

Annual Disclosure Statement
December 31, 2019
FFIEC 051

FNBC Bank and Trust
LaGrange, IL 60525

I, the undersigned officer, attest to the correctness of this statement and declare that it has been examined by me and to the best of my knowledge and belief has been prepared in accordance with instructions issued by the appropriate Federal regulatory authority and is true and correct.

Signature

Date

Consolidated Report of Income

December 31, 2019

Dollar Amounts in Thousands

	Prior Year 2018	Current Year 2019
Interest income:		
Interest and fee income on loans:		
Loans secured by real estate:		
Loans secured by 1-4 family residential properties.....	4,429	4,178
All other loans secured by real estate.....	9,004	9,057
Commercial and industrial loans.....	714	797
Loans to individuals for household, family, and other personal expenditures:		
Credit cards.....	46	47
Other (includes revolving credit plans other than credit cards, automobile loans, and other consumer loans).....	131	118
All other loans.....	24	19
Total interest and fee income on loans.....	14,348	14,216
Income from lease financing receivables.....	0	0
Interest income on balances due from depository institutions.....	537	838
Interest and dividend income on securities:		
U.S. Treasury securities and U.S. Government agency obligations (excluding mortgage-backed securities).....	1,641	1,748
Mortgage-backed securities.....	866	1,204
All other securities (includes securities issued by states and political subdivisions in the U.S.).....	633	567
Interest income on federal funds sold and securities purchased under agreements to resell.....	0	0
Other interest income.....	0	0
Total interest income.....	18,025	18,573
Interest expense:		
Interest on deposits:		
Transaction accounts (interest-bearing demand deposits, NOW accounts, ATS accounts, and telephone and preauthorized transfer accounts).....	68	71
Nontransaction accounts:		
Savings deposits (includes MMDAs).....	513	782
Time deposits of \$250,000 or less.....	79	173
Time deposits of more than \$250,000.....	90	125
Expense of federal funds purchased and securities sold under agreements to repurchase.....	0	0
Other interest expense.....	0	0
Total interest expense.....	750	1,151
Net interest income.....	17,275	17,422
Provision for loan and lease losses.....	100	0
Noninterest income:		
Income from fiduciary activities.....	3,750	3,935
Service charges on deposit accounts.....	637	463
Fees and commissions from securities brokerage, investment banking, advisory, and underwriting activities.....	0	0
Income from insurance activities.....	0	0

Consolidated Report of Income

December 31, 2019

Dollar Amounts in Thousands	Prior Year 2018	Current Year 2019
Noninterest income (continued):		
Net servicing fees.....	201	36
Net gains (losses) on sales of loans and leases.....	99	79
Net gains (losses) on sales of other real estate owned.....	(21)	(15)
Net gains (losses) on sales of other assets.....	0	0
Other noninterest income.....	867	1,017
Total noninterest income.....	5,533	5,515
Realized gains (losses) on held-to-maturity securities.....	0	0
Realized gains (losses) on available-for-sale securities.....	8	(11)
Noninterest expense:		
Salaries and employee benefits.....	9,600	9,754
Expenses of premises and fixed assets (net of rental income) (excluding salaries and employee benefits and mortgage interest).....	1,575	1,517
Goodwill impairment losses.....	0	0
Amortization expense and impairment losses for other intangible assets.....	0	0
Other noninterest expense.....	4,937	4,941
Total noninterest expense.....	16,112	16,212
Income (loss) before unrealized holding gains (losses) on equity securities not held for trading, applicable income taxes, and discontinued operations.....	6,604	6,714
Unrealized holding gains (losses) on equity securities not held for trading.....	NR	NR
Income (loss) before applicable income taxes and discontinued operations.....	6,604	6,714
Applicable income taxes.....	70	78
Income (loss) before discontinued operations.....	6,534	6,636
Discontinued operations, net of applicable income taxes.....	0	0
Net income (loss) attributable to bank and noncontrolling (minority) interests.....	6,534	6,636
LESS: Net income (loss) attributable to noncontrolling (minority) interests.....	0	0
Net income (loss) attributable to bank.....	6,534	6,636
Memoranda		
Income on tax-exempt loans and leases to states and political subdivisions in the U.S.....	0	0
Income on tax-exempt securities issued by states and political subdivisions in the U.S.....	633	567
Number of full-time equivalent employees at end of current period (round to the nearest whole number).....	Number	Number
	102	98
<i>The following item is to be completed by:</i>		
• banks with \$300 million or more in total assets, and		
• banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans.		
Interest and fee income on loans to finance agricultural production and other loans to farmers.....	0	0

