



May 19, 2020
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MARKET STATISTICS

Exchange / Symbol	NASDAQ: PLBC
Price:	\$18.81
Market Cap (mm):	\$97.41
Shares Outstanding (mm):	5.18
Float (%):	74%
52-week Range:	\$15.00-\$29.23
Headquarters:	Quincy, California
Industry:	Banking Services

CONDENSED BALANCE SHEET

(\$mm, except per share data)

Balance Sheet Date	3/31/2020
Cash & Cash Equivalent:	\$58.1
Debt:	\$18.7
Equity (Book Value):	\$90.2
Equity/Share:	\$17.42

CONDENSED INCOME STATEMENTS

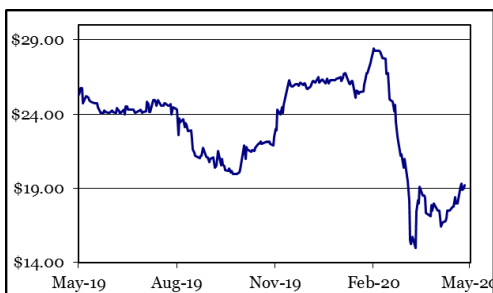
(\$mm, except per share data)

FY - 012/31	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	\$39.4	\$35.0	\$14.2	\$2.68

LARGEST SHAREHOLDERS

Cortopassi Partners, L.P.	476,967
Siena Capital Partners, L.P.	347,747
Fourthstone LLC	150,872
River Oaks Capital	150,600
The Vanguard Group, Inc.	133,149
Maltese Capital Management, LLC	110,000
Robert McClintock	102,772
Terrance Reese	82,831
ZPR Investment Management	80,909
William Elliott	75,600

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 consumer, home equity, and auto loans. Plumas also provides commercial, industrial, agricultural, and construction loans. Plumas currently operates 13 branches including eleven 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 customers in Northeastern California and Nevada. 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 going forward.

- **Profits Continue Despite COVID** – The Company reported net income of \$3.3 million (\$0.64 per share) for Q1 2020 down 13% compared to Q1 2019 due to a reduction in interest income and increased provisions for loan losses. The Company's interest income was down 2% from Q1 2019 to Q1 2020 due to declines in market interest rates, which was partially offset by a decrease in interest expenses. Plumas has had a strong history of profitable operation that we would expect to continue throughout the COVID-19 disruption.
- **Strong Core Deposits** – Plumas has a strong history of increasing their demand, savings, and money market deposits from local businesses and individuals. This continued throughout Q1 2020 as total deposits grew by 4% to reach \$763 million. Since 2015, the Company has grown deposits at a 9.11% 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 roughly 17% of their 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 loans. Plumas has grown non-interest income ~19% since 2014.
- **Successful growth strategy** - The Company has 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** - Combining our thoughts on PLBC versus current regional comps, as well as 3-year historical trading multiples for its comp set, we believe PLBC should trade in a 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 \$24.13 to \$29.49 with a midpoint at \$26.81. Also, considering current and 3-year historical trading ranges of PLBC and comps, we believe using a P/TBV multiple range of 1.4x to 1.7x is reasonable. Using this range on our FY20 EPS estimate, we arrive at a valuation range of ~\$22.90 to ~\$27.81 with a mid-point of ~\$25.36.

