UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED SEPTEMBER 30, 2026**

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15 (D) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE TRANSITION PERIOD FROM _____ TO _____**

COMMISSION FILE NUMBER: 000-49883

PLUMAS BANCORP

(Exact Name of Registrant as Specified in Its Charter)

California	**75-2987096**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
5525 Kietzke Lane, Suite 100, Reno, Nevada	**89511**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's Telephone Number, Including Area Code **(775) 786-0907**

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule12b-2 of the Exchange Act:

Large Accelerated Filer ☐ Accelerated Filer ☐ Non-Accelerated Filer ☒ Smaller Reporting Company ☒ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class:	**Trading Symbol**	**Name of Each Exchange on which Registered:**
Common Stock, no par value	PLBC	The NASDAQ Stock Market LLC

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of October 29, 2026: 6,940,874 shares.

PART I – FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

PLUMAS BANCORP AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)
($ in thousands, except share data)

	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 114,360	$ 80,616
Investment securities available-for-sale, net of allowance for credit losses of $0 at September 30, 2026 and December 31, 2025	475,168	476,595
Loans, less allowance for credit losses of $19,742 at September 30, 2026 and $19,959 at December 31, 2025	1,479,755	1,495,834
Premises and equipment, net	23,436	24,398
Right-of-use assets	27,549	28,860
Bank owned life insurance	34,479	33,659
Core deposit intangible	9,402	11,101
Goodwill	24,215	24,215
Accrued interest receivable and other assets	77,932	63,245
Total assets	$ 2,266,296	$ 2,238,523
Liabilities and Shareholders' Equity		
Deposits:		
Non-interest bearing	$ 859,713	$ 848,986
Interest bearing	1,006,930	960,618
Total deposits	1,866,643	1,809,604
Repurchase agreements	62,191	97,855
Lease liabilities	28,063	29,029
Accrued interest payable and other liabilities	30,903	19,946
Borrowings	16,045	21,013
Total liabilities	2,003,845	1,977,447
Commitments and contingencies (Note 5)		
Shareholders' equity:		
Common stock, no par value; 22,500,000 shares authorized; issued and outstanding – 6,943,507 shares at September 30, 2026 and 6,958,814 at December 31, 2025	73,604	75,668
Retained earnings	220,103	195,899
Accumulated other comprehensive loss, net	(31,256)	(10,491)
Total shareholders' equity	262,451	261,076
Total liabilities and shareholders' equity	$ 2,266,296	$ 2,238,523

See notes to unaudited condensed consolidated financial statements.

PLUMAS BANCORP AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)
($ in thousands, except per share data)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Interest Income:				
Interest and fees on loans	$ 24,830	$ 23,635	$ 73,563	$ 54,643
Interest on investment securities	5,217	4,934	15,204	13,948
Other	1,004	1,228	2,010	2,429
Total interest income	31,051	29,797	90,777	71,020
Interest Expense:				
Interest on deposits	4,081	3,884	11,573	8,064
Interest on borrowings	177	422	550	713
Other	252	317	968	347
Total interest expense	4,510	4,623	13,091	9,124
Net interest income before provision for credit losses	26,541	25,174	77,686	61,896
Provision for Credit Losses	150	5,373	420	6,483
Net interest income after provision for credit losses	26,391	19,801	77,266	55,413
Non-Interest Income:				
Interchange revenue	927	912	2,639	2,386
Service charges	802	816	2,400	2,303
Other	1,057	520	3,496	3,133
Total non-interest income	2,786	2,248	8,535	7,822
Non-Interest Expenses:				
Salaries and employee benefits	7,640	7,418	22,890	18,851
Occupancy and equipment	2,743	2,471	8,065	6,535
Other	4,762	5,245	13,981	12,226
Total non-interest expenses	15,145	15,134	44,936	37,612
Income before provision for income taxes	14,032	6,915	40,865	25,623
Provision for Income Taxes	2,646	1,769	9,757	6,977
Net income	$ 11,386	$ 5,146	$ 31,108	$ 18,646
Basic earnings per share	$ 1.64	$ 0.74	$ 4.46	$ 2.98
Diluted earnings per share	$ 1.61	$ 0.73	$ 4.40	$ 2.94

See notes to unaudited condensed consolidated financial statements.

PLUMAS BANCORP AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)
($ in thousands)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Net income	$ 11,386	$ 5,146	$ 31,108	$ 18,646
Other comprehensive income:				
Change in net unrealized loss on securities	(25,090)	5,316	(29,478)	11,662
Change in fair value hedge	-	254	-	254
Less: reclassification adjustments for net loss included in net income	-	374	-	371
Net unrealized holding gain	(25,090)	5,944	(29,478)	12,287
Related tax effect:				
Change in net unrealized loss on securities	7,416	(1,571)	8,713	(3,448)
Change in fair value hedge	-	(75)	-	(75)
Reclassification of net loss is included in net income	-	(111)	-	(110)
Income tax effect	7,416	(1,757)	8,713	(3,633)
Other comprehensive (loss) income	(17,674)	4,187	(20,765)	8,654
Total comprehensive (loss) income	$ (6,288)	$ 9,333	$ 10,343	$ 27,300

See notes to unaudited condensed consolidated financial statements.

PLUMAS BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(Unaudited)
($ in thousands, except shares)

	Common Stock		Retained	Accumulated Other Comprehensive Loss	Total Shareholders'
	Shares	Amount	Earnings	(Net of Taxes)	Equity
Balance, December 31, 2024	5,903,368	$ 29,043	$ 174,002	$ (25,145)	$ 177,900
Net Income	-	-	18,646	-	18,646
Other comprehensive income	-	-	-	8,654	8,654
Cash dividends on common stock ($0.90 per share)	-	-	(5,633)	-	(5,633)
Issuance of Common Stock	1,003,718	44,625	-	-	44,625
Vesting of stock options assumed in merger	-	552	-	-	552
Vesting of restricted stock units	3,033	-	-	-	-
Exercise of stock options	41,945	936	-	-	936
Stock-based compensation expense	-	270	-	-	270
Balance, September 30, 2025	6,952,064	$ 75,426	$ 187,015	$ (16,491)	$ 245,950
Balance, December 31, 2025	6,958,814	$ 75,668	$ 195,899	$ (10,491)	$ 261,076
Net Income	-	-	31,108	-	31,108
Other comprehensive loss	-	-	-	(20,765)	(20,765)
Cash dividends on common stock ($0.99 per share)	-	-	(6,904)	-	(6,904)
Repurchase of Common Stock	(79,589)	(4,211)	-	-	(4,211)
Exercise of stock options	64,282	1,569	-	-	1,569
Stock-based compensation expense	-	578	-	-	578
Balance, September 30, 2026	6,943,507	$ 73,604	$ 220,103	$ (31,256)	$ 262,451

	Common Stock		Retained	Accumulated Other Comprehensive Loss	Total Shareholders'
	Shares	Amount	Earnings	(Net of Taxes)	Equity
Balance, June 30, 2025	5,933,706	$ 29,803	$ 183,954	$ (20,678)	$ 193,079
Net Income	-	-	5,146	-	5,146
Other comprehensive income	-	-	-	4,187	4,187
Cash dividends on common stock ($0.30 per share)	-	-	(2,085)	-	(2,085)
Issuance of Common Stock	1,003,718	44,625			44,625
Vesting of stock options assumed in merger	-	552			552
Exercise of stock options	14,640	353	-	-	353
Stock-based compensation expense	-	93	-	-	93
Balance, September 30, 2025	6,952,064	$ 75,426	$ 187,015	$ (16,491)	$ 245,950
Balance, June 30, 2026	6,963,616	$ 74,702	$ 211,013	$ (13,582)	$ 272,133
Net Income	-	-	11,386	-	11,386
Other comprehensive loss	-	-	-	(17,674)	(17,674)
Cash dividends on common stock ($0.33 per share)	-	-	(2,296)	-	(2,296)
Repurchase of Common Stock	(23,589)	(1,428)	-	-	(1,428)
Exercise of stock options	3,480	81	-	-	81
Stock-based compensation expense	-	249	-	-	249
Balance, September 30, 2026	6,943,507	$ 73,604	$ 220,103	$ (31,256)	$ 262,451

See notes to unaudited condensed consolidated financial statements.

PLUMAS BANCORP AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
($ in thousands)

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash Flows from Operating Activities:		
Net income	$ 31,108	$ 18,646
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses	420	6,483
Provision for Other Real Estate Owned (OREO) losses	-	27
Change in deferred loan origination costs/fees, net	(215)	(339)
Depreciation and amortization of premises and equipment	1,353	1,786
Stock-based compensation expense	578	270
Amortization of discount on subordinated debentures	32	84
Amortization of core deposit intangible	1,699	571
Accretion of premium on time deposits	(83)	(651)
Amortization of investment security premiums	439	538
Accretion of investment security discounts	(975)	(950)
Net loss on sale of investment securities	-	371
Loans originated for sale	-	(865)
Accretion of discount on loans	(2,799)	(455)
Gain on sale of other real estate	(104)	-
Loss on sale of other vehicles	15	43
Earnings on bank-owned life insurance	(820)	(478)
Increase in accrued interest receivable and other assets	(4,742)	(7,117)
Increase (decrease) in accrued interest payable and other liabilities	9,920	(2,792)
Net cash provided by operating activities	35,826	15,172
Cash Flows from Investing Activities:		
Proceeds from principal repayments from available-for-sale securities	33,986	31,765
Proceeds from matured and called available-for-sale securities	1,050	870
Proceeds from sale of available-for-sale securities	-	88,009
Purchases of available-for-sale securities	(62,551)	(67,454)
Purchase of Federal Reserve Bank stock	(5)	(998)
Net decrease (increase) in loans	18,651	(17,438)
Cash acquired in acquisition, net of consideration paid	-	35,777
Proceeds from sale of other real estate	196	-
Proceeds from sale of other vehicles	71	266
Purchase of premises and equipment	(391)	(1,005)
Net cash provided by (used in) investing activities	(8,993)	69,792

Continued on next page.

PLUMAS BANCORP AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)
($ in thousands)
(Continued)

	For the Nine Months Ended September 30,	
	2026	**2025**
Cash Flows from Financing Activities:		
Net increase (decrease) in demand, interest bearing and savings deposits	$ 30,892	$ (116,608)
Net increase (decrease) in time deposits	26,229	(15,188)
Net (decrease) increase in securities sold under agreements to repurchase	(35,664)	71,790
Cash dividends paid on common stock	(6,904)	(5,633)
Repayments on other borrowings	(5,000)	(15,000)
Repurchase of common stock	(4,211)	-
Proceeds from exercise of stock options	1,569	936
Net cash provided by (used in) financing activities	6,911	(79,703)
Increase in cash and cash equivalents	33,744	5,261
Cash and Cash Equivalents at Beginning of Period	80,616	82,018
Cash and Cash Equivalents at End of Period	$ 114,360	$ 87,279
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the period for:		
Interest expense	$ 13,416	$ 9,784
Income taxes	$ 4,145	$ 8,595
Supplemental Noncash Disclosures		
Real estate and vehicles acquired through foreclosure/repossession	$ 92	$ 274
Common stock retired in connection with the exercise of stock options	$ 91	$ 86
Lease liabilities arising from obtaining right-of-use assets	$ -	$ 303
Assets acquired in acquisition plus goodwill recognized	$ -	$ 659,348
Liabilities assumed in acquisition	$ -	$ 616,745
Common stock issued in acquisition	$ -	$ 45,177

See notes to unaudited condensed consolidated financial statements.

1. THE BUSINESS OF PLUMAS BANCORP

During 2002, Plumas Bancorp (the "Company") was incorporated as a bank holding company for the purpose of acquiring Plumas Bank (the "Bank") in a one bank holding company reorganization. This corporate structure gives the Company and the Bank greater flexibility in terms of operation, expansion and diversification. Plumas Bancorp's Principal Executive Office is located in Reno, Nevada.

As of September 30, 2026, the Bank operates a total of eighteen branches, including sixteen branches in California and two branches in Nevada. The Bank's California branches are located in Alturas, Anderson, Chester, Chico, Fall River Mills, Greenville, Kings Beach, Portola, Quincy, Redding (2 branches), Red Bluff, Susanville, Tahoe City, Truckee and Yuba City. The Bank's Nevada branches are located in Reno and Carson City. In addition, the Bank operates a lending office specializing in government-guaranteed lending in Auburn, California. The Bank's primary source of revenue is generated from providing loans to customers who are predominately small and middle market businesses and individuals residing in the surrounding areas. The Bank's administrative headquarters are in Quincy, California.

On July 1, 2025, the Company completed its acquisition of Cornerstone Community Bancorp ("Cornerstone"), which increased its branch network in California by four branches: one in Anderson, one in Red Bluff and two in Redding. On September 30, 2026, the Bank closed its legacy Plumas Bank branch in Redding, California.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidation and Basis of Presentation

The consolidated financial statements include the accounts of the Company and the consolidated accounts of its wholly-owned subsidiary, Plumas Bank. All significant intercompany balances and transactions have been eliminated.

The accounting and reporting policies of Plumas Bancorp and subsidiary conform with accounting principles generally accepted in the United States of America ("GAAP") and prevailing practices within the banking industry. In the opinion of management, the unaudited condensed consolidated financial statements contain all adjustments (consisting of only normal recurring adjustments) necessary to present fairly the Company's financial position at September 30, 2026 and the results of its operations and its cash flows for the three and nine-month periods. Our condensed consolidated balance sheet at December 31, 2025 is derived from audited financial statements.

The unaudited condensed consolidated financial statements of the Company have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC") for interim reporting on Form 10-Q. Accordingly, certain disclosures normally presented in the notes to the annual consolidated financial statements prepared in accordance with GAAP have been omitted. The Company believes that the disclosures are adequate to make the information not misleading. These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's 2025 Annual Report to Shareholders on Form 10-K. The results of operations for the three and nine-month periods ended September 30, 2026, may not necessarily be indicative of future operating results. In preparing such financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheet and revenues and expenses for the periods reported. Actual results could differ significantly from those estimates.

Allowance for Credit Losses

During the second quarter of 2026, the Company completed its annual review of the allowance for credit losses methodology and refined certain assumptions and model inputs used in estimating expected credit losses within its existing CECL framework. The refinements included updates to the reasonable and supportable forecast period, which was extended from four quarters to eight quarters, and certain model inputs. The Company continues to use a discounted cash flow methodology for collectively evaluated loans and continues to evaluate loans that do not share similar risk characteristics on an individual basis.

