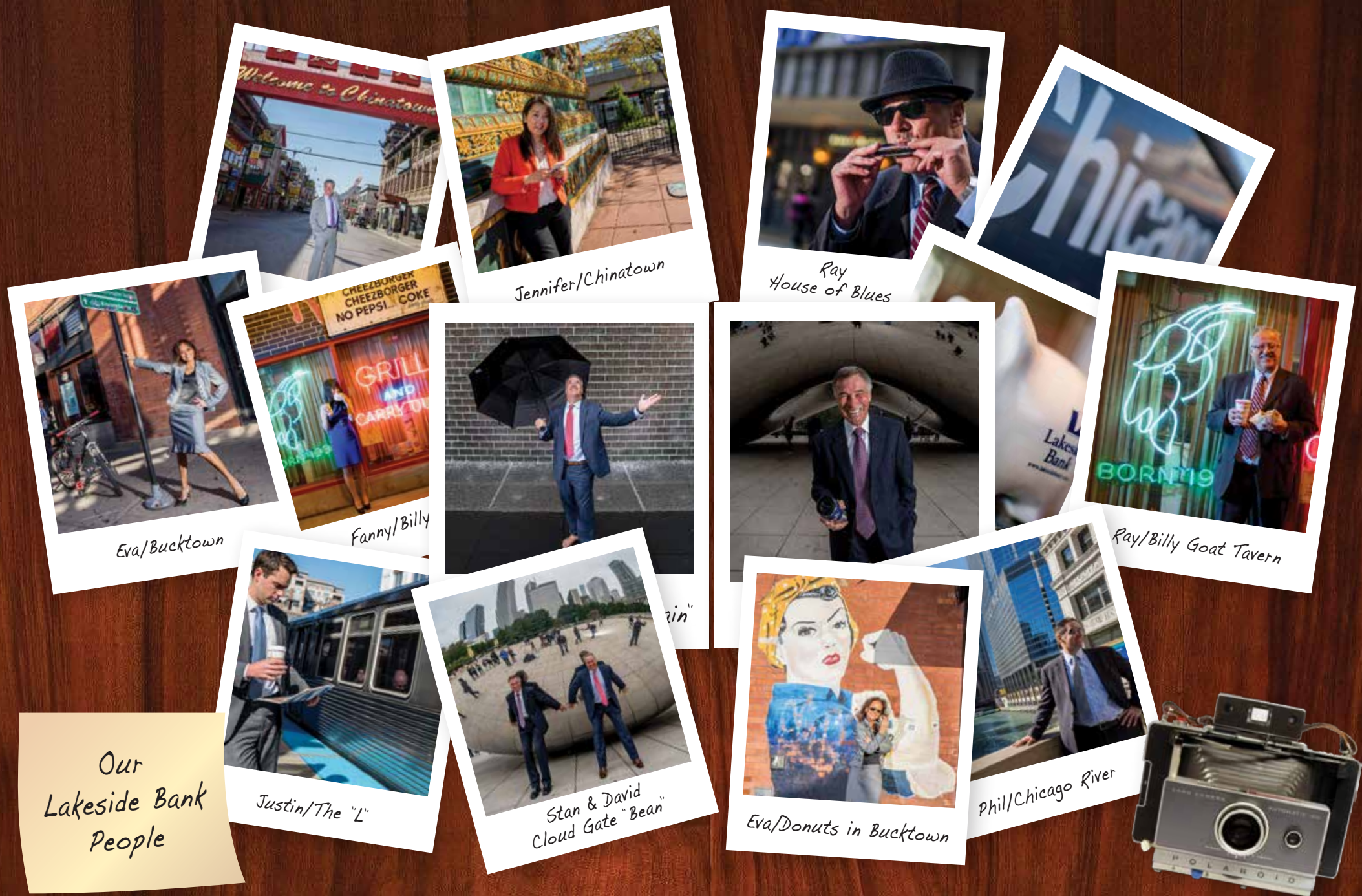
At Lakeside Bank, we know time is more than theoretical. You'll have your own banker who has the authority to make decisions. We'll get things done...in a fraction of the time.

Call or stop in at one of our branches. Anytime. So we can save you time.

**Lakeside Bank** It's about time.

312-435-5100 • www.LakesideBank.com • 6 locations





## Not Your Typical Banker

Lakeside bankers are not a reserved, blue-suited, white-shirted boring group. We're like the Chicago we love: Proud, fun, confident, strong and outgoing. And, in another notable contrast to much of the banking world, Lakeside bankers

STAY at Lakeside Bank. For years. Decades. Building powerful relationships with our clients. Who also stay. For decades. Even generations. Yet another positive meaning to our theme of, "It's about time."



# Our 7th Branch

Lakeside Bank is pleased to announce our first branch outside Chicago. Opening fourth quarter 2016, Lakeside Bank Elmhurst will be uniquely positioned to tap into this community of over 45,000 people and 2,440 businesses, just sixteen miles west of Chicago.

