

Cornerstone Community Bancorp Reports Financial Results For the Fourth Quarter and Full Year Ended December 31, 2024

Red Bluff, CA – January 29, 2025 – Cornerstone Community Bancorp (OTC Pink: **CRSB**) announced today its financial results for the fourth quarter and full year ended December 31, 2024.

The Company reported net income of \$1,809,000 for the three months ended December 31, 2024 compared to net income of \$1,892,000 for the same period last year. Diluted earnings per share were \$1.18 for the three months ended December 31, 2024 compared to diluted earnings per share of \$1.24 for the same period last year.

For the year ended December 31, 2024, the Company reported a net loss of \$785,000 compared to net income of \$7,371,000 for the same period last year. Diluted loss per share was \$(0.51) for the year ended December 31, 2024 compared to earnings per share of \$4.84 for the same period last year. The net loss for the year was primarily due to the charge-off of three related agricultural loans in the aggregate amount of \$9.4 million during the third quarter of 2024.

President and CEO, Matt Moseley stated, “We reported a strong fourth quarter with \$1.8 million in net income, a 1.08% return on average assets and a 17.28% return on average equity. This morning, Plumas Bancorp and Cornerstone Community Bancorp jointly announced the signing of a definitive merger agreement. We are excited about the opportunity to join forces with Plumas, bringing our banks together to carry on our focus of providing our customers, employees and all of our stakeholders with superior products, services and support.”

Net Interest Income

Net interest income decreased to \$5,170,000 for the quarter ended December 31, 2024 compared to \$5,439,000 for the same quarter last year. For the year ended December 31, 2024, net interest income decreased to \$19,582,000 compared to \$21,805,000 for the same period last year.

The tax-equivalent net interest margin was 3.23% for the quarter ended December 31, 2024 compared to 3.55% for the same quarter of last year. For the year ended December 31, 2024, the tax-equivalent net interest margin was 3.09% compared to 3.65% for the same period last year.

Provision for credit losses on loans

No provision for credit losses on loans was recorded during the three months ended December 31, 2024 and December 31, 2023. For the year ended December 31, 2024, the Company recorded a \$9.7 million provision for credit losses on loans compared to \$530,000 for the same period last year.

Non-Interest Income

Non-interest income for the quarter ended December 31, 2024 was \$374,000 compared to \$358,000 for the quarter ended December 31, 2023. For the year ended December 31, 2024, noninterest income was \$1,451,000 compared to \$1,389,000 for the same period last year.

Non-Interest Expense

Non-interest expense was \$3,227,000 for the quarter ended December 31, 2024 compared to \$3,173,000 for the same period last year. For the year ended December 31, 2024, non-interest expense was \$12,824,000 compared to \$12,449,000 for the same period last year.

Balance Sheet

Total loans, net of unearned income, at December 31, 2024 were \$498.9 million compared to \$482.2 million at December 31, 2023.

Total deposits were \$584.3 million at December 31, 2024 compared to total deposits of \$564.5 million at December 31, 2023.

Credit Quality

The allowance for credit losses on loans was \$6,164,000, or 1.24% of loans, net of unearned income, at December 31, 2024, compared to \$5,813,000, or 1.21% of loans, net of unearned income, at December 31, 2023. Nonperforming assets were \$409,000 at December 31, 2024. There were no nonperforming assets at December 31, 2023.

Capital

At December 31, 2024, shareholders' equity totaled \$42.6 million compared to \$43.2 million at December 31, 2023. At December 31, 2024, the Company's book value per common share was \$28.37 compared to \$29.16 at December 31, 2023.

At December 31, 2024, the Bank's estimated total risk-based capital ratio was 12.38% and its tier 1 capital to risk weighted assets ratio was 11.25%. The Bank remains well capitalized under the regulatory framework for prompt corrective action.

About Cornerstone Community Bancorp

Cornerstone Community Bancorp, a bank holding company headquartered in Red Bluff, California, serves the Red Bluff, Redding and Anderson communities through its wholly-owned subsidiary, Cornerstone Community Bank with a headquarters office in Red Bluff, two banking offices in Redding and one in Anderson. The Bank provides commercial banking services to small and mid-size businesses, including professional service firms, real estate developers and investors and not-for-profit organizations and to their owners and other individuals. Additional information about the Bank is available on its website at www.bankcornerstone.com

Forward-Looking Statements

This release may contain certain forward-looking statements that are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact Cornerstone Community Bancorp's earnings in future periods. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include the words "believe," "expect," "intend," "estimate" or words of similar meaning, or future or conditional verbs such as "will," "would," "should," "could" or "may." Factors that could cause future results to vary materially from current management expectations include, but are not limited to, natural disasters (such as wildfires and earthquakes), pandemics such as COVID-19 and the economic impact caused directly by the disease and by government responses thereto, general economic conditions, economic uncertainty in the United States and abroad, changes in interest rates, deposit flows, real estate values, costs or effects of acquisitions, competition, changes in accounting principles, policies or guidelines, legislation or regulation (including the Coronavirus Aid, Relief and Economic Security Act of 2023), interruptions of utility service in our markets for sustained periods, and other economic, competitive, governmental, regulatory and technological factors (including external fraud and cybersecurity threats) affecting Cornerstone Community Bancorp's operations, pricing, products and services. Forward-looking statements speak only as of the date they are made. Except as required by law, Cornerstone Community Bancorp does not undertake to update forward-looking statements to reflect subsequent circumstances or events.