Reclassifications

Certain reclassifications have been made to prior years' balances to conform to the classifications used in 2025. These reclassifications had no impact on the Company's consolidated financial position, results of operations or net change in cash and cash equivalents.

Segment Information

An operating segment is generally defined as a component of business for which discrete financial information is available and whose operating results are regularly reviewed by the chief operating decision maker. As a community-oriented financial institution, substantially all of the Company's operations involve the delivery of loan and deposit products to customers.

The chief operating decision maker makes operating decisions and assesses performance based on an ongoing review of the Company's community banking activities, which constitutes the Company's only operating segment for financial reporting purposes. The Company's single reportable segment is determined by the Chief Financial Officer, who is the designated chief operating decision maker, based upon information provided about the Company's products and services offered, primarily banking operations. The segment is also distinguished by the level of information provided to the chief operating decision maker, who uses such information to review performance of various components of the business such as branches and departments, which are then aggregated if operating performance, products/services, and customers are similar. The chief operating decision maker will evaluate the financial performance of the Company's business components such as by evaluating revenue streams, significant expenses, and budget to actual results in assessing the Company's segment and in the determination of allocating resources. The chief operating decision maker uses revenue streams to evaluate product pricing and significant expenses to assess performance and evaluate return on assets. The chief operating decision maker uses consolidated net income to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring of budget to actual results are used in assessment performance and in establishing compensation. Loans, investments, and deposits provide the revenues in the banking operation. Interest expense, provisions for credit losses, and payroll provide the significant expenses in the banking operation. The consolidated expense information is the same as is reported on the income statement as consolidated net income. The measure of segment assets is reported on the balance sheet as total consolidated assets. All operations are domestic.

3. INVESTMENT SECURITIES AVAILABLE-FOR-SALE

The amortized cost and estimated fair value of investment securities at September 30, 2026 and December 31, 2025 consisted of the following, in thousands:

($ in thousands)	September 30, 2026			
Available-for-Sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities:				
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	$ 264,595	$ 3	$ (17,946)	$ 246,652
U.S. Government- sponsored agencies collateralized by mortgage obligations - commercial	163,072	-	(15,865)	147,207
Obligations of states and political subdivisions	91,873	2	(10,566)	81,309
	$ 519,540	$ 5	$ (44,377)	$ 475,168

Unrealized losses on available-for-sale investment securities totaling $44,372,000 were recorded, net of $13,116,000 in tax benefit, as accumulated other comprehensive loss within shareholders' equity at September 30, 2026. No investment securities were sold during the nine months ended September 30, 2026. During the nine months ended September 30, 2025, the Company sold 90 available-for-sale investment securities for proceeds of $88,009,000, recognizing a $625,000 loss on sale. The loss was partially offset by a gain of $254,000 on the termination of a fair value hedge. The Company realized a gain on sale from 15 of these securities totaling $36,000 and a loss on sale of 75 securities totaling $661,000.

($ in thousands)	December 31, 2025			
Available-for-Sale	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities:				
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	$ 257,520	$ 2,709	$ (7,064)	$ 253,165
U.S. Government- sponsored agencies collateralized by mortgage obligations - commercial	141,861	1,245	(8,342)	134,764
Obligations of states and political subdivisions	92,109	1,038	(4,481)	88,666
	$ 491,490	$ 4,992	$ (19,887)	$ 476,595

Unrealized losses on available-for-sale investment securities totaling $14,895,000 were recorded, net of $4,404,000 in tax benefits, as accumulated other comprehensive loss within shareholders' equity at December 31, 2025. During the twelve months ended December 31, 2025, the Company sold 135 available-for-sale investment securities for proceeds of $130,635,000 recognizing a $6,065,000 net loss on sale. The loss was partially offset by a gain of $254,000 on the termination of a fair value hedge. The Company realized a gain on sale from 15 of these securities totaling $36,000 and a loss on sale of 120 securities totaling $6,101,000.

There were no transfers of available-for-sale investment securities during the nine months ended September 30, 2026 and December 31, 2025. There were no securities classified as held-to-maturity at September 30, 2026 or December 31, 2025.

Investment securities with unrealized losses at September 30, 2026 and December 31, 2025 are summarized and classified according to the duration of the loss period as follows:

($ in thousands)	Less than 12 Months		12 Months or More		Total	
September 30, 2026	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:						
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	$ 189,335	$ 8,441	$ 49,482	$ 9,505	$ 238,817	$ 17,946
U.S. Government- sponsored agencies collateralized by mortgage obligations - commercial	100,447	4,838	46,760	11,027	147,207	15,865
Obligations of states and political subdivisions	55,403	3,046	24,889	7,520	80,292	10,566
	$ 345,185	$ 16,325	$ 121,131	$ 28,052	$ 466,316	$ 44,377

($ in thousands)	Less than 12 Months		12 Months or More		Total	
December 31, 2025	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities:						
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	$ 16,496	$ 109	$ 63,328	$ 6,955	$ 79,824	$ 7,064
U.S. Government- sponsored agencies collateralized by mortgage obligations - commercial	6,941	35	51,781	8,307	58,722	8,342
Obligations of states and political subdivisions	2,783	7	35,480	4,474	38,263	4,481
	$ 26,220	$ 151	$ 150,589	$ 19,736	$ 176,809	$ 19,887

At September 30, 2026, the Company held 308 securities of which 196 were in a loss position for less than twelve months and 105 were in a loss position for twelve months or more. Of the 308 securities, 99 are U.S. Government-sponsored agencies collateralized by residential mortgage obligations, 54 were U.S. Government agencies collateralized by commercial mortgage obligations and 155 were obligations of states and political subdivisions. As of September 30, 2026 and December 31, 2025, the Company did not intend to sell, nor was it more-likely-than-not required to sell, any available-for-sale debt securities in an unrealized loss position before recovery of their amortized cost basis. In addition, the Company expects to recover the entire amortized cost basis of these securities, as the unrealized losses are attributable primarily to changes in interest rates, and the issuers of these securities have not, to the Company's knowledge, established any cause for default. Accordingly, there was no allowance for credit losses provided against these securities as of September 30, 2026 and December 31, 2025. In addition, there was no provision for credit losses recognized for the nine months ended September 30, 2026 and 2025.

The amortized cost and estimated fair value of investment in debt securities at September 30, 2026 by contractual maturity are shown below.

($ in thousands)	Amortized Cost	Estimated Fair Value
Within one year	$ 1,805	$ 1,792
After one year through five years	7,350	7,158
After five years through ten years	15,464	14,531
After ten years	67,254	57,828
Investment securities not due at a single maturity date:		
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	264,595	246,652
U.S. Government- sponsored agencies collateralized by mortgage obligations - commercial	163,072	147,207
	$ 519,540	$ 475,168

Expected maturities will differ from contractual maturities as the issuers of the securities may have the right to call or prepay obligations with or without call or prepayment penalties.

Investment securities with amortized costs totaling $439,348,000 and $400,458,000 and estimated fair values totaling $402,325,000 and $388,357,000 at September 30, 2026 and December 31, 2025, respectively, were pledged to secure deposits, repurchase agreements and Federal Reserve Bank Discount Window borrowings. No borrowings were outstanding on September 30, 2026 and December 31, 2025, at the Discount Window.

4. LOANS AND THE ALLOWANCE FOR CREDIT LOSSES

The following table presents the composition of the Company's loans outstanding:

($ in thousands)	September 30, 2026	December 31, 2025
Commercial	$ 159,905	$ 167,851
Agricultural	139,336	157,526
Real estate – residential	31,238	33,116
Real estate – commercial	1,015,901	1,002,627
Real estate – construction and land development	54,411	40,168
Equity lines of credit (Equity LOC)	54,389	53,647
Auto	25,425	39,595
Other	14,940	17,526
Total loans	1,495,545	1,512,056
Deferred loan costs, net	3,952	3,737
Loans, amortized cost basis	1,499,497	1,515,793
Allowance for credit losses	(19,742)	(19,959)
Total net loans	$ 1,479,755	$ 1,495,834

Salaries and employee benefits totaling $826,000 and $951,000 have been deferred as loan origination costs during the three months ended September 30, 2026 and 2025, respectively. Salaries and employee benefits totaling $2,426,000 and $2,173,000 have been deferred as loan origination costs during the nine months ended September 30, 2026 and 2025, respectively.

The Company assigns a risk rating to all loans and periodically, but not less than annually, performs detailed reviews of all criticized and classified loans over $100,000 to identify credit risks and to assess the overall collectability of the portfolio. These risk ratings are also subject to examination by independent specialists engaged by the Company and the Company's regulators. During these internal reviews, management monitors and analyzes the financial condition of borrowers and guarantors, trends in the industries in which borrowers operate and the fair values of collateral securing these loans. These credit quality indicators are used to assign a risk rating to each individual loan.

The risk ratings can be grouped into three major categories, defined as follows:

Special Mention – Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard – A substandard loan is not adequately protected by the current sound worth and paying capacity of the borrower or the value of the collateral pledged, if any. Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. Well defined weaknesses include a project's lack of marketability, inadequate cash flow or collateral support, failure to complete construction on time or the project's failure to fulfill economic expectations. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful – Loans classified doubtful have all the weaknesses inherent in those classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above-described process are considered to be pass-rated loans. Pass-rated loans have sufficient sources of repayment to repay the loan in full, in accordance with all terms and conditions.

For other loans, which are primarily consumer loans and automobile loans the Company evaluates credit quality based on the aging status of the loan and by payment activity. Non-performing loans consist of nonaccrual loans and loans past due 90 days or more and still accruing.

The following table presents the amortized cost basis of the loan portfolio allocated by management's internal risk ratings or payment activity at the dates indicated, in thousands:

	Amortized Cost Basis by Origination Year and Risk Grades As of September 30, 2026								
($ in thousands)	2026	2025	2024	2023	2022	Prior	Revolving Loans Book Amortized Cost Basis	Revolving Loans Converted to Term Amortized Cost Basis	Total - Amortized Cost Basis
Commercial									
Pass	$ 20,658	$ 22,339	$ 25,722	$ 15,177	$ 21,224	$ 16,662	$ 27,846	$ -	$ 149,628
Special Mention	1,862	2,430	-	769	-	50	2,558	-	7,669
Substandard	560	434	-	210	16	1,421	896	-	3,537
Total Commercial loans	$ 23,080	$ 25,203	$ 25,722	$ 16,156	$ 21,240	$ 18,133	$ 31,300	$ -	$ 160,834
Current period gross charge-offs	$ -	$ 101	$ -	$ -	$ 100	$ 2	$ 107	$ -	$ 310
Agricultural									
Pass	$ 5,614	$ 9,072	$ 4,154	$ 13,470	$ 10,730	$ 41,777	$ 21,437	$ -	$ 106,254
Special Mention	-	53	-	1,729	162	5,735	2,431	-	10,110
Substandard	714	492	225	4,243	10,438	5,982	1,151	-	23,245
Total Agricultural	$ 6,328	$ 9,617	$ 4,379	$ 19,442	$ 21,330	$ 53,494	$ 25,019	$ -	$ 139,609
Current period gross charge-offs	$ -	$ -	$ 6	$ -	$ -	$ -	$ -	$ -	$ 6
Real Estate - Residential									
Pass	$ 525	$ 2,269	$ 3,496	$ 1,024	$ 8,004	$ 12,777	$ 1	$ -	$ 28,096
Special Mention	-	592	-	-	1,103	766	-	-	2,461
Substandard	-	-	-	-	-	715	-	-	715
Total Real Estate - Residential	$ 525	$ 2,861	$ 3,496	$ 1,024	$ 9,107	$ 14,258	$ 1	$ -	$ 31,272
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Real Estate - Commercial									
Pass	$ 75,926	$ 131,031	$ 111,457	$ 111,685	$ 152,466	$ 386,725	$ 6,846	$ -	$ 976,136
Special Mention	-	-	361	4,867	4,069	17,413	3,264	-	29,974
Substandard	-	-	-	4,396	415	6,921	-	-	11,732
Total Real Estate -Commercial	$ 75,926	$ 131,031	$ 111,818	$ 120,948	$ 156,950	$ 411,059	$ 10,110	$ -	$ 1,017,842
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Real Estate - Construction									
Pass	$ 22,191	$ 14,387	$ 7,434	$ 4,372	$ 3,306	$ 1,978	$ -	$ -	$ 53,668
Substandard	-	-	-	-	140	46	-	-	186
Total Real Estate -Construction	$ 22,191	$ 14,387	$ 7,434	$ 4,372	$ 3,446	$ 2,024	$ -	$ -	$ 53,854
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Equity LOC									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,841	$ 1,511	$ 54,352
Special Mention	-	-	-	-	-	-	80	-	80
Substandard	-	-	-	-	-	-	856	106	962
Total Equity LOC	$ -	$ -	$ -	$ -	$ -	$ -	$ 53,777	$ 1,617	$ 55,394
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ 75	$ -	$ 75
Total									
Pass	$ 124,914	$ 179,098	$ 152,263	$ 145,728	$ 195,730	$ 459,919	$ 108,971	$ 1,511	$ 1,368,134
Special Mention	1,862	3,075	361	7,365	5,334	23,964	8,333	-	50,294
Substandard	1,274	926	225	8,849	11,009	15,085	2,903	106	40,377
Total	$ 128,050	$ 183,099	$ 152,849	$ 161,942	$ 212,073	$ 498,968	$ 120,207	$ 1,617	$ 1,458,805
Current period gross charge-offs	$ -	$ 101	$ 6	$ -	$ 100	$ 2	$ 182	$ -	$ 391
Auto									
Performing	$ -	$ -	$ -	$ 11,144	$ 9,665	$ 4,189	$ -	$ -	$ 24,998
Non-performing	-	-	-	131	237	286	-	-	654
Total Auto	$ -	$ -	$ -	$ 11,275	$ 9,902	$ 4,475	$ -	$ -	$ 25,652
Current period gross charge-offs	$ -	$ -	$ -	$ 106	$ 166	$ 181	$ -	$ -	$ 453
Other									
Performing	$ 3,357	$ 4,043	$ 4,277	$ 1,334	$ 1,507	$ 45	$ 416	$ -	$ 14,979
Non-performing	-	20	22	19	-	-	-	-	61
Total Other	$ 3,357	$ 4,063	$ 4,299	$ 1,353	$ 1,507	$ 45	$ 416	$ -	$ 15,040
Current period gross charge-offs	$ -	$ 13	$ 5	$ 5	$ 9	$ 4	$ 1	$ -	$ 37
Total									
Performing	$ 3,357	$ 4,043	$ 4,277	$ 12,478	$ 11,172	$ 4,234	$ 416	$ -	$ 39,977
Non-performing	-	20	22	150	237	286	-	-	715
Total	$ 3,357	$ 4,063	$ 4,299	$ 12,628	$ 11,409	$ 4,520	$ 416	$ -	$ 40,692
Total Loans	$ 131,407	$ 187,162	$ 157,148	$ 174,570	$ 223,482	$ 503,488	$ 120,623	$ 1,617	$ 1,499,497
Total gross charge-offs	$ -	$ 114	$ 11	$ 111	$ 275	$ 187	$ 183	$ -	$ 881