Consolidated Report of Income

December 31, 2019

Dollar Amounts in Thousands

Memoranda (continued)

Does the reporting bank have a Subchapter S election in effect for federal income tax purposes for the current tax year?.....

Noncash income from negative amortization on closed-end loans secured by 1-4 family residential properties.....

Other-than-temporary impairment losses on held-to-maturity and available-for-sale debt securities recognized in earnings.....

The following four items are to be completed by institutions with \$1 billion or more in total assets and offer one or more consumer deposit account products.

Components of service charges on deposit accounts:

Consumer overdraft-related service charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....

Consumer account periodic maintenance charges levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....

Consumer customer automated teller machine (ATM) fees levied on those transaction account and nontransaction savings account deposit products intended primarily for individuals for personal, household, or family use.....

All other service charges on deposit accounts.....

Prior Year 2018	Current Year 2019
YES / NO	YES / NO
YES	YES
NR	NR
0	0
NR	NR
NR	NR
NR	NR
NR	NR

Consolidated Report of Income

December 31, 2019

Dollar Amounts in Thousands

	Prior Year 2018	Current Year 2019
Changes in Bank Equity Capital		
Total bank equity capital most recently reported for the December 31, 2018 Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	51,509	51,975
Cumulative effect of changes in accounting principles and corrections of material accounting errors.....	0	0
Balance end of previous calendar year as restated.....	51,509	51,975
Net income (loss) attributable to bank.....	6,534	6,636
Sale, conversion, acquisition, or retirement of capital stock, net (excluding treasury stock transactions).....	0	0
Treasury stock transactions, net.....	0	0
Changes incident to business combinations, net.....	0	0
LESS: Cash dividends declared on preferred stock.....	0	0
LESS: Cash dividends declared on common stock.....	5,000	5,750
Other comprehensive income.....	(1,068)	3,771
Other transactions with stockholders (including a parent holding company).....	0	0
Total bank equity capital end of current period.....	51,975	56,632
Changes in Allowances for Credit Losses		
Loans and Leases Held for Investment		
Balance most recently reported for the December 31, 2018, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	3,025	3,076
Recoveries.....	94	66
LESS: Charge-offs.....	143	22
LESS: Write-downs arising from transfers of financial assets.....	0	0
Provisions for credit losses.....	100	0
Adjustments.....	0	0
Balance end of current period.....	3,076	3,120
Changes in Allowances for Credit Losses		
Held-to-Maturity Debt Securities		
Balance most recently reported for the December 31, 2018, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	NR	NR
Recoveries.....	NR	NR
LESS: Charge-offs.....	NR	NR
LESS: Write-downs arising from transfers of financial assets.....	NR	NR
Provisions for credit losses.....	NR	NR
Adjustments.....	NR	NR
Balance end of current period.....	NR	NR

Consolidated Report of Income

December 31, 2019

Dollar Amounts in Thousands

	Prior Year 2018	Current Year 2019
Changes in Allowances for Credit Losses		
Available-for-Sale Debt Securities		
Balance most recently reported for the December 31, 2018, Reports of Condition and Income (i.e., after adjustments from amended Reports of Income).....	NR	NR
Recoveries.....	NR	NR
LESS: Charge-offs.....	NR	NR
LESS: Write-downs arising from transfers of financial assets.....	NR	NR
Provisions for credit losses.....	NR	NR
Adjustments.....	NR	NR
Balance end of current period.....	NR	NR
Memoranda		
Provisions for credit losses on other financial assets measured at amortized cost.....	NR	NR
Allowance for credit losses on other financial assets measured at amortized cost.....	NR	NR