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CORNERSTONE COMMUNITY BANCORP
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(Dollars in Thousands)

	<u>12/31/24</u>	<u>09/30/24</u>	<u>06/30/24</u>	<u>03/31/24</u>	<u>12/31/23</u>
ASSETS					
Cash and due from banks	\$ 4,837	\$ 9,127	\$ 7,571	\$ 6,389	\$ 8,623
Federal funds sold	-	-	-	-	-
Interest bearing deposits in other financial institutions	25,078	40,306	43,025	45,955	19,694
Available for sale debt securities, at fair value	87,492	90,616	89,089	90,767	93,065
Loans held for sale	-	-	-	-	-
Loans, net of unearned income	498,863	487,125	498,048	488,179	482,212
Allowance for credit losses on loans	(6,164)	(6,164)	(6,126)	(5,957)	(5,813)
Loans, net	492,699	480,962	491,922	482,222	476,399
Premises and equipment, net	14,137	14,405	14,418	14,433	14,326
Other assets	33,683	33,780	32,514	30,812	30,827
Total assets	<u>\$ 657,925</u>	<u>\$ 669,197</u>	<u>\$ 678,537</u>	<u>\$ 670,578</u>	<u>\$ 642,934</u>
LIABILITIES					
Deposits:					
Demand noninterest-bearing	\$ 89,525	\$ 91,936	\$ 102,419	\$ 99,278	\$ 101,396
Demand interest-bearing	158,649	166,505	167,720	159,542	166,221
Money market and savings	186,642	186,186	176,644	182,797	174,882
Time deposits	149,452	144,443	148,582	148,384	122,035
Total deposits	584,269	589,069	595,365	590,001	564,534
Borrowings and other obligations	15,000	20,000	20,000	20,000	20,000
Subordinated debentures	11,795	11,788	11,781	11,775	11,769
Interest payable and other liabilities	4,275	7,409	5,637	4,252	3,464
Total liabilities	<u>615,339</u>	<u>628,266</u>	<u>632,784</u>	<u>626,028</u>	<u>599,767</u>
SHAREHOLDERS' EQUITY					
Common stock	15,442	15,337	15,268	15,231	15,163
Retained Earnings	36,854	35,045	40,476	39,033	37,639
Accumulated other comprehensive income (loss)	(9,709)	(9,452)	(9,991)	(9,714)	(9,635)
Total shareholders' equity	42,586	40,930	45,754	44,550	43,167
Total liabilities and shareholders' equity	<u>\$ 657,925</u>	<u>\$ 669,197</u>	<u>\$ 678,537</u>	<u>\$ 670,578</u>	<u>\$ 642,934</u>
Total equity / total assets	6.47%	6.12%	6.74%	6.64%	6.71%
Book value per share	\$ 28.37	\$ 27.44	\$ 30.78	\$ 29.99	\$ 29.16
Shares outstanding	1,501,091	1,491,692	1,486,692	1,485,472	1,480,472

CORNERSTONE COMMUNITY BANCORP
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(Dollars in Thousands)

	Three months ended			Year ended	
	12/31/24	09/30/24	12/31/23	12/31/24	12/31/23
INTEREST INCOME					
Loans	\$ 7,292	\$ 6,795	\$ 6,862	\$ 28,456	\$ 24,885
Federal funds sold	-	-	-	-	3
Investment securities	664	819	751	3,003	2,948
Other	661	650	426	2,341	2,118
Total interest income	8,617	8,264	8,039	33,800	29,954
INTEREST EXPENSE					
Deposits:					
Interest-bearing demand	329	378	291	1,339	1,036
Money market and savings	1,196	1,268	904	4,827	2,956
Time deposits	1,617	1,806	1,245	6,577	3,551
Other	305	392	160	1,475	606
Total interest expense	3,447	3,844	2,600	14,218	8,149
Net interest income	5,170	4,420	5,439	19,582	21,805
Provision for credit losses on loans	-	9,400	-	9,713	530
Net interest income after provision for credit losses	5,170	(4,980)	5,439	9,869	21,275
NON-INTEREST INCOME					
Service charges on deposit accounts	75	69	70	291	270
Gain on sale of loans	-	-	-	-	-
Gain (loss) on sale of other real estate owned	-	-	-	-	-
Gain (loss) on sale of securities	-	-	-	-	-
Other non-interest income	299	285	288	1,160	1,119
Total non-interest income	374	354	358	1,451	1,389
OPERATING EXPENSES					
Salaries and benefits	1,688	1,615	1,865	6,984	6,963
Premises and fixed assets	249	266	263	1,047	1,110
Other	1,290	1,204	1,045	4,793	4,376
Total operating expenses	3,227	3,085	3,173	12,824	12,449
Income (loss) before income taxes	2,317	(7,711)	2,624	(1,504)	10,215
Income taxes (benefit)	508	(2,280)	732	(719)	2,844
NET (LOSS) INCOME	\$ 1,809	\$ (5,431)	\$ 1,892	\$ (785)	\$ 7,371
EARNINGS (LOSS) PER SHARE					
Basic earnings (loss) per share	\$ 1.21	\$ (3.65)	\$ 1.28	\$ (0.53)	\$ 4.98
Diluted earnings (loss) per share	\$ 1.18	\$ (3.56)	\$ 1.24	\$ (0.51)	\$ 4.84
Average common shares outstanding	1,493,798	1,487,344	1,479,948	1,487,972	1,479,884
Average common and equivalent shares outstanding	1,527,533	1,525,781	1,523,488	1,528,269	1,523,893
PERFORMANCE MEASURES					
Return on average assets	1.08%	-3.24%	1.19%	-0.12%	1.18%
Return on average equity	17.28%	-51.59%	18.94%	-1.82%	19.36%
Tax-equivalent net interest margin	3.23%	2.75%	3.55%	3.09%	3.65%
Efficiency ratio	58.21%	64.62%	54.74%	60.97%	53.67%