



# Lakeside Bank

It's about time.™

## 2018

### Financial Summary



# Message From The Chairman

Dear Shareholders, Customers and Friends,

I'm pleased to report 2018 was another strong year for Lakeside Bank. Our sustained growth is thanks to the incredible partnerships we build with our clients. We love new business so we are always welcoming new clients to the extended family. But a wonderful measurement of our ability to serve, to quickly get things done, is how our client relationships span years, decades, even generations. We're very proud of that record. And very thankful!

2018 was another year of change in the banking world. On-line banks are growing. There's more & more technology. And the so-called experts can't make up their minds about the importance of branches. They're either coming or going depending on who you read, and on what day.

*Here's what we know at Lakeside:* Technology is important. We all have to be up-to-date. It's expected and an entry point to doing business. There's a lot you can get done banking electronically. We get that. And we have that.

**But you know what's more important? *People*.** There is no replacing people. As we say, *"Your money is personal. Your banker should be, too."*


At Lakeside Bank, every client has their own personal banker. That's our history. It's also our future. And the future of banking.

It's also why we're carefully planning Lakeside branch growth for the future. To serve even more of the Chicago area.

Thanks to our size, we can do anything our clients need. Faster and more efficiently than competitors. And always with Lakeside personal service.

Here are our key financials for 2018:

Net core earnings of 32.8 million represents a 2.01 return on average assets, a 16.18 return on equity and a 1.6 million increase in earnings. 2018 ended with our total assets at \$1.679 billion, up 4.78% from year-ago. This includes \$1.351 billion in total loans. Stockholder equity grew from \$185.5 million to \$202.6 million. Our capital ratios remain significantly above the regulatory "well capitalized" levels.

A portrait of Philip D. Cacciatore, a man with short brown hair, wearing a dark suit, white shirt, and a blue patterned tie. He is smiling and looking slightly to his left. The background is a blurred cityscape with water in the foreground.

**Philip D. Cacciatore**  
Chairman of the Board & Chief Executive Officer  
Lakeside Since 1999

Additional areas you should know about:

We've dramatically strengthened our **Treasury Management Department**. Other banks provide cookie-cutter, once a year templates. Lakeside Treasury Management works closely with clients, customizes services and stays involved in their business. And we save our clients' money, too.

We've also expanded our **Mortgage** team. Again, our core philosophy of personal service is the key. As we say to potential clients, *"You're going to spend hundreds of thousands of dollars on an on-line or phone based mortgage firms? Really? Lakeside Mortgage Bankers are with clients from Day One through closing. And are always available by phone, text, email ... or will meet you anywhere. Personal is best!"*

Our multi-faceted **Marketing** program continues to break through. 2018 was the third year of our campaign. An Annual Tracking Study confirms *we're one of the best known banks in Chicago*.

We also continue to expand our **Community activities**. Lakesiders are involved with over 70 charities. We also work directly within our communities to be of assistance and build connections with our neighbors.

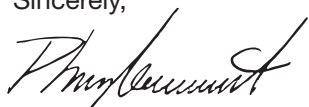
Lastly, the **Educational programs** we've created are growing:

- The Lakeside Bank, *"Women First, Now We're Cooking!"* Student Chef Competition is now in it's third year. We award \$10,000 in Lakeside Scholarships to aspiring female chefs from the Washburne Culinary Institute with financial need.
- Our elementary school financial education program, *"Kids Count!"*, was in five schools this year. Lakesiders teach a monthly series on how money works. School administration, teachers, parents ... and even the kids (!) love the lessons. 2019 is also year three for *"Kids Count!"*.
- 2018 was the second year of our High School program. Entitled, *"Write On!"*, the **Lakeside Creative Writing Challenge** awards multiple \$2,500 Lakeside College Scholarships to students across all Chicago Public Schools with financial need.

Other banks pretend to be all these things but when you experience Lakeside you'll say, "IT'S ABOUT TIME!"

On behalf of the Board of Directors, thank you Lakesiders, & thank you clients!

Sincerely,



Phil Cacciatore  
Chairman & Chief Executive Officer

# Financial Highlights

|                      | 2018         | 2017         | 2016         |
|----------------------|--------------|--------------|--------------|
| Net Operating Income | \$32,786,000 | \$31,180,000 | \$29,267,000 |

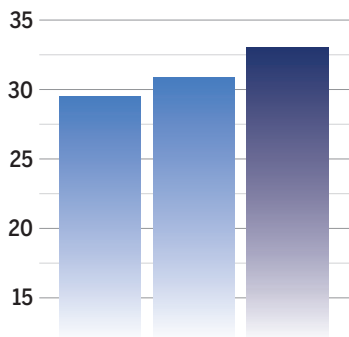
*Balances at year end:*

|                      |                 |                 |                 |
|----------------------|-----------------|-----------------|-----------------|
| Assets               | \$1,678,657,000 | \$1,602,064,000 | \$1,406,828,000 |
| Loans, Net           | \$1,351,334,000 | \$1,282,841,000 | \$1,155,105,000 |
| Deposits             | \$1,359,783,000 | \$1,320,333,000 | \$1,149,360,000 |
| Stockholders' Equity | \$202,577,000   | \$185,510,000   | \$176,551,000   |



### NET OPERATING INCOME

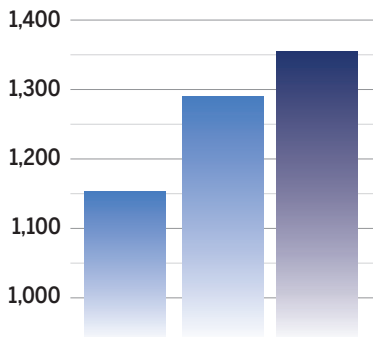
(in millions)



2016 2017 2018

### TOTAL LOANS

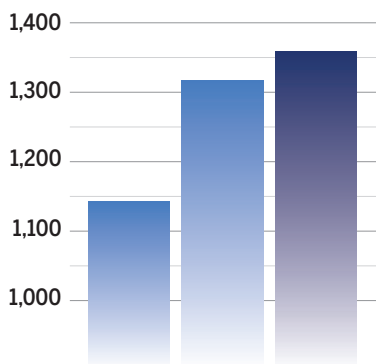
(in millions)



2016 2017 2018

### TOTAL DEPOSITS

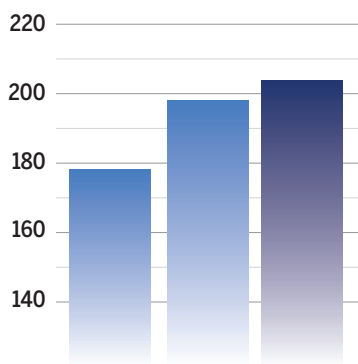
(in millions)



2016 2017 2018

### TOTAL STOCKHOLDER'S EQUITY

(in millions)



2016 2017 2018



**Lakeside Bank**  
It's about time.™

# Financial Highlights *(Continued)*

## STATEMENT OF EARNINGS

(unaudited in thousands)

|   | 2018            | 2017            |
|---|-----------------|-----------------|
| <i>Interest Income on:</i>                      |                 |                 |
| Loans   | \$68,891        | \$62,063        |
| Securities                                      | \$3,771         | \$2,282         |
| Other investments                               | \$762           | \$461           |
| <b>Total Interest Income</b>                    | <b>\$73,424</b> | <b>\$64,806</b> |
| <i>Interest Expense on:</i>                     |                 |                 |
| Deposits  | \$11,927        | \$8,684         |
| Other borrowings                                | \$1,307         | \$892           |
| <b>Total Interest Expense</b>                   | <b>\$13,234</b> | <b>\$9,576</b>  |
| <b>Net Interest Income</b>                      | <b>\$60,190</b> | <b>\$55,230</b> |
| <i>Provision for possible loan losses</i>       | 0               | \$700           |
| <b>Net Interest Income</b>                      |                 |                 |
| <i>After provision for possible loan losses</i> | <b>\$60,190</b> | <b>\$54,530</b> |
| Other Income                                    | \$4,163         | \$3,851         |
| Other Expenses                                  | \$31,031        | \$26,669        |
| Income Taxes                                    | \$536           | \$532           |
| <b>Net Operating Income</b>                     | <b>\$32,786</b> | <b>\$31,180</b> |



**Lakeside Bank**  
It's about time.™

## STATEMENT OF CONDITION

(unaudited in thousands)

**2018**

### ASSETS

|   |                    |
|---|--------------------|
| Cash and due from banks                 | \$200,214          |
| Investment securities                   | \$52,905           |
| Loans, net of unearned discount         | \$1,375,876        |
| Less allowance for possible loan losses | \$24,542           |
| <b>Net Loans</b>                        | <b>\$1,351,334</b> |
| Other assets                            | \$74,204           |
| <b>Total Assets</b>                     | <b>\$1,678,657</b> |

### LIABILITIES & STOCKHOLDERS' EQUITY

|   |                    |
|---|--------------------|
| Deposits  |                    |
| Non interest-bearing                                | \$351,325          |
| Interest-bearing                                    | \$1,008,458        |
| <b>Total deposits</b>                               | <b>\$1,359,783</b> |
| Other borrowings                                    | \$87,239           |
| Other liabilities                                   | \$29,058           |
| <b>Total Liabilities</b>                            | <b>\$1,476,080</b> |
| Stockholders' equity                                | \$202,577          |
| <b>Total Liabilities &amp; Stockholders' Equity</b> | <b>\$1,678,657</b> |



# 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 53 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.

**Call or  
stop in today!**

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

MEMBER  
**FDIC**



NMLS ID# 528825