



CORNERSTONE BANCORP, INC.

OTC Pink: CNBP / \$60.00
December 31, 2020

FOURTH QUARTER 2020 HIGHLIGHTS (At or for period ended 12/31/20)

Income Statement Highlights

- Net income for 4Q20 totaled \$2.3 million, or \$2.30 per share.
- Interest and fees recognized on Paycheck Protection Program (PPP) loans totaled \$2.8 million in 4Q20. For the year, PPP accounted for \$6.2 million of revenue.
- For 4Q20, the net interest margin was 3.44% compared to 3.20% for 4Q19. The margin benefitted from \$1.6 million of additional PPP fee income which is accelerated when loans are forgiven.
- The activity in the Mortgage Division continued at a record pace in 4Q20 as interest rates remain at historically low levels. The Bank sold \$101.3 million of loans and realized gross revenue of \$1.8 million during the quarter.
- Noninterest expense was \$6.9 million in 4Q20 compared to \$4.7 million in 4Q19. The 4Q20 results include \$1.4 million of expenses related to the Mortgage Division compared to \$402,000 in 4Q19.

Balance Sheet Highlights

- Total assets measured \$891.2 million and tangible shareholders' equity equaled \$47.4 million at 4Q20.
- PPP loans totaled \$131.2 million at 4Q20. Forgiveness proceeds totaling \$76.8 million were received during the quarter.
- The remainder of the loan portfolio totaled \$463.9 million, \$7.0 million (1.5%) lower than 4Q19. The COVID-19 pandemic has led to a slowdown in the working capital needs for many clients through the middle of 2020.
- The allowance for loan losses was 1.56% of loans, exclusive of PPP loans which are 100% guaranteed by the Small Business Administration.
- The Bank closed 4Q20 with a Tier I Leverage Capital Ratio of 8.22%.
- Tangible book value per share was \$47.72 at 4Q20, \$9.49 higher than a year ago.

Other Matters

- Trust assets increased 3.6% to \$811.9 million at 4Q20 from \$783.6 million at 4Q19.
- Management remains focused on protecting our staff and clients during this time. To that end, we have limited lobby access while still providing our full suite of services to our clients.

About Cornerstone Bancorp, Inc.

Founded in 2000, Cornerstone Bancorp, Inc., and its wholly-owned subsidiary, Cornerstone National Bank & Trust Company (collectively "Cornerstone") is committed to serving the commercial banking and investment needs of families and family-owned businesses. Cornerstone serves its clients by investing heavily in people and technology, providing an uncommon relationship experience. Cornerstone has been successful in attracting new clients and talent as the Chicago market consolidates and large banks deemphasize relationships in favor of an institutional approach.

Cornerstone is a leader in commercial lending services including equipment, real estate and construction loans, operating lines of credit and a full suite of treasury management products and services.

For individuals and families, wealth management services are offered, including investment management, trust and custody services, retirement plans, and estate and guardianship administration.

Headquartered in Palatine, Illinois, Cornerstone maintains offices in Crystal Lake, Lake Zurich, Naperville and Schaumburg.



Corporate Information

Cornerstone Bancorp, Inc

Phone: 847.654.3000

Email: IR@CornerstoneNB.com

Market Makers

Raymond James
Chicago, IL
800.800.4693

Janney Montgomery Scott
Chicago, IL
312.242.0433

Monroe Financial Partners, Inc.
Chicago, IL
312.327.2530

D.A. Davidson & Companies
Chicago, IL
312.525.2777

Stock Price (12/31/20)	\$60.00
Shares Outstanding	994.1 K
Market Value	\$59.6 M
TTM EPS	\$8.42
Price/TTM EPS	7.12x
Tangible Book Value/Share	\$47.72
Price/Tangible Book Value	1.26x
NIM (annualized)	3.27%
ROAA (4Q20)	0.99%
ROAE (4Q20)	19.89%



Financial Highlights (2020 Results Are Unaudited)
 (\$ in Thousands, Except Share and Per Share Data)

	For the Quarter Ending			Year To Date	
	12/31/2020 (Unaudited)	12/31/2019	% Change	12/31/2020 (Unaudited)	12/31/2019
Income Statement					
Net Interest Income	7,855	5,184	51.5%	26,662	20,594
Provision for Loan Losses	650	-	0.0%	900	-
Noninterest Income	2,900	1,459	98.8%	10,222	5,352
Noninterest Expense	6,878	4,726	45.5%	24,315	18,949
Provision for Income Taxes	939	515	82.5%	3,295	1,897
Net Income	\$ 2,288	\$ 1,402	63.2%	8,374	5,100

Ratios					
Return on Average Assets *	0.99%	0.85%	16.3%	1.01%	0.83%
Return on Average Stockholders' Equity *	19.89%	19.38%	2.7%	19.82%	14.00%
Net Interest Margin	3.45%	3.20%	7.9%	3.27%	3.40%
Allowance As A % Of Loans Outstanding **	1.56%	1.50%	3.8%	1.56%	1.50%
Dividends Per Share	\$ -	\$ -	N/A	\$ -	\$ 35.00
Earnings Per Share	\$ 2.30	\$ 1.47	56.2%	\$ 8.42	\$ 6.63
Book Value Per Share	\$ 47.72	\$ 38.23	24.8%	\$ 47.72	\$ 38.23

	End of Period			End of Period	
	12/31/2020 (Unaudited)	12/31/2019	% Change	12/31/2018	12/31/2017
Balance Sheet Data					
Total Assets	\$ 891,183	\$ 633,145	40.8%	\$ 568,895	\$ 535,508
Loans, Net of Allowance for Loan Loss	\$ 587,906	\$ 463,814	26.8%	\$ 413,806	\$ 369,095
Deposits and Repurchase Agreements	\$ 808,124	\$ 572,617	41.1%	\$ 512,220	\$ 478,715
Trust Preferred Securities	\$ 10,310	\$ 10,310	0.0%	\$ 10,310	\$ 10,310
Other Borrowings	\$ 19,755	\$ 8,500	132.4%	\$ 2,500	\$ -
Tangible Stockholders' Equity	\$ 47,442	\$ 38,005	24.8%	\$ 41,781	\$ 45,121
Trust Assets	\$ 811,885	\$ 783,631	3.6%	\$ 675,577	\$ 716,302

Stock Value Per Common Share Data					
Price-To-Earnings Ratio	7.12	9.67	-26.3%	8.41	11.03
Price-To-Book Value Ratio	1.26	1.68	-25.0%	1.32	1.05
Tangible Book Value Per Share	\$ 47.72	\$ 38.23	24.8%	\$ 59.12	\$ 65.05
Number of Shares Outstanding	994,088	994,088		706,713	693,671
Average Number of Shares Outstanding	994,088	923,436		706,539	692,395
Stock Price - High	\$ 65.00	\$ 78.00		\$ 93.00	\$ 78.00
Low	\$ 52.51	\$ 53.00		\$ 68.00	\$ 68.00
Ending	\$ 60.00	\$ 64.10		\$ 78.00	\$ 68.00

* - Quarter returns are based on annualized Net Income; Year-To-Date returns are based on the Last Twelve Months' (LTM) Net Income

** - Excludes PPP loans which are 100% SBA guaranteed