



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  
Chicago, IL 60606  
312.327.2530

### Corporate Information

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809 Cannell Puri Court, Suite 5  
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815.847.7500  
Email:  
[investor.relations@ffgbank.net](mailto:investor.relations@ffgbank.net)  
[www.foresightfg.com](http://www.foresightfg.com)

### Corporate Officers

Rex K. Entsminger  
President/CEO

Dean E. Cooke  
Chief Financial Officer

Nora Koehler  
Director of Human Resources

Lori Morgan  
Director of Operational Initiatives

K. Denise Osadjan  
Chief Risk Officer/Corporate Secretary

Aaron Patterson  
Chief Information Officer

John Stichnoth  
Chief Credit Officer

### 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,

May 2020

Our company's first quarter earnings were strong at just over \$3 million, significantly greater than our profit plan projection. We had anticipated a decline in the interest rate environment that was offset by two unusual items. The first such item was our securities portfolio produced an unexpected after-tax gain of \$192,000 from securities that were called as a result of actions taken by the Federal Open Market Committee as they lowered the target range for the federal funds rate to 0% to 0.25% percent. The second unusual item produced an after-tax benefit of \$322,000 coming from one of our subsidiary banks that released a portion of its loan loss reserve back into income. The \$3 million of income in the quarter produced a return on assets of 1.00% equating to \$0.81 per common share outstanding for the period.

The reported \$3 million net income for the three months ending March 31, 2020 reflects a 5% or \$0.16 million decrease from the same period of 2019. Return on assets is down 10% from the 1.11% ROA reported in the prior year and earnings per common share is down \$0.05 per share or 6.3% from 2019. Quarter one 2020 net interest margin of 3.39% reflects the continued margin stress indicated by an 18 basis point reduction in margin from 2019.

The company's interest margin started to see downward pressure in the first quarter that will continue into the future until overall interest rates begin to increase. We have started to experience an increase in fees associated with single family mortgage loan refinancing activity that will help the expected decline in our interest margin. Non-interest expenses were less than projected for the quarter and will continue to be prudently managed into the future.

The COVID 19 virus has and will affect financial results and management decisions going forward. Our company has participated and will continue to participate in stimulus programs offered by the government. As of April 30, 2020, we have taken loan applications under stimulus programs totaling 635 in number for a total of \$88.733 million. As our subsidiary banks are some of the largest community banks in markets we serve, our focus continues to be increasing shareholder value through helping customers and communities.

The Board of Directors declared a cash dividend of \$0.09 cents per share to shareholders of record on May 11, 2020 and is payable May 18, 2020. Our consolidated capital position remains strong at 11.60% as of March 31, 2020 with capital at our individual subsidiary banks well in excess of regulatory guidelines, helping our company negotiate this COVID 19 affected environment.

Foresight stock, as well as, the stock market in total has seen a sharp decline in value. Our stock closed at \$28.25 per share on April 30, 2020. As we manage through this COVID 19 affected environment your past and future support is critical to the success of our company. On behalf of the Board of Directors and our staff, I want to thank all shareholders for your investment in and support of our company.

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 Three Month Period Ended March 31,			For the Years Ended December 31,		
<b>Income Statement Data</b>	<b>2020</b>	<b>2019</b>	<b>% Chg</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Net Interest Income	\$9,331	\$9,534	-2.13%	\$38,881	\$37,916	\$36,011
Provision for loan losses	(316)	(557)	-43.27%	1,125	1,448	868
Noninterest income	1,917	1,517	26.37%	7,175	7,596	7,099
Noninterest expense	7,681	7,546	1.79%	30,725	30,090	27,744
Income Taxes	878	897	-2.12%	3,184	2,609	5,253
Net Income	\$3,005	\$3,165	-5.06%	\$11,022	\$11,365	\$9,245
	For the Three Month Period Ended March 31,			For the Years Ended December 31,		
<b>Ratios</b>	<b>2020</b>	<b>2019</b>	<b>% Chg</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Return on Average Assets	1.00%	1.11%	-9.91%	0.92%	0.97%	0.81%
Return on Average Common Stockholders' Equity	8.52%	10.13%	-15.89%	8.18%	9.38%	8.06%
Net interest margin (tax equivalent)	3.39%	3.57%	-5.04%	3.59%	3.38%	3.50%
Allowance as a percent of total loans	1.62%	1.72%	-5.81%	1.64%	1.80%	1.66%
Dividends per common share paid	\$0.09	\$0.08	12.50%	\$0.33	\$0.30	\$0.26
Earnings per common share (Calculated by dividing net income by the weighted average number of common stock shares outstanding)	\$0.81	\$0.86	-6.30%	\$2.98	\$3.09	\$2.53
Book value per common share (Calculated by dividing stockholders' equity, excluding other comprehensive income or loss by outstanding common shares)	\$38.05	\$35.55	7.03%	\$37.33	\$34.79	\$32.17
	At March 31,			At December 31,		
<b>Balance Sheet</b>	<b>2020</b>	<b>2019</b>	<b>% Chg</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Assets	\$1,225,299	\$1,183,154	3.56%	\$1,213,488	\$1,180,323	\$1,163,933
Investment Securities (AFS Securities at Market Value)	\$311,816	\$287,274	8.54%	\$310,368	\$295,382	\$273,767
Loans, net of unearned income	\$782,593	\$797,521	-1.87%	\$793,918	\$800,546	\$793,423
Deposits & Repurchase (SWEET) Agreements	\$1,061,668	\$1,021,720	3.91%	\$1,046,690	\$1,007,778	\$994,093
Short-term and other borrowings	\$15,011	\$23,577	-36.33%	\$17,417	\$39,229	\$36,702
Subordinated Debentures	\$0	\$0	0.00%	\$0	\$0	\$10,000
Stockholders' Equity (Excludes accumulated other comprehensive income or loss)	\$141,351	\$131,454	7.53%	\$138,681	\$128,560	\$117,896
	For the Three Month Period Ended March 31,			For the Years Ended December 31,		
<b>Stock Value Per Common Share Information</b>	<b>2020</b>	<b>2019</b>	<b>% Chg</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Price/earnings ratio	8.5	10.2	-17.02%	12.2	11.0	12.8
Stock Price - High	\$36.10	\$36.00		\$36.90	\$36.15	\$32.85
Low	\$24.00	\$32.87		\$32.87	\$32.24	\$29.75
Ending	\$27.50	\$35.07	-21.59%	\$36.10	\$33.95	\$32.40
Book value per common share	\$38.05	\$35.55	7.03%	\$37.33	\$34.79	\$32.17
Price/book value per common share	0.72	0.99	-26.73%	0.97	.98	1.01
Common shares outstanding (excludes Treasury Stock Shares)	3,714,962	3,697,641		3,714,962	3,694,891	3,664,289



LENA STATE BANK



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