



CORNERSTONE BANCORP, INC.

OTC Pink: CNBP / \$60.85

April 14, 2021

FIRST QUARTER 2021 HIGHLIGHTS (At or for period ended 3/31/21)

Income Statement Highlights

- Consolidated net income increased 97.5% to \$2.34 million, or \$2.35 per diluted share, in the first quarter of 2021, compared to \$1.19 million, or \$1.19 per diluted share, in the first quarter of 2020.
- Interest and fees recognized on PPP loans totaled \$2.4 million in 1Q21.
- The net interest margin (NIM) increased 2 basis points to 3.25% for 1Q21, compared to 3.23% for 1Q20.
- The activity in the Mortgage Division continued at a strong pace in 1Q21. The Bank sold \$52.2 million of loans and realized gross revenue of \$1.1 million during 1Q21.
- Noninterest expense was \$6.0 million in 1Q21 compared to \$5.2 million in 1Q20. The 1Q21 results included \$655,000 of expenses related to the Mortgage Division compared to \$223,000 in 1Q20.

Balance Sheet Highlights

- Total consolidated assets increased 41.7% to \$973.2 million at March 31, 2021, compared to \$686.9 million a year earlier.
- Tangible shareholders' equity improved 32.7% to \$50.0 million at March 31, 2021, compared to \$37.7 million a year earlier.
- PPP loans totaled \$187.9 million at March 31, 2021 compared to \$131.2 million at December 31, 2020. The Bank received forgiveness proceeds totaling \$50.7 million during the quarter from the loans funded during the first round of the PPP. We funded \$107.3 million of new loans in the second round of the PPP during 1Q21. This new round closes May 31, 2021.
- The loan portfolio, excluding PPP loans, totaled \$477.2 million at March 31, 2021, which was \$22.0 million, or 4.4%, lower than a year ago. The COVID-19 pandemic has led to a slowdown in the working capital needs for many clients through the middle of 2020, resulting in lower borrowing needs for our customers.
- The allowance for loan losses was 1.53% of loans, exclusive of PPP loans which are 100% guaranteed by the Small Business Administration.
- Total deposits and repurchase agreements increased 41.6% to \$885.0 million at March 31, 2021, compared to \$624.8 million a year ago.
- Tangible book value per share increased 32.7% to \$50.33 at March 31, 2021 compared to \$37.94 per diluted share at March 31, 2020.
- The Bank continues to be well-capitalized, with a Tier 1 Leverage Capital Ratio of 8.29% at March 31, 2021 compared to 8.22% at December 31, 2020.

Other Matters

- Trust assets increased 24.1% to \$863.0 million, at March 31, 2021, from \$695.1 million a year earlier.
- Our Crystal Lake office was relocated to a new facility on March 8, 2021, while our Lake Zurich office was closed and a new facility was opened in Deer Park, Illinois on March 22, 2021.

We remain focused on the health and safety of our employees and customers during this time. All our lobbies reopened on April 12, 2021. We will continue to adhere to social distancing and cleaning recommendations from the CDC to protect our clients and employees while still providing a full suite of services.

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 and operating lines of credit as well as business checking accounts and association loans for condominium and townhome associations.

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, Deer Park, Naperville and Schaumburg.



Corporate Information

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Market Makers

Raymond James

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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 (3/31/21) \$60.85

Shares Outstanding 994.1 K

Market Value \$60.5 M

TTM EPS \$9.59

Price/TTM EPS 6.35x

Book Value per Share \$50.33

Price/Book 1.21x

NIM (annualized) 3.25%

ROAA (1Q21) 1.01%

ROAE (1Q21) 19.70%



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

Income Statement	For the Quarter Ending			Years Ended	
	31-Mar-21	31-Mar-20	%Change	31-Dec-20	31-Dec-19
Net Interest Income	7,308	5,367	36.2%	26,662	20,594
Provision for Loan Losses	50	-	N/A	900	-
Noninterest Income	1,974	1,425	38.5%	10,222	5,352
Noninterest Expense	5,979	5,155	16.0%	24,315	18,949
Provision for Income Taxes	913	452	101.9%	3,295	1,897
Net Income	\$ 2,340	\$ 1,185	97.5%	\$ 8,374	\$ 5,100

Ratios

Return on Average Assets *	1.01%	0.70%	43.9%	1.01%	0.83%
Return on Average Stockholders' Equity*	19.70%	12.40%	58.9%	19.82%	14.00%
Net Interest Margin	3.25%	3.23%	0.9%	3.27%	3.40%
Allowance As A % Of Loans Outstanding**	1.53%	1.42%	7.7%	1.56%	1.50%
Dividends Per Share	\$ -	\$ -	N/A	\$ -	\$ 35.00
Earnings Per Share	\$ 2.35	\$ 1.19	97.5%	\$ 8.42	\$ 6.63
Tangible Book Value Per Share	\$ 50.33	\$ 37.94	32.7%	\$ 47.72	\$ 38.23

Balance Sheet Data	End of Period			End of Period	
	31-Mar-21	31-Mar-20	%Change	31-Dec-20	31-Dec-19
Total Assets	\$ 973,184	\$ 686,931	41.7%	\$ 891,183	\$ 633,145
Loans, Net of Allowance for Loan Loss	\$ 657,804	\$ 492,133	33.7%	\$ 587,906	\$ 463,814
Deposits and Repurchase Agreements	\$ 885,028	\$ 624,814	41.6%	\$ 808,124	\$ 572,617
Trust Preferred Securities	\$ 10,310	\$ 10,310	0.0%	\$ 10,310	\$ 10,310
Other Borrowings	\$ 19,558	\$ 9,190	112.8%	\$ 19,755	\$ 8,500
Tangible Stockholders' Equity	\$ 50,037	\$ 37,711	32.7%	\$ 47,442	\$ 38,005
Trust Assets	\$ 862,947	\$ 695,140	24.1%	\$ 811,885	\$ 783,631

Stock Value Per Common Share Data

Price-To-Earnings Ratio	6.37	13.43	-52.5%	7.12	9.67
Price-To-Book Value Ratio	1.21	1.70	-28.8%	1.26	1.68
Tangible Book Value Per Share	\$ 50.33	\$ 37.94	32.7%	\$ 47.72	\$ 38.23
Number of Shares Outstanding	994,088	994,088		994,088	994,088
Average Number of Shares Outstanding	994,088	998,088		994,088	923,436
Stock Price - High	\$ 62.00	\$ 64.40		\$ 65.00	\$ 78.00
Low	\$ 60.85	\$ 64.10		\$ 52.51	\$ 53.00
Ending	\$ 60.85	\$ 64.40		\$ 60.00	\$ 64.10

* - 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