Profile and Business Review

West Suburban Bancorp, Inc. (“West Suburban”) is the parent bank holding company of West Suburban Bank, Lombard, Illinois (the “Bank” and, together and consolidated with West Suburban, the “Company”). The Company had total assets at December 31, 2020 of approximately $2.8 billion and, as of the date of this report maintained 34 full-service branches, 8 limited-service branches and four departments providing insurance, land trust, financial and other services for the convenience of the customers of the Bank throughout DuPage, Kane, Kendall and Will Counties in Illinois. The Bank is one of the largest privately-held independent banks headquartered in DuPage County, Illinois and focuses on providing retail and commercial banking products and services in its market area. The Company had approximately 403 full-time equivalent employees at December 31, 2020.

West Suburban Bancorp, Inc.
Financial Highlights

	Years Ended December 31, (Dollars in thousands, except per share data)	
	2020	2019
Net income	$ 10,691	$ 15,513
Per share data		
Earnings per share	27.15	38.20
Dividends per share	8.00	16.00
Book value per share	604.28	573.40
Net loans	1,468,712	1,216,753
Total assets	2,753,459	2,305,202
Total deposits	2,485,566	2,060,988

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Special Note Concerning Forward-Looking Statements

This document and future oral and written statements of the Company and its management may contain forward-looking statements with respect to the financial condition, results of operations, plans, objectives, future performance and business of the Company. Forward-looking statements, which may be based upon beliefs, expectations and assumptions of the Company’s management and on information currently available to management, are generally identifiable by the use of words such as “believe,” “expect,” “anticipate,” “plan,” “intend,” “estimate,” “may,” “will,” “would,” “could,” “should” or other similar expressions. A number of factors, many of which are beyond the ability of the Company to control or predict, can cause actual results to differ materially from those in its forward-looking statements. Additionally, all statements in this document, including forward-looking statements, speak only as of the date they are made, and the Company undertakes no obligation to update any statement in light of new information or future events.

To Our Shareholders, Customers and Friends

During 2020 net income decreased $4.8 million to $10.7 million or $27.15 per share from $15.5 million or $38.20 per share in 2019. Since early 2020 the Company's operations have been negatively impacted by the global pandemic that resulted in numerous governmental actions, including mandated shutdowns. The pandemic generally and the shutdowns specifically necessitated an increase of $6 million to the provision for loan losses in 2020 negatively impacting our net income.

Our net interest margin declined during 2020 to 2.80%, a decrease of 43 basis points from 2019. This decrease was heavily influenced by the Federal Reserve's reduction of 150 basis points in Federal Funds rate which reduced rates on interest earning assets more than we could reduce our rates on interest paying liabilities, thus compressing margins. Another factor in margin compression has been the extremely competitive lending market in the Chicagoland area. During 2021 it is our goal to broaden our market area to increase lending while reinvesting excess liquidity into securities as necessary.

Our total assets increased $448.3 million to $2.8 billion during 2020. Cash equivalents increased $9.3 million with excess funds invested into $192.3 million of securities and an additional $256.3 million of loans. It should be noted that loan volume increased significantly during 2020 primarily due to the Paycheck Protection Program (PPP) that was created by the U.S. Department of the Treasury. PPP loans on the balance sheet at the end of 2020 were approximately $212.1 million and are expected to be largely repaid during 2021. Deposits increased $424.6 million during 2020 due to two primary factors. The first factor was that recipients of PPP funds to a great extent held those funds in deposit accounts and the second factor was that the government's "CARES Act" of 2020 which provided extensive cash payments to individuals which was another large source of additional deposits.

Our Bank remains well capitalized based upon regulatory guidelines. The Bank's Tier 1 Leverage Ratio, which is closely followed for community banks by regulators and the investment community, was approximately 8.47% at December 31, 2020, a decrease from 9.50% at December 31, 2019. This decrease was driven by the growth in our deposits. Our Board of Directors approved total dividends of $8.00 per share during 2020 versus $16.00 per share during 2019. Our book value per share of $604.28 at December 31, 2020 reflects an increase from 2019 of 5.4% or $30.88 per share.

We continue to invest in our people, technology and facilities to enhance the customer experience. We are in the ongoing process of upgrading our branches to the universal banker customer experience. The universal banker design removes the traditional teller line barrier between the customer and banker which creates a more personalized one-on-one interaction.

Our core values include giving back to the communities we serve. During 2020, the Company supported community nonprofit organizations that offer food, shelter and resources to improve the quality of life in our communities, medical facilities providing high quality care to children with special healthcare needs, and community centers providing services to promote responsible homeownership. Our dedicated employees also served on local boards, participated in community events, and volunteered for community nonprofit organizations.

We thank you for you continued support for the Company, its Board of Directors, and its management team. The West Suburban Bank team remains committed to maintaining our strong, well-capitalized, locally owned and managed community bank dedicated to serving our community and customers, as well as providing long term shareholder value.

Thanks again,

Kevin J. Acker
Chairman of the Board

Duane G. Debs
President and Chief Financial Officer

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Directors
West Suburban Bancorp, Inc.
Lombard, Illinois

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of West Suburban Bancorp, Inc., which comprise the consolidated balance sheets as of December 31, 2020 and 2019, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of West Suburban Bancorp, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

We also have audited in accordance with auditing standards generally accepted in the United States of America, West Suburban Bancorp, Inc.'s internal control over financial reporting as of December 31, 2020, based on criteria established in the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) relevant to reporting objectives for the express purpose of meeting the regulatory requirements of Section 112 of the Federal Deposit Insurance Corporation Improvement Act (FDICIA) and our report dated March 8, 2021 expressed unmodified opinion.

Crowe LLP

Crowe LLP

Oak Brook, Illinois
March 8, 2021

WEST SUBURBAN BANCORP, INC.
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2020 AND 2019

(Dollars in thousands)

	2020	2019
Assets		
Cash and due from banks	$ 94,562	$ 85,287
Total cash and cash equivalents	94,562	85,287
Securities		
Available for sale (amortized cost of $506,632 in 2020 and $495,464 in 2019)	513,562	495,948
Held to maturity (fair value of $570,195 in 2020 and $389,161 in 2019)	560,653	385,883
Federal Home Loan Bank stock	2,377	2,477
Total securities	1,076,592	884,308
Loans, less allowance for loan losses of $18,618 in 2020 and $14,260 in 2019	1,468,712	1,216,753
Bank-owned life insurance	39,674	40,658
Premises and equipment, net	55,331	56,909
Other real estate owned, net	5,578	7,781
Accrued interest and other assets	13,010	13,506
Total assets	$ 2,753,459	$ 2,305,202
Liabilities and shareholders' equity		
Deposits		
Demand-noninterest-bearing	$ 359,078	$ 218,195
Interest-bearing	2,126,488	1,842,793
Total deposits	2,485,566	2,060,988
Federal Home Loan Bank advances	19,000	-
Accrued interest and other liabilities	14,156	13,627
Total liabilities	2,518,722	2,074,615
Shareholders' equity		
Common stock, no par value; 15,000,000 shares authorized; 388,458 shares issued and outstanding at December 31, 2020; 402,139 at December 31, 2019	3,105	3,215
Surplus	13,469	21,321
Retained earnings	213,209	205,706
Accumulated other comprehensive income	4,954	345
Total shareholders' equity	234,737	230,587
Total liabilities and shareholders' equity	$ 2,753,459	$ 2,305,202

See accompanying notes to consolidated financial statements.

WEST SUBURBAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Dollars in thousands)

	2020	2019
Interest income		
Loans, including fees	$ 60,296	$ 61,716
Securities		
Taxable	12,860	16,948
Exempt from federal income tax	1,074	1,503
Interest income on balance due from depositiory institutions	240	2,037
Total interest income	74,470	82,204
Interest expense		
Deposits	7,296	13,477
Other	2	-
Total interest expense	7,298	13,477
Net interest income	67,172	68,727
Provision for loan losses	6,003	-
Net interest income after provision for loan losses	61,169	68,727
Noninterest income		
Service fees on deposit accounts	2,202	2,575
Debit card fees	3,230	3,279
Bank-owned life insurance	1,320	750
Net realized gains on securities transactions	1,607	-
Other	3,091	4,270
Total noninterest income	11,450	10,874
Noninterest expense		
Salaries and employee benefits	31,834	32,822
Occupancy	7,430	7,215
Furniture and equipment	9,256	8,962
Other real estate owned expense	639	1,469
FDIC assessments	724	341
Loan administration	489	439
Professional fees	1,585	1,077
Advertising and promotion	991	1,209
Other	5,965	5,691
Total noninterest expense	58,913	59,225
Income before income taxes	13,706	20,376
Income tax expense	3,015	4,863
Net income	$ 10,691	$ 15,513

See accompanying notes to consolidated financial statements.

WEST SUBURBAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019

(Dollars in thousands)

	2020	2019
Net Income	$ 10,691	$ 15,513
Other comprehensive income (loss)		
Unrealized gains on available for sale securities:		
Unrealized holding gains arising during the period	8,053	8,326
Reclassification adjustments for gains included in net income	(1,607)	-
Tax effect	(1,837)	(2,375)
Total other comprehensive income	4,609	5,951
Total comprehensive income	$ 15,300	$ 21,464

See accompanying notes to consolidated financial statements.

