



November 24, 2020

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MARKET STATISTICS

Exchange / Symbol	NASDAQ: PLBC
Price:	\$23.65
Market Cap (mm):	\$122.5
Shares Outstanding (mm):	5.2
Float (%):	75.1%
52-week Range:	\$15.00-\$29.23
Headquarters:	Quincy, California
Industry:	Regional Banks

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date	9/30/2020
Cash & Cash Equivalent:	\$175.5
Debt:	\$35.5
Equity (Book Value):	\$96.0
Equity/Share:	\$18.53

CONDENSED INCOME STATEMENTS

(\$mm, except per share data)

FY - 12/31	Int. Income	Net Int. Income	Net Income	Dil. EPS
FY17	\$28.9	\$27.9	\$8.2	\$1.58
Fy18	\$34.3	\$33.1	\$14.0	\$2.68
FY19	\$39.3	\$37.6	\$15.5	\$2.97
FY20E	\$39.5	\$38.2	\$14.5	\$2.74

LARGEST SHAREHOLDERS

Cortopassi Partners, L.P.	476,967
Siena Capital Partners, L.P.	265,369
Fourthstone, LLC.	225,549
Black Rock Inc.	202,516
The Vanguard Group, Inc.	143,630
Robert McClintock.	102,772
Terrance Reese	82,831
William Elliott	75,600
Waltthausen & Co LLC	70,190
Andrew Ryback	63,676

STOCK CHART



COMPANY DESCRIPTION

Plumas Bancorp (the Company or Plumas) was incorporated in California in 1980 and is the bank holdings company of Plumas Bank; 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 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 also provides consumer, home equity, and auto loans. Plumas currently operates 13 branches including 11 in California and two in Nevada. Plumas also operates 3 lending offices located in Northern California and Southern Oregon.

SUMMARY

Plumas Bank has a long history of providing superior customer service, being deeply rooted in the communities that it serves while offering a full suite of banking and loan options to its customers. The seasoned management team has developed a sound business model and a stable geographic base from which to continue its disciplined growth strategy. Given the Company's track record of successful branch additions, combined with expanding profitability, strong credit metrics, and operational efficiency, we anticipate continued growth.

- Profits Continue Despite COVID** – The Company reported Q320 net income of \$3.7M (\$0.71/share), down 8% compared to Q319 due to a reduction in interest income and increased provisions for loan losses. The Company's interest income was down 2% y/y due to declines in market interest rates, which was partially offset by a decrease in interest expenses. The provision for loan losses increased \$0.5M during the three months ended September 30, 2020, or 167% due to the pandemic and anticipated future economic conditions. Nonetheless, Plumas has had a strong history of profitable operation that we would expect to continue.
- Strong Core Deposits** – Plumas has a strong history of increasing its demand, savings, and money market deposits from local businesses and individuals. This continued throughout Q320 as total deposits grew by 26% to reach \$997.5M at September 30, 2020. Since 2015, the Company has grown deposits at a ~14% CAGR.
- Diversified Loan Portfolio** – PLBC provides a range of lending services including retail consumer, automobile, home equity, commercial real estate, commercial and industrial term loans, as well as SBA government-guaranteed loans, agricultural loans, and credit lines. The breadth of loan diversification helps Plumas to avoid becoming overly concentrated to a single industry.
- Non-Interest Earnings Income Growth** – In addition to the Company's primary source of revenue, interest income, Plumas also derives ~ 18% 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. Plumas has grown non-interest income ~8% since 2015.
- 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.
- Valuation** – We use a comp analysis on P/E and P/TBV to help frame valuation. Using a P/E range of 9x to 11x with a mid-point of 10x on our FY20 EPS estimate results in a valuation range of \$24.75 to \$30.25 with a mid-point of \$27.50. Using a P/TBV multiple range of 1.4x to 1.7x, we arrive at a valuation range of \$26.00 to \$31.50 with a mid-point of \$29.75. Additional details can be found on page 8.

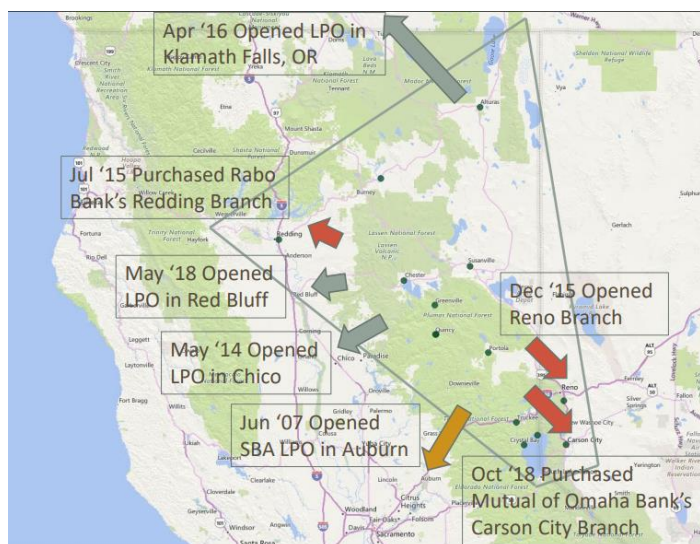
BUSINESS OVERVIEW

Positioned in Strong, High-Growth Markets

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 thirteen traditional branches throughout Northern California. 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 Northern California and Southern Oregon.

Exhibit 1: Plumas Bank Expansion



Source: Company Reports

Plumas Bancorp currently has assets of \$1.1B up roughly 86% from 2015. 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, employees, and shareholders. 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.

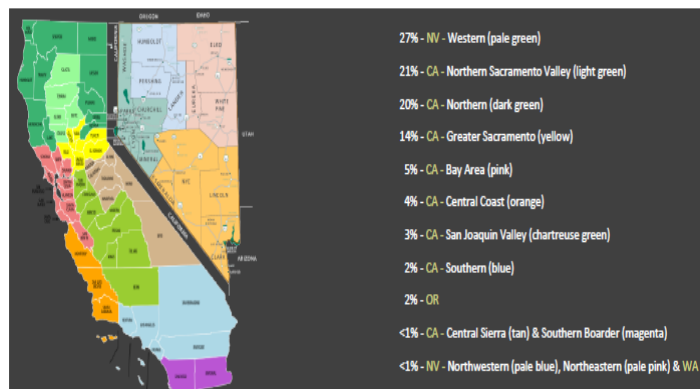
Accompanying its traditional branch network, the Bank also operates a 11-person office located in Auburn, California specializing in government-guaranteed loans. The majority of these loans are 75% guaranteed by the Federal Government and are variable rates tied to the Prime rate. The guaranteed portion 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 on 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 Q320 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 and Northern Nevada. 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 its respective communities, which helps the Company earn business when rate competition is stiff.

Exhibit 2: CRE Distribution by Region



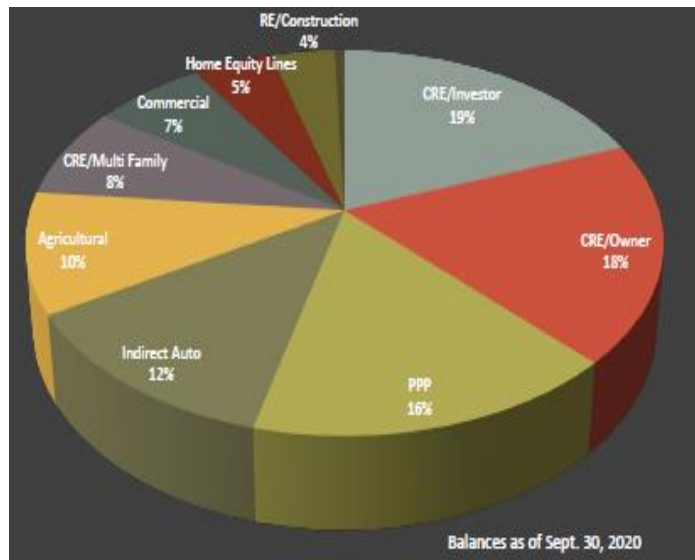
Balances as of September 30, 2020

Source: Company Reports, Stonegate Capital Partners

Despite the Company's current concentration in commercial real estate, which comprises 44.6% of the total portfolio, Plumas has continued to diversify the portfolio to mitigate the risks associated with any one sector. Moreover, 63% of the Company's portfolio balance is variable rate which helps to reduce interest rate risk.

