PL Capital Advisors, LLC

QUARTERLY REPORT TO THE PARTNERS Q3 2021

Of the Partnership's top ten positions, which represent 67% of capital, the top 5 contributors to the Partnership's performance in the quarter were:

BANC:	+5.8%	BNCC:	+5.0%
COF:	+5.5%	CFG:	+3.4%
HBNC:	+5.0%		

Rich is on the board of BANC, the Partnership's largest holding. He continues to assist BANC make meaningful progress in its financial performance. Consensus 2022 estimated earnings per share is $1.49 vs. $1.11 for 2021, an increase of 34%.

John is on the board of BNCC. He continues to assist BNCC shed non-core assets and right size its capital base. Earlier this year, BNCC sold an out of market branch in Minnesota and paid out a special dividend to shareholders of $8.00 per share. Prior to the announcement of the special dividend, BNCC's stock price was $39.25. The $8.00 special dividend equated to a 20% yield and effectively lowered our economic basis in the investment.

The other 3 banks are all high performers with solid outlooks.

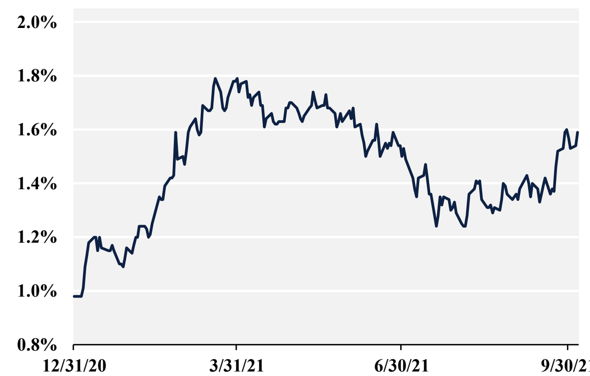
The quarterly performance of the remaining Top 10 positions was as follows:

ABCB:	+2.8%	EFSC:	-2.0%
BFIN:	+1.2%	FNB:	-4.8%
FRME:	+1.1%		

ABCB, FRME, and EFSC are high-quality mid-sized community banks with above average return profiles. We believe their management to be competent and are comfortable holding those positions. BFIN is a below average performer, but the stock sells at a significant discount. FNB's underperformance in the quarter was primarily driven by its recently announced acquisition of Howard Bancorp (HBMD). FNB is a larger community bank, operating in strong markets. Its performance should improve over time as it fully optimizes the banks it has acquired over the years, including several banks owned by the Partnership.

INTEREST RATES ARE RISING, AGAIN

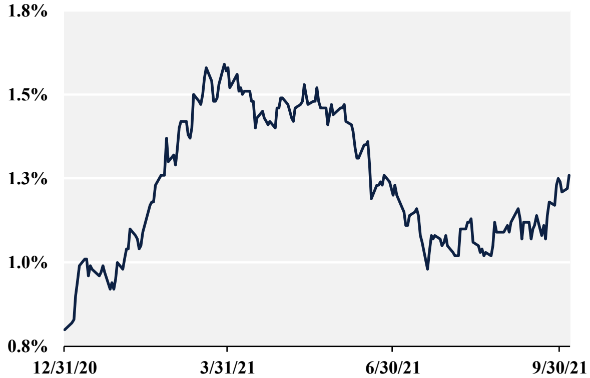
Exhibit 1: U.S. 10 Year Treasury Yield – YTD



Source: Federal Reserve Bank of St. Louis

Interest rates rose rapidly for the first three months of the year, as measured by the U.S. 10 Year Treasury Yield, peaked in March of 2021, and began to decline from March to August. We believe this was driven in part by fears of the Delta Variant and its effect on the overall economy. Additionally, the Federal Reserve's massive purchasing of U.S. Treasuries helped depress interest rates. The Fed now owns over 55% of all U.S. Treasury debt with over 10 years in maturity. Interest rates bottomed in August and have begun to steadily increase since then. More recently, in September, the Federal Reserve said it will likely begin reducing its monthly bond purchases as soon as November, which has helped push longer term interest rates up further.