WEST SUBURBAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Dollars in thousands, except per share data)

	Common Stock and Surplus	Retained Earnings	Accumulated Other Compre-hensive Income (Loss)	Total Shareholders' Equity
Balance, January 1, 2019	$ 29,926	$ 196,697	$ (5,606)	$ 221,017
Repurchase and retirement of 7,942 shares of common stock	(5,390)	-	-	(5,390)
Net income	-	15,513	-	15,513
Cash dividends paid - $16.00 per share	-	(6,504)	-	(6,504)
Total other comprehensive income	-	-	5,951	5,951
Balance, December 31, 2019	$ 24,536	$ 205,706	$ 345	$ 230,587
Repurchase and retirement of 13,681 shares of common stock	(7,962)	-	-	(7,962)
Net income	-	10,691	-	10,691
Cash dividends paid - $8.00 per share	-	(3,188)	-	(3,188)
Total other comprehensive income	-	-	4,609	4,609
Balance, December 31, 2020	$ 16,574	$ 213,209	$ 4,954	$ 234,737

See accompanying notes to consolidated financial statements.

WEST SUBURBAN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

(Dollars in thousands)	**2020**	2019
Cash flows from operating activities		
Net income	$ 10,691	$ 15,513
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	7,459	6,880
Provision for loan losses	6,003	-
Net premium amortization of securities	7,931	6,318
Net realized gain on securities transactions	(1,607)	-
Earnings on bank-owned life insurance	(1,320)	(750)
Net loss (gains) on sales of premises and equipment	1	(5)
Net loss (gains) on sales of other real estate owned	98	(237)
Write down of other real estate owned	526	1,173
(Increase) decrease in accrued interest and other assets	(1,342)	2,216
Increase in accrued interest and other liabilities	529	112
Net cash provided by operating activities	28,969	31,220
Cash flows from investing activities		
Securities available for sale		
Sales	50,804	-
Maturities, calls and principal payments	239,630	114,668
Purchases	(304,055)	(183,117)
Securities held to maturity		
Maturities, calls and principal payments	173,355	91,935
Purchases	(351,995)	(90,744)
Redemption of FHLB stock	100	266
Mortality proceeds on bank-owned life insurance	2,304	-
Termination of derivative	-	(3,638)
Net increase in loans	(258,150)	(18,577)
Purchases of premises and equipment	(5,882)	(8,449)
Sales of premises and equipment	-	7
Sales of other real estate owned	1,767	1,640
Net cash used in investing activities	(452,122)	(96,009)
Cash flows from financing activities		
Net increase in deposits	424,578	43,801
FHLB advances	19,000	-
Repurchase and retirement of common stock	(7,962)	(5,390)
Dividends paid	(3,188)	(6,504)
Net cash provided by financing activities	432,428	31,907
Net increase (decrease) in cash and cash equivalents	9,275	(32,882)
Beginning cash and cash equivalents	85,287	118,169
Ending cash and cash equivalents	$ 94,562	$ 85,287
Supplemental disclosures		
Cash paid for interest	$ 8,109	$ 12,541
Cash paid for income taxes	3,795	3,754
Other real estate acquired through or instead of loan foreclosure	188	1,371

See accompanying notes to consolidated financial statements.

Note 1 - Nature of Business and Summary of Significant Accounting Policies

West Suburban Bancorp, Inc. ("West Suburban") through the branch network of its subsidiary, West Suburban Bank (the "Bank" and, together with West Suburban, the "Company"), operates 34 full-service branches, 8 limited-service branches and four departments providing insurance, land trust, financial and other services for the convenience of the customers of the Bank throughout DuPage, Kane, Kendall and Will Counties in Illinois. Customers in these areas are the primary consumers of the Company's loan and deposit products and services. Although borrower cash flow is expected to be the primary source of repayment for the Company's loans, the loans are generally secured by various forms of collateral or security, including real estate, business assets, consumer goods, personal guarantees and other items.

Principles of Consolidation
The consolidated financial statements include the accounts of West Suburban and the Bank. Significant intercompany accounts and transactions have been eliminated.

Subsequent Events
The Company has evaluated subsequent events for recognition and disclosure through March 8, 2021, which is the date the financial statements were available to be issued.

A strain of the coronavirus spread around the world with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization. The Company's operating area experienced periodic closures of business, restrictions on personal contact, and requests by government officials to stay in isolation. The operations and business results of the Company could be materially adversely effected. Significant estimates as disclosed in Note 1, including the allowance for loan losses, valuation of securities, and the carrying value of other real estate owned may be materially adversely impacted by national and local events designed to contain the coronavirus.

Use of Estimates
To prepare financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions, which are subject to change, based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

Securities
Debt securities are classified into two categories: "available for sale" and "held to maturity." Available for sale securities are carried at fair value with net unrealized gains and losses (net of deferred tax) reported in accumulated other comprehensive income as a separate component of shareholders' equity. Held to maturity securities are carried at amortized cost as the Company has both the ability and positive intent to hold them to maturity. Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage-backed securities where prepayments are anticipated. Gains and losses on sales are recorded on the trade date and determined using the specific identification method. The Company does not engage in trading activities.

Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: (1) OTTI related to credit loss, which must be recognized in the income statement, and (2) OTTI related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis.

Derivatives
At the inception of a derivative contract, the Company designates the derivative based on three types of hedges. These are (1) a hedge of the fair value of a recognized asset or liability or an unrecognized firm commitment (fair value hedge), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized assets or liability (cash flow hedge), or (3) an instrument with no hedging (stand-alone derivative). The gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item, are recognized in current earnings as fair values change. Changes in the fair value of derivatives that are not highly effective in hedging the changes in fair value of the hedged item are recognized immediately in current earnings. Changes in the fair value of derivatives that do not qualify for hedge accounting are reported currently in earnings, as non-interest income.

Net cash settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the items being hedged. Net cash settlements on derivatives that do not qualify for hedge accounting are reported in non-interest income.

The Company formally documents the relationship between the derivative and hedged items, as well as the risk-management objective and the strategy for undertaking the hedge transaction at the inception of the hedging relationship. This documentation includes linking fair value hedges to specific assets on the balance sheet. The Company also formally assesses both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used are highly effective in offsetting changes in fair values of the hedged items. The Company discontinues hedge accounting when it determines that the derivative is no longer effective in offsetting changes in the fair value of the hedged item, the derivative is settled or terminates, or treatment of the derivative as a hedge is no longer appropriate or intended.

When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability.

The fair value of the derivative is reflected in other liabilities, the fair value of the hedged item is reflected is securities available for sale with changes reflected in securities interest income.

During 2019 the Company terminated all derivative contracts and as of December 31, 2020 and 2019 the Company has no open derivatives.

Federal Home Loan Bank (FHLB) Stock
The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Loans
Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of unearned interest, deferred loan fees and costs and an allowance for loan losses. Interest income is accrued on the unpaid balance of the Company's loans and includes amortization of net deferred loan fees and costs over the loan term. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Accrual of interest is generally discontinued on loans 90 days past due, or on an earlier date, if management believes, after considering economic and business conditions and collection efforts, that the borrower's financial condition is such that collection of principal or interest is doubtful. In some circumstances, a loan more than 90 days past due may continue to accrue interest if it is fully secured and in the process of collection. When a loan is classified as nonaccrual, interest previously accrued but not collected is charged back to interest income. When payments are received on nonaccrual loans they are first applied to principal, then to interest income and finally to expenses incurred for collection.

Allowance for Loan Losses
The allowance for loan losses is a valuation allowance for probable incurred credit losses in the loan portfolio. The allowance is increased by a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the un-collectability of a loan has been established. Subsequent recoveries, if any, are credited to the allowance. The allowance consists of specific and general components. The specific component relates to specific loans that are individually classified as impaired. The allowance for loan losses is evaluated monthly based on management's periodic review of loan collectability in light of historical loan loss experience, the nature and volume of the loan portfolio, information about specific borrower situations and estimated collateral values and prevailing economic conditions. Although allocations of the allowance may be made for specific loans, the entire allowance is available for any loan that, in management's judgment, should be charged-off. Management's evaluation of loan collectability is inherently subjective as it requires estimates that are subject to significant revision as more information becomes available or as relevant circumstances change.

The Company evaluates commercial, commercial real estate, construction and development and residential real estate (mortgage and home equity) loans monthly for impairment. A loan is considered impaired when, based on current information and events, full payment under the loan terms is not expected. Loans for which the terms have been modified and for which the borrower is experiencing financial difficulties are considered troubled debt restructurings ("TDRs") and classified as impaired. Impairment is measured based on the present value of expected future cash flows discounted at the loan's effective interest rate or the fair value of the loan's collateral, if repayment of the loan is collateral dependent. A valuation allowance is maintained for the amount of impairment. Generally, loans 90 days or more past due and loans classified as nonaccrual status are considered for impairment. Impairment is considered on an entire category basis for smaller-balance loans of similar nature such as residential real estate and consumer loans, and on an individual basis for other loans. In general, consumer and credit card loans are charged-off no later than 120 days after a consumer or credit card loan becomes past due.

The general component covers pools of other loans not classified as impaired and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on a rolling three year net charge-off history. This actual loss experience is supplemented with other economic factors based on the risks present for each portfolio segment. These factors include consideration of the following: levels and trends in past dues; trends in charge-offs and recoveries; trends in volume and terms of loans; effects of collateral deterioration; experience, ability and depth of lending management and other relevant staff; national and local economic trends; and trends in impaired loans including impaired loans, without specific allowance for loan losses. The following portfolio segments have been identified: commercial, commercial real estate, construction and development, residential real estate (mortgage and home equity) and consumer loans.

Commercial loans are made based primarily on the identified cash flow of the borrower and secondarily on the underlying collateral provided by the borrower. Most often, this collateral is accounts receivable, inventory, equipment or real estate. Repayment is primarily dependent upon the borrower's ability to service the debt based upon the cash flows generated from the underlying business. Secondary support involves liquidation of the pledged collateral and enforcement of a personal guarantee, if a guarantee is obtained.