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 12.3% of gross loans as of Q320. 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 pursue. As of Q320 agricultural loans totaled \$74.2M or 9.9% of the total loan portfolio.

Exhibit 3: Current Loan Composition



Source: Company Reports, Stonegate Capital Partners

Currently, Plumas Bancorp is also actively participating in the CARES Act, Paycheck Protection Program (PPP). As of Q320, the Company has funded over 1,200 PPP loans for a total of \$119.7M, with an average balance of \$118K. To date, Plumas has submitted more than 100 PPP loan forgiveness applications, which are being processed by the SBA. As expected, Plumas expects a significant decline in PPP loans during the next 6 months as its clients apply for and are granted forgiveness under the PPP program.

As mentioned earlier, Plumas is currently focused on small to medium size commercial businesses. They offer both floating and fixed rate loans and obtains collateral through real property, business assets and deposit accounts. PLBC's overall loan balances have been trending upward since 2015 and as of Q320, the portfolio was at a record level of \$748M with an average yield of 4.81%.

Exhibit 4: Loan Trends



Source: Company Reports

The Company's current loan to deposit ratio is 76.5% as of Q320, which compares to 77.5% at Q319. 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.

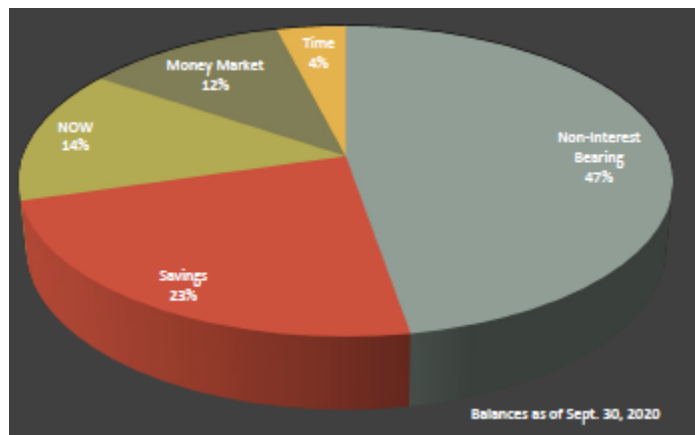
Deposits

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
- 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.

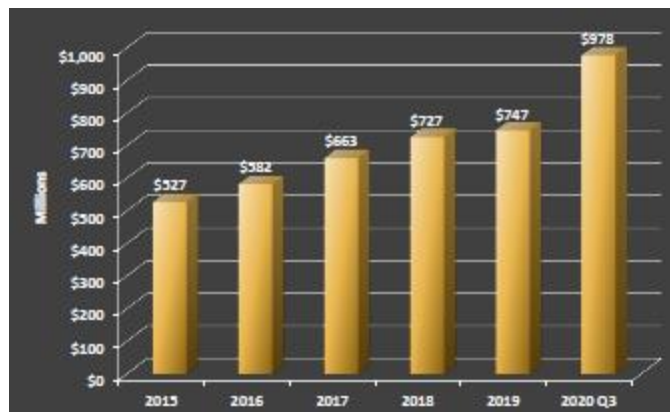
Exhibit 5: Breakdown of Deposit base



Source: Company Reports, Stonegate Capital Partners

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 a record \$747M as of year-end 2019 and \$978M as of Q320. These are core, non-brokered deposits.

