



November 2020

SHAREHOLDER NEWSLETTER THIRD QUARTER REVIEW

As we approach the end of the year and look forward to the holidays, we find ourselves reflecting with gratitude. Gratitude for the incredible team of colleagues and friends we work with; for the diverse clientele we get to serve each day; for the support of our shareholders and partners; and for the sound foundation Parkside has built over the past 12 years.

Parkside entered the COVID-19 pandemic with momentum and a strong balance sheet. We are proud to have provided our clients with consistent, safe and uninterrupted access to banking services and personalized financial advice. Though the pandemic continues to have a disruptive impact on individuals and businesses, including Parkside, we are committed to standing by our clients and employees as we look ahead to 2021.

3rd Quarter Financial Highlights

\$664 Million

Total Assets

\$138 million increase (+26%) from September 2019

\$1.4 Billion

Total Wealth Management Assets

\$85 million decrease (-6%) from September 2019

\$20 Million

YTD Company Revenue

\$138 thousand increase (+1%) from YTD September 2019

\$4.7 Million

YTD Net Income

\$1.1 million decrease (-19%) from YTD September 2019

\$14.7 Million

YTD Banking Division Revenue

\$148 thousand decrease (-1%) from YTD September 2019

\$3.9 Million

YTD Banking Division Net Income

\$1.4 million decrease (-26%) from YTD September 2019

\$387 Million

Total Outstanding Commercial Loans (non-PPP)

\$29 million decrease (-7%) from September 2019

\$5.5 Million

YTD TFO Division Revenue

\$286 thousand increase (+6%) from YTD September 2019

\$1 Million

YTD TFO Division Net Income

\$297 thousand increase (+42%) from YTD September 2019

\$2.24

Trailing Twelve Month Basic Earnings per Share

\$0.46 decrease (-17%) from TTM September 2019

Year-to-Date Performance

Highlighted above and linked below are our year-to-date financial results.

Total assets remain inflated, ending September at \$664 million, an increase of \$138 million from a year ago. With so much liquidity in the financial system, deposit growth continues, with total deposits of \$469 million at month end September, a \$139 million increase, or 42%, from a year ago. We estimate approximately \$75 million of the deposit increase is temporary, due to the stimulus related excess liquidity. Commercial loan growth continues to be slow due to client access to PPP funds and generally conservative corporate spending. While we anticipate increased loan growth in the fourth quarter, year-over-year loan growth will be relatively mild when compared to 2019.

Trust and Family Office YTD revenue of \$5.5 million was \$286 thousand, or 6%, ahead of September 2019. Increasing trustee revenue from our rapidly growing trust services will continue to positively impact recurring revenue.

Looking Ahead

In our Second Quarter Shareholder Newsletter, we discussed the lack of clarity in our financial outlook due to the uncertainty created by the pandemic and it's subsequent impact on business. With only two months left in the year, 2020 is coming into focus. We are happy to report we expect to earn slightly under \$6 million in 2020, near the upper-end of the range reported in the last newsletter. We will have accomplished this while aggressively investing in additional personnel and strategically building our loan loss reserve to a record \$9.8 million, or 2.5% of non-PPP loans.

As for 2021 and beyond, we continue to expect significant headwinds including interest rates of 0%, slow commercial loan growth, an ongoing pandemic and the possibility of a severe economic downturn. While no one can predict the future, we can prepare for it. Our robust reserves, strong balance sheet and increased staffing ensures Parkside is well-positioned to withstand challenges and capitalize on opportunities.

Investing in Our Team

Staffing changes in our Trust & Family Office division offered the opportunity for us to re-evaluate how we support our 401(k) plan clients, spurring our decision to hire David Schmid, an experienced and dedicated 401(k) plan advisor. With David's support and expertise, we look forward to growing this service with renewed energy.

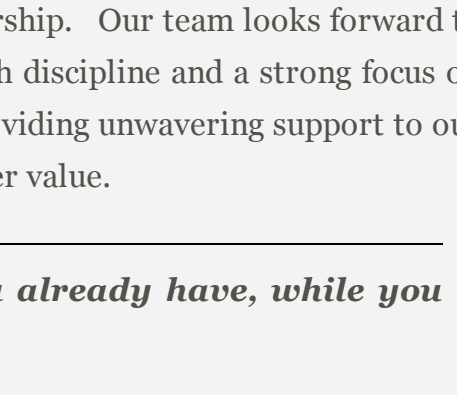
Our commitment to serving current clients well and continuing to grow our business extends well-beyond our 401(k) plan services. As shared in a recent article published by the St. Louis Business Journal, Parkside is proud to have welcomed nine talented team members since the beginning of the pandemic. Click below to learn more about their experience and how they will help support our clients with their financial needs.