Commercial real estate lending typically involves higher loan principal amounts, and the repayment of the loans generally is dependent, in large part, on sufficient income from the properties securing the loans to cover operating expenses and debt service. Economic events or governmental regulations outside of the control of the borrower or the Company may negatively impact the future cash flow and market values of the affected properties.

Construction and development lending involves additional risks because funds are advanced based upon values associated with the completed project, which are uncertain. Because of the uncertainties inherent in evaluating the construction cost estimates that the Company receives from its customers and other third parties, as well as the market value of the completed project and the effects of governmental regulation of real property, it is relatively difficult to evaluate accurately the total funds required to complete a project and the related loan-to-value ratio. As a result, construction and development loans often involve the disbursement of substantial funds with repayment dependent, in part, on the success of the ultimate project and the ability of the borrower to sell or lease the property, rather than the ability of the borrower or guarantor to repay principal and interest.

Residential real estate (mortgage and home equity) lending consists primarily of loans secured by first or second mortgages on primary residences. The loans are collateralized by owner-occupied properties located in the Company's market area. Mortgage title insurance is normally required on first mortgages and second mortgages $100,000 and greater. Hazard insurance is normally required on first and second mortgages.

The Company's consumer loans are primarily made up of credit card lines and installment loans. Credit card lines present inherent risk due to the unsecured nature of the product. The installment loans represent a relatively small portion of the Company's loan portfolio and are primarily secured by automobiles.

Bank-Owned Life Insurance ("BOLI")
The Company has purchased life insurance policies on certain officers and directors. BOLI is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Premises and Equipment
Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Depreciation is generally computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the shorter of the useful life or lease term.

Other Real Estate Owned
Other real estate owned are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate property collateralizing a residential mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed.

Loan Commitments and Related Financial Instruments
Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are issued.

Income Taxes
Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that has a greater than 50% likelihood of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

The Company recognizes interest and/or penalties related to income tax matters in income tax expense.

401(k) Profit Sharing Plan, Employee Stock Ownership Plan (ESOP) and Other Retirement Plans
The Bank maintains the West Suburban Bank 401(k) Profit Sharing Plan to assist the Company in recruiting and retaining its personnel. Participation in the plan is subject to certain age and service requirements. Although the Company currently intends to match a percentage of the contributions that each employee voluntarily makes to the plan, all contributions by the Company are discretionary and subject to review by the Bank's Board of Directors from time to time. The plan is also intended to enable long time employees of the Company that also participate in the ESOP to diversify their retirement savings.

The Bank also maintains an ESOP, which is a noncontributory tax qualified retirement plan that covers employees who have satisfied specific service requirements. Subject to review by the Bank's Board of Directors, the Bank may make contributions to the ESOP for the benefit of the participants from time to time. Dividends declared on common stock owned by the ESOP are charged against retained earnings. Dividends paid on ESOP shares are passed through to participants, who have the option to receive cash or reinvest in the plan. Earned and allocated ESOP shares are voted by the respective participants.

The Company has deferred compensation arrangements with certain former and current executive officers and directors. Deferred compensation expense allocates the benefits over years of service.

Cash Flows

For purposes of reporting cash flows, cash and cash equivalents include cash and due from banks and federal funds sold. Generally, federal funds are sold for one-day periods. Net cash flows are reported for customer loan and deposit transactions.

Comprehensive Income

Comprehensive income includes net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on available for sale securities, net of reclassification adjustments and deferred tax effects.

Loss Contingencies

Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Restrictions on Cash

On March 15, 2020, the Board of Governors of the Federal Reserve System announced an interim final rule amending Regulation D to lower all transaction account reserve requirement ratios to zero percent, thereby eliminating all reserve requirements. The Board's interim final rule was published on March 24, 2020. Cash on hand or on deposit with the Federal Reserve Bank of $13,077 was required to meet regulatory reserve and clearing requirements at year-end 2019.

Dividend Restrictions

Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to West Suburban or by West Suburban to shareholders. (See Note 14 in the Consolidated Financial Statements for more specific disclosure.)

Fair Value of Financial Instruments

Fair value of financial instruments are estimated using relevant market information and other assumptions. (See Note 12 in the Consolidated Financial Statements for more specific disclosure.) Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Reclassifications

Certain reclassifications have been made in prior years' financial statements to conform to the current year's presentation.

Note 2 - Securities

The amortized cost, unrealized gains and losses and fair value of securities available for sale are as follows at December 31:

	2020			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasuries	$ 9,924	$ 43	$ -	$ 9,967
U.S. government sponsored enterprises	-	-	-	-
Mortgage-backed: residential	478,846	6,911	(196)	485,561
States and political subdivisions	17,862	172	-	18,034
Corporate	-	-	-	-
Total	$ 506,632	$ 7,126	$ (196)	$ 513,562

	2019			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Treasuries	$ -	$ -	$ -	$ -
U.S. government sponsored enterprises	10,000	-	(26)	9,974
Mortgage-backed: residential	451,570	2,458	(2,171)	451,857
States and political subdivisions	28,869	223	-	29,092
Corporate	5,025	-	-	5,025
Total	$ 495,464	$ 2,681	$ (2,197)	$ 495,948

The amortized cost, unrecognized gains and losses and fair value of securities held to maturity are as follows at December 31:

	2020			
	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
U.S. Treasuries	$ 10,001	$ 39	$ -	$ 10,040
U.S. government sponsored enterprises	20,475	13	(33)	20,455
Mortgage-backed: residential	512,980	8,900	(337)	521,543
States and political subdivisions	17,197	960	-	18,157
Total	$ 560,653	$ 9,912	$ (370)	$ 570,195

	2019			
	Amortized Cost	Gross Unrecognized Gains	Gross Unrecognized Losses	Fair Value
U.S. Treasuries	$ 10,017	$ 202	$ -	$ 10,219
U.S. government sponsored enterprises	14,600	-	(17)	14,583
Mortgage-backed: residential	342,674	2,904	(445)	345,133
States and political subdivisions	18,592	634	-	19,226
Total	$ 385,883	$ 3,740	$ (462)	$ 389,161

U.S. government sponsored enterprises securities and mortgage-backed: residential securities consist of residential mortgage-backed securities issued by U.S. government sponsored enterprises and agencies, including primarily Fannie Mae, Freddie Mac and Ginnie Mae, each an enterprise that the government has affirmed its commitment to support.

The amortized cost and fair value of debt securities available for sale and held to maturity at December 31, 2020 are shown by contractual maturity. Expected maturities will differ from contractual maturities because issuers may have the right to call or prepay obligations with or without call or prepayment penalties. Securities with an amortized cost of approximately $28,945 are callable in 2021. Securities not due at a single maturity date are shown separately.

	Available for Sale		Held to Maturity	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in 1 year or less	$ 9,353	$ 9,431	$ 13,007	$ 13,091
Due after 1 year through 5 years	8,509	8,603	6,415	6,760
Due after 5 years through 10 years	9,924	9,967	16,005	16,027
Due after 10 years	-	-	12,246	12,774
Mortgage-backed: residential	478,846	485,561	512,980	521,543
Total	$ 506,632	$ 513,562	$ 560,653	$ 570,195

Sales of securities available for sale were as follows:

	2020	2019
Proceeds from sales	$ 50,804	$ -
Gross realized gains	1,607	-
Gross realized losses	-	-

Securities with a carrying value of approximately $90,763 and $88,359 at December 31, 2020 and 2019, respectively, were pledged to secure public deposits, fiduciary activities and for other purposes required or permitted by law.

At December 31, 2020 and 2019, the Company did not hold any securities of any single issuer in excess of 10% of the Company's shareholders' equity, except from U.S. government sponsored enterprises.

Securities with unrealized losses at year-end 2020 and 2019 not recognized in income are presented below by the length of time the securities have been in a continuous unrealized loss position:

	2020					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. government sponsored enterprises	$ 5,953	$ (33)	$ -	$ -	$ 5,953	$ (33)
Mortgage-backed: residential	174,811	(518)	1,109	(15)	175,920	(533)
Corporate	-	-	-	-	-	-
Total temporarily impaired	$ 180,764	$ (551)	$ 1,109	$ (15)	$ 181,873	$ (566)

	2019					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
U.S. government sponsored enterprises	$ 19,558	$ (43)	$ -	$ -	$ 19,558	$ (43)
Mortgage-backed: residential	240,127	(1,711)	55,920	(905)	296,047	(2,616)
Corporate	5,025	-	-	-	5,025	-
Total temporarily impaired	$ 264,710	$ (1,754)	$ 55,920	$ (905)	$ 320,630	$ (2,659)

The unrealized losses at December 31, 2020 were in U.S. government sponsored enterprise securities and mortgage-backed: residential. Because the decline in fair value on the debt securities is primarily due to changes in market interest rates and because the Company has the ability and intent to hold these securities to maturity, the Company does not consider these securities to be other-than-temporarily impaired at December 31, 2020.