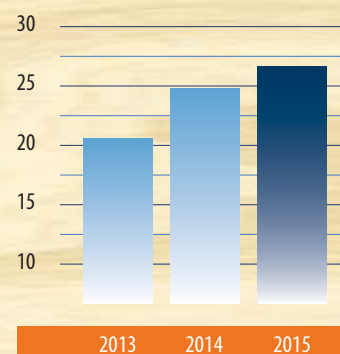
Elmhurst prides itself on being, *"Close to Everything, Unlike Anything."* Lakeside Bank will be a great fit.



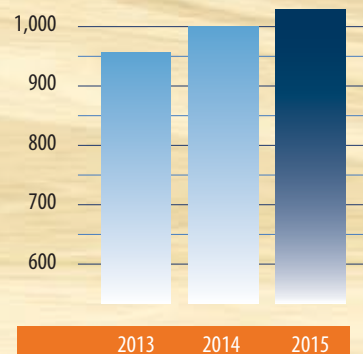
## FINANCIAL HIGHLIGHTS

	2015	2014	2013
Net Operating Income	\$ 26,919,000	\$ 24,363,000	\$ 21,678,000
<i>Balances at year end:</i>			
Assets	1,220,484,000	1,207,265,000	1,123,396,000
Loans, Net	1,038,249,000	1,001,896,000	955,764,000
Deposits	1,012,291,000	1,001,091,000	942,258,000
Stockholders' Equity	166,331,000	158,059,000	151,990,000

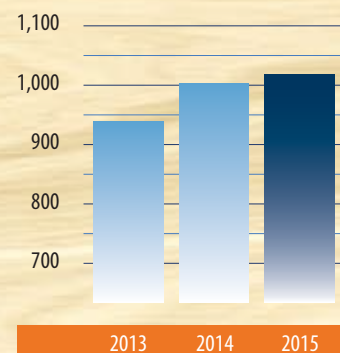
Net Operating Income  
(in millions)



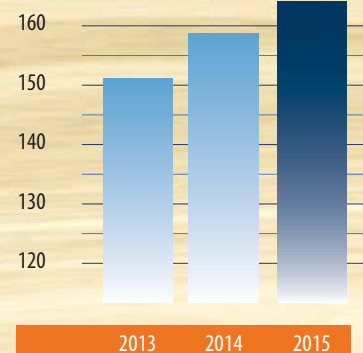
TOTAL LOANS  
(in millions)



CUSTOMER DEPOSITS  
(in millions)



TOTAL STOCKHOLDER'S EQUITY  
(in millions)



## STATEMENT OF EARNINGS (unaudited in thousands)

	2015	2014
<i>Interest Income on:</i>		
Loans	\$54,069	\$51,751
Securities	633	964
Other Investments	464	307
<b>Total Interest Income</b>	<b>55,166</b>	<b>53,022</b>
<i>Interest Expense on:</i>		
Deposits	\$5,432	\$5,097
Other Borrowings	382	194
<b>Total Interest Expense</b>	<b>5,814</b>	<b>5,291</b>
<b>Net Interest Income</b>	<b>\$49,352</b>	<b>\$47,731</b>
<i>Provision for possible loan losses</i>	<u>2,820</u>	<u>6,900</u>
<b>Net Interest Income</b>		
<i>After provision for possible loan losses</i>	<b>46,532</b>	<b>40,831</b>
Other Operating Income	2,740	2,169
Other Operating Expenses	21,951	18,326
Income Taxes	402	311
<b>Net Operating Income</b>	<b>26,919</b>	<b>24,363</b>

## STATEMENT OF CONDITION (unaudited in thousands)

	2015	2014
<b>ASSETS</b>		
Cash and due from banks	\$87,071	\$119,890
Investment Securities	41,514	53,205
Loans, net of unearned discount	1,063,336	1,028,477
Less allowance for possible loan losses	<u>25,087</u>	<u>26,581</u>
<b>Net Loans</b>	<b>1,038,249</b>	<b>1,001,896</b>
Other Assets	53,650	32,274
<b>Total Assets</b>	<b>\$1,220,484</b>	<b>\$1,207,265</b>
<b>LIABILITIES &amp; STOCKHOLDER'S EQUITY</b>		
Deposits		
Non Interest-bearing	\$265,808	\$286,622
Interest-bearing	746,483	714,469
<b>Total Deposits</b>	<b>1,012,291</b>	<b>1,001,091</b>
Other Borrowings	24,372	32,518
Other Liabilities	17,490	15,587
<b>Total Liabilities</b>	<b>1,054,153</b>	<b>1,049,206</b>
Stockholder's Equity	166,331	158,059
<b>Total Liabilities &amp; Stockholder's Equity</b>	<b>\$1,220,484</b>	<b>\$1,207,265</b>



# Supporting Our Thriving Community



## Concert in the Park

A record estimated crowd of 800+ was on hand at Lakeside Bank's 9th Annual Concert in the Park, performed by VanderCook College of Music's Graduate Concert Band, on July 14th. Families brought their picnics, gathered at the Women's Park and Gardens behind the Clarke House Museum, and enjoyed the sounds of show tunes, marches, and concert band classics. Kids were treated to games with prizes, face painting, balloons, and a petting zoo. The event was done in partnership with the Chicago Park District, the Near South Planning Board, the Prairie District Neighborhood Alliance, and the Spoke & Bird.