Consolidated Report of Condition

December 31, 2019

	Dollar Amounts in Thousands	Prior Year 2018	Current Year 2019
Assets			
Cash and balances due from depository institutions:			
Noninterest-bearing balances and currency and coin.....		7,464	6,695
Interest-bearing balances.....		36,769	43,519
Securities:			
Held-to-maturity securities.....		0	0
Available-for-sale securities.....		161,496	167,114
Equity securities with readily determinable fair values not held for trading.....		NR	NR
Federal funds sold and securities purchased under agreements to resell:			
Federal funds sold.....		0	0
Securities purchased under agreements to resell.....		0	0
Loans and lease financing receivables:			
Loans and leases held for sale.....		0	150
Loans and leases held for investment.....		304,249	298,548
LESS: Allowance for loan and lease losses.....		3,076	3,120
Loans and leases held for investment, net of allowance.....		301,173	295,428
Trading assets.....			
		0	0
Premises and fixed assets (including capitalized leases).....			
		13,515	12,489
Other real estate owned.....			
		1,067	750
Investments in unconsolidated subsidiaries and associated companies.....			
		0	0
Direct and indirect investments in real estate ventures.....			
		0	0
Intangible assets.....			
		2,325	2,149
Other assets.....			
		3,153	2,852
Total assets.....			
		526,962	531,146
Liabilities			
Deposits:			
In domestic offices.....		472,685	472,028
Noninterest-bearing.....		174,930	172,398
Interest-bearing.....		297,755	299,630
Federal funds purchased and securities sold under agreements to repurchase:			
Federal funds purchased.....		0	0
Securities sold under agreements to repurchase.....		0	0
Trading liabilities.....			
		0	0
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases).....			
		0	0
Subordinated notes and debentures.....			
		0	0
Other liabilities.....			
		2,303	2,487
Total liabilities.....			
		474,988	474,515
Equity Capital			
Bank Equity Capital			
Perpetual preferred stock and related surplus.....			
		0	0
Common stock.....			
		2,396	2,396
Surplus (excludes all surplus related to preferred stock).....			
Retained earnings.....		31,305	32,191
Accumulated other comprehensive income.....		(2,117)	1,654
Other equity capital components.....		0	0
Total bank equity capital.....			
		51,974	56,631
Noncontrolling (minority) interests in consolidated subsidiaries.....			
		0	0
Total equity capital.....			
		51,974	56,631
Total liabilities and equity capital.....			
		526,962	531,146

Consolidated Report of Condition

December 31, 2019

Past Due and Nonaccrual Loans, Leases, and Other Assets

Dollar Amounts in Thousands	Prior Year - 2018		Current Year - 2019	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loans secured by real estate:				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	11	0	6
Secured by farmland.....	0	0	0	0
Secured by 1-4 family residential properties:				
Revolving, open-end loans secured by 1-4 family residential properties and extended under lines of credit.....	0	155	0	0
Closed-end loans secured by 1-4 family residential properties:				
Secured by first liens.....	0	726	0	1,371
Secured by junior liens.....	0	185	0	162
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	1,628
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Loans to depository institutions and acceptances of other banks.....	0	0	0	0
Commercial and industrial loans.....	0	0	0	97
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	10	0	8
All other loans.....	0	0	0	0
Lease financing receivables.....	0	0	0	0
Total loans and leases.....	0	1,087	0	3,272
Debt securities and other assets (exclude other real estate owned and other repossessed assets).....	0	0	0	0
Loans and leases reported in items above that are wholly or partially guaranteed by the U.S. Government, excluding loans and leases covered by loss-sharing agreements with the FDIC.....	0	0	0	0
Guaranteed portion of loans and leases included in item above, excluding rebooked "GNMA loans".....	0	0	0	0
Rebooked "GNMA loans" that have been repurchased or are eligible for repurchase included in item above.....	0	0	0	0