Note 3 - Loans

The Company makes commercial, residential real estate and consumer loans primarily to customers throughout the western suburbs of Chicago. From time to time, the Company will make loans outside of its market area. Major classifications of loans were as follows at December 31:

	2020	2019
Commercial	$ 587,637	$ 378,462
Commercial real estate	626,573	549,396
Construction and development	73,422	83,469
Residential real estate:		
Mortgage	127,973	135,135
Home equity	61,424	73,750
Consumer	10,301	10,801
Total	1,487,330	1,231,013
Allowance for loan losses	(18,618)	(14,260)
Loans, net	$ 1,468,712	$ 1,216,753

Included in commercial loans are $212,100 of loans made under the Payroll Protection Program (PPP), which are guaranteed by the Small Business Administration (SBA). The loans have a term of 24 months but are eligible for forgiveness by the SBA. The company recognized $6,215 of PPP loan fee income and has $1,319 deferred income as of December 31, 2020 that will be accreted to income based on the terms of the loan. The fee income is recognized through interest income and the deferred income is reported in other liabilities.

Changes in the allowance for loan losses by portfolio segment were as follows:

	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Consumer	Total
December 31, 2020						
Balance, beginning of year	$ 6,381	$ 4,530	$ 1,087	$ 2,055	$ 207	$ 14,260
Provisision for (recovery of) loan losses	2,781	3,413	(144)	(100)	53	6,003
Charge-offs	(1,142)	(416)	-	(198)	(115)	(1,871)
Recoveries	29	25	-	118	54	226
Balance, end of year	$ 8,049	$ 7,552	$ 943	$ 1,875	$ 199	$ 18,618
December 31, 2019						
Balance, beginning of year	$ 7,321	$ 4,068	$ 1,336	$ 2,409	$ 201	15,335
Provisision for (recovery of) loan losses	41	481	(249)	(394)	121	-
Charge-offs	(1,520)	(19)	-	(147)	(223)	(1,909)
Recoveries	539	-	-	187	108	834
Balance, end of year	$ 6,381	$ 4,530	$ 1,087	$ 2,055	$ 207	$ 14,260

The balance of the allowance for loan losses and the recorded investment (which does not include accrued interest) in loans by portfolio segment and based on impairment method were as follows:

	Commercial	Commercial Real Estate	Construction and Development	Residential Real Estate	Consumer	Total
December 31, 2020						
Allowance for loan losses attributable to loans:						
Individually evaluated for impairment	$ 808	$ 934	$ -	$ 352	$ -	$ 2,094
Collectively evaluated for impairment	7,241	6,618	943	1,523	199	16,524
Total ending allowance balance	$ 8,049	$ 7,552	$ 943	$ 1,875	$ 199	$ 18,618
Loans:						
Individually evaluated for impairment	$ 12,946	$ 13,814	$ 1,364	$ 5,834	$ -	$ 33,958
Collectively evaluated for impairment	574,691	612,759	72,058	183,563	10,301	1,453,372
Total ending loan balance	$ 587,637	$ 626,573	$ 73,422	$ 189,397	$ 10,301	$ 1,487,330
December 31, 2019						
Allowance for loan losses attributable to loans:						
Individually evaluated for impairment	$ 1,009	$ 809	$ -	$ 430	$ -	$ 2,248
Collectively evaluated for impairment	5,372	3,721	1,087	1,625	207	12,012
Total ending allowance balance	$ 6,381	$ 4,530	$ 1,087	$ 2,055	$ 207	$ 14,260
Loans:						
Individually evaluated for impairment	$ 9,341	$ 6,930	$ -	$ 5,530	$ -	$ 21,801
Collectively evaluated for impairment	369,121	542,466	83,469	203,355	10,801	1,209,212
Total ending loan balance	$ 378,462	$ 549,396	$ 83,469	$ 208,885	$ 10,801	$ 1,231,013

Loans individually evaluated for impairment by class of loans were as follows:

	Unpaid Principal Balance	Recorded Investment	Allowance for Loan Losses Allocated
December 31, 2020			
With no related allowance recorded:			
Commercial	$ 10,602	$ 8,877	$ -
Commercial real estate	9,227	8,981	-
Construction and development	1,368	1,364	-
Residential real estate:			
Mortgage	2,587	2,555	-
Home equity	259	242	-
Consumer	-	-	-
With an allowance recorded:			
Commercial	4,160	4,069	808
Commercial real estate	5,039	4,833	934
Construction and development	-	-	-
Residential real estate:			
Mortgage	3,037	3,037	352
Home equity	-	-	-
Consumer	-	-	-
Total	$ 36,279	$ 33,958	$ 2,094
December 31, 2019			
With no related allowance recorded:			
Commercial	$ 963	$ 852	$ -
Commercial real estate	4,302	4,255	-
Construction and development	-	-	-
Residential real estate:			
Mortgage	1,532	1,510	-
Home equity	356	356	-
Consumer	-	-	-
With an allowance recorded:			
Commercial	9,969	8,489	1,009
Commercial real estate	2,788	2,675	809
Construction and development	-	-	-
Residential real estate:			
Mortgage	3,664	3,664	430
Home equity	-	-	-
Consumer	-	-	-
Total	$ 23,574	$ 21,801	$ 2,248

Average impaired loans by class were as follows at December 31:

	2020	2019
Commercial	$ 9,667	$ 12,788
Commercial real estate	6,051	8,721
Construction and development	329	2,136
Residential real estate:		
Mortgage	4,868	5,872
Home equity	22	356
Consumer	-	34
Total	$ 20,937	$ 29,907

Interest income recognized during impairment was $486 and $483 for the years ended December 31, 2020 and 2019, respectively.

Nonperforming loans and loans past due 90 days or more still on accrual include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

The recorded investment in nonaccrual and loans past due 90 days or more still on accrual by class of loans was as follows:

	Nonaccrual	Loans Past Due 90 Days or More Still on Accrual
December 31, 2020		
Commercial	$ 12,842	$ -
Commercial real estate	13,408	-
Construction and development	1,364	4
Residential real estate:		
Mortgage	1,121	-
Home equity	170	-
Consumer	-	3
Total	$ 28,905	$ 7

	Nonaccrual	Loans Past Due 90 Days or More Still on Accrual
December 31, 2019		
Commercial	$ 9,069	$ -
Commercial real estate	6,634	-
Construction and development	-	-
Residential real estate:		
Mortgage	322	-
Home equity	353	-
Consumer	-	8
Total	$ 16,378	$ 8

Loans past due 90 days or more still on accrual are generally considered to be well-collateralized and in the process of collection. There were $7 loans past due 90 days or more still on accrual as of December 31, 2020 and $8 as of December 31, 2019.

The aging of the recorded investment in past due loans were as follows:

	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More Past Due	Total Past Due	Loans Not Past Due	Total
December 31, 2020						
Commercial	$ 7,925	$ 18	$ 4,071	$ 12,014	$ 575,623	$ 587,637
Commercial real estate	189	144	2,425	2,758	623,815	626,573
Construction and development	472	700	224	1,396	72,026	73,422
Residential real estate:						
Mortgage	2,346	159	850	3,355	124,618	127,973
Home equity	-	40	143	183	61,241	61,424
Consumer	213	4	3	220	10,081	10,301
Total	$ 11,145	$ 1,065	$ 7,716	$ 19,926	$ 1,467,404	$ 1,487,330
December 31, 2019						
Commercial	$ 15,214	$ 438	$ 931	16,583	$ 361,879	$ 378,462
Commercial real estate	2,094	246	4,354	6,694	542,702	549,396
Construction and development	-	-	-	-	83,469	83,469
Residential real estate:						
Mortgage	1,915	-	-	1,915	133,220	135,135
Home equity	-	98	181	279	73,471	73,750
Consumer	25	32	8	65	10,736	10,801
Total	$ 19,248	$ 814	$ 5,474	$ 25,536	$ 1,205,477	$ 1,231,013

During the year ended December 31, 2020 the terms of one loan was modified as a TDR with a pre and post modification balance of $776. The modification of the terms of such loan included a period of interest only payments. No loans were modified as TDRs in 2019. TDRs for the year ended December 2020 increased the allowance for loan losses by $0 during 2020.

At December 31, 2020, the Company had $9,404 of loans considered TDRs, which are considered impaired loans, compared to $12,530 as of December 31, 2019. As of December 31, 2020 and 2019, the Company has specifically allocated allowance for loan losses of $1,183 to loans considered to be TDRs with a principal balance of $5,042 and $1,044 to loans considered to be TDRs with a principal balance of $5,804, respectively. The remaining TDRs did not have impaired cash flows or are considered to be collateral dependent and do not have specific allocations of the allowance due to partial charge-offs and the loans being well-collateralized. Management has not committed to lend additional amounts to customers with outstanding loans that are classified as TDRs.

During 2020 there were no TDR modified for which there was a payment default following modification. There were no TDRs and no payment defaults during 2019. There were no increases to the allowance for loan losses and no charge-offs for the TDRs that subsequently defaulted in the years ended December 31, 2020 and 2019.

A loan is considered to be in payment default once it is 90 days past due under the modified contractual terms. Loans less than $100 will not be evaluated for impairment under TDR accounting guidance.

The Company is working with borrowers impacted by COVID-19 and providing modifications to include deferral of interest and/or principal payments for up to 6 months. Certain borrowers may have an extended deferral period. These modifications are excluded from troubled debt restructuring classification under Section 4013 of the CARES Act or under applicable interagency guidance of federal banking regulators. The Company provided 225 borrowers with payment deferrals on loans with a total principal balance of $201,157, or 13.5%, of total loans. As of December 31, 2020, $177,473 of the deferrals have expired and the borrower is making payments as agreed, $5,448 of the deferrals have expired and the borrower is delinquent, and $18,236 are in active deferral period. The majority of active deferrals expire during the first quarter of 2021.

In order to determine whether a borrower is experiencing financial difficulty, an evaluation is performed of the probability that the borrower will be in payment default on any of its debt in the foreseeable future without the modification. This evaluation is performed under the Company's internal underwriting policy.

