

RESEARCH UPDATE
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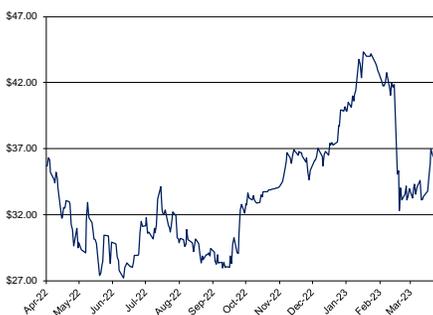
Market Statistics

Price:	\$38.35
52-Week Range:	\$26.48 - \$45.31
Daily Vol. (3 Month Avg.):	13,420
Market Cap (\$M):	\$224.8
Shares Outstanding (M):	5.9
Float (M):	4.9

Financial Summary

Cash & Equivalents:	\$105.7
Net Loans:	\$906.0
Total Assets:	\$1,578.5
Total Deposits:	\$1,406.7
Debt:	\$10.0
Equity (Book Value):	\$128.8
Equity/Share:	\$21.96

FYE: DEC	2022	2023E	2024E
(in \$M)			
Rev	\$60	\$70	\$76
Chng%	24.3%	16.4%	8.6%
EPS	\$4.47	\$5.05	\$5.53


Company Description

Plumas Bancorp (the Company or Plumas) is a bank holding company headquartered in Reno, Nevada and was incorporated in 2002. Plumas Bancorp is the holding company for Plumas Bank, a Quincy, California based bank founded in 1980. The Company owns all outstanding shares of Plumas Bank. Plumas Bank provides various banking products and services for small and middle market businesses and individuals in Northeastern California and Northwestern Nevada with a focus on personal service. Plumas Bank offers an array of deposit products such as checking, savings, and retirement accounts in addition to its loan portfolio consisting of commercial, industrial, agricultural, and construction loans. Plumas Bank also provides consumer, home equity, and auto loans. Plumas Bank currently operates 14 branches including 12 in California and two in Nevada. Plumas Bank also operates two lending offices located in Northern California and one lending office in Southern Oregon.

PLUMAS BANCORP (NASDAQ: PLBC)
Company Summary

Continued growth: Assets decreased slightly to \$1.58B at 1Q23 end, down from \$1.62B at 1Q22. Deposits also decreased to \$1.41B in 1Q23 from \$1.47B in 1Q22. Non-performing assets decreased by \$1.1M Y/Y to \$4.2M at 1Q23, a decrease of 21%. Additionally, investment securities have grown by \$168M Y/Y to \$484M.

Community banks on strong footing: In the wake of the recent SVB failure there has been increased scrutiny on the banking sector. When compared to larger regional banks, we believe that local banks like PLBC are better suited to weather this bank sector turmoil. This is in large part due to community banks having less than 10% of their accounts uninsured by the FDIC as compared to SVB's 95% of accounts being uninsured. It is also notable that SVB had a much lower NIM, at 2.0% in 4Q22, as compared to PLBC at 4.64% in 1Q23. Additionally, assets at PLBC have shorter durations compared to peers and they are not invested in held-to-maturity securities.

Strong core deposits: Plumas has a strong history of increasing its demand, savings, and money market deposits from local businesses and individuals. However, deposits fell by \$61M Y/Y to \$1.47B on March 31, 2023. This decline is attributed to the increasing rate environment and is being mitigated by an introduction of limited time 7- and 11-month time deposits offered at a rate of 4%. Despite this headwind, the Company has grown deposits at a ~17% CAGR since 2018.

Diversified loan portfolio: PLBC provides a range of lending services with the breadth of loan diversification helping Plumas to avoid becoming overly concentrated in a single industry. As of 1Q23 80% of the loan portfolio was comprised of variable rate loans. The Company saw gross loans increase by 9% from \$839M in 1Q22 to \$916M in 1Q23.

Non-interest earnings income growth: In addition to the Company's primary source of revenue, interest income, in 1Q23 Plumas also derived ~\$3.93M of its revenue from a variety of noninterest income items including loan servicing fees, service charges on deposit accounts, interchange revenue and gains on sales of SBA 7a loans. Non-interest income increased by \$0.3M as compared to 1Q22.

Successful growth strategy: The Company continued to expand its branch operations into targeted growth markets of Northern California and Northwestern Nevada over the years with great success including the purchase of Mutual of Omaha Bank's Carson City Branch in October 2018 and the acquisition of Feather River Bancorp in 2021. Most recently the company announced the opening of its Chico, California branch that will open in 2Q23.

Valuation: We use a comp analysis on P/E and P/BV to help frame valuation. Using a P/E range of 7.0x to 8.0x with a mid-point of 7.5x on our FY24 EPS estimate results in a valuation range of \$39.2 to \$44.8 with a mid-point of \$42.00. Using a P/BV multiple range of 1.7x to 2.1x, we arrive at a valuation range of \$37.33 to \$46.12 with a mid-point of \$41.72. Additional details can be found on page 9.

Business Overview

Plumas Bank was founded in 1980 in Quincy, California. Plumas Bancorp was founded in 2002 for the purpose of operating as the holding company for Plumas Bank in a one bank holding company reorganization. This specific holding structure gives the Company greater operational flexibility as well as expansion and diversification benefits.

Plumas Bank operates 14 traditional branches with 12 located in California and 2 in Nevada. In December 2015, the Company opened its first branch outside of California in Reno, Nevada, and continued expansion in 2018 by purchasing a Mutual of Omaha Bank branch in Carson City. In addition to its traditional branch locations, PLBC also operates a lending office specializing in government guaranteed lending in Auburn, California, and commercial/agricultural lending offices in Chico, California and Klamath Falls, Oregon.

