



# Lakeside Bank

It's about time.®

## Board of Trade

141 W. Jackson Blvd.  
Chicago, IL 60604

## Bridgeport

3855 S. Halsted St.  
Chicago, IL 60609

## Chinatown/Pilsen

2200 S. Archer Ave.  
Chicago, IL 60616

## Elmhurst

165 S. York St.  
Elmhurst, IL 60126

## Lakeview/Lincoln Park

2800 N. Ashland Ave.  
Chicago, IL 60657

## North Loop

55 W. Wacker Dr.  
Chicago, IL 60601

## Oakbrook Terrace

18W076 22nd St.  
Oakbrook Terrace, IL 60181

## Park Ridge

425 Devon Ave.  
Park Ridge, IL 60068

## South Loop

1350 S. Michigan Ave.  
Chicago, IL 60605

## UIC/Near West

1055 W. Roosevelt Rd.  
Chicago, IL 60608



# Lakeside Bank

## 2020

### Financial Summary



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## Featured on Front Cover (Left to Right)

Eva Ayala, Vice President, Market Manager, Lakeside Since 1985

Stan Bochnowski, Executive Vice President & Chief Lending Officer, Lakeside Since 1983

David Pinkerton, Vice Chairman & President, Lakeside Since 1989

Lili Chen, Senior Personal Banker, Lakeside Since 1998

## Featured Above (Left to Right)

Matt Palmisano, Vice President & Director of Treasury Management, Lakeside Since 2017

Kay Wong, Mortgage Loan Consultant, Lakeside Since 2016

Allan Adaya, Vice President & Market Manager, Lakeside Since 2016

Tim Savoca, Senior Vice President & Chief Credit Officer, Lakeside Since 2006

Grace Demes, Vice President & Market Manager, Lakeside Since 2000

Justin Newhuis, Vice President Commercial Lending, Lakeside Since 2013

# Message From The Chairman

There are moments in history that define us. The financial crisis of 2008. And just last year a pandemic and social upheaval. Throughout 2020, we faced the unknown and remained strong, persevering again with our clients ... *together*, offering \$180 million in expeditious paycheck protection program application approvals.

During the most adverse times in life, we all need the fortitude of a bank that is responsive, with strength in its balance sheet. Lakeside is a proven model and partner. Choosing us ... well, is an epiphany for many. New clients are amazed at how we serve them. And how we work *together*.

I'm very proud to report Lakeside Bank surpassed every challenge in 2020. Every Lakesider has my appreciation, respect, and thanks. Both individual efforts and Lakeside teamwork, day after long day, was outstanding. Our industry leading client service never skipped a beat. 2020 confirmed how precious family, friends, colleagues, and clients truly are. Human connections and time are what life is about.

In an age of increasing automation, and one where most people rarely talk to the same banker twice, Lakeside is a client-pleasing anomaly. Old School where it counts. High Tech throughout.

Sure, we can do virtually anything the big banks can do electronically. But at Lakeside, technology is a tool, *not* a way to treat clients. Meaning we remain hands-on. True Personal Bankers. Our clients have one banker. One point of contact. For years. Decades. We innovate *for our clients*. We customize programs *for our clients*. We make decisions quickly *for our clients*. And the result is, well, RESULTS. And recognition. We're sort of a now 55-year-old "overnight success". Thanks to our people and the success of our clients.

## Lakeside's Growth in 2020 Continued – Financial Summary

Reflecting our efforts, and client trust, 2020 financial results were strong. We also planned conservatively, building significant reserves. **Key indicators:**

Net core earnings of \$28.6 million represents a 1.38 return on average assets and a 13.55 return on equity. The year ended with \$2.2 billion in total assets, up 17% from a year ago. This includes \$1.6 billion in total loans. Stockholder equity grew from \$210.1 million to \$211.4 million. 2020 net operating income totaled \$28.6 million. To carefully manage the unpredictable year, we increased our loan loss reserve by a significant \$7.5 million, lowering earning levels from the prior year. Our conservative safety fund remains largely untouched and available for future application. Finally, in keeping with tradition, our capital ratios remain significantly above regulatory "well capitalized" levels.

*Continued...*

## The Road Ahead

Even before the various stimulus and investment programs, the economy was poised for take-off. The pent-up demand for entertainment, dining out, travel, home purchases and furnishings is dramatic. Positive spending and employment trends continue. Barring unexpected setbacks, it will accelerate.

