



CORNERSTONE BANCORP, INC.

June 30, 2019



SECOND QUARTER 2019 HIGHLIGHTS (At or for period ended 6/30/19)

- Total assets measured \$607 million and tangible shareholders' equity equaled \$45.2 million at 2Q19
- During the past year, we have attracted a significant number of new commercial banking staff. This led to a decrease in earnings per share to \$1.97 per share in 2Q19 from \$2.52 per share in 2Q18. We expect the additional talent to benefit future earnings.
- Profitability has been driven by strong loan growth. Loans, net of the allowance for loan losses, increased \$37.2 million (9.1%) while deposits and repurchase agreements increased \$50.7 million (10.3%) year-over-year.
- For 2Q19, the net interest margin (NIM) was 3.64% compared to 3.67% for 2Q18.
- The Bank closed 2Q19 with a Tier I Leverage Capital Ratio of 9.72%.
- Tangible book value per share was \$63.95, down \$6.36 per share from a year ago, due to the 2018 special dividend of \$15.00 per share.
- Trust assets increased 3.3% to \$743.0 million at 2Q19 from \$719.5 million at 2Q18.
- Management continues to enhance CNBT's franchise, investing in talented people, improving internal processes to become more efficient, and investing in new technology to better serve 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 and operating lines of credit as well as business checking accounts and association loans for condominium and townhome associations.

For individuals, families, and corporations, 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 and Naperville.

Corporate Information

Cornerstone Bancorp, Inc
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Stock Price (6/30/19)	\$78.00
Shares Outstanding	706.7 K
2Q19 EPS	\$1.97
Market Value	\$55,124M
Book Value per Share	\$63.95
Price/Book	1.22x
Price/Earnings	9.86x
NIM (annualized)	3.64%
ROAA (LTM)	1.04%
ROAE (LTM)	13.91%



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

Income Statement	For the Quarter Ending			Year To Date	
	30-Jun-19	30-Jun-18	% Change	30-Jun-19	30-Jun-18
Net Interest Income	5,268	5,006	5.2%	10,259	9,633
Provision for Loan Losses	-	(400)	N/A	-	(400)
Noninterest Income	1,325	1,155	14.7%	2,489	2,292
Noninterest Expense	4,676	4,103	14.0%	8,816	7,834
Provision for Income Taxes	522	682	-23.4%	1,069	1,230
Net Income	\$ 1,394	\$ 1,775	-21.5%	\$ 2,863	\$ 3,261

Ratios	End of Period			End of Period	
	30-Jun-19	30-Jun-18	% Change	31-Dec-18	31-Dec-17
Return on Average Assets *	0.95%	1.29%	-26.2%	1.04%	0.97%
Return on Average Stockholders' Equity *	12.66%	14.88%	-14.9%	13.91%	11.21%
Net Interest Margin	3.64%	3.67%	-0.8%	3.59%	3.53%
Allowance As A % Of Loans Outstanding	1.57%	1.60%	-2.1%	1.57%	1.60%
Dividends Per Share	\$ -	\$ -		\$ -	\$ -
Earnings Per Share	\$ 1.97	\$ 2.52	-21.7%	\$ 4.05	\$ 4.63
Tangible Book Value Per Share	\$ 63.95	\$ 70.31	-9.0%	\$ 63.95	\$ 70.31

Balance Sheet Data	End of Period			End of Period	
	30-Jun-19	30-Jun-18	% Change	31-Dec-18	31-Dec-17
Total Assets	\$ 607,220	\$ 556,053	9.2%	\$ 568,895	\$ 535,508
Loans, Net of Allowance for Loan Loss	\$ 444,751	\$ 407,540	9.1%	\$ 413,806	\$ 369,095
Deposits and Repurchase Agreements	\$ 544,683	\$ 493,991	10.3%	\$ 512,220	\$ 478,716
Trust Preferred Securities	\$ 10,310	\$ 10,310	0.0%	\$ 10,310	\$ 10,310
Tangible Stockholders' Equity	\$ 45,196	\$ 49,510	-8.7%	\$ 42,334	\$ 45,588
Trust Assets	\$ 742,971	\$ 719,458	3.3%	\$ 675,577	\$ 716,302

Stock Value Per Common Share Data	End of Period			End of Period	
	30-Jun-19	30-Jun-18	% Change	31-Dec-18	31-Dec-17
Price-To-Earnings Ratio	9.86	8.51	15.8%	8.41	11.04
Price-To-Tangible Book Value Ratio	1.22	1.22	-0.3%	1.30	1.03
Tangible Book Value Per Share	\$ 63.95	\$ 70.31	-9.0%	\$ 59.90	\$ 65.72
Number of Shares Outstanding	706,713	704,213		706,713	693,671
Average Number of Shares Outstanding	706,713	703,955		705,017	692,395
Stock Price - High	\$ 78.00	\$ 86.00		\$ 93.00	\$ 78.00
Low	\$ 78.00	\$ 68.00		\$ 68.00	\$ 68.00
Ending	\$ 78.00	\$ 86.00		\$ 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

The IR Group

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