PARKSIDE FINANCIAL
BANK & TRUST®

Dear Fellow Shareholder:

As we approach the ten year anniversary of Parkside Financial Bank & Trust, we want to take this opportunity to thank you for your invaluable support and loyalty. We recognize that our accomplishments were made possible because of your commitment to our ongoing success. By providing both the much needed capital to run the business and, for many of you, allowing us the opportunity to serve you as clients, you have contributed to the success we've enjoyed for the past ten years.

We founded Parkside to provide banking, trust and family office services to an underserved niche market of discerning businesses and successful families. It was, and is still, our mission to provide unparalleled service, innovative solutions and access to local decision makers dedicated to understanding each client's unique needs. Over the past ten years, your Board of Directors and Parkside employees have built a robust organization, quickly becoming one of the highest performing financial institutions in the St. Louis metropolitan area. Our team, which has grown from just 18 people when we opened to 50 today, is proud to share with you a few highlights from the past and a glimpse of the future.

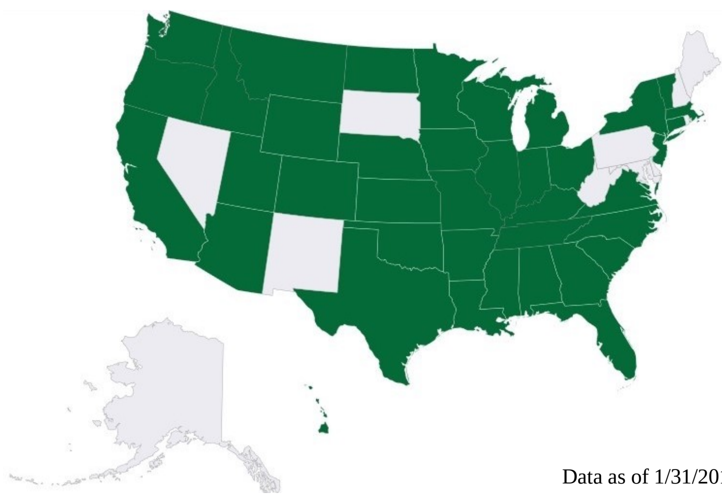
A Look Back at the Past Ten Years

When we opened for business in April 2008, and in the months immediately following, we were focused on driving revenue in an effort to mitigate the impact of our high fixed start-up cost. We achieved monthly profitability in late 2009, posted our first annual profit of $774 thousand in 2010 and have been improving our financial performance every year since. For each of the past five years Parkside has been an upper quartile performer compared to our St. Louis peer group. Your bank is one of only 3 of the 34 banks in the peer group to achieve such consistent performance. Growth, strong earnings, a solid capital base, excellent asset quality and, more recently, improving trust and family office division profits have all contributed to our top standings.

The banking division continues to grow assets and loans with yearend 2017 total assets of $499 million, an increase of $50 million from yearend 2016, and $368 million in outstanding loans, an increase of $20 million from yearend 2016. Banking division net income in 2017 was $5.1 million, a $1 million, or 25%, increase from 2016. Loan losses have been minimal during this time of rapid growth, contributing to ever increasing performance ratios for the banking division. Maintaining exceptional asset quality remains a top priority for our management team. We will continue to closely monitor performance ratios while minimizing the risk of macroeconomic issues such as interest rate movements or a slowing economy in the years ahead.

The trust and family office division ("TFO") diligently pursued profitability and is quickly becoming a meaningful contributor to overall company performance. In 2014, and each year since, we were ranked as one of the top ten largest trust companies in Missouri. Assets under management have grown steadily, reaching a milestone $1 billion in late 2016 and $1.25 billion at yearend 2017. Improved average revenue per client and better utilization of our overhead have driven the TFO division from just over breakeven two years ago to $420 thousand in after-tax, fully expense allocated net income. That's 8% of total 2017 company net income. We expect the TFO division to continue increasing its share of the bottom line in the years ahead.

While we may be considered a "community bank" due to our size, our impact is felt far beyond just the immediate region. From our single location in Clayton, we have now provided banking, trust and family office services to clients in nearly 40 states, as represented by this map. While we continue to focus our business development efforts in the St. Louis metropolitan area, the geographic scope of our relationships demonstrates the value in providing exceptional, personal service to our clients, regardless of distance.



Data as of 1/31/2018

Shareholder Liquidity

We are pleased to have established several programs to provide liquidity for our shareholders, satisfying a promise made to our investors. We started small by paying a $0.20 dividend in 2014 and have subsequently increased the payout by $0.10 each year since then, resulting in more than $3.7 million in total cash distributed to shareholders in the past four years.

In 2015, we announced our partnership with BancList.com, an online marketplace to facilitate negotiations between potential sellers and buyers of Parkside stock. More than 100,000 shares have traded since launching this service. This has allowed shareholders who wish to liquidate some of their investment in Parkside to do so. Equally important, it has also allowed new shareholders, many of whom are clients, to buy into your company.