Exhibit 1: Plumas Bank Expansion



Source: Company Reports

Plumas Bancorp currently has assets of \$1.58B up roughly 91% from 2018. The Company has grown both organically and inorganically over the years. The Company's organic growth has come from its ability to open additional branches and expand its geographic footprint as well as investing in technology to help its business and retail customers. In addition to its investments in technology, Plumas provides a unique style of community-oriented, personalized service. The Company relies on localized promotional activities and personal contacts from the Company's directors and employees. With every location that is opened, PLBC's focus is on community banking and putting the resources in place (from Directors down to service team members) to successfully compete against other banks in the area. This individualized, community focused approach coupled with flexible policies has been successful in gaining market share from larger regional and national competitors.

Plumas Bank has successfully marketed to retail customers in its legacy branches by heavily integrating themselves into the communities where branches are located. Plumas is then able to expand upon a traditional deposit account relationship by offering additional services such as

consumer and commercial loans. As the Company has expanded into larger markets, competition for traditional retail deposits has increased. In these markets Plumas is focused on extending loans to small and medium-sized businesses, who may then turn into business and retail deposit customers.

In addition to organic growth the Company also made its first Northern Nevada acquisition in October 2018, purchasing a former Mutual of Omaha Bank branch location in Carson City, Nevada. This was followed by the acquisition of Feather River Bancorp (FRB) in Yuba City, California in July 2021. The FRB acquisition expands market opportunities in Northern California markets, enhances scale with geographic expansion, further diversifies the loan portfolio, and is immediately accretive to EPS.

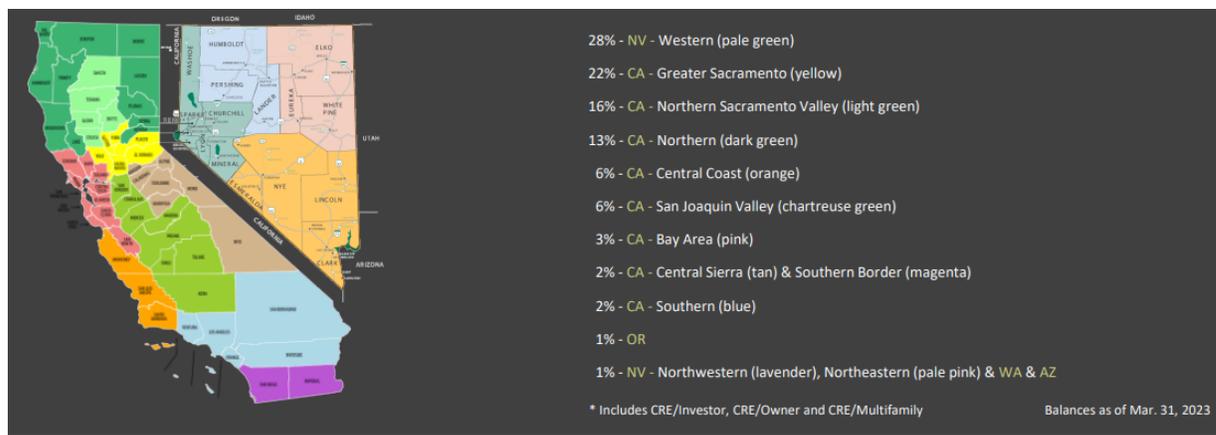
Accompanying its traditional branch network, the Bank also operates an office located in Auburn, California specializing in government-guaranteed loans. Most of these loans are 75% guaranteed by the Federal Government and are variable rates tied to the Prime rate. For loans originated in 2021 the guarantee was increased to 90% until October 1, 2021. Typically, the guaranteed portion of the loan is then sold off in the secondary market and serviced by Plumas Bank for a fee of 1%, while the unguaranteed portion is retained by Plumas Bank. Selling the federally guaranteed portion allows Plumas to profit from the sale as well as continuing to profit on the higher yielding unguaranteed portion of the loan. Richard Belstock, CFO, and his team have a long history of managing and selling these SBA loans giving them an added competitive advantage. PLBC has received nationwide Preferred Lender status with the United States Small Business Administration.

Lastly, the Company has commercial and agricultural lending offices in Chico, California, and Klamath Falls, Oregon. The primary commercial lending services include term real estate, commercial and industrial term loans, agricultural loans, construction loans, and credit lines, as well as land development loans on a limited basis.

Loan Portfolio

Plumas’ main source of revenue is generated from providing loans to retail and commercial customers who reside in the surrounding areas. The Company’s commercial loans are largely provided to small and medium-sized businesses. As of 1Q23 commercial real estate loans comprised the largest portion of the Bank’s loan portfolio. Although commercial real estate occupies a large portion of the portfolio, Plumas attempts to further diversify through loans of differing property types and geographic location throughout California, Northern Nevada, and Southern Oregon. PLBC’s lenders are separated by geographic region, and each integrates themselves into the communities they serve. These are seasoned lenders who have longstanding relationships within their respective communities, which helps the Company earn business when rate competition is stiff.

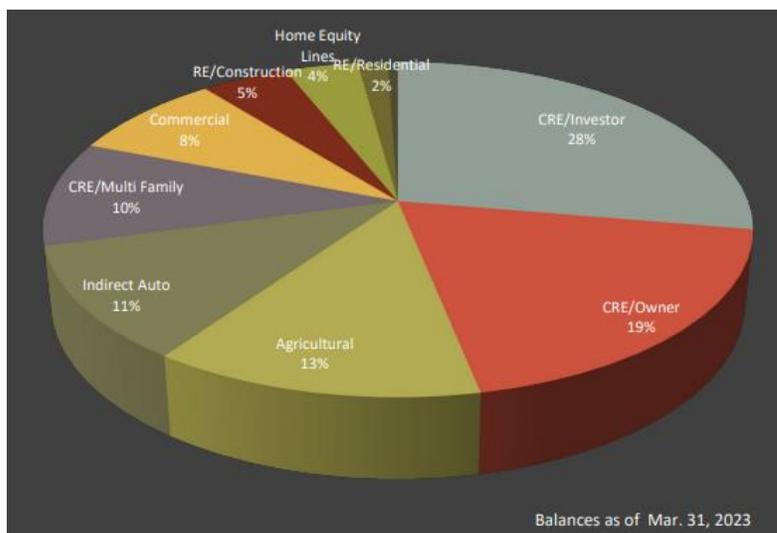
Exhibit 2: CRE distribution by Region



Source: Company Reports

Despite the Company’s current concentration in commercial real estate, which comprises 57% of the total portfolio, Plumas has continued to diversify the portfolio to mitigate the risks associated with any one sector. Moreover, 80% of the Company’s portfolio balance is variable rate which helps to reduce interest rate risk.

