

First Quarter Review

April 2021



Parkside Financial
BANK & TRUST

PARKSIDE FINANCIAL BANK & TRUST 2021 FINANCIAL HIGHLIGHTS

TOTAL BANKING ASSETS	\$733 Million	\$168 million increase (+30%) from March 2020
TOTAL WEALTH MANAGEMENT ASSETS	\$1.5 Billion	\$223 million increase (+17%) from March 2020
YTD COMPANY REVENUE	\$6.7 Million	\$302 thousand increase (+5%) from March 2020
YTD COMPANY NET INCOME	\$1.5 Million	\$186 thousand decrease (-11%) from March 2020
YTD BANKING DIVISION REVENUE	\$5 Million	\$462 thousand increase (+10%) from March 2020
YTD BANKING DIVISION NET INCOME	\$1.3 Million	\$46 thousand decrease (-3%) from March 2020
TOTAL OUTSTANDING COMMERCIAL LOANS (NON-PPP)	\$429 Million	\$18 million increase (+4%) from March 2020
YTD TFO DIVISION REVENUE	\$1.8 Million	\$160 thousand decrease (-8%) from March 2020
YTD TFO DIVISION NET INCOME	\$213 Thousand	\$140 thousand decrease (-40%) from March 2020
BASIC EARNINGS PER SHARE	\$1.97	\$0.58 decrease (-23%) from March 2020

First Quarter Review

After a challenging 2020, we are happy to announce an excellent start to 2021. Much of the COVID-19 related downside risk for both Parkside and the banking industry has been mitigated, largely due to the SBA Paycheck Protection Program (“PPP”) and other stimulus programs. Combined with our strong core earnings, robust capital levels and already significant loan loss reserves, these programs helped Parkside and many of our clients weather this storm.

As access to the vaccine improves and infection rates continue to decline, we look forward to bringing more of our team members back to the office, welcoming our clients for in-person meetings and continuing to grow our partnerships. We will begin a phased re-opening process in May and anticipate being fully open and staffed by mid-June.

First Quarter Performance

Total assets of \$733 million is a new all-time high, albeit, temporarily inflated by the deposits created from the PPP loans and other federal stimulus programs. There is significant excess liquidity at Parkside and in the entire banking system. Total client deposits reached an all-time high of \$553 million.

In the last 12 months, we funded over \$100 million of SBA PPP loans for our clients. Much of those loans replaced what we believe would have been approximately \$50 million in regular commercial loan (non-PPP) growth, resulting in loans outstanding net of PPP increasing \$10 million in 2020. It feels like growth is picking up again, with loans outstanding,

net of PPP loans, growing \$33 million in Q4 2020 and \$15 million in Q1 2021. We are proud of nearly \$50 million in net loan growth over the past two quarters while absorbing a significant amount of payoffs. Year-over-year Q1 commercial loan growth of \$18 million is still lower than we would like, but much of that growth occurred in recent months and our pipeline of new loans is stronger than it has been since the pandemic began.

Our lending team recovered more than \$400 thousand in previously charged off loans. The recovered funds went into our loan loss reserves, increasing our reserves to their highest level in both dollars and as a percent of non-guaranteed government loans. While credit quality is good, we expect some loan losses. After all, it is an inherent part of the lending business. However, we do not expect losses to the extent we were concerned about in 2020.

We took advantage of the sudden spike in longer term interest rates, investing approximately \$40 million in bonds adding approximately \$25 thousand per month in incremental interest income.

TFO is off to a great start due to both market growth and new client additions. Despite a few staffing setbacks in 2020, total wealth management assets reached \$1.5 billion, an increase of \$223 million, or 17%, from March of 2020.

As we continue to navigate the evolving economic environment, our balance sheet has never been stronger. We will take advantage of that

strength and continue growing our client base and revenue stream, building long-term value for our shareholders.

Our Growing Team

Some of these positive results are the product of the investments we made in growing our team over the past year. We have hired 11 new Parkside employees in the past year, and most recently gained these four exceptional new team members!

Elizabeth Wilson – Operations Support

Elizabeth joined our team in February, offering nearly 15 years of banking experience, encompassing BSA, anti-money laundering, IT operations, risk management and more. She will support technology needs for all areas of Parkside, including our operating and integrated systems.

Zachary Joiner, CFP® – Senior TFO Analyst

The Trust & Family Office team welcomed Zach in February. With more than 12 years in the financial services industry, Zach has experience as an operations analyst, associate advisor and lead advisor. We welcome his expertise in support of the TFO advisors and clients.

Kathy Stanek – Loan Coordinator in Denver

Our Denver team continues to expand with the addition of Loan Coordinator, Kathy Stanek. Kathy offers 26 years of diverse loan experience with banks across the Rocky Mountain region. She will support the lending team in processing and documenting the growing loan portfolio.