In 2016, we launched our stock repurchase program designed to further augment the liquidity already provided by increasing dividends and the BancList.com service. Through this program we've repurchased more than 30,000 shares in the past two years. In 2018, we anticipate materially increasing the number of shares we will offer to repurchase and materially increasing the repurchase price per share due to much better than expected ongoing financial performance.

Looking Forward

It's always precarious to publicly declare one's outlook for the future and we do so in this letter with the caveat that you understand projections are rarely entirely attained. We've never exactly achieved our budget. We've over and underperformed in various areas of our budgets for the past ten years, often, but not always, over performing. Accompanying this letter is a five year financial summary that includes our results for the past four years and budgeted 2018. We include this forward looking data due to the material positive change in our outlook for the near future compared to what we presented at the last shareholder meeting. We feel this is important information to share with you. There are two primary drivers of our improved outlook. First, we materially over performed the past two years which led us to raise our expectations of our performance in the near future, all things being equal. Second, the changes in federal corporate income tax rates in the recently passed Tax Cuts and Jobs Act will have a material positive impact on our industry, including Parkside. Banking has been one of the higher taxed industries and the lower corporate tax rates now in effect will help all banks in 2018 and beyond.

One immediate impact of the Tax Cuts and Jobs Act is that we, like most other profitable banks, were required to make a one-time write-down to our deferred tax asset reflecting the future impact of the lower tax rates on the timing differences for certain income and expense items. These timing differences are dictated by IRS rules applicable to the banking industry. That's a lot of "accounting speak" for what is essentially a non-cash, non-operating, one-time tax rate adjustment we made on December 31, 2017. All of our references to 2017 income and performance data ignore that one-time write-off which is consistent with how it's being treated by industry analysts. Beginning in 2018, the new tax law has the immediate impact of lowering our taxes by about one-third which, assuming the industry does not pass through all of the benefit, will improve our future net income above what we would have achieved under the previous tax rates.

Exciting News

As we turn ten years old, we are afforded the opportunity to reflect on our past successes and assess our challenges for the future. We are committed to strengthening the solid foundation built over the past ten years, continuing to add value to our existing clients and developing many new client relationships. To support that objective, we recently engaged in an intense brand and client experience discovery process. This process will help us determine how we can better serve our valued clients, communicate with our target market, and elevate Parkside Financial Bank & Trust as a brand – a brand more reflective of our unique differentiators and core values. Don't miss our 2018 Parkside Financial, Inc. shareholder meeting on May 16th where we will introduce some of the exciting marketing developments resulting from the discovery process.

We understand the value of earning the trust, respect and loyalty of our shareholders, employees, clients and community. We work hard to do this every day and look forward to continuing to do so for many years to come.

As always, should you have any questions or comments, please feel free to contact us.

Sincerely,

James C. Wagner

James C. Wagner ~ CEO
Andrew S. Hereford ~ President, Bank
Matthew A. Wagner ~ President, TFO

Parkside Financial, Inc.

Summary Financial Data[1]

	2014	2015	2016	2017[2]	Budget 2018	CAGR[3]
Total Assets	$349,067	$389,634	$448,158	$498,608	$523,423	12%
Total Loans	$268,473	$301,926	$347,616	$367,543	$390,000	10%
Total Tangible Equity	$33,065	$35,774	$40,347	$43,857	$49,239	10%
TFO Assets	$764,182	$865,829	$1,036,656	$1,251,128	$1,410,000	17%
Banking Division Revenue	$11,893	$13,039	$15,263	$17,346	$18,122	11%
Bank Division Net Income	$2,845	$3,193	$4,076	$5,084	$6,352	22%
TFO Division Revenue	$3,797	$4,221	$4,639	$5,622	$6,323	14%
TFO Division Net Income	$25	$66	$295	$420	$674	97%
Company Net Income	$2,870	$3,259	$4,371	$5,502	$6,989	24%
Basic Earnings Per Share	$1.13	$1.28	$1.65	$2.04	$2.54	22%
Return on Assets	0.87%	0.93%	1.09%	1.26%	1.48%	N/A
Return on Equity	9.04%	9.47%	11.52%	12.91%	14.97%	N/A
TFO Division Share of NI	1%	2%	7%	8%	10%	N/A
Dividend Per Share	$0.20	$0.30	$0.40	$0.50	N/A	N/A
Yearend Stock Price	$20.00	$22.25	$25.25	$27.00	N/A	N/A

[1]In thousands except per share data.

[2]Net income, EPS and return calculations are adjusted for the impact of the one-time DTA write-off.

[3]CAGR is the Compounded Annual Growth Rate for 2014 through budgeted 2018.

Forward Looking Statement: