

First Quarter Review

April 2019



Parkside Financial

BANK & TRUST

FINANCIAL HIGHLIGHTS

TOTAL ASSETS	\$476 Million	\$31 million increase (+7%) from March 2018
TOTAL WEALTH MANAGEMENT ASSETS	\$1.3 Billion	\$105 million increase (+8%) from March 2018
TOTAL OUTSTANDING LOANS	\$381 Million	\$12 million increase (+3%) from March 2018
TTM BASIC EARNINGS PER SHARE	\$2.61	\$0.43 increase (+20%) from TTM March 2018
YTD NET INCOME	\$1.9 Million	\$157 thousand increase (+9%) from YTD March 2018
YTD BANKING DIVISION NET INCOME	\$1.8 Million	\$243 thousand increase (+16%) from YTD March 2018
YTD TFO REVENUE	\$1.6 Million	\$119 thousand increase (+8%) from YTD March 2018
YTD COMPANY REVENUE	\$6.4 Million	\$324 thousand increase (+5%) from YTD March 2018

We are already a quarter of the way through 2019 and happy to report a great start to the year. Good growth combined with even better margins in both our Banking and Trust and Family Office (TFO) divisions are contributing to improved across the board performance compared to a year ago. You may recall the first quarter last year was a very good quarter, so we are pleased with any year-over-year increases.

Total loans as of March 31, 2019 were \$381 million, an increase of \$12 million compared to a year ago. Loan growth in the second half of 2018 was challenging as clients aggressively paid down their lines of credit at Parkside. We believe that trend will slow, if not reverse, supporting growth in 2019 and beyond more in line with our typical loan growth of \$30+/- million per year.

TFO assets increased \$100 million to just over \$1.3 billion as of March 31, 2019. This growth helped support an 8% increase in TFO revenue to slightly over \$1.6 million for the first quarter of this year compared to last year.

Total company revenue increased 5% to \$6.4 million in the first quarter of 2019 compared to the same period in 2018. Total expenses grew at a slower 3% rate helping to boost net income for the first quarter to \$1.9 million, a 9% increase compared to the same period last year. Trailing

twelve month basic earnings per share as of March 31, 2019 increased 20% compared to trailing twelve month basic earnings per share as of March 31, 2018. About half of the EPS increase is due to performance improvement (revenue growing faster than expenses) and the other half is due to the lower corporate income tax rates that went into effect in 2018.

We are pleased to report our performance ratios continue to be exceptionally strong with first quarter 2019 return on average assets of 1.6% and first quarter return on average equity of 15%. Asset quality also remains strong as we enter our fourth year with no net loan losses, and we maintain a healthy \$7.5 million loan loss reserve.

The Parkside team continues to grow, adding three new employees at the end of the first quarter. Matthew Kasten and Adam Basler joined the TFO team as Financial Analysts. Matthew graduated from Miami University with a Bachelor's Degree in Finance. Following college, he worked for Wells Fargo as a Quality Assurance Analyst. Adam earned his Bachelor's Degree in Finance from Missouri State University in May of 2018. Prior to joining Parkside, he was a Client Service Specialist at Ameriprise Financial. Jessica Elliot joined the Banking division as a Bank Operations Specialist. Jessica previously served as an Operations Specialist for Citizens National Bank.

We are excited to welcome Matthew, Adam and Jessica to Parkside!

Please join us at a new and exciting location for the 11th Annual Shareholder Meeting on May 15th at 4:30 p.m. This year's meeting will be held at the Donald Danforth Plant Science Center. We will reflect on our historical performance, address our updated outlook and discuss the opportunities we will face in the years ahead. Please feel free to extend this invitation to anyone who might be interested in learning more about Parkside. If you have not done so already, please return your executed shareholder proxy mailed to you in early April.

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	March 31, 2019		March 31, 2018	
Cash and investments	\$	84,135,897	\$	64,744,844
Loans		380,849,832		368,649,134
Allowance for loan losses		(7,450,000)		(6,750,000)
Other assets		18,015,559		17,159,306
Total assets	\$	475,551,288	\$	\$443,803,284

LIABILITIES AND STOCKHOLDERS' EQUITY

Non-interest bearing deposits	\$	101,565,254	\$	133,406,328
Interest bearing deposits		276,348,133		238,154,698
Total deposits		377,913,387		371,561,026
FHLB borrowings		35,000,000		23,000,000
Sub Debt net of unamortized costs		6,721,056		-
Other liabilities		3,585,965		2,428,746
Total liabilities		423,220,408		396,989,772
Total stockholders' equity		52,330,880		46,813,512
Total liabilities and equity	\$	475,551,288	\$	\$443,803,284

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

REVENUE	March 31, 2019		March 31, 2018	
Net interest margin	\$	4,507,802	\$	4,277,453
Trust and family office revenue		1,647,147		1,528,439
Bank service charges and other income		241,901		266,637
Total revenue	\$	6,396,850	\$	6,072,529

EXPENSES				
Provision for possible loan losses	\$	225,000	\$	225,000
Noninterest expenses		3,726,301		3,594,822
Total expenses		3,951,301		3,819,822
Income taxes		578,446		542,883
Net income	\$	1,867,103	\$	1,709,824

Return on average assets	1.64%	1.46%
Return on average equity	14.81%	15.07%
Book value per share	\$18.48	\$16.56
TTM Basic earnings per share	\$2.61	\$2.18

MOST RECENT STOCK TRANSACTIONS*

4/30/19	250	shares @ \$37.00
4/9/19	3,500	shares @ \$36.80
3/7/19	2,000	shares @ \$37.00
3/6/19	4,000	shares @ \$36.00
3/6/19	500	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.