Exhibit 6: Deposit Trends



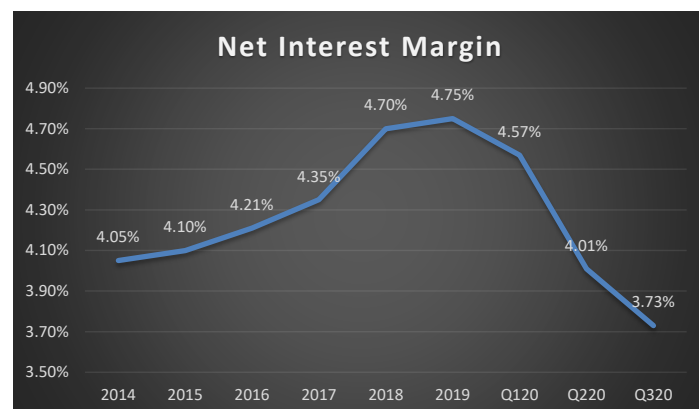
Source: Company Reports, Stonegate Capital Partners

Due to slower growth during November through April and higher growth from May-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 increases. Plumas also maintains a borrowing arrangement through Federal Home Loan Bank San Francisco (FHLB) which helps the Bank meet any funding needs they may have. The Company can borrow up to \$185M from FHLB, however, are required to hold FHLB stock as a condition of the agreement.

Net Interest Income and Margins

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

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



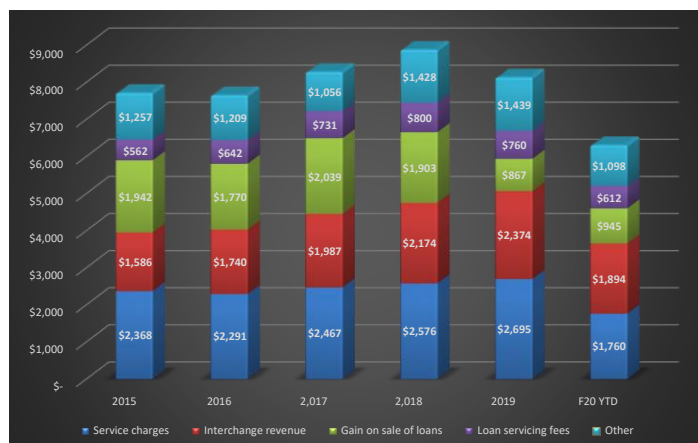
Source: Company Reports, Stonegate Capital Partners

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, in F20, Plumas Bank has seen 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.

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 Q320, non-interest income increased 0.7% y/y to \$2.2M. The main component of the change included a reduction in service fees of \$129K related to a reduction in NSF fees and a reduction in other non-interest income of \$49K, offset by increases in other items, the largest of which was an increase of \$157K in interchange fees.

Exhibit 8: Non-Interest Income Trends



Source: Company Reports, Stonegate Capital Partners

MARKET OVERVIEW

Community banks focus on providing traditional banking services in its local communities. These banks obtain most of its core deposits from the local communities they service as well as provide loans to local businesses and consumers. Most community banks maintain strong relationships within the community through its employees, directors, and owners that helps facilitate loan and deposit growth. These relationships allow local community banks some flexibility in lending to small, local businesses, who may not be able to obtain loans from larger national or regional banks.

In addition to being relationship driven, community banks also tend to be significantly smaller in asset size when compared to national or regional banks. Community banks are commonly defined as holding less than \$10 billion in assets.

Publicly traded Community banks have performed well over the past 3 years as tax reform and rising interest rates have helped growth in net income. In 2017, the federal tax overhaul lowered the corporate statutory tax rate to 21% from the 34% statutory tax rate. According to the FDIC, Community banks had an increase of 18.7% in net income directly attributable to the tax cut. Community banks continued to perform well in 2019 with net income growing 7.5% from full-year 2018.

