

Cornerstone Community Bancorp Reports Financial Results For the First Quarter Ended March 31, 2025

Red Bluff, CA – April 22, 2025 – Cornerstone Community Bancorp (OTC Pink: CRSB) announced today its financial results for the first quarter ended March 31, 2025.

The Company reported net income of \$1,273,000 for the three months ended March 31, 2025 compared to net income of \$1,394,000 for the same period last year. Diluted earnings per share were \$0.82 for the three months ended March 31, 2025 compared to diluted earnings per share of \$0.91 for the same period last year.

President and CEO, Matt Moseley stated, “The company’s balance sheet is well situated for continued, consistent earnings. Net interest margin is improving and non interest expense, absent of merger related costs, has remained relatively flat compared to the first quarter of last year. We are very excited about our upcoming partnership with Plumas Bancorp. The combination of the companies will create an even stronger financial institution that will greatly benefit both companies’ customers, shareholders, communities and employees.”

Net Interest Income

Net interest income increased to \$5,019,000 for the quarter ended March 31, 2025 compared to \$4,884,000 for the same quarter last year.

The tax-equivalent net interest margin was 3.27% for the quarter ended March 31, 2025 compared to 3.18% for the same quarter of last year.

Provision for credit losses on loans

For the three months ended March 31, 2025, the Company recorded a \$60,000 provision for credit losses on loans compared to \$144,000 for the same period last year.

Non-Interest Income

Non-interest income for the quarter ended March 31, 2025 was \$369,000 compared to \$356,000 for the same period last year.

Non-Interest Expense

Non-interest expense was \$3,533,000 for the quarter ended March 31, 2025 compared to \$3,202,000 for the same period last year. \$193,000 of this increase was due to costs associated with the pending acquisition by Plumas Bancorp.

Balance Sheet

Total loans, net of unearned income, at March 31, 2025 were \$491.5 million compared to \$488.2 million at March 31, 2024.

Total deposits were \$571.9 million at March 31, 2025 compared to total deposits of \$590.0 million at March 31, 2024.

Credit Quality

The allowance for credit losses on loans was \$6,224,000, or 1.27% of loans, net of unearned income, at March 31, 2025, compared to \$5,957,000, or 1.22% of loans, net of unearned income, at March 31, 2024. Nonperforming assets were \$409,000 at March 31, 2025. There were no nonperforming assets at March 31, 2024.

Capital

At March 31, 2025, shareholders' equity totaled \$44.0 million compared to \$44.6 million at March 31, 2024. At March 31, 2025, the Company's book value per common share was \$29.15 compared to \$29.99 at March 31, 2024.

At March 31, 2025, the Bank's estimated total risk-based capital ratio was 12.83% and its tier 1 capital to risk weighted assets ratio was 11.68%. 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)

	03/31/25	12/31/24	09/30/24	06/30/24	03/31/24
ASSETS					
Cash and due from banks	\$ 8,392	\$ 4,837	\$ 9,127	\$ 7,571	\$ 6,389
Federal funds sold	-	-	-	-	-
Interest bearing deposits in other financial institutions	17,479	25,078	40,306	43,025	45,955
Available for sale debt securities, at fair value	87,888	87,492	90,616	89,089	90,767
Loans held for sale	-	-	-	-	-
Loans, net of unearned income	491,529	498,863	487,125	498,048	488,179
Allowance for credit losses on loans	(6,224)	(6,164)	(6,164)	(6,126)	(5,957)
Loans, net	485,305	492,699	480,962	491,922	482,222
Premises and equipment, net	14,002	14,137	14,405	14,418	14,433
Other assets	35,105	33,683	33,780	32,514	30,812
Total assets	<u>\$ 648,171</u>	<u>\$ 657,925</u>	<u>\$ 669,197</u>	<u>\$ 678,537</u>	<u>\$ 670,578</u>
LIABILITIES					
Deposits:					
Demand noninterest-bearing	\$ 87,103	\$ 89,525	\$ 91,936	\$ 102,419	\$ 99,278
Demand interest-bearing	147,975	158,649	166,505	167,720	159,542
Money market and savings	187,432	186,642	186,186	176,644	182,797
Time deposits	149,379	149,452	144,443	148,582	148,384
Total deposits	571,889	584,269	589,069	595,365	590,001
Borrowings and other obligations	15,000	15,000	20,000	20,000	20,000
Subordinated debentures	11,801	11,795	11,788	11,781	11,775
Interest payable and other liabilities	5,432	4,275	7,409	5,637	4,252
Total liabilities	<u>604,122</u>	<u>615,339</u>	<u>628,266</u>	<u>632,784</u>	<u>626,028</u>
SHAREHOLDERS' EQUITY					
Common stock	15,548	15,442	15,337	15,268	15,231
Retained Earnings	38,127	36,854	35,045	40,476	39,033
Accumulated other comprehensive income (loss)	(9,626)	(9,709)	(9,452)	(9,991)	(9,714)
Total shareholders' equity	<u>44,049</u>	<u>42,586</u>	<u>40,930</u>	<u>45,754</u>	<u>44,550</u>
Total liabilities and shareholders' equity	<u>\$ 648,171</u>	<u>\$ 657,925</u>	<u>\$ 669,197</u>	<u>\$ 678,537</u>	<u>\$ 670,578</u>
Total equity / total assets	6.80%	6.47%	6.12%	6.74%	6.64%
Book value per share	\$ 29.15	\$ 28.37	\$ 27.44	\$ 30.78	\$ 29.99
Shares outstanding	1,511,091	1,501,091	1,491,692	1,486,692	1,485,472

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

	Three months ended		
	03/31/25	12/31/24	03/31/24
INTEREST INCOME			
Loans	\$ 7,282	\$ 7,292	\$ 7,006
Federal funds sold	-	-	-
Investment securities	638	664	728
Other	355	661	419
Total interest income	8,275	8,617	8,152
INTEREST EXPENSE			
Deposits:			
Interest-bearing demand	292	329	301
Money market and savings	1,128	1,196	1,146
Time deposits	1,519	1,617	1,432
Other	317	305	389
Total interest expense	3,256	3,447	3,268
Net interest income	5,019	5,170	4,884
Provision for credit losses on loans	60	-	144
Net interest income after provision for credit losses	4,959	5,170	4,740
NON-INTEREST INCOME			
Service charges on deposit accounts	79	75	75
Gain on sale of loans	-	-	-
Gain (loss) on sale of other real estate owned	-	-	-
Gain (loss) on sale of securities	-	-	-
Other non-interest income	290	299	281
Total non-interest income	369	374	356
OPERATING EXPENSES			
Salaries and benefits	1,823	1,688	1,801
Premises and fixed assets	242	249	267
Other	1,468	1,290	1,134
Total operating expenses	3,533	3,227	3,202
Income (loss) before income taxes	1,795	2,317	1,894
Income taxes (benefit)	522	508	500
NET (LOSS) INCOME	\$ 1,273	\$ 1,809	\$ 1,394
EARNINGS (LOSS) PER SHARE			
Basic earnings (loss) per share	\$ 0.84	\$ 1.21	\$ 0.94
Diluted earnings (loss) per share	\$ 0.82	\$ 1.18	\$ 0.91
Average common shares outstanding	1,510,980	1,493,798	1,484,318
Average common and equivalent shares outstanding	1,545,640	1,527,533	1,529,931
PERFORMANCE MEASURES			
Return on average assets	0.78%	1.08%	0.86%
Return on average equity	11.58%	17.28%	12.69%
Tax-equivalent net interest margin	3.27%	3.23%	3.18%
Efficiency ratio	65.58%	58.21%	61.10%