Exhibit 3: Current Loan Composition



Source: Company Reports

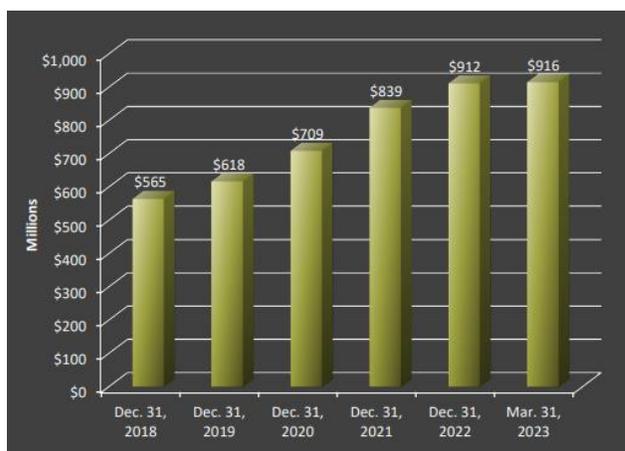
In addition to the Company’s real estate loan portfolio, auto loans have also become a large portion of the portfolio. In fact, the auto loan portfolio has grown from 2.5% of gross loans at year-end 2011 to 11.0% of gross loans as of 1Q23. Auto loans have provided a benefit of diversification to PLBC’s other loans as auto loans tend to have a much shorter term and balance than commercial real-estate loans and are fixed rate. The Company also has a large portfolio of agricultural loans, which it intends to continue to develop. As of 1Q23 agricultural loans totaled \$118.1M or 12.9% of the total loan portfolio.

In 2021, Plumas Bancorp, including Feather River Bancorp, was actively participating in the CARES Act, Paycheck Protection Program (PPP). The Company originated 2,817 PPP loans in the aggregate amount of \$256M. PPP loans declined to \$18.7 million at March 31, 2022 and \$283 thousand at March 31, 2023.

As mentioned earlier, Plumas is currently focused on small to medium size commercial businesses. They offer both floating and fixed rate loans and obtain collateral through real property, business assets and deposit accounts. PLBC’s overall loan balances have been trending upward since 2017 and as of 1Q23, the portfolio was at a record level of \$916M with an average yield of 5.62%.

The Company’s current loan to deposit ratio is 65% as of 1Q23 YTD, which compares to 62.6% at 1Q22. Management notes that the balance sheet is adequately structured to accommodate additional loan growth; thus, Plumas has the capacity to fulfill the credit needs of creditworthy applicants.

Exhibit 4: Loan Trends



Source: Company Reports

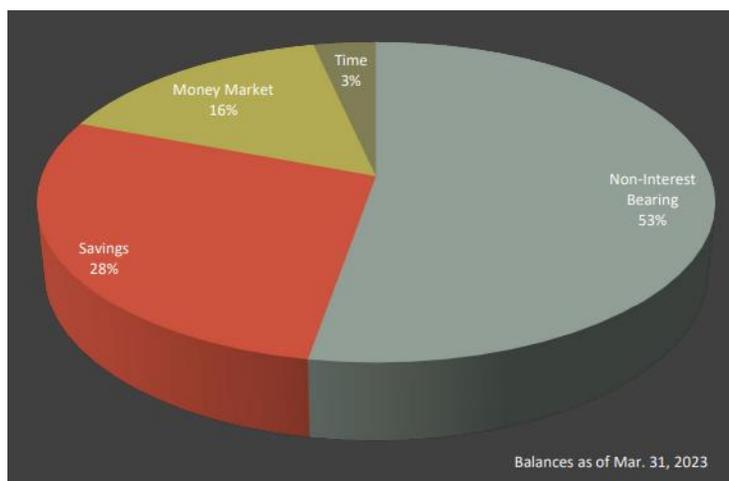
Deposits

Alongside Plumas’ loan balances, deposits have shown steady growth over recent years. Deposits come from both individuals and businesses living or located in the Company’s local markets. The deposit base consists of demand deposits, savings deposits, money market accounts, and time deposit accounts.

Deposits represent the primary source of funds for the Bank. The individuals and businesses who open accounts with the Bank are considered long-term, stable relationships which helps facilitate a steady growth of overall deposit balances without major variations.

Plumas Bancorp has been successful in growing deposits organically since the inception of the bank. In the past few years, the Bank’s deposits have grown consistently year over year from a balance of \$527M in 2015 to \$1.4B as of March 31, 2023. These are core, non-brokered deposits.

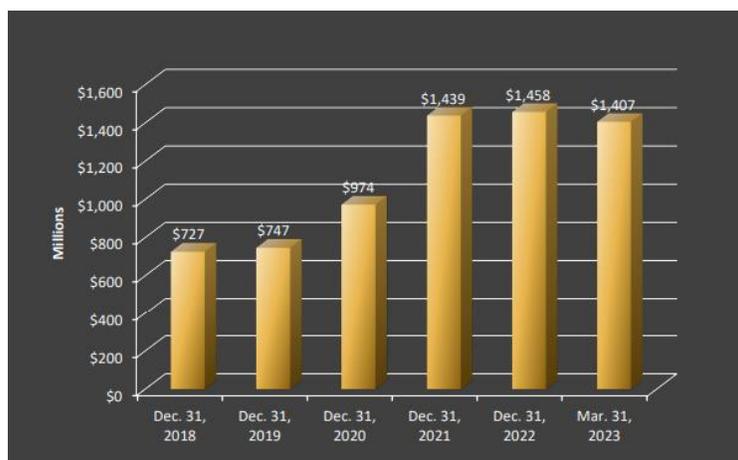
Exhibit 5: Breakdown of deposit Base



Source: Company Reports

Due to slower growth during November through April and higher growth from May through October, the company does experience some seasonality in its deposits. Seasonality in these markets is generally due to the natural ebb and flow of tourism and agriculture production that is higher in the summer months; however, this has become much less prevalent as the Company’s geographic diversification has increased. Plumas also maintains a borrowing arrangement through Federal Home

Exhibit 6: Deposit Trends



Source: Company Reports

Loan Bank San Francisco (FHLB) which helps the Bank meet any funding needs they may have. The Company can borrow up to \$240M from FHLB; however, they are required to hold FHLB stock as a condition of the agreement.

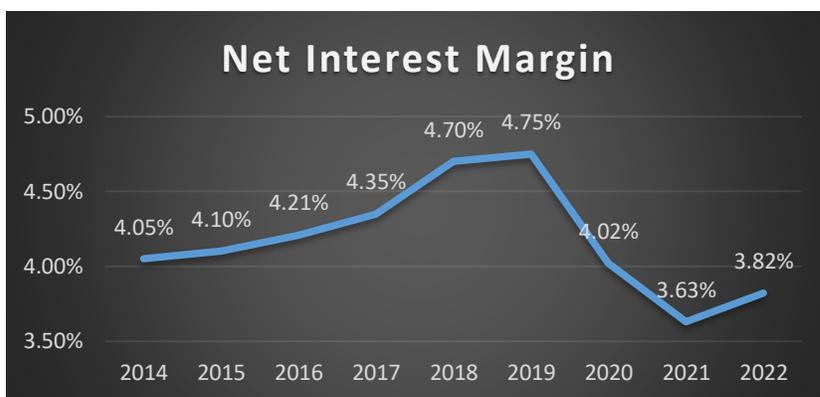
In March of 2023 the Federal Reserve Board announced the creation of the Bank Term Funding Program (BTFP). PLBC has pledged collateral worth \$96M to take advantage of loans offered by the Federal Reserve Board for a term up to one year. This is in addition to two unsecured and undrawn short-term borrowing agreements worth \$50M and \$20M.

Net Interest Income and Margin

The net interest margin is a good indicator of how profitably banks are making investments. Exhibit 7 provides the net interest margin trends.

Since 2014, Plumas has done a good job growing both net interest income and net interest income margins. The primary driver of growth has been an increase in interest income on investments and loans. However, beginning in F20, Plumas Bank experienced a decrease in net interest margin largely driven by a decrease in yield on interest earning assets as market interest rates fell after the Federal Reserve cut rates in response to the COVID-19 crisis and an increase in cash balances. This trend has reversed in 2022 after the Federal Reserve started to raise rates in response to inflation.

Exhibit 7: Net Interest Margin (As a % of Avg Earnings Assets)

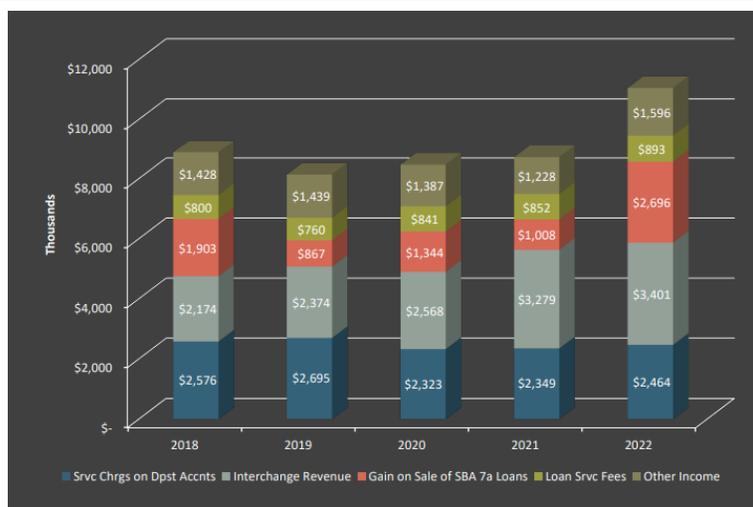


Source: Company Reports

Non-Interest Income

Non-interest income has become a secondary source of revenue for the Bank and has continued to grow as deposits and loans increase. Noninterest income is derived primarily from service charges on deposit accounts, interchange revenue, gains on sales of SBA loans and loan servicing fees. Although noninterest income has increased steadily since 2014, the strong growth of the loan portfolio and interest income has caused non-interest income to become a less important factor in total revenue growth. In 1Q23, non-interest income increased from \$3.7M in 1Q22 to \$3.9M.

Exhibit 8: Non-Interest Income trends



Source: Company Reports

Community Banking Market Environment

Given the current market environment in the wake of the SVB collapse there has been increased scrutiny placed on the banking sector. We believe that most of the volatility found in community banks related to this is unwarranted, as there are a significant number of differences between community banks like PLBC and regional banks such as SVB. Community banks tend to be more insulated from bank runs due to ~90% of their accounts being FDIC insured on average. This is in comparison to SVB, which only had ~5% of their accounts insured. Community banks also tend to be better diversified across loan holders as opposed to SVB which loaned heavily to the venture capital industry. We believe that it is unlikely that depositors or loan holders will be bringing their business to national banks due to the potential for decreased service quality and increased fees, in addition to the friction of changing banking institutions.

Additionally, we note that the community bank sector has seen increased deposit activity since the SVB collapse (per Bloomberg). We believe this can be attributed to depositors moving out of regional banks and into community banks.

Exhibit 9: Community bank returns compared to the banking sector, post-GFC



Source: Capital IQ

This combination of secure deposits along with the increased inflows makes us believe that the historical trend of heightened market volatility presenting an opportunistic time to invest into community banks will hold true following this market event. This historical trend is exemplified by Exhibit 11, showing the Nasdaq Community Bank Index (^ABAQ) outperforming the Nasdaq Bank Index (^BKX..DJ) since the market peak prior to the GFC.

Risks

Geographic concentration – Plumas is largely concentrated in Northern California and Northwestern Nevada, which exposes the Company to risks associated with lack of geographic diversification. A local or regional economic downturn could adversely affect the Company's profitability.

Drought conditions in the West – A portion of PLBC's customers are involved in the agricultural business, which depends on water. If the lack of water due to the recent dry conditions continues, those that depend on the agriculture business may not be able repay outstanding loans or go out of business.

Changes in interest rates – The Company's results depend on its net interest income. Should the rates it earns on loans, securities and other interest-bearing assets continue to decline results would suffer.

Security of Systems – Any material breaches in the security of Plumas' banking systems could cause material losses for the Company. Protecting sensitive consumer data is essential as is maintenance and backup of key financial and customer information.

Failure to stay competitive – Plumas operates in a competitive marketplace, and failure of its branches to stay competitive in its respective local markets could cause significant harm to financial results and result in closures; competition continues to increase as consolidation occurs in the industry and changes to regulations affect the business. The Company is much smaller than certain competitors that have access to significantly more resources when compared to Plumas. Additionally, technology now enables banking online which broadens the reach of the competition, and Plumas faces higher costs than the newer trending online financial services organizations that lack physical branches.

Trading of common shares is limited – Trading in the Company's common shares is not very active, which could cause concern for current and future shareholders, and the limited trading can cause exaggerated price volatility for shares of PLBC.

Access to future capital – Should the Company incur significant loan losses, desire to execute acquisitions, or require additional funds for other operational purposes, the timing and terms of the capital may not be favorable given certain economic and/or market conditions.

External Shocks – War, terrorism, other acts of violence or natural or manmade disasters such as a global pandemic may affect the markets in which the Company operates, the Company's customers, the Company's delivery of products and customer service, and could have a material adverse impact on its business, results of operations, or financial condition.

VALUATION SUMMARY

Plumas' experienced management and service teams bring not only valuable industry knowledge, but also a unique grasp of the local economy and target demographics. This experience, coupled with the Company's liquidity, should allow it to take advantage of any opportunities that may present themselves.

Name	Ticker	Price (1)	S/O	Mrkt Cap	Financial (MRQ)			EPS (2)			Valuation				Profitability (3)				
					Assets	BV/sh	TBV/sh	2022	2023E	2024E	P/E 2022	P/E 2023E	P/E 2024E	P/BV	P/TBV	NIM	ROA	ROE	
TriCo Bancshares	TCBK	\$37.89	33.3	\$ 1,261.6	\$ 9,842.4	\$ 32.74	\$ 23.15	\$ 3.45	\$ 4.36	\$ 4.19	11.0x	8.7x	9.1x	1.2x	1.6x	33.6%	1.4%	12.8%	
Merchants Bancorp	MBIN	\$24.38	43.2	\$ 1,054.0	\$ 12,615.2	\$ 22.27	\$ 21.88	\$ 4.22	\$ 4.50	\$ 4.52	5.8x	5.4x	5.4x	1.1x	1.1x	51.4%	1.8%	16.8%	
Heritage Commerce Corp	HTBK	\$ 8.03	60.9	\$ 489.0	\$ 5,157.6	\$ 10.39	\$ 7.46	\$ 0.97	\$ 1.22	\$ 1.20	8.3x	6.6x	6.7x	0.8x	1.1x	35.2%	1.2%	10.8%	
Central Valley Community Bancorp	CVCY	\$14.80	11.8	\$ 174.0	\$ 2,463.9	\$ 15.49	\$ 10.91	\$ 1.87	\$ 2.48	\$ 2.40	7.9x	6.0x	6.2x	1.0x	1.4x	31.8%	1.1%	14.7%	
Oak Valley Bancorp	OVLV	\$26.40	8.2	\$ 216.5	\$ -	\$ 15.49	\$ 15.05	\$ 2.27	\$ -	\$ -	11.6x	nm	nm	1.7x	1.8x	38.9%	N/A	0.0%	
United Security Bancshares	UBFO	\$ 6.09	17.1	\$ 104.4	\$ 1,299.2	\$ 6.59	\$ 6.33	\$ 0.81	\$ -	\$ -	7.5x	nm	nm	0.9x	1.0x	34.0%	1.2%	13.5%	
Summit State Bank	SSBI	\$14.66	6.7	\$ 98.7	\$ 1,147.0	\$ 13.76	\$ 13.15	\$ 2.23	\$ -	\$ -	6.6x	nm	nm	1.1x	1.1x	36.3%	N/A	19.4%	
Citizens Bancorp	CZBC	\$12.00	6.1	\$ 73.1	\$ 942.6	\$ 10.83	\$ 10.83	\$ 1.34	\$ -	\$ -	8.9x	nm	nm	1.1x	1.1x	26.1%	0.9%	12.9%	
1st Capital Bancorp	FISB	\$ 9.20	5.5	\$ 50.7	\$ 942.2	\$ 10.03	\$ 10.03	\$ 1.31	\$ -	\$ -	7.0x	nm	nm	0.9x	0.9x	25.4%	N/A	N/A	
								Average	\$ 2.15	\$ 1.57	\$ 3.08	8.3x	6.7x	6.8x	1.1x	1.2x	28.4%	1.3%	12.6%
								Median	\$ 2.05	\$ 0.61	\$ 1.29	7.9x	6.3x	6.4x	1.1x	1.1x	34.0%	1.2%	13.2%
Plumas Bancorp	PLBC	\$38.35	5.9	\$ 224.8	\$ 1,578.5	\$ 21.96	\$ 21.02	\$ 4.53	\$ 5.11	\$ 5.60	8.5x	7.5x	6.8x	1.7x	1.8x	39.1%	1.8%	22.5%	

(1) Previous day's closing price

(2) Estimates are from CapitalIQ except for PLBC which are Stonegate estimates

(3) Credit and Profitability are for the LTM period

Source: Capital IQ, Stonegate Capital Partners

We employ a P/E and P/BV to help frame valuation. Based off the above metrics, PLBC is trading at a discount to comp P/E ratios and at a slight premium to comps P/BV. We also note that Plumas has a higher ROA and ROE vs. the comps. In addition, the Company's net income margin is superior to the average of its comps. For these reasons, we believe Plumas Bancorp makes a strong case to trade at a premium valuation to the comp set.