The Company categorizes its non-homogeneous loans into risk categories based on relevant information about the ability of borrowers to service their debt such as, among other factors: current financial information; historical payment experience; credit documentation; public information; and current economic trends. The Company analyzes loans individually by classifying the loans as to credit risk. This analysis includes certain non-homogeneous loans, such as commercial, commercial real estate and construction and development loans. This analysis is done continually on a loan by loan basis. The Company uses the following definitions for classified risk ratings:

> Substandard: Loans designated as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.
>
> Doubtful: Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

Loans meeting the criteria above are considered classified rated loans. Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans. The risk categories of loans were as follows:

	Classified	Pass	Total
December 31, 2020			
Commercial	$ 33,553	$ 554,084	$ 587,637
Commercial real estate	17,336	609,237	626,573
Construction and development	1,364	72,058	73,422
Total	$ 52,253	$ 1,235,379	$ 1,287,632
December 31, 2019			
Commercial	$ 24,952	$ 353,510	$ 378,462
Commercial real estate	13,441	535,955	549,396
Construction and development	-	83,469	83,469
Total	$ 38,393	$ 972,934	$ 1,011,327

Management has identified two sectors as continuing to be susceptible to immediate increased credit risk from the impact of COVID-19: Other Construction Loans and Owner Occupied CRE. The Company's year-end 2020 total loans in these two sectors totaled $316,312, which represents 21.3% of total loans.

Note 4 - Premises and Equipment

Major classifications of assets comprising premises and equipment are summarized as follows at December 31:

	2020	2019
Land	$ 15,510	$ 15,510
Premises	80,576	76,630
Furniture and equipment	72,869	72,378
Total	168,955	164,518
Less accumulated depreciation	(113,624)	(107,609)
Premises and equipment, net	$ 55,331	$ 56,909

Rent commitments before considering renewal options that generally are present, are summarized as follows:

2021	$ 225
2022	201
2023	179
2024	147
2025	98
Total	$ 850

The Company has recorded a right of use asset and lease liability of approximately $775 and $0 included in other assets and other liabilities on the balance sheet at December 31, 2020 and 2019.

Note 5 - Other Real Estate Owned

Activity in other real estate owned was as follows at December 31:

	2020	2019
Beginning balance	$ 7,781	$ 8,987
Acquired through or instead of loan foreclosure	188	1,371
Reductions from sales	(1,865)	(1,404)
Write-downs	(526)	(1,173)
Ending balance	$ 5,578	$ 7,781

At December 31, 2020 and 2019, the balance of real estate owned includes $0 and $512, respectively of foreclosed residential real estate properties recorded as a result of obtaining physical possession of the property. At December 31, 2020 and 2019, the recorded investment of loans secured by residential real estate in which formal foreclosure proceeds are in process was $0 and $356, respectively.

There was no valuation allowance on other real estate owned at December 31, 2020 and 2019, respectively. Expenses, excluding write-downs relating to other real estate owned, for 2020 and 2019 were $113 and $296, respectively.

Note 6 - Deposits

The major categories of deposits are summarized as follows at December 31:

	2020	2019
Demand-noninterest-bearing	$ 359,078	$ 218,195
NOW	36,990	40,032
Money market checking	635,448	545,712
Savings	1,218,093	1,009,464
Time deposits		
Less than $250,000	197,658	218,783
$250,000 and greater	38,299	28,802
Total	$ 2,485,566	$ 2,060,988

At December 31, 2020, the scheduled maturities of time deposits were as follows:

2021	$ 129,522
2022	42,957
2023	31,454
2024	23,527
2025	8,497
Total	$ 235,957

Note 7 - Income Taxes

Income tax expense is as follows for the years ended December 31:

		2020		2019
Current tax expense				
Federal	$	2,890	$	2,279
State		1,442		1,640
Deferred (Prepaid) tax expense		(1,317)		944
Total	$	3,015	$	4,863

The Company's effective tax rate is lower than the statutory federal and state tax rate of 21% in 2020 and 2019 primarily due to tax-exempt income, ESOP dividends, earnings from bank-owned life insurance, and state taxes, net of federal benefit.

The temporary differences which created deferred tax assets and liabilities at December 31 are summarized below:

		2020		2019
Deferred tax assets				
Allowance for loan losses	$	5,255	$	4,025
Deferred compensation		1,586		1,465
Bad debt conformity recoveries		318		335
Other real estate owned		1,423		1,499
Operating lease laibility		219		-
Total deferred tax assets		8,801		7,324
Deferred tax liabilities				
Depreciation		2,800		2,805
Deferred loan costs		529		555
Federal Home Loan Bank stock dividends		107		107
Deposit base intangible		201		201
Qualified prepaid expenses		405		432
Operating lease right of use asset		219		-
Net unrealized gain on securities available for sale		1,975		138
Total deferred tax liabilities		6,236		4,238
Net deferred tax assets	$	2,565	$	3,086

Management believes it is more likely than not that the deferred tax assets as of December 31, 2020 and 2019, will be realized. Therefore, no valuation allowance has been established.

There were no unrecognized tax benefits as of December 31, 2020 and 2019. The Company does not expect a significant change in the unrecognized tax benefit in the next twelve months. During 2020 and 2019, the Company did not record any interest or penalties related to income tax matters in income tax expense. The Company and its subsidiaries are subject to U.S. federal income tax as well as income tax of the State of Illinois. The Company is no longer subject to examination by taxing authorities for years before 2017.

Note 8 - Benefit Plans

The Bank maintains the West Suburban Bank 401(k) Profit Sharing Plan (the "401(k) Plan"), which currently serves as the Company's principal retirement plan. The 401(k) Plan was established to address the limited availability of West Suburban common stock for acquisition by the ESOP and to offer participants an avenue to diversify their retirement savings. The Company recorded expenses totaling $889 and $775 during 2020 and 2019, respectively, for contributions to the 401(k) Plan.

The Bank also maintains an ESOP, which is a noncontributory tax qualified retirement plan that covers employees who have satisfied specific service requirements. The ESOP provides incentives to employees by granting participants an interest in West Suburban common stock, which represents the ESOP's primary investment.

At December 31, 2020 and 2019, the ESOP held 53,919 and 63,563 shares of West Suburban common stock, respectively, that were allocated to ESOP participants. Upon termination of their employment, participants who elect to receive their benefit distributions in the form of West Suburban common stock may request the Company to purchase, when the Company is legally permitted to purchase its common stock, the common stock distributed at the appraised fair value during two 60-day periods. The first purchase period begins on the date the benefit is distributed and the second purchase period begins on the first anniversary of the distribution date. The estimated fair value of the common stock allocated to the ESOP participants was $30,842 and $44,367 at December 31, 2020 and 2019, respectively.

During 2020 and 2019, the ESOP distributed $6,722 and $5,064, respectively, in cash representing the interests of participants. In addition, the ESOP distributed 44 shares of West Suburban common stock in 2020 and 116 shares in 2019. The Company recorded expenses totaling $417 and $398 during 2020 and 2019, respectively, for contributions to the ESOP Plan.

An individual account is established for each participant under the 401(k) Plan and the ESOP, and the benefits payable upon retirement, termination, disability or death are based upon service, the amount of the employer's, and for the 401(k) Plan, the applicable participant's, contributions to such retirement plans and any income, expenses, gains and losses and forfeitures allocated to the participant's account.

The Company maintains deferred compensation arrangements with certain former and current executive officers and certain members of the Bank's Board of Directors. The deferred compensation was $75 for each of the years ended December 31, 2020 and 2019. Executive officers can elect to defer the payment of a percentage of their salaries and cash bonuses, if any, and members of the Bank's Board of Directors can elect to defer the payment of their directors' fees. In addition, the Company can elect to make annual contributions for the benefit of current participants in the Company's deferred compensation arrangements. The annual contributions for certain senior executive officers were $75 in both 2020 and 2019 or $25 per officer.

The total accumulated liability for all deferred compensation arrangements was $5,620 and $5,191 at December 31, 2020 and 2019, respectively. These amounts are included in accrued interest and other liabilities in the consolidated balance sheets.

Note 9 – FHLB Advances

Advances from the FHLB totaled $19,000 at December 31, 2020 and $0 at 2019. The FHLB advances consist of $15,000 of .25% maturing on January 6, 2021 and $4,000 of 0% that mature on May 3, 2021.

Although no loans are specifically pledged, the FHLB requires the Bank to maintain eligible collateral (qualifying loans and investments securities) that has a lending value at least equal to its required collateral. At December 31, 2020 there was a blanket pledge on the Bank's one-to-four family first lien loans and one-to-four family home equity lines of credit of $120,927 with a borrowing capacity of $101,927. At December 31, 2019 there was a blanket pledge on the Bank's one-to-four family first lien loans with a borrowing capacity of $96,735. The available borrowing capacity with the FHLB is collateral based, and the Bank's ability to borrow is subject to maintaining collateral that meets the eligibility requirements. The borrowing capacity is not committed and is subject to FHLB credit requirements and policies. In addition, the Bank must maintain a restricted investment in FHLB stock to maintain access to borrowings.

Note 10 – Line of Credit

The Company has a line of credit with a correspondent bank, subject to certain terms and conditions, up to $10,000. The line of credit matures on June 10, 2021. There was no outstanding balance during 2020. Interest on the line of credit facility is payable monthly at the Prime Rate plus 25 basis points, floating. There was no interest expense related to the line of credit during 2020 and 2019. The Company is subject to certain financial covenants, such as Tier 1 Capital minimum requirement of $170,000, Tier 1 Leverage Ratio minimum requirement of 8.25%, Total Capital/Risk Weighted Assets minimum requirement of 13.00%, and nonperforming loans to primary capital maximum of 20.00%.