Term Loans
Amortized Cost Basis by Origination Year and Risk Grades As of December 31, 2025

($ in thousands)	2025	2024	2023	2022	2021	Prior	Revolving Loans Book Amortized Cost Basis	Revolving Loans Converted to Term Amortized Cost Basis	Total - Amortized Cost Basis
Commercial									
Pass	$ 23,877	$ 30,424	$ 22,262	$ 25,867	$ 11,871	$ 13,150	$ 39,108	$ -	$ 166,559
Special Mention	-	-	-	-	65	-	473	-	538
Substandard	2	-	225	85	754	339	194	-	1,599
Total Commercial loans	$ 23,879	$ 30,424	$ 22,487	$ 25,952	$ 12,690	$ 13,489	$ 39,775	$ -	$ 168,696
Current period gross charge-offs	$ -	$ 114	$ -	$ 51	$ -	$ -	$ 190	$ -	$ 355
Agricultural									
Pass	$ 9,045	$ 6,893	$ 15,988	$ 11,829	$ 13,875	$ 35,349	$ 32,117	$ -	$ 125,096
Special Mention	285	-	419	1,036	806	4,867	3,365	-	10,778
Substandard	1,165	231	4,246	11,236	2,978	1,323	715	-	21,894
Total Agricultural	$ 10,495	$ 7,124	$ 20,653	$ 24,101	$ 17,659	$ 41,539	$ 36,197	$ -	$ 157,768
Current period gross charge-offs	$ -	$ -	$ 11	$ -	$ -	$ -	$ -	$ -	$ 11
Real Estate - Residential									
Pass	$ 2,634	$ 4,189	$ 1,810	$ 9,315	$ 5,825	$ 8,980	$ 11	$ -	$ 32,764
Special Mention	-	-	-	-	-	149	-	-	149
Substandard	-	-	-	-	-	229	-	-	229
Total Real Estate - Residential	$ 2,634	$ 4,189	$ 1,810	$ 9,315	$ 5,825	$ 9,358	$ 11	-	$ 33,142
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Real Estate -Commercial									
Pass	$ 126,156	$ 116,542	$ 128,720	$ 166,246	$ 136,927	$ 309,406	$ 6,368	$ -	$ 990,365
Special Mention	1,183	-	-	238	941	1,756	-	-	4,118
Substandard	-	-	-	368	409	8,684	-	-	9,461
Total Real Estate -Commercial	$ 127,339	$ 116,542	$ 128,720	$ 166,852	$ 138,277	$ 319,846	$ 6,368	$ -	$ 1,003,944
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Real Estate -Construction									
Pass	$ 9,175	$ 12,674	$ 6,240	$ 3,516	$ 1,627	$ 1,069	$ 1,325	$ -	$ 35,626
Special Mention	-	-	4,396	-	-	-	-	-	4,396
Total Real Estate -Construction	$ 9,175	$ 12,674	$ 10,636	$ 3,516	$ 1,627	$ 1,069	$ 1,325	$ -	$ 40,022
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Equity LOC									
Pass	$ -	$ -	$ -	$ -	$ -	$ -	$ 51,149	$ 2,365	$ 53,514
Special Mention	-	-	-	-	-	-	-	93	93
Substandard	-	-	-	-	-	-	887	100	987
Total Equity LOC	$ -	$ -	$ -	$ -	$ -	$ -	$ 52,036	$ 2,558	$ 54,594
Current period gross charge-offs	$ -	$ -	$ -	$ -	$ -	$ -	$ 66	$ -	$ 66
Total									
Pass	$ 170,887	$ 170,722	$ 175,020	$ 216,773	$ 170,125	$ 367,954	$ 130,078	$ 2,365	$ 1,403,924
Special Mention	1,468	-	4,815	1,274	1,812	6,772	3,838	93	20,072
Substandard	1,167	231	4,471	11,689	4,141	10,575	1,796	100	34,170
Total	$ 173,522	$ 170,953	$ 184,306	$ 229,736	$ 176,078	$ 385,301	$ 135,712	$ 2,558	$ 1,458,166
Current period gross charge-offs	$ -	$ 114	$ 11	$ 51	$ -	$ -	$ 256	$ -	$ 432
Auto									
Performing	$ -	$ -	$ 15,923	$ 14,577	$ 5,613	$ 3,161	$ -	$ -	$ 39,274
Non-performing	-	-	191	159	233	163	-	-	746
Total Auto	$ -	$ -	$ 16,114	$ 14,736	$ 5,846	$ 3,324	$ -	$ -	$ 40,020
Current period gross charge-offs	$ -	$ -	$ 107	$ 219	$ 41	$ 161	$ -	$ -	$ 528
Other									
Performing	$ 5,854	$ 6,203	$ 1,981	$ 2,962	$ 122	$ 24	$ 440	$ -	$ 17,586
Non-performing	-	21	-	-	-	-	-	-	21
Total Other	$ 5,854	$ 6,224	$ 1,981	$ 2,962	$ 122	$ 24	$ 440	$ -	$ 17,607
Current period gross charge-offs	$ -	$ 39	$ 46	$ 41	$ 2	$ 7	$ -	$ -	$ 135
Total									
Performing	$ 5,854	$ 6,203	$ 17,904	$ 17,539	$ 5,735	$ 3,185	$ 440	$ -	$ 56,860
Non-performing	-	21	191	159	233	163	-	-	767
Total	$ 5,854	$ 6,224	$ 18,095	$ 17,698	$ 5,968	$ 3,348	$ 440	$ -	$ 57,627
Total Loans	$ 179,376	$ 177,177	$ 202,401	$ 247,434	$ 182,046	$ 388,649	$ 136,152	$ 2,558	$ 1,515,793
Total gross charge-offs	$ -	$ 153	$ 164	$ 311	$ 43	$ 168	$ 256	$ -	$ 1,095

The following table shows the ending balance of nonperforming loans by loan category as of the date indicated:

($ in thousands)	Non-Performing Loans					
	September 30, 2026			December 31, 2025		
	Nonaccrual with no allowance for credit losses	Total nonaccrual	Past due 90 days or more and still accruing	Nonaccrual with no allowance for credit losses	Total nonaccrual	Past due 90 days or more and still accruing
Commercial	$ 835	$ 1,026	$ 22	$ 458	$ 611	$ -
Agricultural	7,811	11,970	44	7,157	10,509	-
Real estate – residential	208	208	-	215	215	-
Real estate – commercial	3,947	6,015	-	2,000	2,000	-
Real estate – construction & land development	186	186	-	-	-	-
Equity lines of credit	961	961	-	988	988	-
Auto	654	654	-	745	745	-
Other	42	42	-	21	21	-
Total Gross Loans	$ 14,644	$ 21,062	$ 66	$ 11,584	$ 15,089	$ -

The Company places loans 90 days or more past due on nonaccrual status unless the loan is well-collateralized and in the process of collection. A loan is considered to be in the process of collection if, based on a probable specific event, it is expected that the loan will be repaid or brought current. Generally, this collection period would not exceed 90 days. When a loan is placed on nonaccrual status the Company's general policy is to reverse and charge against current income previously accrued but unpaid interest. Interest income on such loans is subsequently recognized only to the extent that cash is received, and future collection of principal is deemed by management to be probable. Where the collectability of the principal or interest on a loan is considered to be doubtful by management, it is placed on nonaccrual status prior to becoming 90 days delinquent.

No income was recognized on nonaccrual loans accounted on a cash basis during the three and nine months ended September 30, 2026 and 2025. The following tables show interest reversed against interest income for loans placed on nonaccrual status during the three and nine months ended September 30, 2026 and 2025.

Three months ended:

(in thousands)	September 30, 2026	September 30, 2025
Commercial	$ -	$ 17
Agricultural	-	41
Real estate – residential	-	1
Real estate – commercial	-	2
Real estate – construction & land development	4	-
Equity lines of credit	2	3
Auto	2	7
Other	1	-
Total	$ 9	$ 71

Nine months ended:

(in thousands)	September 30, 2026	September 30, 2025
Commercial	$ 49	$ 28
Agricultural	156	381
Real estate – residential	-	1
Real estate – commercial	162	7
Real estate – construction & land development	4	-
Equity lines of credit	15	18
Auto	8	14
Other	2	1
Total	$ 396	$ 450

The following table presents the amortized cost basis of loans at September 30, 2026, that were both experiencing financial difficulty and modified during the three months ended September 30, 2026, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Term Extension	
($ in thousands)	Amortized Cost Basis	Total Class of Financing Receivable
Commercial	$ 753	0.05%
Agricultural	355	0.02%
Real estate – commercial	3,268	0.22%
Real estate - construction & land	3,136	0.21%
Total	$ 7,512	0.50%

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty as of September 30, 2026:

	Weighted-Average Term Extension (in months)
Commercial	12.0
Agricultural	12.0
Real estate – commercial	6.0
Real estate - construction & land	8.0
Total	7.7

The following table presents the amortized cost basis of loans at September 30, 2026, that were both experiencing financial difficulty and modified during the nine months ended September 30, 2026, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Term Extension	
($ in thousands)	Amortized Cost Basis	Total Class of Financing Receivable
Commercial	$ 1,580	0.11%
Agricultural	355	0.02%
Real estate – commercial	3,806	0.25%
Real estate - construction & land	3,136	0.21%
Total	$ 8,877	0.59%

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty as of September 30, 2026:

	Weighted-Average Term Extension (in months)
Commercial	8.9
Agricultural	12.0
Real estate – commercial	17.0
Real estate - construction & land	8.0
Total	12.2

The following table presents the amortized cost basis of loans at September 30, 2025, that were both experiencing financial difficulty and modified during the three months ended September 30, 2025, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Term Extension	
($ in thousands)	Amortized Cost Basis	Total Class of Financing Receivable
Agricultural	2,232	1.45%
Real estate – commercial	76	0.01%
Total	$ 2,308	0.15%

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty as of September 30, 2025:

	Weighted-Average Term Extension (in months)
Agricultural	5.0
Real estate – commercial	24.0
Total	5.6

The following table presents the amortized cost basis of loans at September 30, 2025, that were both experiencing financial difficulty and modified during the nine months ended September 30, 2025, by class and by type of modification. The percentage of the amortized cost basis of loans that were modified to borrowers in financial distress as compared to the amortized cost basis of each class of financing receivable is also presented below.

	Term Extension	
($ in thousands)	Amortized Cost Basis	Total Class of Financing Receivable
Agricultural	$ 7,105	4.60%
Real estate – commercial	848	0.09%
Total	$ 7,953	0.53%

The following table presents the financial effect of the loan modifications presented above to borrowers experiencing financial difficulty as of September 30, 2025:

	Weighted-Average Term Extension (in months)
Agricultural	5.3
Real estate – commercial	4.9
Total	5.3

A modified loan may become delinquent and may result in a payment default (generally 90 days past due) subsequent to modification. The Company also monitors the performance of loans modified for borrowers experiencing financial difficulty to assess the effectiveness of its modification efforts. All loans modified for borrowers experiencing financial difficulty within the previous twelve months were performing in accordance with their modified terms during the nine months ended September 30, 2026. Loans with payment defaults by borrowers experiencing financial difficulty during the nine months ended September 30, 2025, which had material modifications in rate, term or principal forgiveness during the twelve months prior to default consisted of $9.1 million in agricultural loans.

The following tables show the allocation of the allowance for credit losses at the dates indicated, in thousands:

Nine Months Ended September 30, 2026:	Commercial	Agricultural	Real Estate-Residential	Real Estate-Commercial	Real Estate-Construction	Equity LOC	Auto	Other	Total
Allowance for credit losses									
Beginning balance	$ 3,246	$ 3,973	$ 258	$ 10,605	$ 514	$ 502	$ 591	$ 270	$ 19,959
Charge-offs	(310)	(6)	-	-	-	(75)	(453)	(37)	(881)
Recoveries	67	-	-	-	-	-	227	20	314
Provision for (recovery of) credit losses	15	895	(45)	(298)	(222)	42	7	(44)	350
Ending balance	$ 3,018	$ 4,862	$ 213	$ 10,307	$ 292	$ 469	$ 372	$ 209	$ 19,742
Three Months Ended September 30, 2026:									
Allowance for credit losses									
Beginning balance	$ 3,117	$ 4,525	$ 216	$ 10,401	$ 360	$ 475	$ 434	$ 212	$ 19,740
Charge-offs	(108)	-	-	-	-	-	(100)	(10)	(218)
Recoveries	15	-	-	-	-	-	50	5	70
Provision for (recovery of) credit losses	(6)	337	(3)	(94)	(68)	(6)	(12)	2	150
Ending balance	$ 3,018	$ 4,862	$ 213	$ 10,307	$ 292	$ 469	$ 372	$ 209	$ 19,742
Nine Months Ended September 30, 2025:									
Allowance for credit losses									
Beginning balance	$ 1,265	$ 1,802	$ 102	$ 7,459	$ 815	$ 460	$ 1,215	$ 78	$ 13,196
Charge-offs	(190)	(11)	-	-	-	(19)	(408)	(102)	(730)
Recoveries	22	-	49	-	-	-	430	10	511
Initial allowance on acquired PCD loans	58	31		226	-	-	-	-	315
Provision for (recovery of) credit losses	1,321	1,434	114	3,394	(89)	159	(398)	337	6,272
Ending balance	$ 2,476	$ 3,256	$ 265	$ 11,079	$ 726	$ 600	$ 839	$ 323	$ 19,564
Three Months Ended September 30, 2025:									
Allowance for credit losses									
Beginning balance	$ 1,397	$ 2,657	$ 110	$ 7,742	$ 694	$ 562	$ 955	$ 92	$ 14,209
Charge-offs	(25)	-	-	-	-	(19)	(157)	(23)	(224)
Recoveries	11	-	47	-	-	-	80	3	141
Initial allowance on acquired PCD loans	58	31	-	226	-	-	-	-	315
Provision for (recovery of) credit losses	1,035	568	108	3,111	32	57	(39)	251	5,123
Ending balance	$ 2,476	$ 3,256	$ 265	$ 11,079	$ 726	$ 600	$ 839	$ 323	$ 19,564

The following tables summarize the activity in the reserve for unfunded commitments, which is recorded on the balance sheet within other liabilities, for the three and nine months ended September 30, 2026 and 2025.