[St. Louis Business Journal Article](#)

[Learn More About Our New Team Members](#)

Continued Growth

Our search for great talent continues! Parkside is actively looking for Trust & Family Office Advisors, a Loan Coordinator and a Senior Loan Documentation Specialist to join our growing team.



Click below to learn more about these positions and Parkside's robust employment benefits. We encourage you to share these career opportunities with your contacts. Should you have any questions, please contact Meredith Osborn, Director of Human Resources, at mosborn@pfbt.com.

[Join Our Team](#)

Thank You

An unprecedented year has forced us all to take a deeper look at our priorities, our goals, and our relationships. As we approach what will be a unique holiday season, we want to take the opportunity to sincerely THANK YOU for your continued support and partnership. Our team looks forward to working with you in 2021 and beyond. With discipline and a strong focus on our strategic goals, we are committed to providing unwavering support to our clients while delivering increased shareholder value.

Learn to be thankful for what you already have, while you pursue all that you want.

-Jim Rohn

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

[Print Complete Newsletter](#)

[View Financial Summary Only](#)

Recent Stock Transactions*

10/15/20
8,200 shares @ \$32.00

10/7/20
1,600 shares @ \$31.50

9/25/20
3,000 shares @ \$31.00

9/15/20
1,250 shares @ \$31.00

8/19/20
8,000 shares @ \$31.00

Dividend History

2020 - \$0.85 per share

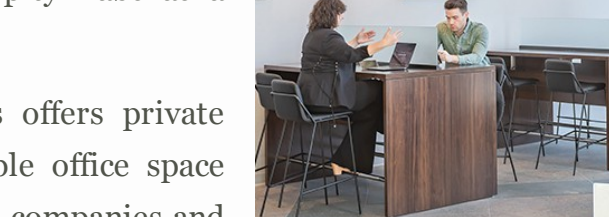
2019 - \$0.80 per share

2018 - \$0.625 per share

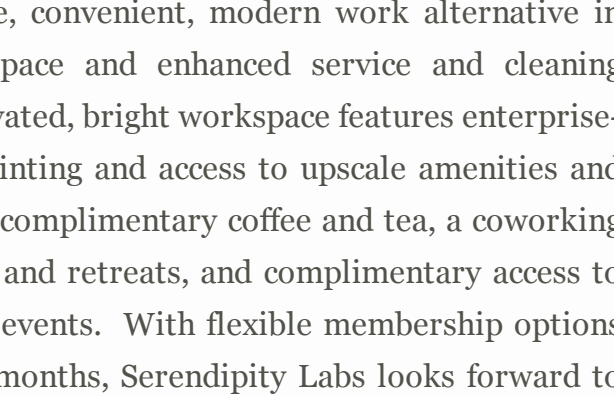
2017 - \$0.50 per share

2016 - \$0.40 per share

Parkside Plaza Welcomes



As owners of the recently re-named and newly renovated Parkside Plaza, we are proud to welcome Serendipity Labs as a 4th floor tenant



Serendipity Labs offers private offices and flexible office space for professionals, companies and individuals looking for an upscale, convenient, modern work alternative in Clayton. Designed with ample space and enhanced service and cleaning standards in place, the newly renovated, bright workspace features enterprise-grade high speed Wifi, secured printing and access to upscale amenities and services including a Lab café with complimentary coffee and tea, a coworking lounge, focus and wellness rooms and retreats, and complimentary access to all hosted and virtual networking events. With flexible membership options ranging from daily drop-in to 24 months, Serendipity Labs looks forward to serving a variety of professionals in our community.

Welcome to the neighborhood!

[Learn More About Serendipity Labs](#)

Parkside Financial

BANK & TRUST

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

[pfbt.com](#)

314.290.8600

*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.

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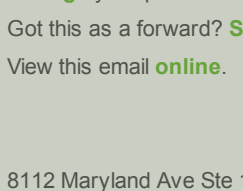
Member FDIC

This material may contain certain forward-looking information within the meaning of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended. These statements relate to future events or future predictions, including events or predictions relating to our future financial performance, and are generally identifiable by the use of forward-looking terminology such as "believes," "expects," "may," "will," "should," "plan," "intend," or "anticipates" or the negative thereof or comparable terminology, or by discussion of strategy that involve risks and uncertainties. These forward-looking statements are only predictions and estimates regarding future events and circumstances and involve known and unknown risks, uncertainties and other factors, that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. This information is based on various assumptions by us that may not prove to be correct.

These forward-looking statements are subject to significant risks and uncertainties. Actual results may differ from those contemplated by the forward-looking statements.

Any of the forward-looking statements that we have made in these materials and in other public statements we make may turn out to be wrong because of inaccurate assumptions we might make, because of factors described herein, or because of other factors that we cannot foresee. Consequently, no forward-looking statement can be guaranteed.

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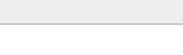
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