As of December 31, 2020, the Company was in compliance with the financial covenants.

Note 11 - Off-Balance Sheet Risk, Contingent Liabilities and Guarantees

The Company is a party to off-balance sheet financial instruments to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These financial instruments involve, to varying degrees, elements of credit and interest rate risks. Such financial instruments are recorded when funded.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the agreement. These commitments primarily consist of unused lines of credit, undrawn portions of construction and development loans and commitments to make new loans. Commitments generally have fixed expiration dates or other termination provisions and may require the payment of a fee. Since many of the commitments are expected to expire without being exercised or drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

The Company's exposure to credit risk in connection with commitments to extend credit and standby letters of credit is the contractual amount of those instruments before considering customer collateral or ability to repay. The Company uses the same credit policies in making commitments and conditional obligations as it does for on-balance-sheet instruments. The Company generally requires collateral or other security to support financial instruments with credit risk. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company, is based on management's credit evaluation of the customer. Collateral held varies and may include accounts receivable, inventory and equipment or commercial or residential properties.

A summary of the contractual exposure to off-balance sheet risk as of December 31 follows:

	2020	2019
Commercial loans and lines of credit	$ 420,887	$ 292,840
Check credit lines of credit	594	604
Home equity lines of credit	98,370	101,611
Letters of credit	9,438	11,504
Credit card lines of credit	31,508	20,939
Smartline of credit	15	8
Total	$ 560,812	$ 427,506

Note 12 - Fair Value of Financial Instruments

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 – Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.
Level 2 – Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.
Level 3 – Significant unobservable inputs that reflect a company's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Company used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Securities: The fair value of securities is determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair value is calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair value is calculated using discounted cash flows or other market indicators (Level 3).

Impaired Loans: The fair value of impaired loans secured by real estate with specific allocations of the allowance for loan losses is based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available for similar loans and collateral underlying such loans. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the client and client's business, resulting in a Level 3 fair value classification. Impaired loans are evaluated on a quarterly basis for additional impairment and adjusted in accordance with the allowance policy.

Other Real Estate Owned: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which are generally updated no less frequently than annually. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Real estate owned properties are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Assets and liabilities measured at fair value on a recurring basis, are as follows at year-end:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020 Recurring basis				
Financial assets				
U.S. government sponsored enterprises	$ 9,967	$ -	$ 9,967	$ -
Mortgage-backed: residential	485,561	-	485,561	-
State and political subdivisions	18,034	-	18,034	-
Corporate	-	-	-	-
Total securities available for sale	$ 513,562	$ -	$ 513,562	$ -
2019 Recurring basis				
Financial assets				
U.S. government sponsored enterprises	$ 9,974	$ -	$ 9,974	$ -
Mortgage-backed: residential	451,857	-	451,857	-
State and political subdivisions	29,092	-	29,092	-
Corporate	5,025	-	5,025	
Total securities available for sale	$ 495,948	$ -	$ 495,948	$ -

There were no transfers between Level 1 and Level 2 during 2020 and 2019.

During 2020 and 2019, the Company had no securities where the fair value was determined using Level 3 inputs.

Assets and liabilities measured at fair value on a non-recurring basis are as follows:

	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
2020 Non-recurring basis				
Impaired loans				
Commercial	$ 531	$ -	$ -	$ 531
Commercial real estate	1,517	-	-	1,517
Construction and development	-	-	-	-
Other real estate owned				
Construction and development	4,523	-	-	4,523
Residential real estate	-	-	-	-
2019 Non-recurring basis				
Impaired loans				
Commercial	$ 2,357	$ -	$ -	$ 2,357
Commercial real estate	340	-	-	340
Construction and development	-	-	-	-
Other real estate owned				
Construction and development	6,290	-	-	6,290
Residential real estate	387	-	-	387

Impaired loans, which are measured for impairment using the fair value of the collateral for collateral dependent loans, had a carrying amount of $2,048 with a valuation allowance of $870 at December 31, 2020. At December 31, 2019, impaired loans had a carrying amount of $2,697 with a valuation allowance of $423. The provision for loan losses made for these loans for 2020 and 2019 was $0 and $0, respectively.

Other real estate owned, which are at fair value less costs to sell, had a carrying amount of $4,523 at December 31, 2020. At December 31, 2019, other real estate owned had a carrying amount of $6,677. Write-downs on the other real estate owned totaled $526 and $1,173 during 2020 and 2019, respectively. There was no valuation allowance at the end of December 31, 2020 and December 31, 2019.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis:

	Fair Value	Valuation Techniques	Range
2020 Non-recurring basis			
Impaired loans			
Commercial	$ 531	Sales comparison	-
Commercial real estate	1,517	Sales comparison	(20%) - 69%
Construction and development	-	Sales comparison	-
Other real estate owned			
Construction and development	4,523	Sales comparison	5% - 112%
Residential real estate	-	Sales comparison	-
2019 Non-recurring basis			
Impaired loans			
Commercial	$ 2,357	Sales comparison	(11%) - 74%
Commercial real estate	340	Sales comparison	(2%) - 60%
Construction and development	-	Sales comparison	-
Other real estate owned			
Construction and development	6,290	Sales comparison	(41%) - 14%
Residential real estate	387	Sales comparison	13% - 95%

Unobservable inputs related to the income approach valuation technique include adjustments for differences in net operating income expectations, and unobservable inputs for the sales comparison valuation technique include adjustments for differences between comparable sales.

Carrying values and estimated fair values of the Company's financial instruments as of December 31 are set forth in the table below:

		Fair Value Measurements at December 31, 2020			
	Carrying Value	Level 1	Level 2	Level 3	Total
(Dollars in thousands)					
Financial assets					
Cash and cash equivalents	$ 94,562	$ 94,562	$ -	$ -	$ 94,562
Securities					
Available for sale	513,562	-	513,562	-	513,562
Held to maturity	560,653	-	570,195	-	570,195
Federal Home Loan Bank stock	2,377	N/A	N/A	N/A	N/A
Loans, less allowance for loan losses	1,468,712	-	-	1,486,948	1,486,948
Accrued interest receivable	6,208	-	-	6,208	6,208
Financial liabilities					
Deposits	2,485,566	-	-	2,490,465	2,490,465
Accrued interest payable	1,535	-	-	1,535	1,535

	Carrying Value	Fair Value Measurements at December 31, 2019			
		Level 1	Level 2	Level 3	Total
(Dollars in thousands)					
Financial assets					
Cash and cash equivalents	$ 85,287	$ 85,287	$ -	$ -	$ 85,287
Securities					
Available for sale	495,948	-	495,948	-	495,948
Held to maturity	385,883	-	389,161	-	389,161
Federal Home Loan Bank stock	2,477	N/A	N/A	N/A	N/A
Loans, less allowance for loan losses	1,216,753	-	-	1,219,628	1,219,628
Accrued interest receivable	5,261	-	-	5,261	5,261
Financial liabilities					
Deposits	2,060,988	-	-	2,063,255	2,063,255
Accrued interest payable	2,347	-	-	2,347	2,347

Note 13 - Related Party Transactions

Certain executive officers and directors of the Company, and their affiliates are customers of the Bank and received loans from the Bank with outstanding balances totaling $20,024 and $41,629 at December 31, 2020 and 2019, respectively. Related parties maintained deposits at the Bank totaling $23,782 and $30,928 at December 31, 2020 and 2019, respectively.

Note 14 - Capital Requirements

Banks and bank holding companies are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. The final rules implementing Basel Committee on Banking Supervision’s capital guidelines for U.S. Banks (Basel III rules) became effectives for the Company on January 1, 2015 with full compliance with all of the requirements being phased in over a multi-year schedule, and fully phased in by January 1, 2019. Under the Basel III rules, the Company must hold a capital conservation buffer above the adequately capitalized risk-based capital ratios. The capital conservation buffer fully phased in to 2.5% by December 31, 2019. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. Management believes as of December 31, 2020, the Company and Bank meet all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well-capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At year-end 2020 and 2019, the most recent regulatory notifications categorized the Bank as well-capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution’s category.

The capital amounts and ratios of the Bank are presented in the table below:

As of December 31, 2020	Actual		Minimum For Capital Adequacy Purposes (a)		Minumum To Be Well-Capitalized (a)	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
Total capital (to risk-weighted assets)	$ 246,225	14.89%	$ 132,329	8.00%	$ 165,411	10.00%
Common Equity Tier 1 (to risk-weighted assets)	227,607	13.76%	74,435	4.50%	107,517	6.50%
Tier 1 capital (to risk-weighted assets)	227,607	13.76%	99,246	6.00%	132,329	8.00%
Tier 1 capital (to average assets)	227,607	8.47%	107,522	4.00%	134,403	5.00%
As of December 31, 2019						
Total capital (to risk-weighted assets)	$ 232,358	15.02%	$ 123,741	8.00%	$ 154,677	10.00%
Common Equity Tier 1 (to risk-weighted assets)	218,098	14.10%	69,605	4.50%	100,540	6.50%
Tier 1 capital (to risk-weighted assets)	218,098	14.10%	92,806	6.00%	123,741	8.00%
Tier 1 capital (to average assets)	218,098	9.50%	91,796	4.00%	114,745	5.00%

(a) The capital conservation buffer is not presented in these amounts or ratios.

Note 15 – Revenue from Contracts with Customers

All of the Company's revenue from contracts with customers in the scope of ASC 606 is recognized within Non-Interest Income. The following table presents the Company's sources on Non-Interest Income for the twelve months ended December 31, 2020 and 2019.