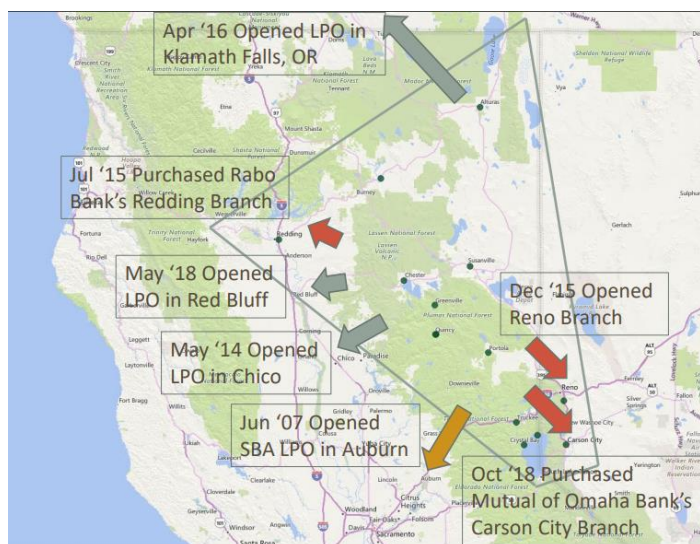
BUSINESS OVERVIEW

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 eleven 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 their 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 \$879 million up roughly 47% from 2015. The Company has grown both organically and inorganically over the years. The Company's organic growth has come from their ability to open additional branches and expand their geographic footprint as well as investing in technology to help their retail customers. In addition to their 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 their legacy branches by heavily integrating themselves into the communities where branches are located. Plumas is then able to expand upon a traditional deposit account 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 retail customers. In addition to organic growth the Company also made their first Northern Nevada acquisition in October 2018, purchasing a former Mutual of Omaha Bank branch location in Carson City, Nevada.

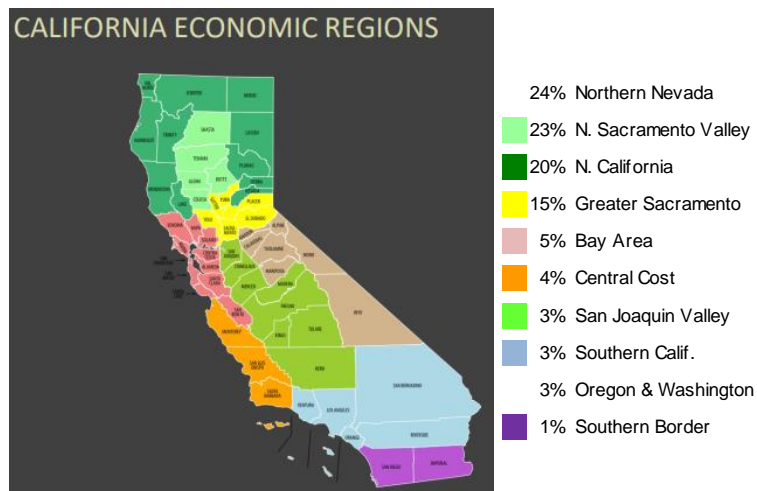
Accompanying their traditional branch network, the Bank also operates a 12-person office located in Auburn, California specializing in government-guaranteed loans. The majority of these loans are 75% guaranteed by the Federal Government and are variable rates tied to the Prime rate. The guaranteed portion of the loan is then sold off in the secondary market and serviced by Plumas Bank for an average 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 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 and credit lines, as well as land development and construction 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 3/31/20 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 their respective communities, which helps the Company earn business when rate competition is stiff.