Price / Earnings

Based on FY22 results, PLBC was trading at an 8.5x P/E vs. an average of 8.4x for comparable companies. While FY24 EPS estimates for selected comparables were largely unavailable, those with estimates are trading at an average of 6.8x. Combining current multiples along with 3-year historical trading multiples for the comps and PLBC, we believe PLBC should trade in a forward P/E range of 7.0x to 8.0x with a mid-point of 7.5x. Using this range on our FY24 EPS estimate results in a valuation range of \$39.20 to \$44.80 with a mid-point of \$42.00.

Price / Book Value

PLBC is currently trading at 1.7x P/BV vs. comps at 1.1x. Combining current multiples along with historical trading ranges of the comps and PLBC, we believe using a P/BV multiple range of 1.7x to 2.1x is reasonable. As such, we arrive at a valuation range of \$37.33 to \$46.12 with a mid-point of \$41.72.

	P/E		
	7.0x	7.5x	8.0x
EPS - 2024	\$ 5.60	\$ 5.60	\$ 5.60
Target Price	\$ 39.20	\$ 42.00	\$ 44.80

	P/BV		
	1.7x	1.9x	2.1x
BV/S	\$ 21.96	\$ 21.96	\$ 21.96
Target Price	\$ 37.33	\$ 41.72	\$ 46.12

BALANCE SHEET

Plumas Bancorp and Subsidiary										
Consolidated Balance Sheets (in millions \$, except per share amounts)										
Fiscal Year: December										
	FY 2018	FY 2019	FY 2020	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23
Assets										
Cash and cash equivalents	\$ 46.7	\$ 46.9	\$ 184.9	\$ 380.6	\$ 389.0	\$ 317.7	\$ 334.1	\$ 183.4	\$ 183.4	\$ 105.7
Investment securities available-for-sale	171.5	159.3	179.6	305.9	316.2	365.2	383.2	444.7	444.7	484.4
Allowance for loan losses	7.0	7.2	9.9	10.4	10.4	10.9	10.9	10.7	10.7	-
Loans (less allowance for loan losses)	562.5	616.0	700.1	829.4	830.2	853.4	849.7	904.0	904.0	906.0
Loans held for sale	0.6	2.2	0.7	31.3	14.0	4.6	0.4	2.3	2.3	-
Real Estate acquired through foreclosure	1.2	0.7	0.4	0.5	0.5	0.4	0.4	-	-	0.1
Premises and equipment, net	14.3	14.6	14.0	16.4	18.2	18.2	18.1	18.1	18.1	18.7
Bank-owned life insurance	12.9	13.2	13.5	15.8	15.9	16.0	15.9	16.0	16.0	15.8
Goodwill	-	-	-	5.5	5.5	5.5	5.5	5.5	5.5	5.5
Accrued interest receivable and other assets	15.4	14.4	18.3	28.7	32.7	39.6	45.7	47.0	47.0	42.3
Total assets	\$ 824.4	\$ 865.2	\$ 1,111.6	\$ 1,614.1	\$ 1,622.2	\$ 1,620.6	\$ 1,653.1	\$ 1,621.0	\$ 1,621.0	\$ 1,578.5
Liabilities										
Noninterest-bearing	\$ 304.0	\$ 331.6	\$ 516.7	\$ 736.6	\$ 752.2	\$ 764.9	\$ 795.9	\$ 766.5	\$ 766.5	\$ 741.8
Interest-bearing deposits	422.5	415.7	457.3	702.4	715.4	707.7	715.3	691.3	691.3	665.0
Total deposits	726.6	747.3	974.0	1,439.0	\$ 1,467.7	\$ 1,472.6	\$ 1,511.2	\$ 1,457.8	1,457.8	\$ 1,406.7
Repurchase Agreements	13.1	16.0	13.9	17.3	\$ 9.9	\$ 10.4	\$ 13.0	\$ 18.6	18.6	\$ -
Accrued interest payable and other liabilities	7.5	7.0	8.3	13.4	11.3	11.1	12.2	15.3	15.3	32.9
Federal Home Loan Bank advances	-	-	5.0	-	-	-	-	-	-	-
Borrowings	-	-	-	-	-	-	-	-	-	10.0
Junior subordinated deferrable interest debentures	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	-
Total liabilities	757.5	780.7	1,011.4	1,480.0	\$ 1,499.2	\$ 1,504.5	\$ 1,546.6	\$ 1,502.0	1,502.0	\$ 1,449.7
Shareholders' equity										
Common stock	6.9	7.3	7.7	26.8	\$ 27.0	\$ 27.1	\$ 27.2	\$ 27.4	27.4	\$ 27.6
Retained earnings	62.0	75.1	87.8	105.7	110.5	115.2	121.5	128.4	128.4	134.0
Accumulated other comprehensive income (loss), net	(2.0)	2.0	4.7	1.6	(14.4)	(26.2)	(42.3)	(36.8)	(36.8)	(32.8)
Total shareholders equity	66.9	84.5	100.2	134.1	123.1	116.2	106.5	119.0	119.0	128.8
Total liabilities & shareholders equity	\$ 824.4	\$ 865.2	\$ 1,111.6	\$ 1,614.1	\$ 1,622.2	\$ 1,620.6	\$ 1,653.1	\$ 1,621.0	\$ 1,621.0	\$ 1,578.5
Book value per share	\$ 13.03	\$ 16.36	\$ 19.33	\$ 23.05	\$ 21.08	\$ 19.87	\$ 18.20	\$ 20.34	\$ 20.34	\$ 21.98
Return on average equity (%)	23.3%	20.2%	15.5%	17.8%	17.6%	19.0%	23.7%	27.9%	21.9%	25.0%
Return on average assets (%)	1.83%	1.82%	1.43%	1.52%	1.42%	1.40%	1.72%	1.88%	1.61%	1.93%
Non Performing Assets to Total Assets (%)	0.28%	0.33%	0.27%	0.33%	0.32%	0.12%	0.11%	0.07%	0.07%	0.26%
Non Performing Loans to Total Loans (%)	0.20%	0.33%	0.36%	0.58%	0.56%	0.18%	0.17%	0.13%	0.13%	0.43%
Tier I Capital ratio	11.8%	13.1%	14.2%	14.4%	14.8%	14.4%	14.8%	14.7%	14.7%	14.8%
Leverage Ratio	9.3%	10.4%	9.2%	8.4%	8.5%	8.7%	8.9%	9.2%	9.2%	9.8%
Loan / Deposits Ratio	77.7%	82.6%	72.9%	58.3%	57.1%	58.5%	56.8%	62.6%	62.6%	65.0%

