

Fourth Quarter Review

January 2019



Parkside Financial

BANK & TRUST

FINANCIAL HIGHLIGHTS

TOTAL BANKING ASSETS	\$507 Million	
TOTAL OUTSTANDING LOANS	\$371 Million	\$4 million increase from December 2017
TOTAL WEALTH MANAGEMENT ASSETS	\$1.2 Billion	
BASIC EARNINGS PER SHARE	\$2.56	\$0.54 increase (+26%) from December 2017
2018 NET INCOME	\$7.2 Million	\$2.7 million increase (+31%) from 2017*
2018 BANKING DIVISION NET INCOME	\$6.6 Million	\$1.5 million increase (+30%) from 2017*
2018 TFO DIVISION NET INCOME	\$627 Thousand	\$207 thousand increase (+49%) from 2017*
TFO REVENUE	\$6.45 Million	\$830 thousand increase (+15%) from 2017

*pre-DTA write-down

Happy New Year! We are proud to share that 2018 was another very strong year for Parkside. A few highlights include:

- 2018 net income increased 31% in part due to the passage of The Tax Cuts and Jobs Act which lowered the corporate income tax rate, but also due to better overall performance.
- As planned, the TFO division is an increasingly larger contributor to the bottom line, helping propel growth.
- There were no loan losses in 2018.
- We achieved 1.51% Return on Average Assets and 15.67% Return on Average Equity, both better than budget.
- In December, Parkside Financial, Inc. completed a private placement of \$7.0 million in institutionally-placed subordinated debt to help support our long-term business plan, providing capital for growth, dividends, stock repurchases and more.
- Nearly 18,000 shares were sold/purchased between our shareholders and a total of 31,150 shares were tendered in our share repurchase program.

Parkside began 2019 with the addition of two new team members. Meredith Osborn serves as our Director of

Human Resources, a new position created to support both our current employee programs as well as our expanding recruiting initiatives. Meredith holds a Master's Degree in Human Development Counseling from the University of Illinois, a Bachelor's Degree in Psychology from Southern Illinois University and recently attained her SHRM-SCP, Senior Certified HR Professional certification. She previously served in a similar role for HLK, a local advertising agency. In addition, Jackie Walsh joined our client service team. Jackie offers more than 3 years of experience as both a personal financial representative then regional supervisor at a local credit union. Welcome to Parkside!

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

Sincerely,

James C. Wagner - CEO

Andrew S. Hereford - President, Bank

Matthew A. Wagner - President, TFO

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

ASSETS	December 31, 2018		December 31, 2017	
Cash and investments	\$	127,004,332	\$	121,090,734
Loans		371,243,395		367,543,202
Allowance for loan losses		(7,225,000)		(6,525,000)
Other assets		16,702,998		16,623,480
Total assets	\$	507,725,725	\$	\$498,732,416

LIABILITIES AND STOCKHOLDERS' EQUITY

Non-interest bearing deposits	\$	128,104,984	\$	131,289,168
Interest bearing deposits		297,465,675		295,744,450
Total deposits		425,570,659		427,033,618
FHLB borrowings		21,000,000		23,000,000
Other liabilities		11,418,007		4,842,022
Total liabilities		457,988,666		454,875,640
Total stockholders' equity		49,737,059		43,856,776
Total liabilities and equity	\$	507,725,725	\$	498,732,416

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

REVENUE	December 31, 2018		December 31, 2017	
Net interest margin	\$	17,852,092	\$	15,839,979
Trust and family office revenue		6,451,867		5,600,722
Bank service charges and other income		1,311,737		1,526,020
Total revenue	\$	25,615,696	\$	22,966,721

EXPENSES				
Provision for possible loan losses	\$	700,000	\$	627,498
Noninterest expenses		15,428,000		13,992,390
Total expenses		16,128,000		14,619,888
Income taxes		2,286,674		3,836,662
Net income	\$	7,201,022	\$	4,510,171

Return on average assets	1.51%	1.06%
Return on average equity	15.67%	10.77%
Book value per share	\$17.67	\$16.13
Basic earnings per share	\$2.56	\$1.67

MOST RECENT STOCK TRANSACTIONS*

1/16/19	2,000	shares @ \$35.00
1/9/19	16,000	shares @ \$35.00
1/8/19	1,000	shares @ \$36.00
11/27/18	1,000	shares @ \$35.00
11/14/18	1,000	shares @ \$35.00

DIVIDEND HISTORY

2018	\$0.625 per share
2017	\$0.50 per share
2016	\$0.40 per share
2015	\$0.30 per share
2014	\$0.20 per share

*The Company is aware of the following recent transactions in the Company's stock. No assurances can be given that such information reflects all transactions in the Company's stock during the period or that such transactions accurately and completely reflect the value of the Company's stock. Such information is provided for convenience and should not be relied upon.

The Company does not make a market in or otherwise trade in its stock. However, the Company can assist in the settlement of transactions in its stock between buyers and sellers who have independently negotiated the terms of their transactions.

Investments are not insured by the FDIC or any federal government agency, provide no bank guarantee, are not a deposit and may lose value.

