



A publication of the
Foresight Financial Group, Inc.

INSIGHT

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Fred Kundert
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Douglas Wagner

Dear Shareholders,

August 2018

Our subsidiary banks delivered impressive results for the first half of 2018 producing consolidated earnings, for the first six month period ending June 30, 2018, of \$5.823 million. This financial performance translates into earnings of \$1.59 per common share outstanding. The Foresight Board of Directors at their July 2018 meeting approved a 14.3% increase in the dividend paid to shareholders resulting in a quarterly dividend increase of \$0.01 to \$0.08 per share. Future changes to the dividend rate will be periodically evaluated by the Directors and prudently adjusted.

During the second quarter of 2018, the Company reported net income of \$3.078 million which reflects a 12.2% increase over the same period in 2017. Net income for the first six months of \$5.823 million represents a 10.4% improvement over 2017. Both second quarter and year-to-date performance outpace the projected 2018 budgeted earnings for these time periods by 20.5% and 15.3%, respectively. Return on average assets for the second quarter was 1.05%, with a return on stockholders' equity of 10.31%. Growth of the Company's deposit base has outpaced loan growth. Our "Financial Highlights" page provides a snapshot of all key ratios. Consolidated assets of the Company are \$1.173 billion as of June 30, 2018.

We are continuing with our plans for 2018 of deploying benefits from the tax cuts into technology, human capital, and facility improvements. These ongoing investments will allow our company to aggressively compete for talent focused on increasing long-term shareholder value. We expect the new Northwest Bank facility on Perryville Road to open for business on or about September 30th of this year. This major investment will give us presence in the most rapidly developing area in Rockford and allow existing customers living in the area a more convenient location to conduct their financial business.

As your new CEO and on behalf of the Directors of Foresight Financial, I thank you for your continued support. We will work diligently to increase the value of your investment in the company.

Rex K. Entsminger
President & CEO

Celebrating Thirty Years of Community Building Through Community Banking!

This release contains information and "forward-looking statements" that relate to matters that are not historical facts and which are usually preceded by words "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target," and similar expressions. These forward-looking statements are subject to significant risks, assumptions and uncertainties. Because of these and other uncertainties, our actual results may be materially different from those described in these forward-looking statements. The forward-looking statements in this release speak only as of the date of the release, and we do not assume any obligation to update the forward-looking statements or to update the reasons why actual results differ from those contained in the forward-looking statements.

FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data (Unaudited))

	For the Six Month Period Ended June 30,			For the Years Ended December 31,		
Income Statement Data	2018	2017	% Chg	2017	2016	2015
Net Interest Income	\$18,709	\$17,865	4.72%	\$36,011	\$36,515	\$32,730
Provision for loan losses	440	405	8.64%	868	2,917	1,660
Noninterest income	3,269	3,271	-0.06%	7,099	6,968	7,656
Noninterest expense	14,226	13,404	6.13%	27,744	26,719	24,471
Income Taxes	1,489	2,054	-27.51%	5,253	3,914	3,711
Net Income	\$5,823	\$5,273	10.43%	\$9,245	\$9,933	\$10,544
	For the Six Month Period Ended June 30,			For the Years Ended December 31,		
Ratios	2018	2017	% Chg	2017	2016	2015
Return on Average Assets	1.02%	0.95%	7.37%	0.81%	0.90%	1.05%
Return on Average Common Stockholders' Equity	9.94%	9.60%	3.54%	8.06%	9.21%	10.75%
Net interest margin (tax equivalent)	3.55%	3.51%	1.14%	3.50%	3.67%	3.62%
Allowance as a percent of total loans	1.68%	1.99%	-15.53%	1.66%	1.98%	2.04%
Dividends per common share paid	\$0.14	\$0.12	16.67%	\$0.26	\$0.22	\$0.20
Earnings per common share (Calculated by dividing net income by the weighted average number of common stock shares outstanding)	\$1.59	\$1.44	9.77%	\$2.53	\$2.73	\$2.90
Book value per common share (Calculated by dividing stockholders' equity, excluding other comprehensive income or loss by outstanding common shares)	\$33.51	\$31.23	7.29%	\$32.17	\$30.03	\$27.59
	At June 30,			At December 31,		
Balance Sheet	2018	2017	% Chg	2017	2016	2015
Assets	\$1,172,658	\$1,141,786	2.70%	\$1,163,933	\$1,135,478	\$1,076,551
Investment Securities (AFS Securities at Market Value)	\$282,207	\$270,590	4.29%	\$273,767	\$257,431	\$278,168
Loans, net of unearned income	\$789,878	\$784,871	0.64%	\$793,423	\$784,194	\$726,162
Deposits & Repurchase (SWEET) Agreements	\$1,013,828	\$984,537	2.98%	\$994,093	\$986,592	\$936,850
Short-term and other borrowings	\$34,954	\$26,515	31.83%	\$36,702	\$25,029	\$21,349
Subordinated Debentures	\$0	\$10,000	-100.00%	\$10,000	\$10,000	\$10,000
Stockholders' Equity (Excludes accumulated other comprehensive income or loss)	\$123,500	\$114,316	8.03%	\$117,896	\$109,141	\$100,192
	For the Six Month Period Ended June 30,			For the Years Ended December 31,		
Stock Value Per Common Share Information	2018	2017	% Chg	2017	2016	2015
Price/earnings ratio	11.2	10.5	7.06%	12.8	10.9	8.5
Stock Price - High	\$36.10	\$32.25		\$32.85	\$35.00	\$24.75
Low	\$32.25	\$29.70		\$29.75	\$23.05	\$20.30
Ending	\$35.40	\$30.15	17.41%	\$32.40	\$29.75	\$24.60
Book value per common share	\$33.51	\$31.23	7.29%	\$32.17	\$30.03	\$27.59
Price/book value per common share	1.06	0.97	9.44%	1.01	0.99	0.89
Common shares outstanding (excludes Treasury Stock Shares)	3,685,297	3,659,871		3,664,289	3,634,999	3,631,217



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