



A publication of the  
Foresight Financial Group, Inc.

# INSIGHT

## INVESTOR FACTS

### Stock Transfer Agent

Computershare  
Shareholder Services  
P.O. Box 30170  
College Station, TX 77842  
800.368.5948  
[www.computershare.com/investor](http://www.computershare.com/investor)

### Market Makers

Raymond James & Associates, Inc.  
222 South Riverside Plaza  
Seventh Floor  
Chicago, IL 60606  
800.800.4693

Monroe Securities, Inc.  
100 North Riverside Plaza  
Suite 1620  
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### Corporate Information

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[www.foresightfg.com](http://www.foresightfg.com)

### Corporate Officers

Rex K. Entsminger  
*President/CEO*

Dean E. Cooke  
*Chief Financial Officer*

K. Denise Osadjan  
*Chief Risk Officer/Corporate Secretary*

Aaron Patterson  
*Chief Information Officer*

John Stichnoth  
*Chief Credit Officer*

Sandra Spinker  
*Vice President/Consolidated Operations*

Nora Koehler  
*Director of Human Resources*

### Directors

Robert W. Stenstrom, *Chairman*  
John Collman  
Rex K. Entsminger  
Doug Fitzgerald  
Fred Kundert  
John J. Morrissey  
Carolyn Sluiter, D.V.M.  
Judd Thrumman, J.D.  
Douglas Wagner

*Dear Shareholders,*

**February 2020**

We are pleased to report that for the full year 2019 our company's net income results were \$11.0 million, the second highest annual net income ever reported by the company. The annual income results surpassed management's projections for 2019 and are reflective of an earnings per common share of \$2.98. During the fourth quarter of the year a \$1.3 million loan loss provision associated with a single borrower negatively impacted financial results. Management's actions taken with regard to this single credit assures there will be no future additional negative financial impact from this loan. Despite the fourth quarter provision, the company reported on an annual basis a consolidated return on average assets of 0.92% with a return on average equity of 8.18%.

Although Foresight grew the overall size of our company in 2019 by approximately \$33 million our loan portfolio showed a reduction in size by approximately \$6.5 million. Originating and growing our loans in the communities we serve is paramount to our future financial success. Management is committed to prudently grow the loan portfolio now and in the future. Deposits grew approximately \$39 million during 2019 continuing a very positive trend seen over the last several years.

The annual increase in non-interest expense has slowed to 2.11% in 2019 from 5.29% in 2018. As previously discussed in past newsletters, investments in operational processes and facilities have significantly slowed from the pace in the recent past. Many of these investments will produce future efficiencies but will take time to positively impact the bottom line. The closure of the Northwest Bank branch in Loves Park in early 2020 is an example where the overhead reduction will not be fully realized until 2021.

Foresight stock closed the year at a market value of \$36.10 per share reflecting a 6.33% increase from that reported as of the close of 2018. The management team looks forward to producing greater earnings that should increase the future value of your investment in Foresight. Thank you for your support as a shareholder.

Respectfully,

Rex K. Entsminger  
*President & CEO*

**Celebrating Over 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 Twelve Month Period Ended December 31,			For the Years Ended December 31,		
<b>Income Statement Data</b>	<b>2019</b>	<b>2018</b>	<b>% Chg</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Net Interest Income	\$38,881	\$37,916	2.55%	\$37,916	\$36,011	\$36,515
Provision for loan losses	1,125	1,448	-22.31%	1,448	868	2,917
Noninterest income	7,175	7,596	-5.54%	7,596	7,099	6,968
Noninterest expense	30,725	30,090	2.11%	30,090	27,744	26,719
Income Taxes	3,184	2,609	22.04%	2,609	5,253	3,914
Net Income	\$11,022	\$11,365	-3.02%	\$11,365	\$9,245	\$9,933
	For the Twelve Month Period Ended December 31,			For the Years Ended December 31,		
<b>Ratios</b>	<b>2019</b>	<b>2018</b>	<b>% Chg</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Return on Average Assets	0.92%	0.97%	-5.15%	0.97%	0.81%	0.90%
Return on Average Common Stockholders' Equity	8.18%	9.38%	-12.79%	9.38%	8.06%	9.21%
Net interest margin (tax equivalent)	3.59%	3.38%	6.21%	3.38%	3.50%	3.67%
Allowance as a percent of total loans	1.64%	1.80%	-8.89%	1.80%	1.66%	1.98%
Dividends per common share paid	\$0.33	\$0.30	10.00%	\$0.30	\$0.26	\$0.22
Earnings per common share (Calculated by dividing net income by the weighted average number of common stock shares outstanding)	\$2.98	\$3.09	-3.64%	\$3.09	\$2.53	\$2.73
Book value per common share (Calculated by dividing stockholders' equity, excluding other comprehensive income or loss by outstanding common shares)	\$37.33	\$34.79	7.29%	\$34.79	\$32.17	\$30.03
	At December 31,			At December 31,		
<b>Balance Sheet</b>	<b>2019</b>	<b>2018</b>	<b>% Chg</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Assets	\$1,213,488	\$1,180,323	2.81%	\$1,180,323	\$1,163,933	\$1,135,478
Investment Securities (AFS Securities at Market Value)	\$310,368	\$295,382	5.07%	\$295,382	\$273,767	\$257,431
Loans, net of unearned income	\$793,918	\$800,546	-0.83%	\$800,546	\$793,423	\$784,194
Deposits & Repurchase (SWEET) Agreements	\$1,046,690	\$1,007,778	3.86%	\$1,007,778	\$994,093	\$986,592
Short-term and other borrowings	\$17,417	\$39,229	-55.60%	\$39,229	\$36,702	\$25,029
Subordinated Debentures	\$0	\$0	0.00%	\$0	\$10,000	\$10,000
Stockholders' Equity (Excludes accumulated other comprehensive income or loss)	\$138,681	\$128,560	7.87%	\$128,560	\$117,896	\$109,141
	For the Twelve Month Period Ended December 31,			For the Years Ended December 31,		
<b>Stock Value Per Common Share Information</b>	<b>2019</b>	<b>2018</b>	<b>% Chg</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Price/earnings ratio	12.2	11.0	10.24%	11.0	12.8	10.9
Stock Price - High	\$36.90	\$36.10		\$36.15	\$32.85	\$35.00
Low	\$32.87	\$32.24		\$32.24	\$29.75	\$23.05
Ending	\$36.10	\$33.95	6.33%	\$33.95	\$32.40	\$29.75
Book value per common share	\$37.33	\$34.79	7.29%	\$34.79	\$32.17	\$30.03
Price/book value per common share	0.97	0.98	-0.89%	0.98	1.01	0.99
Common shares outstanding (excludes Treasury Stock Shares)	3,714,962	3,694,891		3,694,891	3,664,289	3,634,999



LENA STATE BANK



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