Consolidated Report of Condition

December 31, 2019

Past Due and Nonaccrual Loans, Leases, and Other Assets

Memoranda

Dollar Amounts in Thousands

	Prior Year - 2018		Current Year - 2019	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Loans restructured in troubled debt restructurings included in items above.				
Construction, land development, and other land loans:				
1-4 family residential construction loans.....	0	0	0	0
Other construction loans and all land development and other land loans.....	0	0	0	0
Loans secured by 1-4 family residential properties.....	0	431	0	1,064
Secured by multifamily (5 or more) residential properties.....	0	0	0	0
Secured by nonfarm nonresidential properties:				
Loans secured by owner-occupied nonfarm nonresidential properties.....	0	0	0	1,322
Loans secured by other nonfarm nonresidential properties.....	0	0	0	0
Commercial and industrial loans.....	0	0	0	0
All other loans (include loans to individuals for household, family, and other personal expenditures).....	0	0	0	0
<i>Itemize loan categories included in item above that exceed 10% of total loans restructured in troubled debt restructurings that are past due 30 days or more or in nonaccrual status:</i>				
Loans secured by farmland.....	0	0	0	0
Loans to individuals for household, family, and other personal expenditures:				
Credit cards.....	0	0	0	0
Automobile loans.....	0	0	0	0
Other (includes revolving credit plans other than credit cards and other consumer loans).....	0	0	0	0
<i>The following item is to be completed by:</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans				
Loans to finance agricultural production and other loans to farmers included in item above.....	0	0	0	0
Total loans restructured in troubled debt restructurings included in items above.....	0	431	0	2,386
Loans to finance commercial real estate, construction, and land development activities (not secured by real estate) included in items above.....	0	0	0	0

Consolidated Report of Condition December 31, 2019

Past Due and Nonaccrual Loans, Leases, and Other Assets

Memoranda

Dollar Amounts in Thousands

	Prior Year - 2018		Current Year - 2019	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
<i>The following item is to be completed by:</i>				
• Banks with \$300 million or more in total assets				
• Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans				
Loans to finance agricultural production and other loans to farmers (included in items above).....	0	0	0	0
Loans and leases held for sale (included in items above).....	0	0	0	0

The following item is to be completed by:

- Banks with \$300 million or more in total assets
- Banks with less than \$300 million in total assets that have loans to finance agricultural production and other loans to farmers exceeding five percent of total loans

Loans to finance agricultural production and other loans to farmers (included in items above).....	0	0	0	0
Loans and leases held for sale (included in items above).....	0	0	0	0

Dollar Amounts in Thousands

	Prior Year 2018	Current Year 2019
Additions to nonaccrual assets during the previous six months.....	118	991
Nonaccrual assets sold during the previous six months.....	602	300

Memoranda

Dollar Amounts in Thousands

	Prior Year - 2018		Current Year - 2019	
	Past Due 90 days or more and still accruing	Nonaccrual	Past Due 90 days or more and still accruing	Nonaccrual
Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):				
Outstanding balance.....	0	0	0	0
Amount included in items above.....	0	0	0	0

Purchased credit-impaired loans accounted for in accordance with FASB ASC 310-30 (former AICPA Statement of Position 03-3):				
Outstanding balance.....	0	0	0	0
Amount included in items above.....	0	0	0	0

2019 ANNUAL DISCLOSURE STATEMENT NOTICE OF AVAILABILITY

In accordance with Federal regulation, this bank will provide an Annual Disclosure Statement to our customers, shareholders, and the general public, upon request, containing the bank's financial information for the last two years. This information will be updated annually and made available on or before March 31, 2020.

To request a copy

of the Annual Disclosure Statement, please contact:

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