Three months ended:

(in thousands)	September 30, 2026	September 30, 2025
Beginning balance	$ 650	$ 580
Provision on acquired loan commitments	-	351
Provision for credit losses	-	(100)
Ending balance	$ 650	$ 831

Nine months ended:

(in thousands)	September 30, 2026	September 30, 2025
Beginning balance	$ 580	$ 620
Provision on acquired loan commitments	-	351
Provision for credit losses	70	(140)
Ending balance	$ 650	$ 831

The following tables show an aging analysis of the loan portfolio by the time past due:

($ in thousands) September 30, 2026	30-59 Days Past Due	60-89 Days Past Due	90 Days and Still Accruing	Nonaccrual	Total Past Due and Nonaccrual	Current	Total
Commercial	$ 1,299	$ 645	$ 22	$ 1,026	$ 2,992	$ 157,842	$ 160,834
Agricultural	-	3,129	45	11,970	15,144	124,465	139,609
Real estate – residential	-	13	-	208	221	31,051	31,272
Real estate – commercial	1,574	-	-	6,015	7,589	1,010,253	1,017,842
Real estate - construction & land	-	2,109	-	186	2,295	51,559	53,854
Equity Lines of Credit	842	486	-	961	2,289	53,105	55,394
Auto	644	40	-	654	1,338	24,314	25,652
Other	109	-	-	42	151	14,889	15,040
Total	$ 4,468	$ 6,422	$ 67	$ 21,062	$ 32,019	$ 1,467,478	$ 1,499,497

($ in thousands) December 31, 2025	30-59 Days Past Due	60-89 Days Past Due	90 Days and Still Accruing	Nonaccrual	Total Past Due and Nonaccrual	Current	Total
Commercial	$ 2,809	$ 572	$ -	$ 611	$ 3,992	$ 164,704	$ 168,696
Agricultural	395	-	-	10,509	10,904	146,864	157,768
Real estate – residential	15	-	-	215	230	32,912	33,142
Real estate - commercial	1,160	-	-	2,000	3,160	1,000,784	1,003,944
Real estate - construction & land	1,466	-	-	-	1,466	38,556	40,022
Equity Lines of Credit	835	191	-	988	2,014	52,580	54,594
Auto	943	159	-	745	1,847	38,173	40,020
Other	45	1	-	21	67	17,540	17,607
Total	$ 7,668	$ 923	$ -	$ 15,089	$ 23,680	$ 1,492,113	$ 1,515,793

The following tables present the amortized cost basis of collateral dependent loans by class of loans at September 30, 2026:

($ in thousands)	Equipment	Crops	Livestock	Farmland	Commercial -1st Deed	SFR-1st Deed	SFR-2nd Deed	Other	Total
Commercial	$ 225	$ -	$ -	$ -	$ -	$ -	$ 287	$ 532	$ 1,044
Agricultural	109	4,471	225	648	2,241	4,171	-	-	11,865
Real estate – residential	-	-	-	-	-	145	-	-	145
Real estate – commercial	-	-	-	-	5,628	-	-	27	5,655
Real estate – construction & land	-	-	-	-	-	-	-	140	140
Equity Lines of Credit	-	-	-	-	-	102	216	-	318
Total	$ 334	$ 4,471	$ 225	$ 648	$ 7,869	$ 4,418	$ 503	$ 699	$ 19,167

The following tables present the amortized cost basis of collateral dependent loans by class of loans at December 31, 2025:

($ in thousands)	Equipment	Crops	Livestock	Farmland	Commercial -1st Deed	SFR-1st Deed	SFR-2nd Deed	SFR-3rd Deed	Total
Commercial	$ 111	$ -	$ -	$ -	$ -	$ 161	$ -	$ -	$ 272
Agricultural	-	4,873	225	2,749	2,241	311	-	-	10,399
Real estate – residential	-	-	-	-	-	145	-	-	145
Real estate – commercial	-	-	-	-	1,399	245	112	37	1,793
Equity Lines of Credit	-	-	-	-	-		398	-	398
Total	$ 111	$ 4,873	$ 225	$ 2,749	$ 3,640	$ 862	$ 510	$ 37	$ 13,007

Other Real Estate Owned

Other real estate owned relates to real estate acquired in full or partial settlement of loan obligations. Other real estate owned totaled $135,000 at September 30, 2026 and consisted of one single family residential real estate (SFR) property, compared to $226,000 at December 31, 2025, which consisted of two SFR properties. During the nine months ended September 30, 2026, the Company sold one property, recognizing a gain of $104,000.

There was one agricultural loan with a balance of $2,000,000 secured by equipment, farmland and a small residential real estate property for which formal foreclosure proceedings were in process at September 30, 2026 and December 31, 2025.

5. COMMITMENTS AND CONTINGENCIES

The Company is party to claims and legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, the amount of ultimate liability with respect to such proceedings will not have a material adverse effect on the financial condition or result of operations of the Company taken as a whole. In the normal course of business, there are various outstanding commitments to extend credit, which are not reflected in the financial statements, including loan commitments of $234 million and $249 million at September 30, 2026 and December 31, 2025, respectively.

Of the loan commitments outstanding at September 30, 2026, $30 million are real estate construction loan commitments that are expected to fund within the next twelve months. The remaining commitments primarily relate to revolving lines of credit or other commercial loans, and many of these are expected to expire without being drawn upon. Therefore, the total commitments do not necessarily represent future cash requirements. Each loan commitment and the amount and type of collateral obtained, if any, are evaluated on an individual basis. Collateral held varies, but may include real property, bank deposits, debt or equity securities or business assets. The reserve for unfunded commitments at September 30, 2026 and December 31, 2025 totaled $650 thousand and $580 thousand, respectively.

Stand-by letters of credit are conditional commitments written to guarantee the performance of a customer to a third party. These guarantees are primarily related to the purchases of inventory by commercial customers and are typically short-term in nature. Credit risk is similar to that involved in extending loan commitments to customers and accordingly, evaluation and collateral requirements similar to those for loan commitments are used. Stand-by letters of credit totaled $7.0 million and $1.6 million on September 30, 2026 and December 31, 2025, respectively.

6. EARNINGS PER SHARE

Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options, result in the issuance of common stock which shares in the earnings of the Company. The treasury stock method has been applied to determine the dilutive effect of stock options in computing diluted earnings per share.

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
($ in thousands, except per share data)	2026	2025	2026	2025
Net Income:				
Net income	$ 11,386	$ 5,146	$ 31,108	$ 18,646
Earnings Per Share:				
Basic earnings per share	$ 1.64	$ 0.74	$ 4.46	$ 2.98
Diluted earnings per share	$ 1.61	$ 0.73	$ 4.40	$ 2.94
Weighted Average Number of Shares Outstanding:				
Basic shares	6,954	6,947	6,968	6,266
Effect of dilutive stock options and restricted stock	114	84	104	87
Diluted shares	7,068	7,031	7,072	6,353

Stock options and RSUs having an antidilutive effect during the three and nine months ended September 30, 2026 totaled 3,997 and 9,902, respectively. There were no stock options or RSUs having an antidilutive effect during the three and nine months ended September 30, 2025.

7. STOCK-BASED COMPENSATION

In May 2022, the Company's shareholders approved the 2022 Equity Incentive Plan (the "2022 Plan"), which provides for the grant of up to 576,550 shares of common stock, including 126,550 shares that remained available for grant under the 2013 Stock Option Plan when the 2022 Plan was adopted. The 2022 Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards. The frequency, amount and terms of stock-based awards may be determined by the Board of Directors or its compensation committee, consistent with the terms and purposes of the 2022 plan.

In May 2013, the Company established the 2013 Stock Option Plan (the "2013 Plan") for which 30,292 shares of common stock are reserved. With the establishment of the Company's 2022 Equity Incentive Plan no further options may be issued under the 2013 Plan, though options previously granted continue to be outstanding and governed by the 2013 Stock Option Plan.

Options granted during the nine months ended September 30, 2026 consisted of 80,500 options granted under the 2022 Plan. Options granted during the nine months ended September 30, 2025 consisted of 30,803 options which were assumed on the acquisition of Cornerstone. The fair value of each option granted in 2026 was estimated on the date of grant using the following assumptions.

	2026	2025
Weighted-average expected life of stock options (in years)	6.0	7.5
Weighted-average risk free interest rate	3.98%	4.50%
Weighted-average annualized volatility	35.8%	34.8%
Weighted-average dividend yields	2.60%	2.70%
Weighted-average fair value of options granted during the nine months ended September 30, 2026	$ 15.96	$ 17.90

A summary of the activity within the 2013 Plan follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Intrinsic Value
Options outstanding at January 1, 2025	131,847	$ 22.58		
Options exercised	(45,505)	22.64		
Options cancelled	(3,200)	22.19		
Options outstanding at December 31, 2025	83,142	$ 22.56		
Options cancelled	(2,400)	$ 24.40		
Options exercised	(50,450)	23.13		
Options outstanding at September 30, 2026	30,292	$ 21.45	1.1	$ 1,205,925
Options exercisable at September 30, 2026	30,292	$ 21.45	1.1	$ 1,205,925

A summary of options activity within the 2022 Plan follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term in Years	Intrinsic Value
Options outstanding at January 1, 2025	210,200	$ 32.55		
Options granted	30,803	31.09		
Options cancelled	(21,980)	32.41		
Options exercised	(5,100)	31.36		
Options outstanding at December 31, 2025	213,923	$ 32.38		
Options granted	80,500	50.30		
Options cancelled	(11,160)	43.67		
Options exercised	(15,577)	31.70		
Options outstanding at September 30, 2026	267,686	$ 37.34	7.1	$ 6,403,476
Options exercisable at September 30, 2026	126,786	$ 31.84	6.1	$ 3,730,050
Options expected to vest after September 30, 2026	140,900	$ 42.29	8.1	$ 2,369,725

As of September 30, 2026, there was $1.5 million in total unrecognized compensation cost related to non-vested stock options under the 2022 plan. That cost is expected to be recognized over a weighted average period of 2.3 years. There were no unrecognized costs remaining under the 2013 plan as of September 30, 2026.

Information related to the stock options plans during the three months ended September 30, 2026 and 2025

	2026	2025
Fair value of options vested	$ 159,000	$ 191,000
Intrinsic value of options exercised	$ 131,000	$ 260,000
Cash received from option exercises	$ 81,000	$ 353,000
Tax benefit from option exercises	$ 8,000	$ 24,000
Compensation cost	$ 138,000	$ 93,000
Tax benefit associated with compensation cost	$ 9,000	$ 5,000

Information related to the stock options plans during the nine months ended September 30, 2026 and 2025

	2026	2025
Fair value of options vested	$ 332,000	$ 384,000
Intrinsic value of options exercised	$ 1,656,000	$ 874,000
Cash received from option exercises	$ 1,569,000	$ 936,000
Tax benefit from option exercises	$ 149,000	$ 43,000
Compensation cost	$ 389,000	$ 256,000
Tax benefit associated with compensation cost	$ 23,000	$ 14,000

During the nine months ended September 30, 2026, the Company granted 35,400 restricted stock units with a weighted-average fair value of $47.07 per share and a weighted-average vesting period of 3 years. Compensation costs related to these units during the three months ended September 30, 2026 and 2025, were $112,000 and $0 respectively. Compensation costs related to these units during the nine months ended September 30, 2026 and 2025, were $188,000 and $14,000 respectively.

8. INCOME TAXES

The Company files its income taxes on a consolidated basis with its subsidiary. Income tax expense is the total of current year income tax due or refundable and the change in deferred tax assets and liabilities.

Deferred tax assets and liabilities are recognized for the tax consequences of temporary differences between the reported amount of assets and liabilities and their tax bases. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. A valuation allowance is recognized if, based on the weight of available evidence, management believes it is more likely than not that some portion or all of the deferred tax assets will not be realized. On the consolidated balance sheet, net deferred tax assets are included in accrued interest receivable and other assets.

When tax returns are filed, it is highly certain that some positions taken would be sustained upon examination by the taxing authorities, while others are subject to uncertainty about the merits of the position taken or the amount of the position that would be ultimately sustained. The benefit of a tax position is recognized in the financial statements in the period during which, based on all available evidence, management believes it is more likely than not that the position will be sustained upon examination, including the resolution of appeals or litigation processes, if any. Tax positions taken are not offset or aggregated with other positions. Tax positions that meet the more-likely-than-not recognition threshold are measured as the largest amount of tax benefit that is more than 50 percent likely of being realized upon settlement with the applicable taxing authority. The portion of the benefits associated with tax positions taken that exceeds the amount measured as described above is reflected as a liability for unrecognized tax benefits in the accompanying balance sheet along with any associated interest and penalties that would be payable to the taxing authorities upon examination.

Interest expense and penalties associated with unrecognized tax benefits, if any, are classified as income tax expense in the consolidated statements of income. There have been no significant changes to unrecognized tax benefits or accrued interest and penalties for the nine months ended September 30, 2026 and 2025.

9. FAIR VALUE MEASUREMENT

FASB ASC 820, "Fair Value Measurement and Disclosures," defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. FASB ASC 820 also establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

The Company measures fair value under the fair value hierarchy described below.

Level 1: Quoted prices for identical instruments traded in active exchange markets.

Level 2: Quoted prices (unadjusted) for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.

Level 3: Model based techniques that use one significant assumption not observable in the market. These unobservable assumptions reflect the Company's estimates of assumptions that market participants would use on pricing the asset or liability. Valuation techniques include management judgment and estimation which may be significant.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the level in the fair value hierarchy within which the fair value measurement in its entirety falls has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability.

Management monitors the availability of observable market data to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

Management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets, total liabilities or total earnings.

Fair Value of Financial Instruments

FASB ASC 825, Financial Instruments, requires disclosure about fair value of financial instruments, including those financial assets and financial liabilities that are not required to be measured and reported at fair value on a recurring or nonrecurring basis. ASC 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented may not necessarily represent the underlying fair value of the Company. The carrying amounts and estimated fair values of the Company's financial instruments are presented in the following tables whether or not recognized on the Consolidated Balance Sheets at fair value.