Exhibit 2: U.S. 10 Year Treasury less U.S. 2 Year Treasury

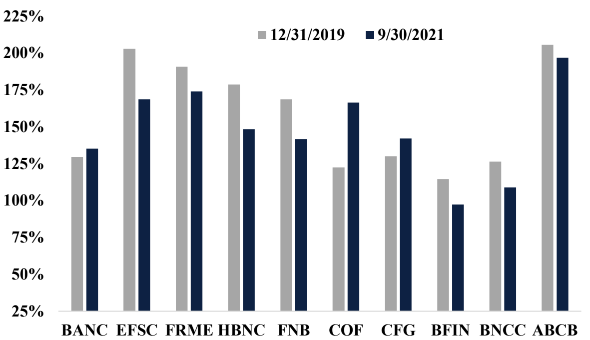


Source: Federal Reserve Bank of St. Louis

While long-term rates have begun to rise, short-term rates have remained low given the Federal Reserve's current 0 – 0.25% short-term interest rate target. The increasing 'steepness' of the yield curve, as shown in Exhibit 2, tends to provide a favorable environment for bank stocks and increases the buying activity from broad market participants, or 'generalists', of bank stocks.

FUNDAMENTAL IMPROVEMENTS IN BANK QUALITY NOT YET REFLECTED IN BANK VALUATIONS

Exhibit 3: Price / Tangible Book Value (12/31/19 vs. 9/30/21)



Source: S&P Capital IQ

Despite the pandemic, the top ten banks in the Partnership's portfolio increased tangible book value per share by a median 12%, from year end 2019 to Q3 2021. Despite proving their ability to perform during the pandemic, seven of ten still trade at lower price-to-tangible book multiples today than year end 2019. The greatest differentials include EFSC (34% points), HBNC (30% points), FNB (27% points), and FRME (17% points). Over time, the increased tangible capital will produce higher earnings per share, resulting in improved stock price performance. Additionally, the banks will return a portion of that capital to shareholders through increased dividends and share repurchases. Some of these banks will merge with larger banks which will benefit from increased earnings and efficiencies.

BANK M&A IS BACK!!

Bank mergers as measured by deal value are now tracking to their highest levels since the great financial crisis, an amazing recovery given that the pandemic has not gone away. The month of September alone saw 20 bank deals and four branch sales announced, including three deals over $1.0 billion in deal value. According to a recent article in the Wall Street Journal, banks have announced more than $54 billion in deals through September versus just $17 billion in mergers this time last year.

Two of the Partnership's banks announced their intent to be acquired in 3Q 2021:

In July, Tennessee based, **Reliant Bancorp, Inc. (RBNC)** announced it was being acquired by Georgia based United Community Banks, Inc. (UBSI) for $517 million, or $30.58 per share. The announced deal value equated to 194% of RBNC's tangible book value. The transaction is expected to be 8.5% accretive to UBSI's 2023 estimated earnings per share. For the Partnership, this deal is the ever sought-after 'double-dip.' We received RBNC common shares when RBNC acquired the Partnership's interest in First Advantage Bancorp (FABK) in April 2020, the first 'dip.' And now RBNC is being acquired by UBSI, the second 'dip.'

In July, Chicago based **Royal Financial, Inc. (RYFL)** announced it was being acquired by Indiana-based Finward Bancorp (FNWD) in a mix of cash and stock totaling $52.9 million at the time of deal announcement. The transaction is expected to be 25% accretive to FNWD's estimated earnings per share in the first full combined year. The Partnership and its PL Capital affiliates own approximately 9.6% of RYFL and we have a third-party director on the Board. We like Finward's prospects and are likely to hold the position and have added to it since the deal was announced.

ADDITIONAL NOTEWORTHY PARTNERSHIP ACTIVITY

In August, we filed a Schedule 13D/A with the Securities and Exchange Commission disclosing a material amendment to our 2016 Settlement Agreement with Old Point Financial Corporation (OPOF). The amended Agreement permits PL Capital and its affiliates, in aggregate, to acquire up to 14.9% of OPOF's common stock. The Partnership and its PL Capital affiliates currently own approximately 9.9% of OPOF. OPOF is a chronic under-earner, and we are working with management to increase financial performance. Fortunately, despite its below average operating metrics, it has significant franchise value because of its attractive location in VA. You may recall that we also have a third-party director on OPOF's board.

We are currently working through the regulatory approval process needed to allow us to increase our ownership percentage above 9.9% and maintain the one board seat. You may recall us discussing recent favorable changes in bank ownership regulations which should allow us to increase ownership in various banks to greater than 10%. This is the first such attempt we are making to take advantage of the new rules. We will follow up in the Q4 letter to let you know how it goes.

We wish you and your family a healthy autumn.

Please feel free to contact us at any time.

Best regards,

Rich, John, Curt and Martin

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