	Years Ended December 31,	
	2020	2019
Non-interest income		
Service fees on deposit accounts	$ 2,202	$ 2,575
Debit card fees	3,230	3,279
Bank owned life insurance (a)	1,320	750
Net gains (losses) on sales of securities (a)	1,607	-
Other wealth management fees	801	784
Other interchange income	528	955
Other fees on deposits	1,044	1,187
Other	718	1,344
Total non-interest income	$ 11,450	$ 10,874

(a) Not within the scope of ASC 606

A description of the Company's significant revenue streams accounted for under ASC 606 follows:

<u>Service Fees on Deposit Accounts</u>: The Company earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the Company satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

<u>Debit Card Fees</u>: The Company earns interchange fees from ATM and Debit cardholder transactions conducted through the Visa and other payment networks. Interchange fees from ATM and Debit cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

<u>Other Wealth Management Fees</u>: The Company earns fees from investment brokerage services provided to its customers by a third party service provider. The company receives commissions from the third-party service provider on a monthly basis based upon customer activity for the month. The fees are recognized monthly and a receivable is recorded until commissions are generally paid by the 15^{th} of the following month. The Company (i) acts as an agent in arranging the relationship between the customer and the third-party service provider and (ii) does not control the services rendered to the customers.

<u>Other Interchange Income</u>: The Company earns interchange fees from credit cardholder transactions conducted through the Visa and other payment networks. Interchange fees from credit cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

<u>Other Fees on Deposits:</u> The Company earns fees from its deposit customers on services for customers which are recognized at the time the transaction is executed as that is the point in time the Company fulfills the customer request. Examples of deposit fees can be check printing, cash advances, wire fees, levy or citation fees etc. Deposit fees are withdrawn from the customer's account balance.

SELECTED FINANCIAL DATA

(Dollars in thousands, except per share data)

The following information should be read in conjunction with the Company's Consolidated Financial Statements and Notes to Consolidated Financial Statements included in this annual report. All periods reported have been reclassified, as appropriate, for discontinued operations comparative purposes.

	Years Ended December 31,	
	2020	2019
Selected operating data		
Interest income	$ 74,470	$ 82,204
Interest expense	7,298	13,477
Net interest income	67,172	68,727
Provision for loan losses	6,003	-
Net interest income after provision for loan losses	61,169	68,727
Noninterest income	11,450	10,874
Noninterest expense	58,913	59,225
Income before income taxes	13,706	20,376
Income tax expense	3,015	4,863
Net income	$ 10,691	$ 15,513
Per share data		
Earnings per share	$ 27.15	$ 38.20
Cash dividends paid	8.00	16.00
Book value	604.28	573.40
Selected balances, end of year		
Securities	$ 1,074,215	$ 884,308
Loans, less allowance for loan losses	1,468,712	1,216,753
Total assets	2,753,459	2,305,202
Deposits	2,485,566	2,060,988
Shareholders' equity	234,737	230,587
Ratios		
Return on average total assets	0.42%	0.68%
Return on average shareholders' equity	4.60%	6.84%
Cash dividends paid to net income	29.81%	41.93%
Average shareholders'equity to average total assets	9.11%	9.93%
Net interest margin	2.80%	3.23%

AVERAGE BALANCE SHEETS, NET INTEREST INCOME AND AVERAGE RATES AND YIELDS

(Dollars in thousands)

The following table presents for the years indicated the total dollar amount of interest income from average interest-earning assets and their yields, as well as the interest expense on average interest-bearing liabilities and their costs, expressed both in dollars and rates. All average balances are daily average balances. To the extent received, interest on non-accruing loans has been included in the table.

	Years Ended December 31,					
	2020			2019		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Assets						
Cash Due from banks	$ 101,993	$ 240	0.24%	$ 101,382	$ 2,037	2.01%
Securities						
Taxable	908,358	12,860	1.42%	788,095	16,948	2.15%
Exempt from federal income tax	43,158	1,360	3.15%	64,118	1,903	2.97%
Total securities	951,516	14,220	1.49%	852,213	18,851	2.21%
Loans (1)	1,360,162	60,428	4.44%	1,189,929	61,872	5.20%
Total interest-earning assets (1)	2,413,671	74,888	3.10%	2,143,524	82,760	3.86%
Vault Cash	16,341			15,442		
Premises and equipment, net	56,801			56,171		
Other real estate owned	8,045			10,496		
Allowance for loan losses	(17,014)			(15,144)		
Accrued interest and other assets (1)	75,205			72,708		
Total assets	$ 2,553,049			$ 2,283,197		
Liabilities and shareholders' equity						
Interest-bearing deposits						
NOW	$ 562,916	64	0.01%	$ 495,798	276	0.06%
Money market checking	587,712	2,478	0.42%	530,202	6,488	1.22%
Savings	589,293	569	0.10%	539,647	1,917	0.36%
Time deposits						
Less than $250,000	203,379	3,658	1.80%	219,490	4,166	1.90%
$250,000 and greater	37,940	527	1.39%	28,659	630	2.20%
Total interest-bearing deposits	1,981,240	7,296	0.37%	1,813,796	13,477	0.74%
Other interest-bearing liabilities	8,414	2	0.02%	4,982	-	0.00%
Total interest-bearing liabilities	1,989,654	7,298	0.37%	1,818,778	13,477	0.74%
Demand-noninterest-bearing deposits	320,279			226,815		
Accrued interest and other liabilities	10,649			10,927		
Shareholders' equity	232,467			226,677		
Total liabilities and shareholders' equity	$ 2,553,049			$ 2,283,197		
Net interest income		$ 67,590			$ 69,283	
Interest rate spread			2.74%			3.12%
Net interest margin			2.80%			3.23%

(1) The average balances of nonaccrual loans are included in accrued interest and other assets.

BOARDS OF DIRECTORS

West Suburban Bancorp, Inc.

Kevin J. Acker	Chairman of the Board
Duane G. Debs	President, Chief Financial Officer
Charles P. Howard	Retired Parkview Community Church, Administrative Pastor
Keith J. Kotche	Levato & Kotche, Partner
Peggy P. LoCicero	Former Bank Officer

West Suburban Bank

Keith W. Acker	Chairman of the Board, President, Trust Officer
Craig R. Acker	Former Bank Officer
Charles P. Howard	Retired Parkview Community Church, Administrative Pastor
Keith J. Kotche	Levato & Kotche, Partner
Peggy P. LoCicero	Former Bank Officer
John G. Williams	Bracing Systems, Vice President

OFFICERS

West Suburban Bancorp, Inc.

Kevin J. Acker	Chief Executive Officer
Duane G. Debs	President, Chief Financial Officer
Keith W. Acker	Chief Operations Officer
Timothy W. Clifford	Vice President, Director of Internal Audit
George E. Ranstead	Secretary to the Board

West Suburban Bank

Senior Officers

Keith W. Acker	President, Trust Officer
Matthew R. Acker	Senior Vice President, Head of Consumer Banking and Operations
Duane G. Debs	Senior Vice President, Chief Financial Officer, Trust Officer
David S. Orr	Senior Vice President, Commercial Lending Team Lead II

Bank Secrecy Act

Christene Robinson	Bank Secrecy Act Officer

Cash Management

Ross Rylander	Vice President, Cash Management Manager

Commercial Lending	
Shonzetta Carpenter	Vice President, Credit Analyst Manager
Stanley C. Celner, Jr.	Vice President, Commercial Lending
Grant O. Cowen	Vice President, Commercial Lending Team Lead
Debra H. Crowley	Vice President, Director of Commercial Loan Operations
Jason Fels	Vice President, Commercial Lending
Robert A. Ferrigan, Jr.	Vice President, Commercial Lending
Derrick Foreman	Vice President, Commercial Lending
Nicolas Holtz	Vice President, Commercial Lending
Glenn Husa	Vice President, Commercial Lending Team Lead
Brian W. Mickey	Vice President, Commercial Lending
Brian Minnis	Vice President, Commercial Lending
Edwin S. Stephens IV	Vice President, Commercial Lending
Joseph Strejc	Vice President, Commercial Lending Team Lead
Lydia Turgeon	Vice President, Commercial Lending
Controller	
Matthew Bogard	Vice President, Controller, Secretary to the Board
George E. Ranstead	Vice President, Assistant Controller
Consumer Lending	
Kevin Bussey	Vice President, Collections Manager
Gail Mosher	Vice President, Director of Consumer Lending
David J. Wanek	Vice President, Underwriter
Facilities Management	
Edward J. Garvey	Vice President, Facilities Management
Wealth Management	
Michael Abbatacola	Vice President, Wealth Management
Human Resources	
Jason Barth	Vice President, Director of Human Resources
Information Technology	
Steven A. Jennrich	Vice President, Director of Information Technology
Internal Audit	
Timothy W. Clifford	Vice President, Director of Internal Audit
Marketing	
Denise M. Zatarski	Vice President, Director of Marketing
Corporate Operations	
Danielle Budig	Vice President, Director of Corporate Operations
Barbara D. Darden	Vice President, Regional Operations Manager
Diane Prangley	Vice President, Bank Operations Manager

Regulatory Compliance and Community Reinvestment Act

Alice Ann Gaultney	Vice President, Director of Regulatory Compliance, Community Reinvestment Act Officer

Retail Banking

George Caraballo	Vice President, Regional Manager - South Region
Matthew E. Remus	Vice President, Regional Manager - Central Region