*Our long-term plans remain unique for Chicago banks.* Confident in the future, we continued planning Lakeside growth in 2020. And the result is **three new Lakeside branches**. While other banks are shrinking, Lakeside Bank is carefully growing.

Our **Oakbrook Terrace** branch opened June 2021. **Bridgeport** in July. **Park Ridge** joins them early 2022. These are gorgeous, full-service banks. With drive-throughs. We don't do tiny store fronts with an ATM and a video screen. That's not Lakeside. That's not a relationship. We hope you'll visit our new branches, soon.

## Other Notable 2020 Achievements

To better serve our clients, we put **three simple programs** in place. First, during business hours our phones are answered by a Lakeside Banker. A professional with knowledge and experience who can help immediately. No operators. No call centers. Second, all our tellers are Lakeside Bankers. Whether using a Lakeside lobby or drive through, you have a Lakeside Banker. Third, we added a 'live chat' function to our website. So, questions can be asked and answered right away. And again, we staff it with, you guessed it, Lakeside Bankers.

These may seem like small steps. They're not. They reinforce our commitment to connecting with and serving our clients. And you won't find them at most other banking institutions.

The **Paycheck Protection Program** (PPP) literally required an "all hands-on deck" team effort. Even our most senior officers rolled up their sleeves (or pulled up their sweatshirt sleeves when working from home) and got PPP **done** for clients. And non-clients. Our personal approach made the system work to our clients' advantage. We didn't just file electronically. *We engaged.* I was gratified to see how many businesses we could help.

**Treasury Management** is now live with the *Lakeside Bank FX+* platform, a global payments platform built to help commercial clients save time and money when sending funds internationally. The *Lakeside Bank FX+* user-platform ensures funds reach their destination faster and more securely, providing welcome reassurance to our clients.

We continue to upgrade our web based & mobile banking platforms (both

consumer and business) with more powerful and easy to use systems. For example, recent commercial online banking improvements have created a more streamlined interface for payments, reports and integration within customer account and ERP software.

The **Residential Mortgage Department** had another record year in 2020. Despite the pandemic and limited real estate inventory for sale, the Lakeside Bank Team increased both closed transactions and dollars funded.

Mortgage rates remained low which helped fuel our refinance business. A bright light in 2020 was the number of new clients drawn to the bank. New partners too; realtors, builders and CPA's / Financial Planners who are sending us their clients. Our personal service reputation continues to spread.

Our 2020 **Marketing** maintained brand awareness through intensified social media and email campaign plus select advertising. We also continued support for many charitable organizations, who so badly needed assistance in 2020.

In May of 2021, **we returned to Chicago market advertising** with new "*Lisa & Phil*" radio commercials. As always, each spot addresses a single consumer or business banking service or product, with Lakeside the answer. The work is unique for the banking industry, memorable and highly competitive. And we continue to own the "*Call to the Pen*" pitching change with both the Chicago Cubs and the White Sox. Our "*It's about time*" tagline exactly fits what the viewer is thinking so the brand and advertising recall has proven outstanding. There is also sustained social media, email, and newspaper advertising. And we have significant support for the new branches via billboards, local newspaper, and targeted direct mail & email.

We're confident the world will continue to recover from the health, social and economic challenges we've faced. **Lakeside is on a dramatic growth trajectory.** 2021 will be an exciting year. We look forward to deepening client relationships ... and adding many new ones.

Sincerely,



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



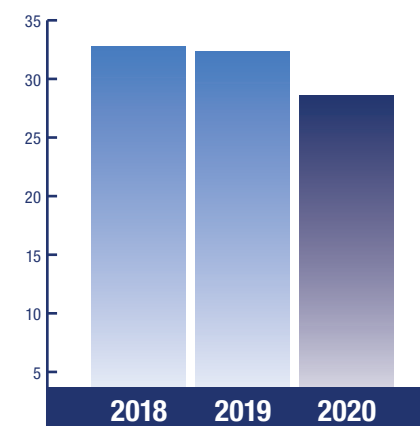
# Financial Highlights

	2018	2019	2020
Net Operating Income	\$32,786,000	\$32,308,000	\$28,575,000*
<i>Balances at year end:</i>			
Assets	\$1,678,657,000	\$1,866,909,000	\$2,179,895,000
Loans, Net	\$1,351,334,000	\$1,545,069,000	\$1,604,965,000
Deposits	\$1,359,783,000	\$1,519,969,000	\$1,816,477,000
Stockholders' Equity	\$202,577,000	\$210,061,000	\$211,442,000

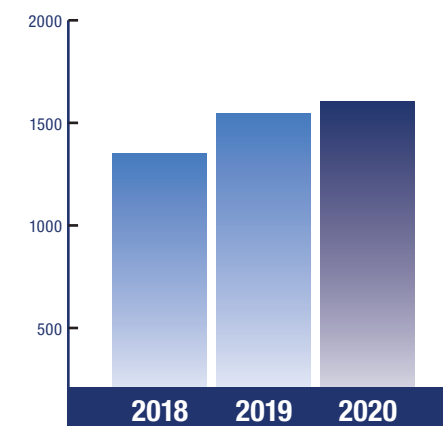


\*Does not include a \$7,500,000 loan loss reserve, which remains largely available.