The carrying amounts and estimated fair values of financial instruments, at September 30, 2026 follows:

($ in thousands)		Fair Value Measurements at September 30, 2026, Using:			
Financial assets:	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Loans, net	$ 1,479,755	$ -	$ -	$ 1,395,655	$ 1,395,655
Financial liabilities:					
Time deposits	236,875	-	230,333	-	230,333
Repurchase agreements	62,191	-	62,191	-	62,191
Borrowings	16,045	-	15,867	-	15,867

The carrying amounts and estimated fair values of financial instruments, at December 31, 2025 follows:

($ in thousands)		Fair Value Measurements at December 31, 2025, Using:			
Financial assets:	Carrying Value	Level 1	Level 2	Level 3	Total Fair Value
Loans, net	$ 1,495,834	$ -	$ -	$ 1,494,830	$ 1,494,830
Financial liabilities:					
Time deposits	210,729	-	209,147	-	209,147
Repurchase agreements	97,855	-	97,855	-	97,855
Borrowings	21,013	-	20,599	-	20,599

The methods and assumptions used to estimate the fair value of each class of financial instruments not measured at fair value are as follows:

Loans - Loans are generally valued by discounting expected cash flows using market inputs with adjustments based on cohort level assumptions for certain loan types as well as internally developed estimates at a business segment level. Due to the significance of the unobservable market inputs and assumptions, as well as the absence of a liquid secondary market for most loans, these loans are classified as Level 3. Nonaccrual loans are written down and reported at their estimated recovery value which approximates their fair value and classified as Level 3.

Time Deposits - The fair value of time deposits was estimated based on a discounted cash flow technique using Level 2 inputs appropriate to the contractual maturity.

Repurchase agreements - The fair value of the repurchase agreement is based on Level 2 inputs. The primary inputs used in the valuation include the market interest rate and the credit quality of the underlying securities.

Borrowings - The cash flows were calculated using the contractual features of the borrowing and then discounted using observable market rates.

Because no market exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding current economic conditions, risk characteristics of various financial instruments and other factors. Those estimates that are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision are included in Level 3. Changes in assumptions could significantly affect the fair values presented.

These estimates do not reflect any premium or discount that could result from offering the Company's entire holdings of a particular financial instrument for sale at one time, nor do they attempt to estimate the value of anticipated future business related to the instruments. In addition, the tax ramifications related to the realization of unrealized gains and losses can have a significant effect on fair value estimates and have not been considered in any of these estimates.

The following tables present information about the Company's assets and liabilities measured at fair value on a recurring and non-recurring basis as of September 30, 2026 and December 31, 2025, and indicate the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

Assets and liabilities measured at fair value on a recurring basis at September 30, 2026 are summarized below, in thousands:

		Fair Value Measurements at September 30, 2026 Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
U.S. Government-sponsored agencies collateralized by mortgage obligations-residential	$ 246,652	$ -	$ 246,652	$ -
U.S. Government agencies collateralized by mortgage obligations-commercial	147,207	-	147,207	-
Obligations of states and political subdivisions	81,309	-	81,309	-
	$ 475,168	$ -	$ 475,168	$ -

Assets and liabilities measured at fair value on a recurring basis at December 31, 2025 are summarized below:

($ in thousands)		Fair Value Measurements at December 31, 2025 Using		
	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
U.S. Government-sponsored agencies collateralized by mortgage obligations - residential	$ 253,165	$ -	$ 253,165	$ -
U.S. Government-agencies collateralized by mortgage obligations - commercial	134,764	-	134,764	-
Obligations of states and political subdivisions	88,666	-	88,666	-
	$ 476,595	$ -	$ 476,595	$ -

The fair value of securities available-for-sale equals quoted market price, if available. If quoted market prices are not available, fair value is determined using quoted market prices for similar securities or matrix pricing. There were no changes in the valuation techniques used during 2026 or 2025. Transfers between hierarchy measurement levels are recognized by the Company as of the beginning of the reporting period. Changes in fair market value are recorded in other comprehensive income.

Assets and liabilities measured at fair value on a non-recurring basis at September 30, 2026 are summarized below:

($ in thousands)	Total Fair Value	Fair Value Measurements at September 30, 2026 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses Nine Months Ended September 30, 2026
Assets:					
Collateral-dependent loans					
Commercial	$ -	$ -	$ -	$ -	$ 221
Agricultural	1,722	-	-	1,722	989
Real estate – commercial	1,959	-	-	1,959	109
Total	$ 3,681	$ -	$ -	$ 3,681	$ 1,319
Other Real Estate Owned:					
Equity lines of credit	$ 135	$ -	$ -	$ 135	$ -

Assets and liabilities measured at fair value on a non-recurring basis at December 31, 2025 are summarized below:

($ in thousands)	Total Fair Value	Fair Value Measurements at December 31, 2025 Using: Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Losses Nine Months Ended September 30, 2025
Assets:					
Collateral-dependent loans					
Commercial	$ 84	$ -	$ -	$ 84	$ -
Agricultural	1,904	-	-	1,904	931
Total	$ 1,988	$ -	$ -	$ 1,988	$ 931
Other Real Estate Owned:					
RE – Residential	91	-	-	91	-
Equity lines of credit	135			135	-
Total	$ 226	$ -	$ -	$ 226	$ -

The following methods were used to estimate fair value.

Collateral-Dependent Loans: The Bank does not record loans at fair value on a recurring basis. However, from time to time, fair value adjustments are recorded on these loans to reflect partial write-downs, through charge-offs or specific reserve allowances, that are based on fair value estimates of the underlying collateral. The fair value estimates for collateral-dependent loans are generally based on recent real estate appraisals or broker opinions, obtained from independent third parties, which are frequently adjusted by management to reflect current conditions and estimated selling costs (Level 3). Impairment charges recognized during the three months and nine months ended September 30, 2026, related to the above collateral dependent loans, totaled $485 thousand and $1.3 million, respectively, and were recorded through the allowance for credit losses. Impairment charges recognized during the three and nine months ended September 30, 2025 totaled $109 thousand and $1 million respectively. The collateral-dependent loans at September 30, 2026, consists of twelve loans which had been allocated specific credit reserves. The collateral-dependent loans at December 31, 2025, consist of nine loans which had been allocated a specific credit reserve.

Other Real Estate: Nonrecurring adjustments to certain real estate properties classified as other real estate owned are measured at the lower of carrying amount or fair value, less costs to sell. In cases where the carrying amount exceeds the fair value, less costs to sell, an impairment loss is recognized. Fair values are generally based on third party appraisals of the property which are commonly adjusted by management to reflect current conditions and selling costs (Level 3).

Appraisals for both collateral-dependent loans and other real estate are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Company. Once received, a member of the Loan Administration Department reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. On a quarterly basis, the Company compares the actual selling price of similar collateral that has been liquidated to the most recent appraised value for unsold properties to determine what additional adjustment, if any, should be made to the appraisal value to arrive at fair value. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a non-recurring basis at September 30, 2026 and December 31, 2025:

($ in thousands) Description	Fair Value 9/30/2026	Fair Value 12/31/2025	Valuation Technique	Significant Unobservable Input	Range (Weighted Average) 9/30/2026	Range (Weighted Average) 12/31/2025
Collateral-dependent loans:						
Commercial	$ -	$ 84	Third Party appraisals	Management Adjustments to Reflect Current Conditions and Selling Costs	100%-100% (100%)	14% - 100% (45%)
Agricultural	1,722	1,904	Third Party appraisals	Management Adjustments to Reflect Current Conditions and Selling Costs	7% - 100% (59%)	2% - 100% (43%)
Real estate – commercial	1,959	-	Third Party appraisals	Management Adjustments to Reflect Current Conditions and Selling Costs	4% - 13% (5%)	None
Total	$ 3,681	$ 1,988				
Other Real Estate:						
RE – Residential	$ -	$ 91	Third Party appraisals	Management Adjustments to Reflect Current Conditions and Selling Costs	-	60%
Equity lines of credit	135	135	Third Party appraisals	Management Adjustments to Reflect Current Conditions and Selling Costs	10%	10%
	$ 135	$ 226				

10. OTHER COMPREHENSIVE LOSS

The changes in the accumulated balances for each component of other comprehensive loss, net of tax for the three and nine months ended September 30, 2025 and September 30, 2026 were as follows:

($ in thousands)	Unrealized Losses on AFS Securities	Accumulated Comprehensive Loss, net of tax
Beginning Balance, July 1, 2025	$ (29,355)	$ (20,678)
Current quarter-to-date other comprehensive income	5,944	4,187
Ending balance, September 30, 2025	$ (23,411)	$ (16,491)
Beginning Balance, July 1, 2026	(19,282)	(13,582)
Current quarter-to-date other comprehensive loss	(25,090)	(17,674)
Ending balance, September 30, 2026	$ (44,372)	$ (31,256)

($ in thousands)	Unrealized Losses on AFS Securities	Accumulated Comprehensive Loss, net of tax
Beginning Balance, January 1, 2025	$ (35,698)	$ (25,145)
Current year-to-date other comprehensive income	12,287	8,654
Ending balance, September 30, 2025	$ (23,411)	$ (16,491)
Beginning Balance, January 1, 2026	(14,894)	(10,491)
Current year-to-date other comprehensive loss	(29,478)	(20,765)
Ending balance, September 30, 2026	$ (44,372)	$ (31,256)

There were no reclassifications out of accumulated other comprehensive loss during the three and nine months ended September 30, 2026. During the three months ended September 30, 2025, the Company recognized $254 thousand related to the termination of a fair value hedge and $374 loss on sale of investment securities that was reclassified from accumulated other comprehensive loss to earnings, with an associated tax effect of $186 thousand, resulting in a net reclassification of $442 thousand. During the nine months ended September 30, 2025, the Company recognized $254 thousand related to the termination of a fair value hedge and $371 loss on sale of investment securities that was reclassified from accumulated other comprehensive loss to earnings, with an associated tax effect of $185 thousand, resulting in a net reclassification of $440 thousand.

11. BUSINESS COMBINATIONS - ACQUISITION OF CORNERSTONE COMMUNITY BANCORP

On July 1, 2025, pursuant to a previously announced Agreement and Plan of Reorganization and Merger dated as of January 28, 2025 (the "Merger Agreement") between the Company and Cornerstone Community Bancorp ("Cornerstone"), Cornerstone merged with and into the Company with the Company continuing as the surviving corporation (the "Merger"). Immediately after the Merger, Cornerstone Community Bank ("CCB") the wholly owned bank subsidiary of Cornerstone, merged with and into Plumas Bank, with the Plumas Bank continuing as the surviving bank. The Merger and Bank Merger are collectively referred to as the "Transaction."

As part of its business strategy, the Company regularly reviews its business strategies and opportunities to enhance the value of its franchise, including through acquisitions. The Transaction is consistent with the Company's business strategy, which will (1) expand Plumas's geographic presence in existing and new markets in Northern California, (2) diversify and bring new expertise to Plumas's lending business, and (3) strengthen the Company's talent base.

Pursuant to the terms of the Merger Agreement, upon the completion of the Merger, each share of Cornerstone common stock outstanding immediately prior was converted into the right to receive 0.6608 shares of common stock of the Company and $9.75 cash, with cash paid in lieu of fractional shares. The total aggregate consideration delivered to holders of Cornerstone common stock in the Merger was 1,003,718 shares of Company common stock and $16.1 million cash. No contingent consideration was included as part of the purchase price for the acquisition of Cornerstone. The Company also assumed options to purchase 35,000 shares of Cornerstone common stock representing, on an as-converted basis, options to purchase 30,803 shares of the Company's common stock. The value of the total deal consideration was approximately $61.3 million, which is based upon the average closing trading price of Plumas common stock for the 20 trading days ending on and including the second trading day prior to July 1, 2025, the closing date of the Merger.

Immediately after the Transaction, the newly combined company, operating as Plumas Bancorp with its banking subsidiary, Plumas Bank, had total assets of approximately $2.3 billion.

The transaction was accounted for using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The following table summarizes the preliminary allocation of the purchase price to the assets acquired and liabilities assumed based on their estimated fair values as of the acquisition date in thousands:

Identifiable Assets:		(in thousands)
Cash and cash equivalents	$	51,916
Investment Securities		88,067
Loans		462,489
Core deposit intangible		11,610
Bank premises and equipment		12,567
Bank owned life insurance		16,399
Other assets		16,300
Total identifiable assets acquired	$	**659,348**
Liabilities:		
Deposits:		
Non-interest bearing	$	88,557
Interest bearing		
Savings accounts		21,797
Money market accounts		334,289
Time accounts		136,239
Total deposits		**580,882**
FHLB borrowings		15,000
Subordinated debentures		11,623
Other liabilities		9,240
Total liabilities assumed	$	**616,745**
Net identifiable assets	$	**42,603**
Book value of net assets acquired from Cornerstone	$	41,727
Fair value adjustments:		
Loans (net of Cornerstone's deferred costs/fees and allowance)		(9,152)
Bank premises and equipment		(1,123)
Core deposit intangible asset		11,610
Subordinated debentures		379
Time Deposits		(556)
Other		(317)
Total purchase accounting adjustments	$	841
Deferred tax asset (tax effect of purchase accounting adjustments at 29.56% plus tax on cash paid on termination of stock options)		35
Fair value of net identifiable assets acquired from Cornerstone	$	**42,603**
Merger consideration (cash payments of $16.1 million and $45.2 million in stock)		61,316
Less: fair value of net assets acquired from Cornerstone		(42,603)
Goodwill recognized	$	**18,713**

As a result of the Acquisition, we recorded $18.7 million in goodwill, which represents the excess of the total purchase price paid over the fair value of the assets acquired, net of the fair values of liabilities assumed. Goodwill mainly reflects expected value created through the combined operations of Plumas Bank and CCB and is not tax deductible. The core deposit intangible will be amortized over 10 years. The fair value of loans includes both credit and interest-related discounts.

The results of operations of Cornerstone have been included in the Company's consolidated financial statements since the acquisition date. It is impracticable to disclose Cornerstone's separate revenue and net income since the acquisition because its operations were fully integrated into the Company's existing business structure immediately upon acquisition, and separate financial information is not maintained.