Although the last few years have yielded strong results, the impact of COVID-19 on the economy in 2020 will provide a much tougher environment for community banks. One of the biggest impacts will be decreased yields on investable securities and loans as the Federal Reserve cut rates twice to reduce short term interest rates to near 0%. In addition to decreased yields on interest earning assets, community banks will be at risk for increased defaults on loans especially those banks that have large exposure to the most impacted areas of the economy like entertainment, travel, and oil and gas businesses. According the Mortgage Bankers Association Economic Forecast, Q120 and Q220 saw the biggest hits from COVID-19, with real GDP declining at -5% and -31.4%, respectively. However, the MBA is projecting Q320 and Q420 to show increases of 30.9% and 3.4%, respectively. The MBA is also anticipating that unemployment will more than double in 2020 to 8.4%, which will put pressure on certain retail businesses as well. Despite near term headwinds,

consensus believes the economy should rebound at some point in 2021.

RISKS

Geographic concentration – Plumas is largely concentrated in Northern California and Northwest 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 California – A significant 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 an extremely 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 our business, results of operations, or financial condition.

BALANCE SHEETS
Plumas Bancorp and Subsidiary
Consolidated Balance Sheets (in thousands \$, except per share amounts)
Fiscal Year: December

	FY 2017	FY 2018	FY 2019	Q3 2020
Assets				
Cash and cash equivalents	\$ 87,537	\$ 46,686	\$ 46,942	\$ 175,531
Investment securities available-for-sale	137,466	171,507	159,320	158,002
Loans (less allowance for loan losses)	482,248	562,498	616,036	737,650
Real Estate acquired through foreclosure	1,344	1,170	707	763
Premises and equipment, net	11,346	14,287	14,629	14,047
Bank-owned life insurance	12,866	12,856	13,184	13,444
Accrued interest receivable and other assets	12,620	15,394	14,373	16,512
Total assets	\$745,427	\$ 824,398	\$ 865,191	\$1,115,949
Liabilities				
Noninterest-bearing	\$282,239	\$304,039	\$331,619	\$ 462,351
Interest-bearing deposits	380,418	422,526	415,705	515,178
Total deposits	662,657	726,565	747,324	977,529
Repurchase Agreements	10,074	13,058	16,013	15,159
Accrued interest payable and other liabilities	6,686	7,533	7,039	6,968
Federal Home Loan Bank advances	-	-	-	10,000
Junior subordinated deferrable interest debentures	10,310	10,310	10,310	10,310
Total liabilities	689,727	757,466	780,686	1,019,966
Shareholders' equity				
Common stock	6,415	6,944	7,312	7,586
Retained earnings	49,855	62,005	75,144	84,094
Accumulated other comprehensive income (loss), net	(570)	(2,017)	2,049	4,303
Total shareholders equity	55,700	66,932	84,505	95,983
Total liabilities & shareholders equity	\$745,427	\$ 824,398	\$ 865,191	\$1,115,949
Book value per share	\$ 11.00	\$ 13.03	\$ 16.36	\$ 18.53
Return on average equity (%)	15.4	23.3	20.2	15.6
Return on average assets (%)	1.2	1.8	1.8	1.4
Leverage ratio (%)	8.8	9.3	10.4	9.3