Security and Loss Prevention

Brett Bernholdt	Vice President, Security and Loss Prevention

Trust

Christine H. Pawlak	Trust Officer

West Suburban Insurance Services

Daniel J. Lorimer	Insurance Agent

ADDRESSES OF WEST SUBURBAN FACILITIES
WWW.WESTSUBURBANBANK.COM
(630) 652 - 2000

Aurora
Church Road Branch: 1311 Butterfield Road, Aurora, Illinois 60502
Eola Road Branch: 335 North Eola Road, Aurora, Illinois 60504
Lake Street Branch: 101 North Lake Street, Aurora, Illinois 60506
West Galena Branch: 2000 West Galena Boulevard, Aurora, Illinois 60506

Bartlett
Bartlett Branch: 1061 West Stearns Road, Bartlett, Illinois 60103

Bloomingdale
Stratford Square Branch: 355 West Army Trail Road, Bloomingdale, Illinois 60108

Bolingbrook
Bolingbrook East Branch: 672 East Boughton Road, Bolingbrook, Illinois 60440
Bolingbrook West Branch: 1104 West Boughton Road, Bolingbrook, Illinois 60440

Carol Stream
Gary Avenue Branch: 401 North Gary Avenue, Carol Stream, Illinois 60188
Fair Oaks Branch: 1380 West Army Trail Road, Carol Stream, Illinois 60188
President Street Branch: 895 East Geneva Road, Carol Stream, Illinois 60188

Darien
75th Street Branch: 1005 75th Street, Darien, Illinois 60561
Cass Avenue Branch: 8001 South Cass Avenue, Darien, Illinois 60561

Downers Grove
Downtown Downers Branch: 5330 Main Street, Downers Grove, Illinois 60515
Finley Road Branch: 2800 Finley Road, Downers Grove, Illinois 60515

Glendale Heights
Glendale Heights Branch: 1657 Bloomingdale Road, Glendale Heights, Illinois 60139

Lombard
North Main Branch: 707 North Main Street, Lombard, Illinois 60148
South Main Branch: 1122 South Main Street, Lombard, Illinois 60148
Westmore Branch: 711 South Meyers Road, Lombard, Illinois 60148 *(Headquarters)*

Montgomery
Montgomery Branch: 1830 Douglas Road, Montgomery, Illinois 60538

Naperville
Chicago Avenue Branch: 1296 East Chicago Avenue, Naperville, Illinois 60540
Naperville Branch: 2020 Feldott Lane, Naperville, Illinois 60540
River Run Branch: 1004 104th Street, Naperville, IL 60564

Oakbrook Terrace
Oakbrook Terrace Branch: 17W754 22nd Street, Oakbrook Terrace, Illinois 60181

Oswego
Oswego Branch: 2830 Route 34, Oswego, Illinois 60543

Romeoville
Romeoville Branch: 505 North Weber Road, Romeoville, Illinois 60446

South Elgin
South Elgin Branch: 1870 Stearns Road, South Elgin, Illinois 60177

St. Charles
Charlestowne Branch: 3000 East Main Street, St. Charles, Illinois 60174
St. Charles Branch: 315 South Randall Road, St. Charles, Illinois 60174

Sugar Grove
Sugar Grove Branch: 522 Route 47, Sugar Grove, Illinois 60554

Villa Park
Villa Park Branch: 40 East St. Charles Road, Villa Park, Illinois 60181

Warrenville
Warrenville Branch: 3S041 Route 59, Warrenville, Illinois 60555

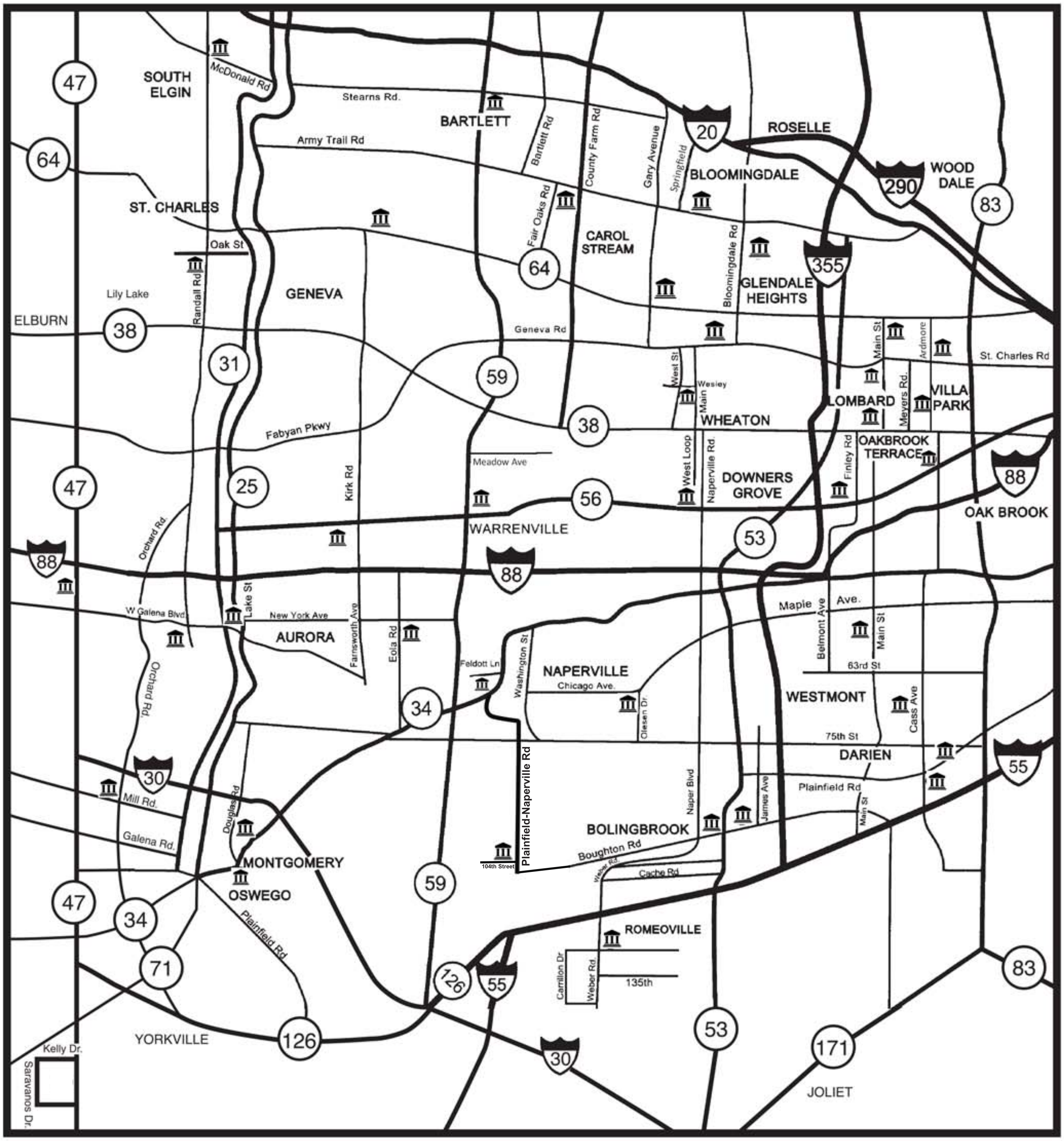
Westmont
Westmont Branch: 6400 South Cass Avenue, Westmont, Illinois 60559

Wheaton
Danada Branch: 295 West Loop Road, Wheaton, Illinois 60187

Limited-Service Branches
Beacon Hill Retirement Community: Lombard, Illinois 60148
West Suburban Bank Financial Center: 717 South Meyers Road, Lombard, Illinois 60148
Lexington Square of Elmhurst: Elmhurst, Illinois 60126
Lexington Square of Lombard: Lombard, Illinois 60148
Metra Main Branch: 100 South Main Street, Lombard, Illinois 60148 *(WSB Xpress)*
Monarch Landing: Naperville, IL 60563
Villa St. Benedict: Lisle, Illinois 60532
Wheaton Branch, 221, South West Street, Wheaton, Illinois 60187 *(WSB Xpress)*

Other Services
West Suburban Bank Land Trust: 711 South Meyers Road, Lombard, Illinois 60148 - (630) 652-2225
West Suburban Bank Visa: 711 South Meyers Road, Lombard, Illinois 60148 - (630) 652-2000
West Suburban Financial Services: 711 South Meyers Road, Lombard, Illinois 60148 - (630) 652-2232
West Suburban Insurance Services, Inc.: 711 South Meyers Road, Lombard, Illinois 60148 - (630) 652-2550

West Suburban Bank's website and branches are Americans with Disabilities Act (ADA) compliant.



WEST SUBURBAN BANK®

SHAREHOLDER INFORMATION

Annual Meeting of Shareholders
The annual meeting of shareholders of West Suburban Bancorp, Inc. will be held at West Suburban Bank, 711 South Meyers Road, Lombard, Illinois on Wednesday, May 19, 2021, at 8:00 a.m. All shareholders are cordially invited to attend.

Stock Transfer Agent and Registrar
Inquiries regarding stock transfers, registration, lost certificates and changes of name and address should be directed to the stock transfer agent and registrar by writing to:

George E. Ranstead
Secretary to the Board and Treasurer
West Suburban Bancorp, Inc.
2800 Finley Road
Downers Grove, Illinois 60515
(630) 652-2802

Community Reinvestment Act
West Suburban Bank adheres to a well-established policy of helping to meet the credit needs of our local communities, consistent with safe and sound lending practices, in accordance with the Community Reinvestment Act. For additional information, contact:

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Community Reinvestment Act Officer
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Equal Housing Lender