



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

2021

Financial Summary



THE POWER OF

10

BRANCHES



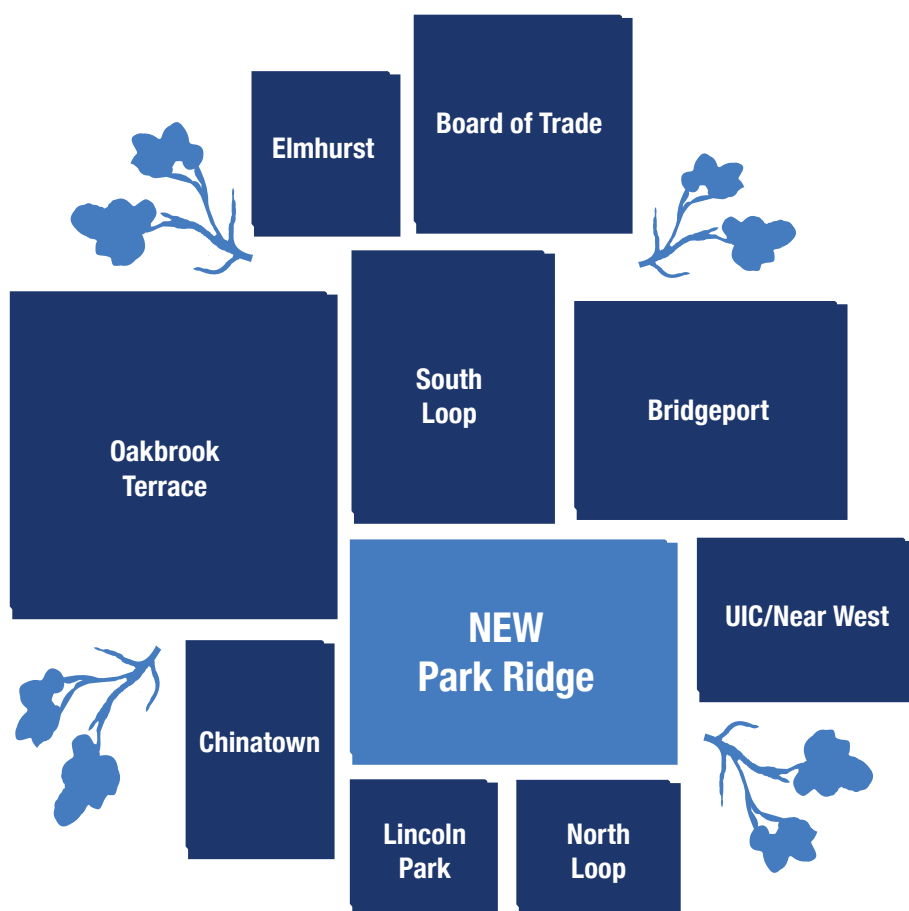
10 Locations

866-892-1LSB • LakesideBank.com

Contents

Letter from the Chairman 2-4
Financial Highlights 5-8
The Power of 10 9-10

Featured on Front Cover



10

Message From The Chairman

Dear Shareholders, Clients, Neighbors & Friends,

2021 was another challenging year for us all. The global pandemic continued to disrupt life, impact supply chains and damage the overall economy. Despite the uncertain environment, we accelerated Lakeside's positive financial track record. We saw opportunities to grow while others hesitated ... and took them. As if the last two years plus weren't enough, as I write this in 2022, we're in a bear market and inflation is the highest it's been in 40 years. More challenges. Which we are well positioned to meet.

To begin our review, I'm proud to report Lakeside Bank now stands at ten branches. Our newest, in Park Ridge, opened May 2022. We launched three new branches in 12 months. Oakbrook Terrace and Bridgeport both opened in 2021. It was an incredible effort by everyone. More than a million and a half Chicago area residents now live within two miles of a Lakeside branch. That's the Power of 10 ... Lakeside Branches.

Our growth is thanks to our successful business philosophy. Our approach is more than a business "model". It really is a different way of thinking. Lakeside is 180 degrees away from other financial institutions. And that difference is striking. Lakeside builds significant & beautiful branches, staffing them with professionals from every banking discipline: Retail banking, Business banking, Commercial & Real Estate Loans, Treasury Management, Mortgages. The result: Client banking needs can be met when and where needed. And, crucially, every Lakeside Client has their own Lakeside Banker, building relationships for the long haul. We've proven our approach works for over half a century.

Many financial institutions have reduced their number of branches. Worse, they continue to minimize employee presence in remaining locations. That's not us. Never will be.

While Lakeside has all the industry leading electronic capabilities, our commitment to true personal service and long-term relationships will always be Lakeside difference makers.

Key Indicators for 2021

Net operating earnings of \$42.7 million represents a 1.84 return on average assets and a 19.40 return on equity. The year ended with \$2.3 billion in total assets, up 7% from year ago. This includes \$1.6 billion in total loans. Stockholder equity grew from \$211.4 million to \$234.1 million. As always, our capital ratios remain significantly above "well capitalized" levels.

Notable 2021 Achievements

Working together with our clients, **the bulk of the \$180MM in PPP (Paycheck Protection Program) loans we helped secure were forgiven.** Lakesiders stepped up to create lifelines for our clients during the shutdowns. We secured loans when the big banks couldn't get funds to their customers. The effort of our entire team, right up through the top officers of the bank, was amazing.

Lakesiders returned to the bank full-time. We also established a new, staggered, remote work policy to provide flexibility while assuring all departments, positions and branches are fully covered. We've managed this transition well. Our team is happy; there was no "great resignation" at Lakeside!

We enhanced our banking system. There are both internal and client benefits. Internally, we have easier applications and greater ability to cross-reference information. From the outside, clients will enjoy "new & improved" areas. Examples include:

- *Our system will now be "real time".* Meaning instant visual availability of deposited items through Internet Banking.
- *The teller line will now provide e-receipts.*
- *Our monthly statements are easier to read and use.*
- **We're also pleased to announce we now feature Zelle, the leading P2P (person to person) program.** This will make transferring funds to or from other people easy.

The changes were a major effort by multiple departments. The transition was successful, and the new system went live April 2022.

Treasury Management grew, doubling its production year over year. To strengthen the department, we added an additional Specialist in November plus an internal Implementation Support Specialist early in 2022.

To provide even stronger programs for our clients, Lakeside key payment and collection channels now include increased Same Day ACH limits plus expanded processing windows to allow ACH transactions to post more quickly in recipient accounts.

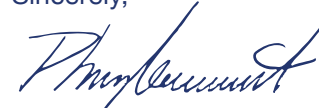
The Residential Mortgage Department had another record year in 2021. The low available inventory was a challenge, but by building and maintaining solid relationships throughout the real estate industry, the team increased their closed number of units and dollars funded. Sales, marketing and quality internal processing kept everything moving.

Our 2021 **Marketing** saw us increase our communication efforts in the city and provide extensive, integrated, media support for the Oakbrook Terrace and Bridgeport launches. Thanks to that sustained support, and powerful product specials, both branches had an excellent start and finished the year substantially ahead of goal. Our 10th and latest branch, Park Ridge, was under construction in 2021 and opened May 2022. Park Ridge has already exceeded its goal for the entire calendar. (We may have to start setting higher goals!)

We continue to strengthen our Chicago wide marketing presence but have also provided significant resources to support individual branches. That "*city wide, locally deep*" approach has worked well.

As noted, the 2022 stock market losses and inflationary pressures are challenges we'll face this year. We're confident our conservative financial profile will protect the bank and allow us to serve our clients. Having Lakeside on *your* side during times like these is essential!

Sincerely,



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



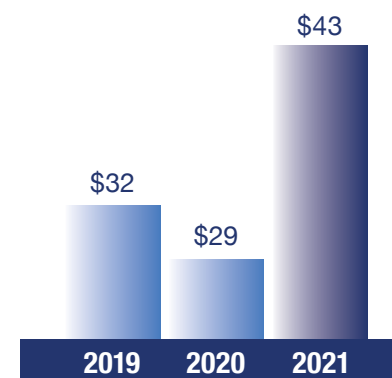
Financial Highlights

	2019	2020	2021
Net Operating Income	\$32,308,000	\$28,575,000	\$42,716,000

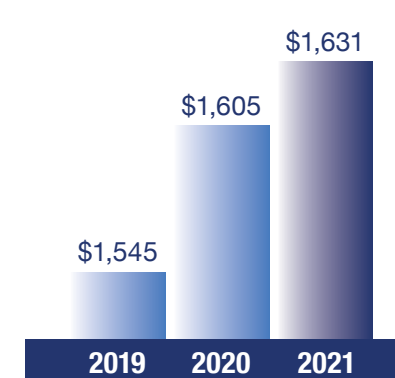
Balances at year end:

Assets	\$1,866,909,000	\$2,179,895,000	\$2,340,469,000
Loans, Net	\$1,545,069,000	\$1,604,965,000	\$1,631,002,000
Deposits	\$1,519,969,000	\$1,816,477,000	\$1,980,394,000
Stockholders' Equity	\$210,061,000	\$211,442,000	\$234,094,000

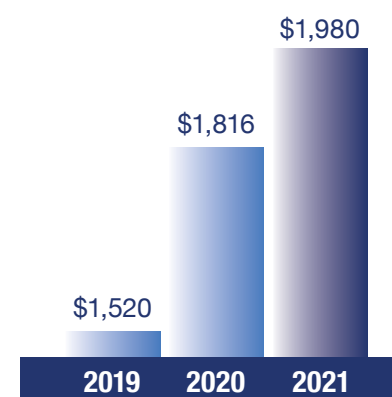
NET OPERATING INCOME
(in millions)



TOTAL LOANS
(in millions)



TOTAL DEPOSITS
(in millions)



TOTAL STOCKHOLDER'S EQUITY
(in millions)



Financial Highlights *(Continued)*

STATEMENT OF EARNINGS

(unaudited in thousands)

	2019	2020	2021
<i>Interest Income on:</i>			
Loans	\$76,805	\$83,195	\$80,619
Securities	\$4,270	\$1,384	\$2,086
Other investments	\$1,109	\$675	\$472
Total Interest Income	\$82,184	\$85,254	\$83,177
<i>Interest Expense on:</i>			
Deposits	17,766	14,815	6,999
Other borrowings	2,082	2,382	1,870
Total Interest Expense	\$19,848	\$17,197	\$8,869
Net Interest Income	\$62,336	\$68,057	\$74,308
<i>(Benefit) provision for possible loan losses</i>	0	7,500	(3,200)
Net Interest Income			
<i>After benefit/provision for possible loan losses</i>	\$62,336	\$60,557	\$77,508
Other Income	\$5,299	\$5,162	\$8,029
Other Expenses	\$34,817	\$36,752	\$42,325
Income Taxes	\$510	\$392	\$496
Net Operating Income	\$32,308	\$28,575	\$42,716

STATEMENT OF CONDITION

(unaudited in thousands)

	2020	2021
ASSETS		
Cash and due from banks	\$447,547	\$359,770
Investment securities	\$35,688	\$243,445
Loans, net of unearned discount	\$1,636,241	\$1,659,322
Less allowance for possible loan losses	\$31,276	\$28,320
Net Loans	\$1,604,965	\$1,631,002
Other assets	\$91,695	\$106,252
Total Assets	\$2,179,895	\$2,340,469
LIABILITIES & STOCKHOLDERS' EQUITY		
Deposits		
Non interest-bearing	\$504,478	\$658,824
Interest-bearing	\$1,311,999	\$1,321,570
Total Deposits	\$1,816,477	\$1,980,394
Other borrowings	\$104,158	\$80,429
Other liabilities	\$47,818	\$45,552
Total Liabilities	\$1,968,453	\$2,106,375
Stockholders' Equity	\$211,442	\$234,094
Total Liabilities & Stockholders' Equity	\$2,179,895	\$2,340,469



1985
Board of Trade

1991
North Loop



2021
Bridgeport

2021
Oakbrook Terrace



THE POWER OF

10
BRANCHES



Our Lakeside branches are substantial, solid, handsome, quietly elegant, warm and welcoming. Each is unique with the *Lakeside family feel*.

Yes, we're very proud of our branches. And when you visit, you'll immediately see why! Welcome to our Lakeside Bank family.



1982
Chinatown/Pilsen

2022
Park Ridge



2016
Elmhurst

2015
South Loop



2006
Lakeview/Lincoln Park

2005
UIC/Near West