Source: Company Reports; Stonegate Capital Partners

INCOME STATEMENTS

Plumas Bancorp and Subsidiary Consolidated Statements of Income (in thousands \$, except per share amounts) Fiscal Year: December				
	FY 2017	FY 2018	FY 2019	FY2020E
Interest income				
Interest and fees on loans	\$ 25,800	\$ 29,761	\$ 34,275	\$ 35,268
Interest on investment securities	2,479	3,951	4,395	3,624
Other	674	610	632	600
Total interest income	28,953	34,322	39,302	39,492
Interest expense				
Interest on deposits	582	716	1,201	825
Interest on note payable	28	-	-	-
Interest on junior subordinated deferrable interest debentures	401	510	531	412
Other	6	10	15	10
Total Interest Expense	1,017	1,236	1,747	1,248
Net interest income	27,936	33,086	37,555	38,244
Provisions for loan losses	600	1,000	1,500	3,155
Net interest income after provisions for loan losses	27,336	32,086	36,055	35,089
Non-interest income				
Service charges	2,467	2,576	2,695	2,372
Interchange revenue	1,987	2,174	2,374	2,421
Gain on sale of loans	2,039	1,903	867	1,250
Loan servicing fees	731	800	760	924
Gain (loss) on sale of investments	(158)	(8)	114	-
Earnings on bank owned life insurance policies, net	338	328	328	328
Other	876	1,108	997	1,300
Total non-interest income	8,280	8,881	8,135	8,595
Non-interest expense				
Salaries & employee benefits	11,505	12,138	13,009	13,399
Occupancy & equipment	2,840	2,962	3,311	3,410
Other	5,766	6,741	6,490	6,912
Total non-interest expense	20,111	21,841	22,810	23,721
Net income before income taxes	15,505	19,126	21,380	19,963
Provision for income taxes	7,316	5,134	5,868	5,490
Net income	\$ 8,189	\$ 13,992	\$ 15,512	\$ 14,473
Basic EPS - GAAP	\$ 1.64	\$ 2.74	\$ 3.01	\$ 2.78
Diluted EPS - GAAP	\$ 1.58	\$ 2.68	\$ 2.97	\$ 2.74
Cash dividends declared per share	\$ 0.28	\$ 0.36	\$ 0.46	\$ 0.36
Weighted average shares outstanding				
Basic	5,005	5,108	5,155	5,207
Diluted	5,185	5,219	5,228	5,280

Source: Company Reports; Stonegate Capital Partners

VALUATION

Plumas' experienced management and service teams bring not only valuable industry knowledge, but also a unique grasp of the local economy and target demographics. While we do expect some near-term volatility and softness due to COVID-19's overall economic impact, we believe the Company has ample liquidity to not only weather the storm but also take advantage of any opportunities that may present themselves.

Exhibit 9: Comparable Analysis

Plumas Bancorp and Subsidiary
 (all figures in \$M except per share information)