Exhibit 2: CRE Distribution by Region

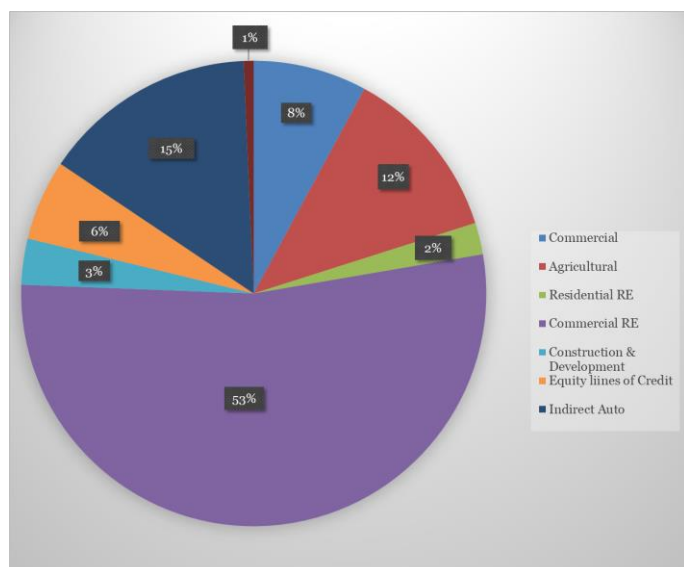


Source: Company Reports, Stonegate Capital Partners

Despite the Company's current concentration in commercial real estate, which comprises 53.3% of the total portfolio, Plumas has continued to diversify the portfolio to mitigate the risks associated with any one sector. Moreover, 74% 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 indirect auto loan portfolio has grown from 2.5% of gross loans at year-end 2011 to 14.9% of gross loans as of 3/31/2020. 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 3/31/20 agricultural loans totaled \$79 million or 12.7% of the total loan portfolio.

Exhibit 3: Current Loan Composition



Source: Company Reports, Stonegate Capital Partners

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 2014 and as of Q1 2020, the portfolio was at a record level of \$624 million with an average yield of 5.55%.

Exhibit 4: Loan Trends



Source: Company Reports

The Company's current loan to deposit ratio is 81.8% as of 3/31/20, which compares to 82.9% at 3/31/19. 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.

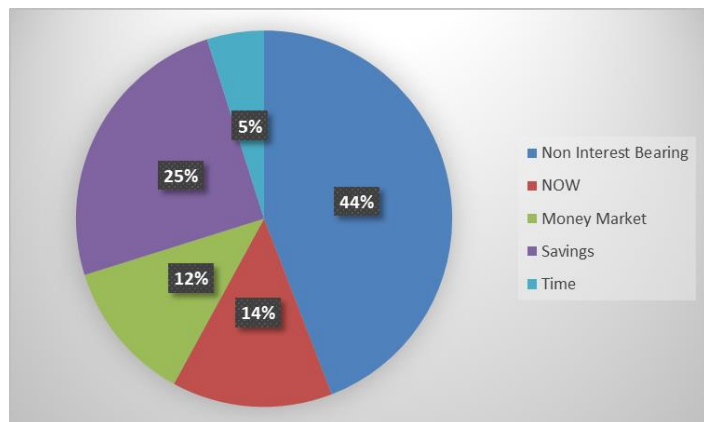
Deposits

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
- NOW 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.

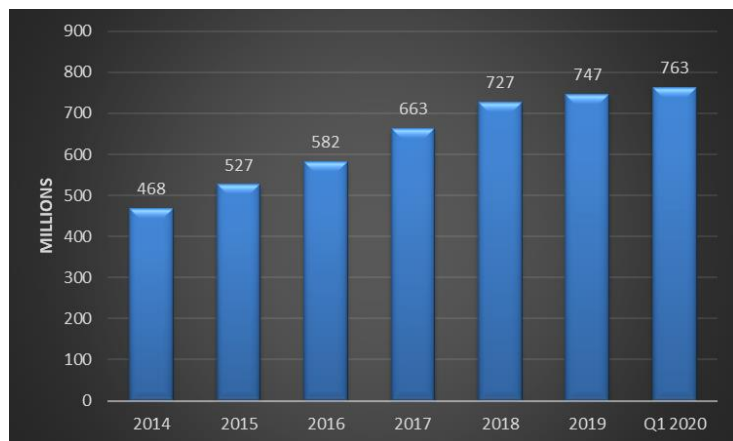
Exhibit 5: Breakdown of Deposit base



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 \$468 million in 2014 to a record \$747 million as of year-end 2019 and \$763 million as of Q1 2020. These are core, non-brokered deposits.