As part of the acquisition of Cornerstone on July 1, 2025, the Company acquired PCD loans. At acquisition, the Company recorded PCD loans at their purchase price and simultaneously established an allowance for credit losses based on expected credit losses over the life of the loans. A reconciliation of the purchase price of the PCD loans to the par value of these loans follows:

Reconciliation of Purchase Price to Par Value (in thousands):

Par value of Acquired PCD Loans	$	34,115
Less Credit Mark (ACL)		(315)
Less: Interest Mark (Non-Credit Discount)		(3,609)
Fair Value (Purchase Price)	$	30,191

The fair value of PCD loans acquired in the Cornerstone acquisition was determined using a DCF model. Key inputs and assumptions included:

- Expected cash flows based on contractual terms adjusted for estimated prepayments and defaults
- Discount rates reflecting current market rates for similar loans, adjusted for credit risk
- Loss expectations derived from historical performance and forward-looking economic forecasts
- Segmentation by loan type (e.g., commercial, consumer, real estate) to reflect differing risk profiles

The resulting fair value represents the present value of expected future cash flows, net of credit losses, and includes a gross-up for the allowance for credit losses under ASC 326.

The following unaudited pro forma financial information presents the combined results of Plumas Bancorp and Cornerstone as if the acquisition had occurred on January 1, 2025, in thousands. Acquisition expenses totaling $2.0 million, net of tax, are included in net income for the three and nine months ended September 30, 2025, respectively. These results are not necessarily indicative of future performance.

Period Ended	Net Interest Income	Net Income
Three Months Ended September 30, 2026	26,234	11,190
Nine Months Ended September 30, 2026	76,149	30,086
Three Months Ended September 30, 2025	23,219	8,220
Nine Months Ended September 30, 2025	71,688	17,588

Net Pro Forma Adjustments Included for the Nine Months Ended September 30, 2025:

• Amortization of acquired intangibles	$	1,099
• Accretion of discount on loans	$	191
• Accretion of premium on time deposits acquired	$	226
• Amortization of discount on subordinated debentures	$	148
• Income tax benefit of adjustments	$	426

PART I – FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Certain matters discussed in this Quarterly Report are forward-looking statements that are subject to risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, among others, (1) significant increases in competitive pressures in the financial services industry; (2) changes in the interest rate environment resulting in reduced margins; (3) general economic conditions, either nationally or regionally, may be less favorable than expected, resulting in, among other things, a deterioration in credit quality; (4) changes in regulatory environment; (5) loss of key personnel; (6) fluctuations in the real estate market; (7) changes in business conditions and inflation; (8) operational risks including data processing systems failures or fraud; and (9) changes in securities markets. Therefore, the information set forth herein should be carefully considered when evaluating the business prospects of Plumas Bancorp (the "Company").

When the Company uses in this Quarterly Report the words "anticipate", "estimate", "expect", "project", "intend", "commit", "believe" and similar expressions, the Company intends to identify forward-looking statements. Such statements are not guarantees of performance and are subject to certain risks, uncertainties and assumptions, including those described in this Quarterly Report. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated, expected, projected, intended, committed or believed. The future results and stockholder values of the Company may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond the Company's ability to control or predict. For those statements, the Company claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

INTRODUCTION

The following discussion and analysis sets forth certain statistical information relating to the Company as of September 30, 2026 and December 31, 2025 and for the three and nine-month periods ended September 30, 2026 and 2025. This discussion should be read in conjunction with the condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and the consolidated financial statements and notes thereto included in Plumas Bancorp's Annual Report filed on Form 10-K for the year ended December 31, 2025.

Plumas Bancorp trades on The NASDAQ Capital Market under the ticker symbol "PLBC".

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

See the Company's Annual Report on Form 10-K for the year ended December 31, 2025 for a complete discussion of the Company's significant accounting policies and critical accounting estimates.

Allowance for Credit Losses

During the second quarter of 2026, the Company completed its annual review of the allowance for credit losses methodology and refined certain assumptions and model inputs used in estimating expected credit losses within its existing CECL framework. The refinements included updates to the reasonable and supportable forecast period, which was extended from four quarters to eight quarters, and certain model inputs. These refinements were implemented through the Company's regular model governance and review process and reflect management's current assessment of portfolio dynamics and the period over which forecast information is considered sufficiently reliable for estimating expected credit losses.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2026

Net Income. The Company recorded net income of $11.4 million, or $1.64 per share, an increase of $6.2 million from $5.1 million or $0.74 per share, during the third quarter of 2025. Diluted earnings per share increased to $1.61 per share during the three months ended September 30, 2026, up from $0.73 per share during the quarter ended September 30, 2025. Return on average assets was 1.98% during the current quarter, up from 0.90% during the third quarter of 2025. Return on average equity increased to 16.7% during the current quarter, up from 8.5% during the third quarter of 2025.

Net interest income increased by $1.3 million from $25.2 million during the three months ended September 30, 2025, to $26.5 million during the current quarter. The provision for credit losses decreased from $5.4 million during the third quarter of 2025 to $150 thousand during the current quarter. Non-interest income increased by $538 thousand from $2.2 million during the three months ended September 30, 2025, to $2.8 million during the third quarter of 2026. Non-interest expense was flat compared to the third quarter of 2025 at $15.1 million.The provision for income taxes increased $877 thousand to $2.6 million during the current quarter from $1.8 million during the third quarter of 2025, due to higher pre-tax earnings. The effective tax rate declined to 18.9% from 25.6% in the prior-year quarter, related to the purchase of $14.5 million in green energy tax credits.

The following is a detailed discussion of each component of the change in net income.

Net interest income before provision for credit losses. Net interest income increased by $1.3 million from $25.2 million during the three months ended September 30, 2025, to $26.5 million for the three months ended September 30, 2026. The increase in net interest income reflects an increase of $1.3 million in interest income and a $113 thousand decrease in interest expense.

Interest and fees on loans increased by $1.2 million to $24.8 million related to an increase in average balance and an increase in yield. Average loan balances increased by $26 million, while the average yield on these loans increased by 21 basis points from 6.35% during the third quarter of 2025 to 6.56% during the current quarter. The increase in yield relates to several factors including the amortization of discount on purchased loans, the repricing of a portion of our commercial real estate loans most of which reprice every five years from the date of origination, and growth in fixed rate SBA loans which totaled $132 million at September 30, 2026, and $94 million at September 30, 2025. The weighted average rate earned on this portfolio at September 30, 2026, was 8.0%. The average prime interest rate decreased from 7.46% during the third quarter of 2025 to 6.79% during the current quarter. Loans indexed to the prime interest rate were approximately 19% of the Company's variable rate loan portfolio; these loans reprice within one day to three months of a change in the prime rate.

Interest earned on investment securities increased by $283 thousand related to an increase in yield on investment securities of 29 basis points to 4.35% partially offset by a decrease in average balance of $6 million. The increase in investment yields is consistent with the partial restructuring of the investment portfolio during the fourth quarter of 2025 and market conditions. Average investment securities decreased from $482 million during the three months ended September 30, 2025 to $476 million during the current period.

Interest earned on cash balances decreased by $224 thousand related to a decrease in average balance of $2 million and a decrease in average rate earned on cash balances of 74 basis points from 4.50% during the third quarter of 2025 to 3.8% during the current quarter. This decline in yield was mostly related to a decline in rate earned on balances held at the FRB. The average rate earned on FRB balances decreased from 4.36% during the third quarter of 2025 to 3.69% during the current quarter.

Interest expense on deposits increased by $197 thousand related to an increase of $24.6 million in average balance of interest-bearing deposits and a 4 basis point increase in the average rate paid on interest-bearing deposits. The average rate paid on interest-bearing deposits increased from 1.56% during the third quarter of 2025 to 1.60% during the current quarter, primarily due to an increase in the average rate paid on time deposits from 1.87% in the third quarter of 2025 to 2.77% during the current quarter. These increases were partially offset by a decrease in the average rate paid on money market deposits from 2.22% in the third quarter of 2025 to 1.79% during the current quarter.

The average rate paid on interest-bearing liabilities decreased from 1.67% during the third quarter of 2025 to 1.63% during the current quarter, as the increase in the average rate paid on interest-bearing deposits was more than offset by decreases in the average rates paid on repurchase agreements and borrowings. The average rate paid on repurchase agreements decreased from 1.69% during the third quarter of 2025 to 1.54% during the current quarter. The average rate paid on borrowings decreased from 5.20% during the third quarter of 2025 to 4.38% during the current quarter.

Net interest margin for the three months ended September 30, 2026, increased 22 basis points to 5.05%, up from 4.83% for the same period in 2025.

The following table presents for the three-month periods indicated the distribution of consolidated average assets, liabilities and shareholders' equity. It also presents the amounts of interest income from interest earning assets and the resultant annualized yields expressed in both dollars and annualized yield percentages, as well as the amounts of interest expense on interest bearing liabilities and the resultant cost expressed in both dollars and annualized rate percentages. Average balances are based on daily averages. Nonaccrual loans are included in the calculation of average loans while nonaccrued interest thereon is excluded from the computation of yields earned:

	For the Three Months Ended September 30, 2026			For the Three Months Ended September 30, 2025		
	Average Balance (in thousands)	Interest (in thousands)	Yield/ Rate	Average Balance (in thousands)	Interest (in thousands)	Yield/ Rate
Interest-earning assets:						
Loans (2) (3)	$ 1,502,337	$ 24,830	6.56%	$ 1,476,275	$ 23,635	6.35%
Taxable investment securities	401,630	4,557	4.50%	404,241	4,293	4.21%
Non-taxable investment securities (1)	74,206	660	3.53%	77,621	641	3.28%
Interest-bearing deposits	105,989	1,004	3.76%	108,325	1,228	4.50%
Total interest-earning assets	2,084,162	31,051	5.91%	2,066,462	29,797	5.72%
Cash and due from banks	34,504			34,689		
Other assets	163,818			166,878		
Total assets	$ 2,282,484			$ 2,268,029		
Interest-bearing liabilities:						
Money market deposits	$ 471,422	2,130	1.79%	$ 439,020	$ 2,462	2.22%
Savings deposits	303,041	278	0.36%	311,258	290	0.37%
Time deposits	239,990	1,673	2.77%	239,549	1,132	1.87%
Total interest-bearing deposits	1,014,453	4,081	1.60%	989,827	3,884	1.56%
Repurchase Agreements	65,063	252	1.54%	74,556	317	1.69%
Borrowings	16,039	177	4.38%	32,168	422	5.20%
Total interest-bearing liabilities	1,095,555	4,510	1.63%	1,096,551	4,623	1.67%
Non-interest-bearing deposits	869,316			886,592		
Other liabilities	46,529			43,524		
Shareholders' equity	271,084			241,362		
Total liabilities & equity	$ 2,282,484			$ 2,268,029		
Cost of funding interest-earning assets (4)			0.86%			0.89%
Net interest income and margin (5)		$ 26,541	5.05%		$ 25,174	4.83%

(1) Not computed on a tax-equivalent basis.

(2) Average nonaccrual loan balances of $21.1 million for 2026 and $13.8 million for 2025 are included in average loan balances for computational purposes.

(3) Net loan origination costs included in loan interest income for the three-month period ended September 30, 2026 and 2025 were $244 thousand and $305 thousand, respectively.

(4) Total annualized interest expense divided by the average balance of total earning assets.

(5) Annualized net interest income divided by the average balance of total earning assets.

The following table sets forth changes in interest income and interest expense for the three-months ended September 30, 2026, and the amount of change attributable to variances in volume, rates and the combination of volume and rates based on the relative changes of volume and rates:

($ in thousands)	2026 over 2025 change in net interest income for the three months ended September 30,			
	Volume (1)	Rate (2)	Mix (3)	Total
Interest-earning assets:				
Loans	$ 417	$ 764	$ 14	$ 1,195
Taxable investment securities	(28)	294	(2)	264
Non-taxable investment securities	(28)	49	(2)	19
Interest-bearing deposits	(26)	(202)	4	(224)
Total interest income	335	905	14	1,254
Interest-bearing liabilities:				
Money market deposits	182	(478)	(36)	(332)
Savings deposits	(8)	(4)	-	(12)
Time deposits	2	538	1	541
Repurchase Agreements	(40)	(28)	3	(65)
Borrowings	(212)	(67)	34	(245)
Total interest expense	(76)	(39)	2	(113)
Net interest income	$ 411	$ 944	$ 12	$ 1,367

(1) The volume change in net interest income represents the change in average balance divided by the previous year's rate.
(2) The rate change in net interest income represents the change in rate divided by the previous year's average balance.
(3) The mix change in net interest income represents the change in average balance multiplied by the change in rate.

Provision for credit losses. During the three months ended September 30, 2026, the provision for credit losses totaled $150 thousand consisting entirely of a provision for credit losses on loans. This compares to a provision for credit losses of $5.4 million consisting of a provision for credit losses on loans of $5.1 million and an increase in the reserve for unfunded commitments of $250 thousand during the three months ended September 30, 2025. The higher provision recorded during 2025 was primarily attributable to the Day 1 CECL provision on non-PCD loans and to a lesser extent the establishment of a reserve for unfunded commitments acquired in the Cornerstone Community Bancorp acquisition. See "Analysis of Asset Quality and Allowance for Credit Losses" for a discussion of loan quality trends and the provision for credit losses.

Non-interest income. During the three months ended September 30, 2026, non-interest income totaled $2.8 million, an increase of $538 thousand from the three months ended September 30, 2025. The increase was primarily driven by the absence of a $628 thousand loss on the sale of investment securities recognized in the prior-year quarter.

The following table describes the components of non-interest income for the three-month periods ended September 30, 2026 and 2025:

($ in thousands)	For the Three Months Ended September 30, 2026	2025	Dollar Change	Percentage Change
Interchange income	$ 927	$ 912	$ 15	1.6%
Service charges on deposit accounts	802	816	(14)	(1.7)%
Earnings on life insurance policies	276	261	15	5.7%
FHLB Dividends	209	191	18	9.4%
Loan servicing fees	176	156	20	12.8%
Loss on sale of investment securities	-	(628)	628	100.0%
Other	396	540	(144)	(26.7)%
Total non-interest income	$ 2,786	$ 2,248	$ 538	23.9%

Non-interest expense. During the three months ended September 30, 2026, non-interest expense totaled $15.1 million, an increase of $11 thousand from the three months ended September 30, 2025. The four largest increases were $341 thousand in professional fees, $272 thousand in occupancy and equipment, $222 thousand in salaries and employee benefits, and $178 thousand in loan collection expenses. The largest reduction in non-interest expense was $879 thousand in merger expenses incurred during the third quarter of 2025. Management estimates that approximately $350 thousand of the professional fees and loan collection expenses recognized during the current quarter were nonrecurring in nature.