INCOME STATEMENT

Plumas Bancorp and Subsidiary Consolidated Statements of Income (in millions \$, except per share amounts) Fiscal Year: December																			
	FY 2019	FY 2020	FY 2021	Q1 Mar-22	Q2 Jun-22	Q3 Sep-22	Q4 Dec-22	FY 2022	Q1 Mar-23	Q2 E Jun-23	Q3 E Sep-23	Q4 E Dec-23	FY2023 E	Q1 E Mar-24	Q2 E Jun-24	Q3 E Sep-24	Q4 E Dec-24	FY2024 E	
Interest income																			
Interest and fees on loans	\$34.3	\$36.0	\$43.3	\$10.6	\$11.1	\$11.7	\$12.3	\$45.7	\$12.7	\$12.4	\$12.4	\$12.8	\$50.3	\$13.3	\$13.5	\$13.5	\$13.9	\$54.0	
Interest on investment securities	4.4	3.4	4.4	1.5	1.9	2.6	3.1	9.1	3.7	3.2	3.3	3.6	13.8	3.6	3.8	4.0	4.3	15.7	
Other	0.6	0.2	0.3	0.2	0.7	1.8	2.3	4.9	1.4	1.4	1.4	1.4	5.5	1.5	1.5	1.5	1.5	5.8	
Total interest income	39.3	39.6	48.1	12.3	13.7	16.0	17.7	59.8	17.8	17.0	17.1	17.7	69.6	18.3	18.8	18.9	19.6	75.6	
Interest expense																			
Interest on deposits	1.2	0.8	0.8	0.2	0.2	0.2	0.3	0.8	0.5	0.6	0.6	0.6	2.2	0.6	0.6	0.6	0.6	2.3	
Interest on note payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.2	0.2	0.5	0.1	0.1	0.1	0.1	0.5	
Interest on junior subordinated deferrable interest debentures	0.5	0.4	0.3	0.1	0.1	0.1	0.1	0.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.1	
Total Interest Expense	1.7	1.2	1.1	0.3	0.3	0.3	0.4	1.2	0.6	0.7	0.8	0.7	2.9	0.7	0.7	0.7	0.7	2.9	
Net interest income	37.6	38.4	46.9	12.0	13.4	15.7	17.4	58.5	17.1	16.3	16.3	17.0	66.7	17.6	18.0	18.2	18.9	72.7	
Provisions for loan losses	1.5	3.2	1.1	0.3	0.4	0.3	0.3	1.3	1.5	0.3	0.3	0.3	2.3	0.3	0.3	0.3	0.3	1.1	
Net interest income after provisions for loan losses	36.1	35.2	45.8	11.7	13.0	15.4	17.1	57.2	15.6	16.0	16.1	16.7	64.4	17.3	17.8	17.9	18.6	71.6	
Non-interest income																			
Service charges	2.7	2.3	2.3	0.6	0.6	0.7	0.6	2.5	0.6	0.7	0.7	0.7	2.6	0.6	0.6	0.6	0.6	2.5	
Interchange revenue	2.4	2.6	3.3	0.8	0.9	0.9	0.9	3.4	0.7	1.0	1.0	1.0	3.6	0.9	0.9	0.9	0.9	3.7	
Gain on sale of loans	0.9	1.3	1.0	1.7	0.6	0.4	0.0	2.7	0.2	0.5	0.5	0.5	1.6	0.4	0.4	0.4	0.4	1.6	
Loan servicing fees	0.8	0.8	0.9	0.2	0.2	0.2	0.3	0.9	0.2	0.2	0.2	0.2	0.9	0.2	0.2	0.2	0.2	0.9	
Gain (loss) on sale of investments	0.1	0.0	-0.2	0.0	0.0	0.0	0.0	0.0	1.7	0.0	0.0	0.0	1.7	0.0	0.0	0.0	0.0	0.0	
Earnings on bank owned life insurance policies, net	0.3	0.3	0.4	0.1	0.1	0.1	0.1	0.4	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0	
Other	1.0	1.0	1.1	0.3	0.3	0.4	0.3	1.2	0.3	0.6	0.6	0.6	2.0	0.6	0.6	0.6	0.6	2.2	
Total non-interest income	8.1	8.5	8.7	3.7	2.7	2.6	2.2	11.0	3.9	2.8	2.8	2.8	12.4	2.7	2.7	2.7	2.7	10.9	
Non-interest expense																			
Salaries & employee benefits	13.0	13.3	12.8	4.1	4.2	4.4	4.8	17.5	5.1	5.0	5.0	5.0	20.1	5.3	5.3	5.3	5.3	21.0	
Occupancy & equipment	3.3	3.4	4.0	1.1	1.1	1.2	1.1	4.6	1.3	1.2	1.2	1.2	4.9	1.3	1.3	1.3	1.3	5.0	
Other	6.5	7.1	9.3	2.5	2.7	2.6	2.8	10.5	2.8	2.9	2.9	2.9	11.4	3.0	3.0	3.0	3.0	12.0	
Total non-interest expense	22.8	23.7	26.0	7.7	8.0	8.2	8.7	32.6	9.2	9.1	9.1	9.1	36.4	9.5	9.5	9.5	9.5	38.0	
