CORNERSTONE
COMMUNITY BANK

MONTHLY SHAREHOLDER REPORT

August 2026

LETTER FROM KYLE AUD, PRESIDENT & CEO

Dear Cornerstone Community Bank Shareholders,

We are pleased to share the continued progress achieved during August 2026, our second full month of operations. From the beginning, our team has remained focused on building a trusted, relationship-driven institution that serves the needs of our customers, businesses, and shareholders throughout Owensboro and Daviess County.

Our August financial results reflect real momentum! Total interest income reached $161,068, exceeding our monthly budget by 47%, driven by returns from our investment portfolio and overnight funds, as well as growing loan production. This represents a 10% increase from July. We also maintained good discipline on expenses, with total non-interest expenses coming in $36,191 below budget. Our balance sheet continues to strengthen, with total assets reaching $51.2 million, deposits growing to $26.1 million (up 22% from July), and our loan portfolio expanding to $6.5 million (up 34% from July). Our capital position remains solid at $25.0 million, providing a good foundation to support growth and meet our customers' financial needs.

As anticipated in our start-up budget, we reported a net loss of $188,732 for August, which was $63,635 better than budget. While this loss appears comparable to July's net loss of $185,320, it's worth noting that we did not accrue our stock option expense in July, so two months' worth ($26,964) was recognized in August. Adjusting for this timing difference, August would have shown a positive improvement of approximately $24,000 from July. With deposit growth up 22%, disciplined expense management, growing customer relationships, and loan balances expanding 34%, we are encouraged by our progress and remain confident in our path toward profitability and our mission to be the best community banking partner in Owensboro and Daviess County!

We sincerely appreciate your investment in Cornerstone Community Bank and your continued support as we build a community bank together.

Kyle Aud
President & Chief Executive Officer

MONTHLY FINANCIAL SUMMARY

TOTAL ASSETS	TOTAL DEPOSITS	NET INCOME (MTD)
$51.2M	$26.1M	($188K)

LOAN BALANCE	L/D RATIO
$6.5M	24.9%

PRODUCT ENHANCEMENTS

- **Please sign up for Electronic Statements!** To avoid the $5 monthly fee for paper statements, please log in to your account and enroll in electronic statements. If you need help, please contact us at 270-215-2685.
- **Treasury Services are here!** As you can see from the announcement below, we now have a Treasury officer and the products to take care of your business. From ACH to Remote Deposit Capture, we have the ability to meet your business needs.

BANKING 101

Have you ever wondered how exactly a bank works? Many of you may already know, but in its simplest form, we take in deposits from customers and use those funds to lend out to the community. Think **The Bailey Bros. Building and Loan** from ***It's a Wonderful Life***, without the audacity to say any of us are as awesome as George Bailey!

As a community bank, our business model is built on lending to local families, businesses, and farmers, and we also invest some of our remaining funds in other investment products. For us as a new bank, we invest in short-term, low-risk Treasury products while we build our loan portfolio.

The goal is to lend at a market rate of interest while gathering deposit accounts at the lowest rate possible, while also staying competitive in the market. The difference between the two is known as your interest spread and is your main source of income as a bank. You've seen that we have very competitive CD and Money Market rates, which would seem counter to this strategy. The reason is we still want the CDs and Money Markets because they help us grow, but the best way to offset these higher rate accounts is by growing our checking account balances, which are typically the lowest cost of funds you'll find as a bank.

This is where you come in. We would ***LOVE*** your checking accounts! You may think that your account doesn't make that big of a difference, but we promise you, it really does. Every account matters and helps your investment get us to profitability and beyond.

So if you don't already have a great relationship with your banker, then give us a try and support your investment. We know many of you would prefer to wait until we have our debit cards and we totally understand. Either way, in due time, we'd love to have you bank with us! Call our Relationship Banker, Kelsie Chapman, at 270-215-2684 today!

COMING SOON

- **P2P Payment Capabilities**– In the final stages of testing and should be ready in a few weeks! You'll be able to send money to virtually anyone using a mobile number or email address.
- **Online Bill Pay coming in a few weeks as well**!
- **Debit Cards** – Still on track rolling out our debit cards in mid-to-late October. For those who didn't see the last report, here are the designs. We will tailor them more to Cornerstone in the future, but went with this design initially. Pretty slick!

- **Ribbon Cutting / Opening Celebration** – Again, this will be tied to the debit cards as we'd rather wait and celebrate with you and our community once we have a fully functioning deposit account with debit cards and ATM. We'll keep updating you as we progress.

SHAREHOLDER SPECIALS

SHAREHOLDER EXCLUSIVE!

Term	Minimum Deposit	Rate	APY
3 Month	$2,500	3.65%	3.72%
6 Month	$1,000	3.70%	3.77%
9 Month	$1,000	3.80%	3.87%
12 Month	$1,000	3.90%	3.98%
18 Month	$1,000	4.05%	4.13%
24 Month	$1,000	4.15%	4.24%

Personal and Business High-Yield Money Market Rates

Balance Tier	Rate	APY
Less than $10,000	1.00%	1.01%
$10,000-$24,999.99	1.25%	1.26%
$25,000-$49,999.99	2.00%	2.02%
$50,000-$99,999.99	2.50%	2.53%
$100,000 and over	3.50%	3.56%

MEET OUR TREASURY MANAGEMENT OFFICER!

Gary Claybrook,

VP, Treasury Management Officer

Business Owners, we have our guy! Gary has 20+ years in Treasury and Deposit Services, with much of it on the Jack Henry operating system Cornerstone utilizes. You can feel comfortable knowing that if you consider moving your business relationship to us, you'll have an experienced and seamless transition with Gary's help. Please give Gary a call today at 270-414-2581.