The following table describes the components of non-interest expense for the three-month periods ended September 30, 2026 and 2025:

($ in thousands)	For the Three Months Ended September 30, 2026	2025	Dollar Change	Percentage Change
Salaries and employee benefits	$ 7,640	$ 7,418	$ 222	3.0%
Occupancy and equipment	2,743	2,471	272	11.0%
Outside service fees	1,512	1,584	(72)	(4.5)%
Professional fees	653	312	341	109.3%
Amortization of Core Deposit Intangible	552	615	(63)	(10.2)%
Advertising and shareholder relations	349	282	67	23.8%
Armored car and courier	287	284	3	1.1%
Loan collection expenses	287	109	178	163.3%
Business development	254	242	12	5.0%
Deposit insurance	256	288	(32)	(11.1)%
Director compensation and expense	200	195	5	2.6%
Telephone and data communication	144	154	(10)	(6.5)%
Merger and acquisition expenses	-	879	(879)	(100.0)%
Other	268	301	(33)	(11.0)%
Total non-interest expense	$ 15,145	$ 15,134	$ 11	0.1%

Provision for income taxes. The provision for income taxes increased $877 thousand to $2.6 million during the current quarter from $1.8 million during the third quarter of 2025, due to higher pre-tax earnings. The percentages for 2026 and 2025 differ from statutory rates as tax exempt items of income such as earnings on BOLI and municipal securities interest decrease taxable income while non-deductible merger transaction costs incurred during the 2025 quarter effectively increase taxable income. The effective tax rate declined to 18.9% from 25.6% in the prior-year quarter, related to the purchase of $14.5 million in green energy tax credits at a discount resulting in a $1.1 million reduction in the provision for income taxes in the third quarter of 2026.

RESULTS OF OPERATIONS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2026

Net Income. The Company recorded net income of $31.1 million or $4.46 per share during the current nine-month period, an increase of $12.5 million from $18.6 million or $2.98 per share earned during the nine months ended September 30, 2025. Earnings per diluted share increased to $4.40 during the nine months ended September 30, 2026, up $1.46 from $2.94 during the first nine months of 2025. Return on average assets was 1.85% during the nine months ended September 30, 2026, up from 1.35% during the first nine months of 2025. Return on average equity increased to 15.5% for the nine months ended September 30, 2026, up from 12.2% during the first nine months of 2025.

Net interest income increased by $15.8 million from $61.9 million during the nine months ended September 30, 2025, to $77.7 million during the current period. The provision for credit losses decreased from $6.5 million during the first nine months of 2025 to $420 thousand during the current period. Non-interest income increased by $713 thousand from $7.8 million during the nine months ended September 30, 2025, to $8.5 million during the first nine months of 2026. Non-interest expense increased by $7.3 million from $37.6 million during the first nine months of 2025 to $44.9 million during the current period. The provision for income taxes increased by $2.8 million from $7.0 million, or 27.2% of pre-tax income, during the nine months ended September 30, 2025, to $9.8 million, or 23.9% of pre-tax income, during the current period.

Certain comparisons to prior-year periods are impacted by the acquisition of Cornerstone Community Bancorp ("Cornerstone") on July 1, 2025, as 2026 year-to-date results reflect a full period of combined operations while 2025 year-to-date results reflect only three months of combined operations.

The following is a detailed discussion of each component of the change in net income.

Net interest income before provision for credit losses. Net interest income for the nine months ended September 30, 2026 was $77.7 million, an increase of $15.8 million from the $61.9 million earned during the same period in 2025. The increase in net interest income includes an increase of $19.8 million in interest income partially offset by an increase of $4.0 million in interest expense.

Interest and fees on loans increased by $18.9 million related to increases in average balance and yield. The average balance of loans during the nine months ended September 30, 2026 was $1.5 billion, an increase of $333 million from $1.2 billion during the same period in 2025. Average loan balances during the first nine months of 2026 reflect a full period of loans acquired in the Cornerstone Community Bancorp acquisition, while the comparable 2025 period reflects only a partial period following the acquisition. The average yield on loans increased by 30 basis points from 6.24% during the first nine months of 2025 to 6.54% during the current period.

Interest on investment securities increased by $1.3 million related to an increase in yield of 22 basis points to 4.30% and an increase in average balance of $16 million to $472 million. The increase in investment yield is consistent with the partial restructuring of the investment portfolio during the fourth quarter of 2025 and market conditions.

Interest on cash balances declined by $419 thousand due to decreases in both average balance and yield. The rate earned on cash balances declined by 74 basis points to 3.76%. The average balance in interest-bearing cash declined by $798 thousand to $71.4 million.

Primarily related to an increase in balance and rate paid on deposits and repurchase agreements, interest expense increased from $9.1 million during the nine months ended September 30, 2025 to $13.1 million during the current period. The average rate paid on interest-bearing liabilities increased from 1.43% during the 2025 period to 1.62% in 2026.

Interest expense on deposits increased by $3.5 million and is broken down by product type as follows: money market accounts - $1.2 million, savings deposits - $91 thousand and time deposits - $2.2 million. The average rate paid on interest-bearing deposits increased from 1.35% during the nine months ended September 30, 2025 to 1.57% during the current period. Average interest-bearing deposits totaled $986 million for the first nine months of 2026, an increase of $190 million from $796 million during the first nine months of 2025. Average interest-bearing deposit balances for the first nine months of 2026 reflect a full period of deposits acquired in the Cornerstone Community Bancorp acquisition, while the comparable 2025 period reflects only a partial period following the acquisition.

Interest expense on repurchase agreements increased by $621 thousand related to an increase in average balance of $41.7 million and an increase in rate paid of 40 basis points. The increase in average balances was primarily attributable to repurchase agreements acquired in the Cornerstone acquisition.

Net interest margin for the nine months ended September 30, 2026 increased 20 basis points to 5.07%, up from 4.87% for the same period in 2025.

The following table presents for the nine-month periods indicated the distribution of consolidated average assets, liabilities and shareholders' equity. It also presents the amounts of interest income from interest earning assets and the resultant annualized yields expressed in both dollars and annualized yield percentages, as well as the amounts of interest expense on interest bearing liabilities and the resultant cost expressed in both dollars and annualized rate percentages. Average balances are based on daily averages. Nonaccrual loans are included in the calculation of average loans while nonaccrued interest thereon is excluded from the computation of yields earned:

	For the Nine Months Ended September 30, 2026			For the Nine Months Ended September 30, 2025		
	Average Balance (in thousands)	Interest (in thousands)	Yield/ Rate	Average Balance (in thousands)	Interest (in thousands)	Yield/ Rate
Interest-earning assets:						
Loans (2) (3)	$ 1,504,521	$ 73,563	6.54%	$ 1,171,116	$ 54,643	6.24%
Taxable investment securities	396,835	13,229	4.46%	381,124	12,133	4.26%
Non-taxable investment securities (1)	75,433	1,975	3.50%	75,084	1,815	3.23%
Interest-bearing deposits	71,410	2,010	3.76%	72,208	2,429	4.50%
Total interest-earning assets	2,048,199	90,777	5.93%	1,699,532	71,020	5.59%
Cash and due from banks	33,946			29,379		
Other assets	164,131			114,242		
Total assets	$ 2,246,276			$ 1,843,153		
Interest-bearing liabilities:						
Money market deposits	$ 454,053	6,131	1.81%	$ 335,889	$ 4,891	1.95%
Savings deposits	307,930	844	0.37%	311,187	752	0.32%
Time deposits	224,026	4,598	2.74%	149,218	2,421	2.17%
Total interest-bearing deposits	986,009	11,573	1.57%	796,294	8,064	1.35%
Repurchase Agreements	79,572	968	1.63%	37,863	347	1.23%
Borrowings	16,399	550	4.48%	20,789	713	4.59%
Total interest-bearing liabilities	1,081,980	13,091	1.62%	854,946	9,124	1.43%
Non-interest-bearing deposits	850,062			743,628		
Other liabilities	46,110			39,596		
Shareholders' equity	268,124			204,983		
Total liabilities & equity	$ 2,246,276			$ 1,843,153		
Cost of funding interest-earning assets (4)			0.85%			0.72%
Net interest income and margin (5)		$ 77,686	5.07%		$ 61,896	4.87%

(1) Not computed on a tax-equivalent basis.

(2) Average nonaccrual loan balances of $16.7 million for 2026 and $7.3 million for 2025 are included in average loan balances for computational purposes.

(3) Net loan origination costs included in loan interest income for the nine-month period ended September 30, 2026 and 2025 were $762 thousand and $776 thousand, respectively.

(4) Total annualized interest expense divided by the average balance of total earning assets.

(5) Annualized net interest income divided by the average balance of total earning assets.

The following table sets forth changes in interest income and interest expense for the nine-months ended September 30, 2026, and the amount of change attributable to variances in volume, rates and the combination of volume and rates based on the relative changes of volume and rates:

($ in thousands)	2026 over 2025 change in net interest income for the nine months ended September 30,			
	Volume (1)	Rate (2)	Mix (3)	Total
Interest-earning assets:				
Loans	$ 15,556	$ 2,618	$ 746	$ 18,920
Taxable investment securities	500	572	24	1,096
Non-taxable investment securities	8	151	1	160
Interest-bearing deposits	(27)	(397)	5	(419)
Total interest income	16,037	2,944	776	19,757
Interest-bearing liabilities:				
Money market deposits	1,721	(356)	(125)	1,240
Savings deposits	(8)	101	(1)	92
Time deposits	1,214	642	321	2,177
Repurchase Agreements	382	114	125	621
Borrowings	(151)	(16)	4	(163)
Total interest expense	3,158	485	324	3,967
Net interest income	$ 12,879	$ 2,459	$ 452	$ 15,790

(1) The volume change in net interest income represents the change in average balance divided by the previous year's rate.
(2) The rate change in net interest income represents the change in rate divided by the previous year's average balance.
(3) The mix change in net interest income represents the change in average balance multiplied by the change in rate.

Provision for credit losses. During the first nine months of 2026 the provision for credit losses totaled $420 thousand consisting of a provision for credit losses on loans of $350 thousand and an increase in the reserve for unfunded commitments of $70 thousand. This compares to a provision for credit losses of $6.5 million consisting of a provision for credit losses on loans of $6.3 million and an increase in the reserve for unfunded commitments of $211 thousand during the nine months ended September 30, 2025. The higher provision recorded during 2025 was primarily attributable to the Day 1 CECL provision on non-PCD loans and to a lesser extent the establishment of a reserve for unfunded commitments acquired in the Cornerstone Community Bancorp acquisition. See "Analysis of Asset Quality and Allowance for Credit Losses" for a discussion of loan quality trends and the provision for credit losses.

Non-interest income. During the nine months ended September 30, 2026, non-interest income totaled $8.5 million, an increase of $713 thousand from the nine months ended September 30, 2025. The increase was primarily attributable to the absence of a $625 thousand loss on the sale of investment securities during the nine months ended September 30, 2025.

Increases in non-interest income during the current period were $342 thousand in earnings on life insurance policies, $296 thousand in FHLB dividends, and $253 thousand in interchange income. Each of these items benefited from the acquisition of Cornerstone. These increases were mostly offset by a $1.1 million settlement related to the Dixie Fire during the first quarter of 2025.

The following table describes the components of non-interest income for the nine-month periods ended September 30, 2026 and 2025:

($ in thousands)	For the Nine Months Ended September 30, 2026	2025	Dollar Change	Percentage Change
Interchange income	$ 2,639	$ 2,386	253	10.6%
Service charges on deposit accounts	2,400	2,303	$ 97	4.2%
Earnings on life insurance policies	820	478	342	71.5%
FHLB Dividends	759	463	296	63.9%
Loan servicing fees	508	490	18	3.7%
Loss on sale of investment securities	-	(625)	625	100.0%
Other	1,409	2,327	(918)	(39.4)%
Total non-interest income	$ 8,535	$ 7,822	$ 713	9.1%

Non-interest expense. Non-interest expense increased by $7.3 million from $37.6 million during the first nine months of 2025 to $44.9 million during the current period. The four largest increases were $4.0 million in salary and benefit expense, $1.5 million in occupancy and equipment expense, $1.0 million in amortization of core deposit intangible and $644 thousand in professional fees.

Salary and benefit expense totaled $22.9 million during the current nine-month period and $18.9 million during the nine months ended September 30, 2025. The $4.0 million increase primarily related to the addition of personnel through the Cornerstone Community Bancorp acquisition. Related to an increase in pre-tax income, bonus expense increased by $626 thousand.

Primarily related to the acquisition of Cornerstone and to a lesser extent the sales/leaseback completed during the fourth quarter of 2025, occupancy and equipment expenses increased by $1.5 million from $6.5 million during the first nine months of 2025 to $8 million during the current period. Amortization of Core Deposit Intangible increased by $1 million related to the acquisition of Cornerstone. Other expense increased by $603 thousand primarily related to a $726 thousand loss associated with two fraudulent wire transfers during the first quarter of 2026. The largest reduction in non-interest expense was $1.9 million in merger expenses incurred during the first nine months of 2025.

The following table describes the components of non-interest expense for the nine-month periods ended September 30, 2026 and 2025:

($ in thousands)	For the Nine Months Ended September 30, 2026	2025	Dollar Change	Percentage Change
Salaries and employee benefits	$ 22,890	$ 18,851	$ 4,039	21.4%
Occupancy and equipment	8,065	6,535	1,530	23.4%
Outside service fees	4,468	4,008	460	11.5%
Amortization of Core Deposit Intangible	1,699	702	997	142.0%
Professional fees	1,404	760	644	84.7%
Advertising and shareholder relations	1,014	818	196	24.0%
Armored car and courier	833	725	108	14.9%
Deposit insurance	752	650	102	15.7%
Business development	709	597	112	18.8%
Loan collection expenses	642	231	411	177.9%
Director compensation and expense	584	516	68	13.2%
Telephone and data communication	435	452	(17)	(3.8)%
Merger and acquisition expenses	-	1,929	(1,929)	(100.0)%
Other	1,441	838	603	72.0%
Total non-interest expense	$ 44,936	$ 37,612	$ 7,324	19.5%

Provision for income taxes. The provision for income taxes increased by $2.8 million from $7.0 million, or 27.2% of pre-tax income, during the nine months ended September 30, 2025, to $9.8 million, or 23.9% of pre-tax income, during the current period. The percentages for 2026 and 2025 differ from statutory rates as tax exempt items of income such as earnings on BOLI and municipal securities interest decrease taxable income while non-deductible merger transaction costs incurred during the 2025 period effectively increase taxable income. Additionally, the effective tax rate declined related to the purchase of $14.5 million in green energy tax credits at a discount resulting in a $1.1 million reduction in the provision for income taxes in the third quarter of 2026.