Jennifer LaPresta – Trust Administration Coordinator

In April, we welcomed Jennifer to our Trust team. A dedicated client service professional with extensive wealth management experience, she will support Trust Administrators and Family Office Advisors with client onboarding, ongoing client service, report preparation and more.

2021 Summer Intern Program

We will kick-off a ten week, hands-on Summer Internship Program in early June. We were thrilled to have nearly 300 applicants, and look forward to hosting four extraordinary college students as they rotate through various departments of our organization.

Vote Your Proxy

All shareholders should have received a Notice of Annual Meeting and Proxy via mail. As we have requested in prior years, please review and sign the Proxy to vote your shares. Return the Proxy by May 10, 2021.

If you have not received your Proxy, or have any questions, please contact our team at 314.290.8600.

Annual Shareholder Meeting

Included with each Proxy was a letter sharing our updated plan for the annual shareholder meeting. Over the past year, we implemented significant precautionary measures to protect our employees, our clients and our community. While the pandemic situation continues to improve, we are still not able to hold our traditional shareholder gathering. Once again, we are modifying our shareholder meeting

plans due to the COVID-19 pandemic.

We will host only the legal portion of the Annual Shareholder Meeting at 4:00PM on Wednesday, May 19, 2021 in the Parkside Financial Bank & Trust lobby at 8112 Maryland Avenue in Clayton. As you may remember, the legal portion of the meeting simply acknowledges the proxy votes received, and typically lasts less than five minutes. We asked our employees and board members to refrain from attending. However, should you prefer to attend the in-person meeting, please RSVP to rsvp@pfbt.com by May 10, 2021.

We encourage all shareholders to join us for a virtual presentation at 4:30PM on Wednesday, May 19th. Our team will reflect on our historical performance, address our updated outlook and discuss opportunities and challenges we may encounter in the years ahead. In addition, we will announce the 2021 dividend and provide information about this year's stock repurchase program. Shareholders can register for the virtual presentation via the link in the Shareholder Newsletter email.

As your financial partner, we are committed to ensuring our clients and shareholders receive the same uncommon, uninterrupted service you always have. We appreciate your continued support, and look forward to working with you as we navigate the year ahead.

Should you have any questions or comments, please feel free to contact us. Stay safe and healthy.

Sincerely,

James C. Wagner - Chief Executive Officer

Andrew S. Hereford - President, Bank

Matthew A. Wagner - Chief Practice Officer, TFO

**PARKSIDE FINANCIAL, INC.
CONDENSED CONSOLIDATED BALANCE SHEET (UNAUDITED)**

ASSETS	March 31, 2021		March 31, 2020	
Cash and investments	\$	199,952,856	\$	118,017,461
Commercial Loans		428,602,954		410,826,778
PPP Loans		63,804,031		-
Allowance for loan losses		(10,389,818)		(7,562,822)
Other assets		50,757,242		43,560,698
Total assets	\$	732,727,265	\$	564,842,115

LIABILITIES AND STOCKHOLDERS' EQUITY

Non-interest bearing deposits	\$	271,925,709	\$	116,208,522
Interest bearing deposits		348,566,411		320,136,942
Total deposits		620,492,120		436,345,464
FHLB borrowings		39,000,000		47,000,000
Mortgage Note Payable		23,657		11,728,183
Sub debt net of unamortized costs		6,778,657		6,749,857
Other liabilities		5,246,185		4,930,991
Total liabilities		671,540,619		506,754,495
Total stockholders' equity		61,186,646		58,087,620
Total liabilities and equity	\$	732,727,265	\$	564,842,115

**PARKSIDE FINANCIAL, INC.
CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)**

	Year to Date March 31, 2021		Year to Date March 31, 2020	
REVENUE				
Net interest income	\$	4,405,045	\$	3,875,130
Trust and family office revenue		1,754,312		1,914,602
Bank service charges and other income		451,989		517,081
Total revenue	\$	6,611,346	\$	6,306,813
EXPENSES				
Provision for possible loan losses	\$	-	\$	400,000
Noninterest expenses		4,825,001		3,962,440
Total expenses		4,825,001		4,362,440
Income taxes		368,459		342,270
Net income	\$	1,417,886	\$	1,602,103
Return on average assets		0.81%		1.13%
Return on average equity		9.45%		11.18%
Book value per share		\$20.99		\$20.15
TTM Basic earnings per share		\$1.97		\$2.55

MOST RECENT STOCK TRANSACTIONS*

03/08/21	10,159.141	shares @ \$32.00	<i>PFBT 401(k) Plan Match</i>
01/06/21	1,000	shares @ \$33.50	
11/30/20	1,550	shares @ \$32.25	
10/15/20	8,200	shares @ \$32.00	
10/07/20	1,600	shares @ \$31.50	

FIVE YEAR 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

*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.