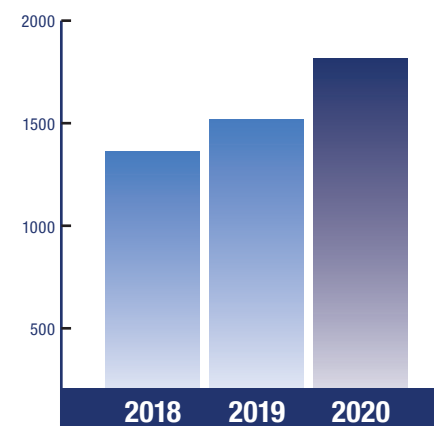
**NET OPERATING INCOME**  
(in millions)



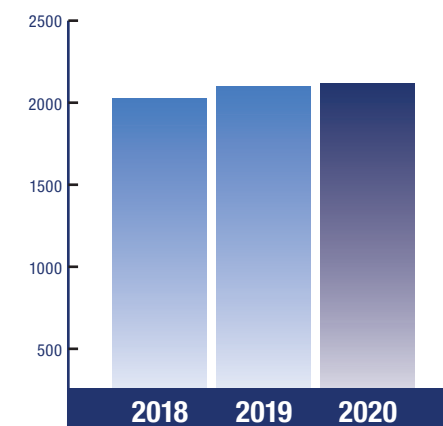
**TOTAL LOANS**  
(in millions)



**TOTAL DEPOSITS**  
(in millions)



**TOTAL STOCKHOLDER'S EQUITY**  
(in millions)





# Financial Highlights *(Continued)*

## STATEMENT OF EARNINGS

(unaudited in thousands)

	2020	2019
<i>Interest Income on:</i>		
Loans	\$83,195	\$76,805
Securities	\$1,384	\$4,270
Other investments	\$675	\$1,109
<b>Total Interest Income</b>	<b>\$85,254</b>	<b>\$82,184</b>
<i>Interest Expense on:</i>		
Deposits	14,815	17,766
Other borrowings	2,382	2,082
<b>Total Interest Expense</b>	<b>\$17,197</b>	<b>\$19,848</b>
<b>Net Interest Income</b>	<b>\$68,057</b>	<b>\$62,336</b>
<i>Provision for possible loan losses</i>	7,500	0
<b>Net Interest Income</b>		
<i>After provision for possible loan losses</i>	<b>\$60,557</b>	<b>\$62,336</b>
Other Income	\$5,162	\$5,299
Other Expenses	\$36,752	\$34,817
Income Taxes	\$392	\$510
<b>Net Operating Income</b>	<b>\$28,575</b>	<b>\$32,308</b>

## STATEMENT OF CONDITION

(unaudited in thousands)

	2020
Cash and due from banks	\$447,547
Investment securities	\$35,688
Loans, net of unearned discount	\$1,636,241
Less allowance for possible loan losses	\$31,276
Net Loans	\$1,604,965
Other assets	\$91,695
<b>Total Assets</b>	<b>\$2,179,895</b>
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	
Deposits	
Non interest-bearing	\$504,478
Interest-bearing	\$1,311,999
Total Deposits	\$1,816,477
Other borrowings	\$104,158
Other liabilities	\$47,818
<b>Total Liabilities</b>	<b>\$1,968,453</b>
<b>Stockholders' Equity</b>	<b>\$211,442</b>
<b>Total Liabilities &amp; Stockholders' Equity</b>	<b>\$2,179,895</b>

## Our New Branches



Oakbrook Terrace Opened June 17, 2021



Park Ridge Opening Early 2022



Bridgeport Opened July 28, 2021

We're also excited to announce our 10th Lakeside Branch! Located at 425 Devon Avenue in Park Ridge, the branch will dramatically increase our suburban presence and further demonstrates our sustained commitment to serving more and more Chicagoans. Work is underway; we expect to open early 2022.