Name	Ticker	Price ⁽¹⁾	S/O	Mrkt Cap	Financial (MRQ)			EPS ⁽²⁾			Valuation				Credit ⁽³⁾		Profitability ⁽³⁾			
					Assets	BV/sh	TBV/sh	2018	2019	2020E	P/E 2019	P/E 2020E	P/BV	P/TBV	NPAs / Assets	Res. / NPLs	NIM	ROA	ROE	
Merchants Bancorp	MBIN	\$ 26.72	28.7	\$ 768.1	\$ 9,530.5	\$ 18.94	\$ 18.30	\$ 1.83	\$ 2.22	\$ 5.31	12.0x	5.0x	1.4x	1.5x	0.1%	296%	52.0%	1.9%	21.8%	
Heritage Commerce Corp	HTBK	\$ 8.55	59.9	\$ 512.3	\$ 4,606.8	\$ 9.64	\$ 6.55	\$ 0.85	\$ 0.90	\$ 0.60	9.5x	14.3x	0.9x	1.3x	0.2%	443%	21.1%	0.8%	6.0%	
Central Valley Community Bancorp	CVCY	\$ 14.60	12.5	\$ 182.6	\$ 1,950.6	\$ 18.85	\$ 14.44	\$ 1.26	\$ 1.40	\$ 1.28	10.5x	11.4x	0.8x	1.0x	0.2%	424%	25.3%	1.0%	7.6%	
Oak Valley Bancorp	OVLY	\$ 18.36	8.1	\$ 149.0	\$ 1,449.1	\$ 15.27	\$ 14.81	\$ 1.19	\$ 1.29	N/A	14.3x	N/A	1.2x	1.2x	0.1%	1537%	27.0%	1.0%	10.5%	
United Security Bancshares	UBFO	\$ 7.01	17.0	\$ 119.0	\$ 1,133.9	\$ 6.95	\$ 6.69	\$ 0.71	\$ 0.78	N/A	8.9x	N/A	1.0x	1.0x	1.6%	66%	28.2%	1.0%	8.5%	
Valley Republic Bancorp	VLLX	\$ 20.50	4.2	\$ 86.6	\$ 1,194.7	\$ 21.53	\$ 21.53	\$ 1.81	\$ 1.74	N/A	11.8x	N/A	1.0x	1.0x	0.4%	209%	35.8%	1.1%	13.7%	
Citizens Bancorp	CZBC	\$ 14.05	6.3	\$ 88.4	\$ 985.1	\$ 15.26	\$ 15.26	\$ 1.42	\$ 1.58	N/A	8.9x	N/A	0.9x	0.9x	N/A	N/A	18.9%	0.5%	4.8%	
Summit State Bank	SSBI	\$ 13.25	6.1	\$ 80.4	\$ 833.8	\$ 12.10	\$ 11.42	\$ 0.83	\$ 0.91	N/A	14.5x	N/A	1.1x	1.2x	0.0%	3143%	31.0%	1.2%	13.5%	
American River Bankshares	AMRB	\$ 11.05	5.9	\$ 64.9	\$ 857.9	\$ 15.60	\$ 12.82	\$ 0.69	\$ 0.79	\$ 1.19	14.0x	9.3x	0.7x	0.9x	0.1%	N/A	25.4%	0.8%	7.4%	
1st Capital Bank	FISB	\$ 11.00	5.5	\$ 60.7	\$ 645.3	\$ 12.32	\$ 12.32	\$ 1.03	\$ 1.10	N/A	10.0x	N/A	0.9x	0.9x	0.1%	1340%	27.4%	1.1%	11.1%	
								Average	\$ 1.18	\$ 1.29	\$ 2.10	11.6x	10.0x	1.0x	1.1x	0.3%	874%	29.4%	1.0%	10.4%
								Median	\$ 1.19	\$ 1.29	\$ 1.29	11.8x	11.2x	1.0x	1.0x	0.1%	424%	27.0%	1.0%	8.5%
Plumas Bancorp	PLBC	\$23.65	5.2	\$ 122.5	\$ 865.2	\$ 18.53	\$ 18.53	\$ 2.68	\$ 2.97	\$ 2.74	8.0x	8.6x	1.3x	1.3x	0.3%	393%	33.3%	1.4%	15.8%	

(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: Company Reports, Stonegate Capital Partners, Capital IQ

We employ a P/E and P/TBV 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/TBV. 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 / Earning

Based on FY19 results, PLBC is trading at an 8.0x P/E vs. 11.6x for comparable companies. While FY20 EPS estimates for selected comparables was largely unavailable, those with estimates are trading at an average of 10.0x. 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 9x to 11x with a mid-point of 10x. Using this range on our FY20 EPS estimate results in a valuation range of \$24.75 to \$30.25 with a mid-point of \$27.50.

Price / Tangible Book

PLBC is currently trading at 1.3x P/TBV vs. comps at 1.1x. Combining current multiples along with historical trading ranges of the comps and PLBC, we believe using a P/TBV multiple range of 1.4x to 1.7x is reasonable. As such, we arrive at a valuation range of \$26.00 to \$31.50 with a mid-point of \$29.75.

RECENT NEWS

October 22, 2020 – Plumas Bancorp Declares Quarterly Dividend Issuance.

October 21, 2020 – Plumas Bancorp Reports Third Quarter 2020 Results.

September 29, 2020 – Plumas Bancorp Receives Nationwide Recognition from Two Prestigious Companies: D.A. Davidson's Fall 2020 Bison Select and Piper Sandler's Sm-All Stars.

July 16, 2020 – Plumas Bancorp Declares Quarterly Dividend Issuance of \$0.12 per share.

July 15, 2020 -- Plumas Bancorp Reports Growth to Over \$1 Billion in Total Assets and Second Quarter 2020 Results.

June 29, 2020 – Plumas Bancorp Named to the Russell 2000 Index

June 8, 2020 – Plumas Bank Recognized as a Super Premier Performing Bank for Five Consecutive Years by The Findley Reports.