Exhibit 6: Deposit Trends



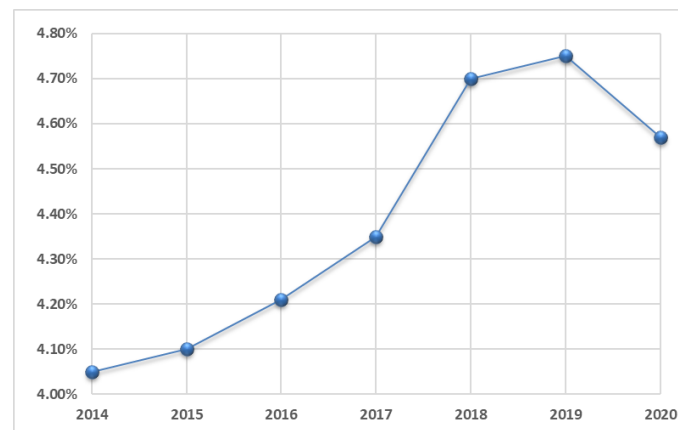
Source: Company Reports, Stonegate Capital Partners

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 secures a borrowing arrangement through Federal Home Loan Bank San Francisco (FHLB) which helps the Bank meet any funding needs they may have. The Company is able to borrow up to \$229 million from FHLB, however, are required to hold FHLB stock as a condition of the agreement.

Net Interest Income and Margins

The net interest income margin is a good indicator of how profitably banks are making investments. Exhibit 7 provides annual net interest margin growth analysis.

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



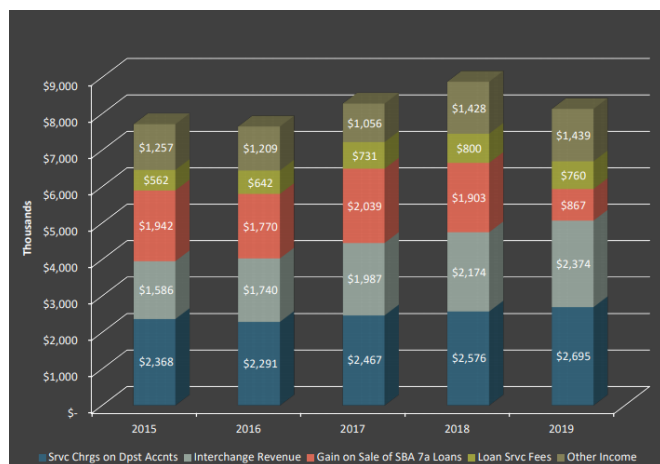
Source: Company Reports, Stonegate Capital Partners

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, Q1 2020 saw a decrease in net interest margin from 4.95% in Q1 2019 to 4.57% in Q1 2020. The decrease was due largely to a decrease in interest on investment securities as market interest rates fell after the effects of COVID-19.

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 Q1 2020, non-interest income increased 13.2% to \$2.2 million. The main component of the increase was gains on sales of SBA loans. The increase in SBA loans was due to a weaker Q1 2019, which was caused by a government shutdown. Q1 2020 has seen PLBC return these gains on sale of loans to a more normalized level.

