

Third Quarter Review

October 2018



Parkside Financial

BANK & TRUST

FINANCIAL HIGHLIGHTS

TOTAL BANKING ASSETS	\$485 Million	<i>\$32 million increase (+7%) from September 2017</i>
TOTAL OUTSTANDING LOANS	\$373 Million	<i>\$24 million increase (+7%) from September 2017</i>
TOTAL WEALTH MANAGEMENT ASSETS	\$1.3 Billion	<i>\$200 million increase (+18%) from September 2017</i>
TRAILING TWELVE MONTH BASIC EARNINGS PER SHARE	\$2.46	<i>\$0.50 increase (+26%) from September 2017</i>
YEAR-TO-DATE (YTD) NET INCOME	\$5.3 Million	<i>\$1.4 million increase (+34%) from September 2017</i>
YTD BANKING DIVISION NET INCOME	\$4.8 Million	<i>\$1.2 million increase (+33%) from September 2017</i>
YTD TFO DIVISION NET INCOME	\$472 Thousand	<i>\$160 thousand increase (+51%) from September 2017</i>

As we approach the end of the year and look forward to the holidays, we are grateful for three very good quarters in both our Banking and TFO divisions. Strong Banking and TFO revenue, excellent asset quality and expense management have resulted in much better than expected financial performance year to date.

While we experienced some balance sheet volatility at quarter end due to credit line reductions and large client deposits, we are pleased with asset and loan growth over the last year. YTD net income and operating income in both divisions continue to exceed budget and are posting significant increases compared to last year. About half of the 34% increase in YTD net income is due to the lower corporate tax rate. The other half is due to improved performance in both the Banking and TFO divisions.

Exceptional company-wide performance is reflected in Return on Average Assets above 1.5% and Return on Average Equity above 15%. We look forward to continuing the positive trend of the first three quarters through yearend.

In September, Nolan Lovan joined our team as a Commercial Lending Officer. Nolan graduated from the University of Dayton with a major in Finance and

Entrepreneurship. Following college, Nolan was a member of the commercial lending team at PNC Bank. He spent the past three years at Spire, Inc. as an analyst in the Strategy & Corporate Development department, focusing on strategic planning, mergers & acquisitions and evaluating investment opportunities. Welcome to Parkside, Nolan!

The rain didn't damper our fun at Parkside's annual Paint the Date Art Fair Party in September! Thank you to those who joined us, despite the weather, and introduced us to your friends and family.

The holiday season ahead provides the opportunity to reflect and be thankful for those who have supported Parkside in achieving its goals. We value our relationship with you, thank you for your support and look forward to working with you in 2019 and beyond.

From our family to yours – we wish you a safe and happy holiday season.

Sincerely,

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

CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)

ASSETS	September 30, 2018		September 30, 2017	
Cash and investments	\$	102,359,693	\$	92,513,354
Loans		373,198,366		349,290,439
Allowance for loan losses		(7,100,000)		(6,400,000)
Other assets		16,499,648		17,348,942
Total assets	\$	484,957,707	\$	\$452,752,735

LIABILITIES AND STOCKHOLDERS' EQUITY				
Non-interest bearing deposits	\$	131,435,463	\$	130,506,818
Interest bearing deposits		279,205,746		252,284,427
Total deposits		410,641,209		382,791,245
FHLB borrowings		21,000,000		23,000,000
Other liabilities		5,543,299		3,778,354
Total liabilities		437,184,508		409,569,599
Total stockholders' equity		47,773,199		43,183,136
Total liabilities and equity	\$	484,957,707	\$	452,752,735

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

REVENUE	YTD September 30, 2018		YTD September 30, 2017	
Net interest margin	\$	13,132,798	\$	11,728,377
Trust and family office revenue		4,824,591		4,179,414
Bank service charges and other income		777,187		994,832
Total revenue	\$	18,734,576	\$	16,902,623

EXPENSES				
Provision for possible loan losses	\$	575,000	\$	502,498
Noninterest expenses		11,183,480		10,198,714
Total expenses		11,758,480		10,701,212
Income taxes		1,680,563		2,240,220
Net income	\$	5,295,533	\$	3,961,191

Return on average assets	1.51%	1.25%
Return on average equity	15.69%	12.89%
Book value per share	\$16.97	\$15.97
YTD basic earnings per share	\$1.88	\$1.47
Trailing 12 month basic earnings per share	\$2.46	\$1.96

MOST RECENT STOCK TRANSACTIONS*

10/2/18	2,500	shares @ \$35.00
7/13/18	1,000	shares @ \$33.00
7/9/18	31,150	shares @ \$33.00 <i>2018 Offer to Purchase</i>
6/26/18	1,500	shares @ \$33.00

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.