



Lakeside Bank

It's about time.®

Our theme, "It's about time," means many things to us and to our clients. It's about our 54-year history, and how we've steered a careful, conservative course. It also captures who we are and how we work. "It's about time" ... for PERSONAL, customized and flexible service. "It's about time" banking and loan decisions were made quickly. And, "It's about time" for banking relationships that last years, decades, generations. Welcome to Lakeside Bank.



Lakeside Bank

It's about time.®

2019 Financial Summary

*Take flight...
with Lakeside.*



*Lakesiders are
ready to roll!*



**Call or
stop in today!**

Chicago: 312-435-5100 | Elmhurst: 331-979-7404



Message From The Chairman

Dear Shareholders, Clients and ... Future Clients,

As I write this, Coronavirus Covid-19 is a global pandemic, dramatically reminding us how inter-connected we all are. Please be careful and stay safe. We hope this frightening time will soon be under control with our lives back to normal ... recognizing there will be a 'new normal'.

I am confident we will rebound. US economic foundations are strong. And the banking system is much healthier today than it was at the onset of the Great Recession as banks are better capitalized. With that in mind, let's talk business. *"Banking is banking"* some say. Well, they haven't experienced Lakeside. Our **Personal Service** makes us different from any other financial institution. And in that coming 'new normal', personal service will be more unique, and more important, than ever.

2019 financial results follow; our 53rd year was strong. Key indicators:

Net core earnings of \$32.3 million represents a 1.84 return on average assets and a 15.70 return on equity. 2019 ended with our total assets at \$1.867 billion, up 11.23% from year-ago. This includes \$1.545 billion in total loans. Stockholder equity grew from \$202.6 million to \$210.1 million. Our capital ratios remain significantly above regulatory 'well capitalized' levels.

Additional News

Our **Treasury Management Department** continues to evolve. Examples:

- In 2019 we introduced the new Corporate Cash Management ("CCM") online banking platform, a more robust and intuitive experience for our middle market and large corporate customers.
- We also strengthened fraud preventative services, introducing a new Payee Positive Pay platform, enhancing client ability to avoid check fraud.
- In 2020, a new Foreign Exchange platform for commercial clients is planned. This will allow real time access to foreign currency exchange rates and international payments. We'll also be updating our Remote Deposit Capture and ACH services.

I'm also very proud of **Mortgage Department** growth. 2019 was a record year; we recorded more loans and more revenue than any year in our history. In a competitive market, Personal Service ... wins.

Integrated Marketing programs grew dramatically in their fourth year. Our Annual Tracking Study confirmed Lakeside brand and advertising awareness surged across target groups. As did our ratings on key banking attributes. We outperform far larger banks, who have far larger marketing budgets.

The Lakeside *"Lisa & Phil"* radio campaign remained the core of our advertising. Secondary media was tied to each single-minded radio commercial to create product and service "focus periods to effectively stretch our dollars.

Lakesiders are heavily involved in **Community Activities**, volunteering for more than 70 charities. We also work with many neighborhood business associations. Our neighbors know us!

Lastly, our **Educational Programs** are all in their third or fourth years:

- The Lakeside Bank, **Women 1st, "Now We're Cooking!"** Student Chef Competition had over 200 attendees. We awarded \$10,000 in Lakeside Scholarships to aspiring female chefs from the Washburne Culinary Institute.
- Our elementary school financial education program, **"Kids Count!"** continued in half a dozen schools.
- And our **"Write On!"** Creative Writing Challenge, awarded multiple \$2,500 Lakeside College Scholarships to graduating Chicago Public High School seniors with financial need.

Lakeside's past is one of innovation and dedication to our colleagues, clients and communities. Our future will be, too.

On behalf of the Board of Directors, thank you Lakesiders and clients. And to all our future clients, we look forward to demonstrating the many values of a Lakeside Bank personal relationship.

Sincerely,



Philip D. Cacciatore
Chairman & Chief Executive Officer
Lakeside Since 1999



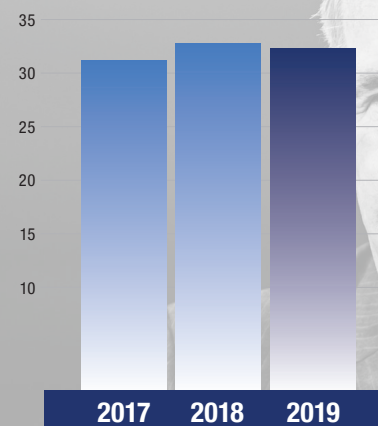
Financial Highlights

	2019	2018	2017
Net Operating Income	\$32,308,000	\$32,786,000	\$31,180,000

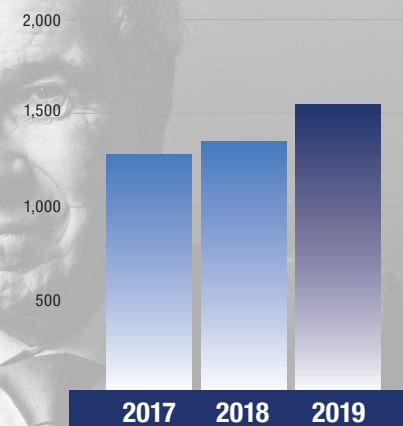
Balances at year end:

Assets	\$1,866,909,000	\$1,678,657,000	\$1,602,064,000
Loans, Net	\$1,545,069,000	\$1,351,334,000	\$1,282,841,000
Deposits	\$1,519,969,000	\$1,359,783,000	\$1,320,333,000
Stockholders' Equity	\$210,061,000	\$202,577,000	\$185,510,000

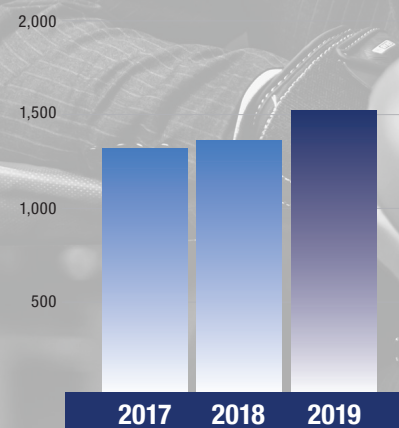
NET OPERATING INCOME
(in millions)



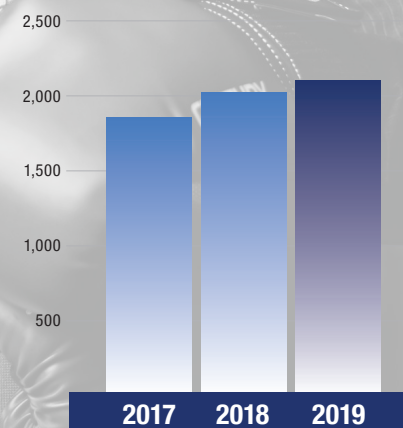
TOTAL LOANS
(in millions)



TOTAL DEPOSITS
(in millions)



TOTAL STOCKHOLDER'S EQUITY
(in millions)



Ready to fight for our clients.

Financial Highlights *(Continued)*

STATEMENT OF EARNINGS

(unaudited in thousands)

	2019	2018
<i>Interest Income on:</i>		
Loans	\$76,805	\$68,891
Securities	\$4,270	\$3,771
Other investments	\$1,109	\$762
Total Interest Income	\$82,183	\$73,424
<i>Interest Expense on:</i>		
Deposits	17,766	11,927
Other borrowings	2,082	1,307
Total Interest Expense	\$19,847	\$13,234
Net Interest Income	\$62,336	\$60,190
<i>Provision for possible loan losses</i>	0	0
Net Interest Income	\$62,336	\$60,190
<i>After provision for possible loan losses</i>		
Other Income	\$5,299	\$4,163
Other Expenses	\$34,817	\$31,031
Income Taxes	\$510	\$536
Net Operating Income	\$32,308	\$32,786

STATEMENT OF CONDITION

(unaudited in thousands)

	2019
Cash and due from banks	\$190,691
Investment securities	\$52,543
Loans, net of unearned discount	\$1,569,463
Less allowance for possible loan losses	\$24,274
Net Loans	\$1,545,189
Other assets	\$78,685
Total Assets	\$1,867,107

LIABILITIES & STOCKHOLDERS' EQUITY

Deposits	
Non interest-bearing	\$437,126
Interest-bearing	\$1,082,921
Total Deposits	\$1,520,047
Other borrowings	\$99,518
Other liabilities	\$37,480
Total Liabilities	\$1,657,046
Stockholders' Equity	\$210,061
Total Liabilities & Stockholders' Equity	\$1,867,107

From Abbey Road to your road, we're here for you!