Exhibit 8: Non-Interest Income Growth



Source: Company Reports

MARKET OVERVIEW

Community banks focus on providing traditional banking services in their local communities. These banks obtain most of their 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 their 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 as the Federal Reserve cut rates twice to reduce short term interest rates to near 0. In addition to decreased yields on investment securities, 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 hotel, travel, and oil and gas businesses. According to the Mortgage Bankers Association Economic Forecast, Q2 and Q3 are anticipated to be the hardest hit quarters with GDP expected to be -12.9% in Q2 and -1.9% in Q3 2020. The MBA is also anticipating that unemployment will nearly double in 2020 to 7.2%, which will put pressure on certain retail businesses as well. Despite near term headwinds, most believe that the economy will bounce back 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 fall below the rates it is required to pay on deposits and borrowed funds, 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 their 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	Q1 2020
Assets				
Cash and cash equivalents	\$ 87,537	\$ 46,686	\$ 46,942	\$ 58,058
Investment securities available-for-sale	137,466	171,507	159,320	159,247
Allowance for loan losses	6,669	6,958	7,243	7,804
Loans (less allowance for loan losses)	482,248	562,498	616,036	619,487
Real Estate acquired through foreclosure	1,344	1,170	707	707
Premises and equipment, net	11,346	14,287	14,629	14,774
Bank-owned life insurance	12,866	12,856	13,184	13,275
Accrued interest receivable and other assets	12,620	15,394	14,373	14,023
Total assets	\$ 745,427	\$ 824,398	\$ 865,191	\$ 879,571
Liabilities				
Noninterest bearing	\$ 282,239	\$ 304,039	\$ 331,619	\$ 336,375
Interest-bearing deposits	380,418	422,526	415,705	426,511
Total deposits	662,657	726,565	747,324	762,886
Repurchase Agreements	10,074	13,058	16,013	8,383
Accrued interest payable and other liabilities	6,686	7,533	7,039	7,765
Junior subordinated deferrable interest debentures	10,310	10,310	10,310	10,310
Total liabilities	689,727	757,466	780,686	789,344
Shareholders' equity				
Common stock	6,415	6,944	7,312	7,425
Retained earnings	49,855	62,005	75,144	78,460
Accumulated other comprehensive income (loss), net of taxes	(570)	(2,017)	2,049	4,342
Total shareholders equity	55,700	66,932	84,505	90,227
Total liabilities & shareholders equity	\$ 745,427	\$ 824,398	\$ 865,191	\$ 879,571
Book value per share	\$ 11.00	\$ 13.03	\$ 16.36	\$ 17.43
Return on average equity	15.4%	23.3%	20.2%	15.2%
Return on average assets	1.18%	1.83%	1.82%	1.53%
Leverage ratio	8.8%	9.3%	10.4%	10.8%

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	\$ 34,929
Interest on investment securities:	2,479	3,951	4,395	3,866
Other	674	610	632	650
Total interest income	28,953	34,322	39,302	39,445
Interest expense				
Interest on Deposits	582	716	1,201	1,083
Interest on note payable	28	-	-	-
Interest on junior subordinated deferrable interest debentures	401	510	531	467
Other	6	10	15	15
Total Interest Expense	1,017	1,236	1,747	1,565
Net interest income	27,936	33,086	37,555	37,879
Provisions for loan losses	600	1,000	1,500	2,879
Net interest income after provisions for loan losses	27,336	32,086	36,055	35,001
Non-interest income				
Service charges	2,467	2,576	2,695	2,722
Interchange revenue	1,987	2,174	2,374	2,611
Gain on sale of loans	2,039	1,903	867	1,350
Loan servicing fees	731	800	760	776
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	1,100
Total non-interest income	8,280	8,881	8,135	8,888
Non-interest expense				
Salaries & employee benefits	11,505	12,138	13,009	13,816
Occupancy & equipment	2,840	2,962	3,311	3,410
Other	5,766	6,741	6,490	7,107
Total non-interest expense	20,111	21,841	22,810	24,332
Net income before income taxes	15,505	19,126	21,380	19,556
Provision for income taxes	7,316	5,134	5,868	5,397
Net income	\$ 8,189	\$ 13,992	\$ 15,512	\$ 14,158
Basic EPS - GAAP	\$ 1.64	\$ 2.74	\$ 3.01	\$ 2.72
Diluted EPS - GAAP	\$ 1.58	\$ 2.68	\$ 2.97	\$ 2.68
Cash dividends declared per share	\$ 0.28	\$ 0.36	\$ 0.46	\$ 0.48
Weighted average shares outstanding (in millions) -				
Basic	5.005	5.108	5.155	5.207
Diluted	5.185	5.219	5.228	5.281

Source: Stonegate Capital Partners

VALUATION

Given the Company's long track record of successful growth through branch openings within Northern California and Northwest Nevada combined with expanding profitability, strong credit metrics, and operational efficiency, we anticipate continued growth in 2021, after the economy recovers from an anticipated down year in 2020. Plumas' experienced management and service teams bring not only valuable industry knowledge but also a unique grasp of the local economy and target demographics. We do expect some near-term volatility and softness due to COVID-19's overall economic impact, however, we believe the Company has ample liquidity to not only weather the storm but also take advantage of any opportunities that may present themselves. For our valuation we observe three-year trading multiples for Plumas and comparable companies to establish a fair range of multiples.