Net income before income taxes	21.4	20.0	28.5	7.7	7.7	9.8	10.5	35.7	10.3	9.7	9.8	10.5	40.4	10.5	11.0	11.1	11.9	44.5	
Provision for income taxes	5.9	5.5	7.5	2.0	2.0	2.5	2.7	9.2	2.7	2.5	2.6	2.7	10.6	2.8	2.9	2.9	3.1	11.8	
Net income	\$15.5	\$14.5	\$21.0	\$5.7	\$5.7	\$7.2	\$ 7.8	\$26.4	\$7.6	\$7.2	\$7.3	\$7.8	\$29.9	\$7.7	\$8.1	\$8.2	\$8.7	\$32.7	
Basic EPS - GAAP	\$ 3.01	\$ 2.80	\$ 3.82	\$ 0.98	\$ 0.97	\$ 1.24	\$ 1.34	\$ 4.53	\$ 1.30	\$ 1.23	\$ 1.25	\$ 1.33	\$ 5.11	\$ 1.33	\$ 1.38	\$ 1.40	\$ 1.49	\$ 5.60	
Diluted EPS - GAAP	\$ 2.97	\$ 2.77	\$ 3.76	\$ 0.97	\$ 0.96	\$ 1.23	\$ 1.32	\$ 4.47	\$ 1.28	\$ 1.22	\$ 1.23	\$ 1.31	\$ 5.05	\$ 1.31	\$ 1.36	\$ 1.38	\$ 1.47	\$ 5.53	
Cash dividends declared per share	\$ 0.46	\$ 0.36	\$ 0.56	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.16	\$ 0.64	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00	\$ 0.25	\$ 0.25	\$ 0.25	\$ 0.25	\$ 1.00	
Weighted average shares outstanding																			
Basic	5,155	5,177	5,502	5,824	5,843	5,845	5,840	5,840	5,855	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	5,840	
Diluted	5,228	5,230	5,583	5,920	5,909	5,895	5,912	5,912	5,940	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	5,912	
Margin Analysis																			
Net income margin	39.5%	36.5%	43.7%	46.4%	41.4%	45.2%	44.1%	44.3%	42.9%	42.3%	42.6%	43.8%	42.9%	42.2%	43.0%	43.3%	44.5%	43.3%	
Net Interest margin	4.8%	4.0%	3.6%	3.2%	3.6%	4.0%	4.5%	3.8%	4.6%	4.4%	4.4%	4.9%	4.3%	4.7%	4.8%	4.8%	5.4%	4.8%	
Interest Income %	5.0%	4.2%	3.7%	3.3%	3.9%	4.1%	4.6%	3.9%	4.8%	5.4%	5.4%	5.4%	5.3%	5.6%	5.6%	5.6%	5.6%	5.5%	
Interest Expense %	0.4%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.4%	0.4%	0.4%	0.4%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	
Net Provision Ratio	4.0%	8.3%	2.4%	2.5%	3.0%	1.9%	1.7%	2.2%	8.9%	1.7%	1.5%	1.5%	3.5%	1.7%	1.6%	1.4%	1.3%	1.5%	
Tax %	27.4%	27.5%	26.3%	25.7%	25.8%	26.0%	25.9%	25.9%	26.1%	26.1%	26.1%	26.1%	26.1%	26.5%	26.5%	26.5%	26.5%	26.5%	
Growth Rate Y/Y																			
Interest and Dividend Income	14.5%	0.8%	21.3%	14.7%	34.7%	15.4%	33.4%	24.3%	44.4%	23.9%	6.7%	0.0%	16.4%	3.1%	10.4%	10.5%	10.6%	8.6%	
Interest expense	41.3%	-29.7%	-7.5%	17.6%	14.7%	-9.4%	19.4%	9.9%	112.7%	155.1%	160.4%	98.6%	129.4%	13.0%	-3.0%	-4.3%	-4.3%	-0.1%	
Net Income Interest after provision for loan losses	12.4%	-2.3%	30.1%	15.9%	34.6%	15.9%	34.0%	24.9%	33.4%	22.6%	4.3%	-1.8%	12.6%	10.9%	11.2%	11.3%	11.4%	11.2%	
Earnings Before Taxes	-17.3%	-6.7%	42.8%	24.8%	23.0%	12.3%	42.6%	25.2%	34.2%	27.1%	0.8%	-0.4%	13.3%	2.0%	12.7%	12.9%	12.9%	10.1%	
Net Income	-25.2%	-6.7%	45.1%	28.8%	26.6%	9.9%	42.1%	25.9%	33.4%	26.6%	0.6%	-0.8%	12.9%	1.5%	12.2%	12.3%	12.3%	9.6%	
Non Interest Income	-8.4%	4.0%	3.0%	55.3%	41.7%	27.6%	-12.2%	26.8%	7.5%	6.5%	11.0%	30.0%	12.5%	-30.5%	-3.9%	-3.9%	-3.9%	-12.3%	
Non Interest Expense	51.0%	4.0%	9.7%	234.8%	244.5%	78.2%	27.5%	25.2%	20.2%	12.9%	10.6%	4.4%	11.8%	3.1%	4.9%	4.9%	4.9%	4.4%	

Source: Company Reports; Stonegate Capital Partners

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