## Make a Difference Day

In Honor of Make a Difference Day, the largest national day of helping others, Lakeside Bank hosted its 8th Annual "Women Who Make a Difference" Networking Reception on Wednesday, October 21st, and gathered employee volunteers for a day of service at True Rock Ministries on Saturday, October 24th.

The reception was held at River Roast Private Events and emceed by journalist, producer, media coach and speaker, Sylvia Perez. Nearly 150 guests attended and were inspired by keynote speaker Joyce Marter, CEO of Urban Balance, who discussed how you can still make a difference and create work/life balance.

Mercy Hospital's Comprehensive Women's Health & Cancer Center was a partner of this event, since October is also National Breast Cancer Awareness Month.



Make a Difference Day, founded by USA Weekend Magazine, is celebrated on the fourth Saturday of every October through a day of volunteerism. This year 20+ Lakeside Bank employees, family and friends volunteered at True Rock Ministries in the South Loop to paint and spruce up the children's area. Lakeside also contributed to True Rock's efforts to provide 1,000 families Thanksgiving groceries.







The Uniform Time Act of 1966  
(Uniform Daylight Savings Time)

500,000 Troops in Vietnam

Miranda Rights Begin

US Population exceeds 195 million

Inflation is at 3%

The Dow Jones Industrial Average  
closes the year at 785

Average cost of a new house is \$14,200

Average annual income is \$6,900

Gas costs 32 cents a gallon  
(a new car averages \$2,700)

The First Class stamp is 5 cents

First episodes of Star Trek, Batman,  
The Monkeys, and Mission Impossible air

The Beatles last public concert  
in Candlestick Park

Bobby Hull becomes first NHL player to score  
more than 50 goals in a season

Mike Ditka plays for the Bears  
Ernie Banks & Ron Santo play for the Cubs

Dick Klein, Al Bianchi, and Johnny "Red" Kerr  
joined forces with Richard Klein, Chicago Bulls  
first owner, becoming the NBA's 10th franchise.



## Board of Directors



**Philip D. Cacciatore**  
Chairman of the Board  
& Chief Executive  
Officer, Lakeside Bank



**David V. Pinkerton**  
Vice Chairman &  
President,  
Lakeside Bank



**Donald D. Anderson**  
Former President,  
Lakeside Bank



**Stan J. Bochnowski**  
Executive Vice  
President & Chief  
Lending Officer,  
Lakeside Bank



**Peter C. Cacciatore**  
President, Jos.  
Cacciatore & Co.;  
President, Hunter  
Parking, Inc.



**Raymond M. Chin**  
Founder, R.M. Chin &  
Associates



**John P. Davey**  
Attorney



**Anthony Iaderosa**  
President,  
eSutures.com



**Daniel P. Leahy**  
Executive Vice  
President, NAI Hiffman



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

## Executive Committee



**Philip D. Cacciatore**  
Chairman of the Board &  
Chief Executive Officer



**David V. Pinkerton**  
Vice Chairman &  
President



**Stan J. Bochnowski**  
Executive Vice  
President & Chief  
Lending Officer



**Todd Monte**  
Executive Vice  
President & Chief  
Financial Officer



**Vincent Tolve**  
Executive Vice President,  
General Counsel, Trust  
Officer & Secretary



# Milestone Anniversaries

Our theme, "It's about time™" also has a very literal meaning... celebrating the drive, talent & persistence of Lakeside Bank people. Congratulations and thank you to all.

35

Susanna Fong  
Carmen Madsen  
Suzanne Henson

30

Eva Ayala

25

Michael Dollard  
Desiree White



15

Maria Baez  
Susan Lau  
Alejandro Lopez  
Grace Marcordes  
Meiling Rong  
Karen Venetch

10

Dora DeSoto  
Anthony Fong  
Anita Vega

5

Mike Bahena  
Jonathan Demas  
Amyanne Geiger  
Ken Kosin  
Amanda Neuman

## Board of Trade

141 W. Jackson Blvd.  
Chicago, IL, 60604

## North Loop

55 W. Wacker Dr.  
Chicago, IL, 60601

## South Loop

1350 S. Michigan Ave.  
Chicago, IL, 60605

## Chinatown/Pilsen

2200 S. Archer Ave.  
Chicago, IL, 60616

## UIC/Near West

1055 W. Roosevelt Rd.  
Chicago, IL 60608

## Lakeview/Lincoln Park

2800 N. Ashland  
Chicago, IL, 60657

## Elmhurst

165 South York Street  
Elmhurst, IL 60126

[lakesidebank.com](http://lakesidebank.com)

312.435.5100



**Lakeside Bank**

*It's about time.™*