Exhibit 9: Comparable Analysis

Name	Ticker	Price (1)	S/O	Mrkt Cap	Financial (MRQ)			EPS (2)			Valuation				Credit		Profitability			
					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	
Oak Valley Bancorp	OVLY	\$ 14.06	8.1	\$ 114.1	\$ 1,156.6	\$ 14.10	\$ 13.63	\$ 1.19	\$ 1.29	\$ -	10.9x	nm	1.00x	1.03x	0.08%	999%	26.75	1.1%	11.2%	
Citizens Bancorp	CZBC	\$ 13.50	6.5	\$ 87.1	\$ 799.5	\$ 14.44	\$ 14.44	\$ 1.42	\$ 1.58	\$ -	8.6x	nm	0.94x	0.94x	0.00%	0%	27.74	1.0%	9.1%	
American River Bankshares	AMRB	\$ 10.12	5.9	\$ 59.3	\$ 716.1	\$ 14.81	\$ 12.03	\$ 0.69	\$ 0.79	\$ 0.94	12.8x	10.7x	0.68x	0.84x	0.12%	0%	23.52	0.8%	7.0%	
Summit State Bank	SSBI	\$ 9.32	6.1	\$ 56.6	\$ 721.6	\$ 11.24	\$ 10.56	\$ 0.83	\$ 0.91	\$ -	10.2x	nm	0.83x	0.88x	0.07%	1563%	27.81	1.1%	11.4%	
Merchants Bancorp	MBIN	\$ 15.51	28.7	\$ 445.8	\$ 7,908.4	\$ 16.02	\$ 15.35	\$ 1.83	\$ 2.22	\$ 2.20	7.0x	7.1x	0.97x	1.01x	0.08%	288%	47.19	1.5%	15.9%	
United Security Bancshares	UBFO	\$ 6.29	17.0	\$ 106.8	\$ 977.2	\$ 6.92	\$ 6.65	\$ 0.71	\$ 0.78	\$ -	8.0x	nm	0.91x	0.95x	2.21%	58%	33.93	1.4%	12.2%	
Central Valley Community Bancorp	CVCY	\$ 13.94	12.5	\$ 173.9	\$ 1,618.6	\$ 17.53	\$ 13.08	\$ 1.26	\$ 1.40	\$ 1.24	10.0x	11.2x	0.80x	1.07x	0.07%	946%	29.25	1.4%	10.2%	
Heritage Commerce Corp	HTBK	\$ 7.76	59.7	\$ 463.6	\$ 4,078.2	\$ 9.59	\$ 6.46	\$ 0.85	\$ 0.90	\$ 0.64	8.6x	12.0x	0.81x	1.20x	0.30%	370%	22.33	0.8%	6.4%	
1st Capital Bank	FISB	\$ 10.46	5.5	\$ 57.7	\$ 645.3	\$ 12.32	\$ 12.32	\$ 1.03	\$ 1.10	\$ -	9.5x	nm	0.85x	0.85x	0.08%	1340%	27.40	1.1%	11.1%	
Valley Republic Bancorp	VLLX	\$ 18.95	4.2	\$ 79.1	\$ 955.5	\$ 19.68	\$ 19.68	\$ 1.81	\$ 1.74	\$ -	10.9x	nm	0.96x	0.96x	0.00%	0%	31.57	1.0%	11.9%	
								Average	\$ 1.09	\$ 1.22	\$ 1.26	9.5x	10.3x	0.86x	0.97x	0.3%	618.1%	29.55	1.2%	10.5%
								Median	\$ 1.03	\$ 1.10	\$ 1.29	9.5x	11.2x	0.85x	0.95x	0.1%	369.8%	27.74	1.1%	11.1%
Plumas Bancorp	PLBC	\$18.81	5.2	\$ 97.4	\$ 865.2	\$ 16.36	\$ 17.43	\$ 2.68	\$ 2.97	\$ 2.68	6.3x	7.0x	1.15x	1.08x	0.35%	338%	34.16	1.8%	18.4%	