May 12, 2020 – Plumas Bancorp Ranked 2nd Best Performing Community Bank in Nation for Two Consecutive Years.

April 16, 2020 – Plumas Bancorp Announces Move to A Quarterly Cash Dividend.

April 15, 2020 – Plumas Bancorp Reports First Quarter 2020 Results.

January 22, 2020 – Plumas Bancorp's Andrew Ryback Elected to the Federal Reserve Board's Community Depository Institutions Advisory Council for 2020.

November 12, 2019 – Community Banker, Andrew J. Ryback, Elected to the 2020 ICBA Federal Delegate Board.

October 17, 2019 – Plumas Bancorp Announces Semi-Annual Cash Dividend of \$0.23 per share.

October 15, 2019 – Plumas Bancorp Reports Record Earnings.

October 9, 2019 – Plumas Bancorp Recognized in D.A. Davidson's Fall 2019 Bison Select Report.

October 2, 2019 – Plumas Bancorp Selected for the Sandler O'Neill Sm-All Starts Class of 2019.

August 22, 2019 – Heidi Gansert Appointed to Plumas Bancorp Board of Directors.

July 17, 2019 – Plumas Bancorp Reports Record Earnings.

April 18, 2019 – Plumas Bancorp Declares Regular Semi-Annual Cash Dividend Increase of 27.8% from \$0.18 per share to \$0.23 per share.

April 16, 2019 – Plumas Bancorp Reports Record Earnings.

PLUMAS BANCORP GOVERNANCE

Andrew Ryback – Andrew J. Ryback is the President and Chief Executive Officer of Plumas Bank and its holding company, Plumas Bancorp. He joined Plumas Bank in July 2001 and became a member of the Company's Board of Directors in 2016. Mr. Ryback received his Bachelor of Science degree in Business Administration from California State University, Northridge. He is a Certified Public Accountant and a graduate of Pacific Coast Banking School. Mr. Ryback actively serves in a variety of national, regional and local organizations: He was appointed to the Federal Reserve Board's Community Depository Institutions Advisory Council (CDIAC) in 2020 and is the chairman of the Federal Reserve Bank of San Francisco's CDIAC, which he has served on since 2017. Mr. Ryback is also the California Delegate to the Federal Delegate Board of the Independent Community Bankers of America (ICBA), he serves on ICBA's Consumer Financial Services Committee, and he is on the board of the California Community Banking Network. Furthermore, Mr. Ryback is past president of the Rotary Club of Quincy and is currently serving as an assistant governor for Rotary District 5190. Locally, he serves on the Board of Directors of Plumas District Hospital and as Commissioner and Treasurer for the Quincy Fire Protection District where he previously served as a volunteer firefighter.

Richard Belstock – Executive VP & CFO - Richard L. Belstock is the Executive Vice President and Chief Financial Officer of Plumas Bank and its holding company, Plumas Bancorp, as of July 18, 2012. He previously held the position of Senior Vice President, Chief Financial Officer. Mr. Belstock joined the bank in 2006 as Vice President and Controller for Plumas Bank and Bancorp. He currently manages accounting, internal audit and risk management. Mr. Belstock is a Phi Beta Kappa graduate of the University of Colorado with a Bachelor of Arts degree in Mathematics. He received his Master of Accountancy degree from the University of Denver. Mr. Belstock has over 30 years of experience in financial accounting and regulatory reporting with 10 of those years as controller and chief accounting officer for Sierra West Bancorp in Truckee. He has been a licensed Certified Public Accountant since 1980.

Board of Directors:

Daniel E. West – *Chairman of the Board*

Robert J. McClintock - *Vice Chairman of the Board*

Andrew Ryback – *Director*

Terrance J. Reeson – *Director*

William E. Elliott – *Director*

Gerald W. Fletcher – *Director*

Richard F. Kenny – *Director*

Michonne R. Ascuaga – *Director*

Steven M. Coldani – *Director*

Heidi S. Gansert – *Director*

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