(1) Previous day's closing price

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

Credit and Profitability are most recently reported data

Source: Company Reports, Stonegate Capital Partners, Capital IQ

Price / Earning

Based on recent FY19 results, PLBC is trading at a 6.3x P/E vs. comparable companies trading at an average P/E of 9.5x. 2020E EPS for the selected comparables was largely unavailable, however, comparable companies trade at an average FY20E P/E of 11.2X. Combining our thoughts on PLBC versus current regional comparables, as well as 3-year historical trading multiples for this comparable set, we believe PLBC should conservatively 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 ~\$24.13 to ~\$29.49 with a mid-point of ~\$26.81.

Price / Book

As seen above PLBC is currently trading at 1.08x TBV/Sh. Considering current and historical trading ranges of comps and PLBC, as well historical industry multiples, we believe using a P/TBV multiple range of 1.4x to 1.7x is reasonable. Therefore, using the 1.4x to 1.7x P/TBV range, we arrive at a valuation range of ~\$22.90 to ~\$27.81 with a mid-point of ~\$25.36.

Conclusion

Based off the above metrics, PLBC is currently trading at a discount to its peers. We also note that Plumas maintains a higher return on assets and return on equity than all of the comps listed. In addition, the Company also maintains a net income margin that is superior to the average of its comparables. For these reasons we believe Plumas Bancorp makes a strong case to trade at premium valuation to the comp set and ranges listed above.

COMPANY TIMELINE

March 2020 – PLBC into a Renewal, Extension, and Modification of Loan Agreement related to its promissory note dated October 24, 2013. This Agreement provides for the following: Revision of the maturity date of the Note from October 1, 2020 to March 2, 2021; an increase in the maximum amount of the Note from \$5 million to \$15 million; elimination of the Unused Portion fee; and a reduction in the Rate from the U. S. Prime Rate" plus one-quarter of a percent to the U. S. Prime Rate

August 2019 -- Plumas Bancorp entered into a Renewal, Extension, and Modification of Loan Agreement related to its promissory note dated October 24, 2013. This Agreement provides for the following: Revision of the maturity date of the Note from October 1, 2020 to March 2, 2021; an increase in the maximum amount of the Note from \$5 million to \$15 million; elimination of the Unused Portion fee; and a reduction in the Rate from the U. S. Prime Rate" plus one-quarter of a percent to the U. S. Prime Rate.

August 2019 – Plumas Bancorp appoints Heidi Gansert to the Plumas Bancorp and Plumas Bank Board of Directors

April 2019 – Michael Hix joins Plumas Bank as Senior VP, Commercial Loan Officer for Reno and the Truckee/Lake Tahoe Region; Plumas declares increase of semi-annual dividend from \$0.18/sh. to \$0.23/sh.

February 2019 – PLBC promotes Jeffrey Moore to Executive VP, Chief Credit Officer; Michonne Ascuaga joins Board of Plumas Bancorp and Plumas Bank

December 2018 – Plumas files a Shelf Registration in the amount of \$40M and intends to use the proceeds for repayment of existing indebtedness, repurchase of common stock, and financing of future acquisitions

October 2018 – Previously announced acquisition of Carson City, NV branch of Mutual of Omaha Bank closes

July 2018 – Company announces Kerry D. Wilson to retire as Executive Vice President and Chief Credit Officer of Plumas Bancorp, effective March 1, 2019

June 2018 – Plumas Bank appoints Ty Nebe as Vice President, Commercial/Agricultural Loan Officer for Carson City, NV and the surrounding Sierra Region

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 is the California Delegate to the Federal Delegate Board of the Independent Community Bankers of America (ICBA), he serves on ICBA's Bank Education Committee, and he is Chairman-Elect on the board of the California Community Banking Network. Mr. Ryback is also on the Federal Reserve Bank of San Francisco's Community Depository Institutions Advisory Council. 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 Hospital District 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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