FINANCIAL CONDITION

Total assets were $2.3 billion on September 30, 2026, an increase of $28 million from December 31, 2025. The largest component of this increase was $34 million in cash and cash equivalents. The largest decline was $16 million in net loans. Total liabilities increased by $26 million related to an increase of $57 million in deposits and $11 million in accrued interest payable and other liabilities partially offset by a decline of $36 million in repurchase agreements and $5 million in all other liabilities. Total shareholders' equity increased by $1 million.

Loan Portfolio. Gross loans were $1.5 billion at September 30, 2026 and December 31, 2025. Increases in loans included $14 million in construction loans, $13 million in commercial real estate loans, and $1 million in equity lines. These increases were more than offset by a decrease of $18 million in agricultural loans, $14 million in automobile loans, $8 million in commercial loans, and $3 million in other loans. Although the Company offers a broad array of financing options, it continues to concentrate its focus on small to medium sized commercial businesses. These loans offer diversification as to industries and types of businesses, thus limiting material exposure in any industry concentrations. The Company offers both fixed and floating rate loans and obtains collateral in the form of real property, business assets and deposit accounts, but looks to business and personal cash flows as its primary source of repayment. In the fourth quarter of 2023 the Company terminated the indirect automobile loan program. Ending this program, which was the lowest yielding loan segment, also improved the loan loss risk profile since this program had historically higher charge-off rates. Terminating this program also improved the consumer compliance risk profile.

As shown in the following table, the Company's largest lending categories are commercial real estate loans, commercial loans, agricultural loans, and equity lines of credits.

($ in thousands)	Balance at End of Period 09/30/2026	Percent of Loans in Each Category to Total Loans 09/30/2026	Balance at End of Period 12/31/2025	Percent of Loans in Each Category to Total Loans 12/31/2025
Commercial	$ 159,905	10.7%	$ 167,851	11.1%
Agricultural	139,336	9.3%	157,526	10.4%
Real estate – residential	31,238	2.1%	33,116	2.2%
Real estate – commercial	1,015,901	67.9%	1,002,627	66.3%
Real estate – construction and land development	54,411	3.6%	40,168	2.7%
Equity Lines of Credit	54,389	3.6%	53,647	3.5%
Auto	25,425	1.7%	39,595	2.6%
Other	14,940	1.1%	17,526	1.2%
Total Gross Loans	$ 1,495,545	100%	$ 1,512,056	100%

The Company’s real estate related loans, including real estate mortgage loans, real estate construction and land development loans, consumer equity lines of credit, and agricultural loans secured by real estate, comprised 84% of the total loan portfolio at September 30, 2026. Moreover, the business activities of the Company currently are focused in the California counties of Butte, Lassen, Modoc, Nevada, Placer, Plumas, Shasta, Sutter and Tehama and in Washoe and Carson City Counties in Northern Nevada. Consequently, the results of operations and financial condition of the Company are dependent upon the general trends in these economies and, in particular, the commercial real estate markets. In addition, the concentration of the Company's operations in these areas of Northeastern California and Northwestern Nevada exposes it to greater risk than other banking companies with a wider geographic base in the event of catastrophes, such as earthquakes, fires and floods in these regions.

Commercial real estate loans (“CRE”) comprised 68% of the lending portfolio at September 30, 2026. CRE loans were 44% owner-occupied, 43% investor-owned, and 13% multi-family. Concentrations by real estate type within the CRE portfolio, excluding multi-family, were 14% Office, 13% Mixed Commercial Real Estate, 12% Retail, 10% Hospitality, 9% Industrial, 9% Gas Stations, 6% Residential, 5% Special Purpose, and 5% Medical Buildings, with all remaining concentrations below 5%. Office facilities are typically small and located in more rural areas. 22% of CRE loans were located in northern Nevada and 54% were located in northern California. Of the $21.1 million in non-accrual balances at September 30, 2026, approximately 29% were CRE. Of the $40.4 million in substandard balances at September 30, 2026, approximately 29% were CRE.

CRE loans consist of term loans secured by a mortgage lien on real property and include both owner occupied CRE loans as well as investor-owned loans. Investor- owned CRE loans consist of mortgage loans to finance investments in real property that may include, but are not limited to, multi-family, industrial, office, retail and other specific use properties. The primary risk characteristics in the investor-owned portfolio include impacts of overall leasing rates, absorption timelines, levels of vacancy rates and operating expenses. The Company requires collateral values in excess of the loan amounts, cash flows in excess of expected debt service requirements and equity investment in the project. The expected cash flows from all significant new or renewed income producing property commitments are stress tested to reflect the risks in varying interest rates, vacancy rates and rental rates. Inherent lending risks are monitored on a continuous basis through quarterly monitoring and the Bank’s annual underwriting process, incorporating an analysis of cash flow, collateral, market conditions and guarantor liquidity, if applicable. CRE loan policies are specific to individual product types and underwriting parameters vary depending on the risk profile of each asset class. CRE loan policies are reviewed no less than annually by management and approved by the Company’s Board of Directors to ensure they align with current market conditions and the Company’s moderate risk appetite. CRE concentration limits have been established by product type and are monitored quarterly by the Company’s Board of Directors.

The rates of interest charged on variable rate loans are set at specific increments in relation to the Company's lending rate or other indexes such as the published prime interest rate or U.S. Treasury rates and vary with changes in these indexes. The frequency in which variable rate loans reprice can vary from one day to several years. On September 30, 2026, and December 31, 2025, approximately 79% and 80%, respectively of the Company's loan portfolio was comprised of variable rate loans. Loans indexed to the prime interest rate were approximately 19% of the Company’s variable rate loan portfolio on September 30, 2026; these loans reprice within one day to three months of a change in the prime rate. The remainder of the Company's variable rate loans mostly consist of commercial real estate loans tied to U.S. Treasury rates and reprice every five years. Approximately 78% of the variable rate loans are indexed to the five-year T-Bill rate and reprice every five years. While real estate mortgage, agricultural, commercial and consumer lending remain the foundation of the Company's historical loan mix, some changes in the mix have occurred due to the changing economic environment and the resulting change in demand for certain loan types

Analysis of Asset Quality and Allowance for Credit Losses. The Company attempts to minimize credit risk through its underwriting and credit review policies. The Company’s credit review process includes internally prepared credit reviews as well as contracting with an outside firm to conduct periodic credit reviews. The Company’s management and lending officers evaluate the loss exposure of classified and nonaccrual loans on a quarterly basis, or more frequently as loan conditions change. The Management Asset Resolution Committee (MARC) reviews the asset quality of criticized and past due loans monthly and reports the findings to the full Board of Directors. In management's opinion, this loan review system helps facilitate the early identification of potential criticized loans. MARC also provides guidance for the maintenance and timely disposition of OREO properties including developing financing and marketing programs to incent individuals to purchase OREO. MARC consists of the Bank’s Chief Executive Officer, Chief Financial Officer, Regional Presidents and Chief Credit Officer, and the activities are governed by a formal written charter. The MARC meets monthly and reports to the Board of Directors.

The Allowance for Credit Loss (ACL) is established as management’s estimate of expected credit losses inherent in the Company’s lending activities; it is increased by the provision for credit losses and decreased by net charge-offs. The ACL is evaluated quarterly by management based on periodic reviews of the collectability of the Company's loans and current economic conditions. The ACL represents the portion of a loan’s amortized cost basis that the Company does not expect to collect due to anticipated credit losses over the loan’s remaining contractual life, adjusted for expected prepayments and curtailments. To estimate the collective ACL, the Company utilizes the Discounted Cash Flow (DCF) methodology. This method uses loan level repayment terms to determine expected cash flows which are then discounted by various assumptions such as prepayment or curtailment rates, Probability of Default (PD) and Loss Given Default (LGD) rates.

The Company incorporates forward-looking information using macroeconomic forecast data obtained from publicly available sources, including variables considered key drivers of changes in credit losses. The Company applies a reasonable and supportable forecast period, followed by a reversion to historical loss information.

In determining the allowance for credit losses, accruing loans with similar risk characteristics are generally evaluated collectively. Loans that do not share similar risk characteristics are generally evaluated individually. Nonaccrual loans are generally individually evaluated. Loans for which borrowers are experiencing financial difficulty may require evaluation of the source of repayment to determine whether such loans should be categorized as collateral dependent.

The PD is determined by reviewing loans with similar risk characteristics that are combined into loan pools and statistically correlated with historical credit losses, defaults, and various economic metrics, including California unemployment rates, California housing prices, and California gross domestic product. Pool balances identified as having a probability of default are then adjusted for expected loss given default. The Company utilizes the Frye Jacobs Index as a basis for LGD. Model forecasts may be adjusted for inherent limitations or biases identified through independent validation and annual back-testing of model performance to actual realized results.

The Company considers the impact of portfolio concentrations, changes in underwriting practices, and other risk factors that may influence its loss estimation process.

The following table provides certain information for the dates indicated with respect to the Company's allowance for credit losses as well as charge-off and recovery activity.

	For the Nine Months Ended September 30,		For the Year Ended December 31,		
($ in thousands)	2026	2025	2025	2024	2023
Balance at beginning of period	$ 19,959	$ 13,196	$ 13,196	$ 12,867	$ 10,717
Initial allowance on acquired PCD loans	-	315	315	-	-
Impact of CECL Adoption	-	-	-	-	529
Adjusted balance	19,959	13,511	13,511	12,867	11,246
Charge-offs:					
Commercial	310	190	355	302	123
Agricultural	6	11	11	-	-
Real estate – residential	-	-	-	-	-
Real estate – commercial	-	-	-	-	-
Real estate – construction and land development	-	-	-	-	-
Equity Lines of Credit	75	19	66	-	-
Auto	453	408	528	1,643	1,550
Other	37	102	135	94	129
Total charge-offs	881	730	1,095	2,039	1,802
Recoveries:					
Commercial	67	22	38	25	44
Agricultural	-	-	-	-	-
Real estate – residential	-	49	49	4	3
Real estate – commercial	-	-	7	1	1
Real estate – construction and land development	-	-	-	-	-
Equity Lines of Credit	-	-	-	-	-
Auto	227	430	544	928	746
Other	20	10	15	35	54
Total recoveries	314	511	653	993	848
Net charge-offs	567	219	442	1,046	954
Provision for credit losses - loans	350	6,272	6,890	1,375	2,575
Balance at end of period	$ 19,742	$ 19,564	$ 19,959	$ 13,196	$ 12,867
Net charge-offs during the period to average loans (annualized for the nine-month periods)	0.05%	0.03%	0.11%	0.11%	0.10%
Allowance for credit losses to total loans	1.32%	1.30%	1.32%	1.30%	1.34%

The following table provides a breakdown of the allowance for credit losses at September 30, 2026, and December 31, 2025:

($ in thousands)	Balance at End of Period 9/30/2026	Percent of Loans in Each Category to Total Loans 9/30/2026	Balance at End of Period 12/31/2025	Percent of Loans in Each Category to Total Loans 12/31/2025
Commercial	$ 3,018	10.7%	$ 3,246	11.1%
Agricultural	4,862	9.3%	3,973	10.4%
Real estate – residential	213	2.1%	258	2.2%
Real estate – commercial	10,307	67.9%	10,605	66.3%
Real estate – construction and land development	292	3.6%	514	2.7%
Equity Lines of Credit	469	3.6%	502	3.5%
Auto	372	1.7%	591	2.6%
Other	209	1.1%	270	1.2%
Total	$ 19,742	100%	$ 19,959	100%

The following table sets forth the amount of the Company's nonperforming assets as of the dates indicated.

($ in thousands)	At September 30, 2026	At December 31, 2025	2024	2023
Nonaccrual loans	$ 21,062	$ 15,089	$ 4,105	$ 4,820
Loans past due 90 days or more and still accruing	66	-	-	-
Total nonperforming loans	21,128	15,089	4,105	4,820
Other real estate owned	135	226	91	357
Other vehicles owned	12	6	111	138
Total nonperforming assets	$ 21,275	$ 15,321	$ 4,307	$ 5,315
Interest income forgone on nonaccrual loans	$ 1,295	$ 1,167	$ 301	$ 257
Interest income recorded on a cash basis on nonaccrual loans	$ -	$ -	$ -	$ -
Nonperforming loans to total loans	1.41%	1.00%	0.40%	0.50%
Nonperforming assets to total assets	0.94%	0.68%	0.27%	0.33%

The Company places loans 90 days or more past due on nonaccrual status unless the loan is well secured and in the process of collection. A loan is considered to be in the process of collection if, based on a probable specific event, it is expected that the loan will be repaid or brought current. Generally, this collection period would not exceed 90 days. When a loan is placed on nonaccrual status the Company's general policy is to reverse and charge against current income previously accrued but unpaid interest. Interest income on such loans is subsequently recognized only to the extent that cash is received and future collection of principal is deemed by management to be probable. Where the collectability of the principal or interest on a loan is considered to be doubtful by management, it is placed on nonaccrual status prior to becoming 90 days delinquent.

Nonperforming assets (which are comprised of nonperforming loans, other real estate owned ("OREO") and repossessed vehicle holdings) at September 30, 2026, were $21.3 million, up from $15.3 million at December 31, 2025. Nonperforming assets as a percentage of total assets increased to 0.94% at September 30, 2026, up from 0.68% at December 31, 2025. OREO totaled $135 thousand at September 30, 2026, and $226 thousand at December 31, 2025.

Nonperforming loans were $21.1 million at September 30, 2026 and $15.1 million at December 31, 2025. Nonperforming loans as a percentage of total loans increased to 1.41% at September 30, 2026, up from 1.00% at December 31, 2025. The increase in nonperforming loans during the period was primarily attributable to one larger lending relationship and several smaller credits. These loans have been individually evaluated as appropriate under the Company's allowance methodology and are generally supported by collateral values that management believes are sufficient based on current information.

Net charge-offs totaled $567 thousand and $219 thousand during the nine months ended September 30, 2026 and 2025, respectively. The allowance for credit losses totaled $19.7 million at September 30, 2026, and $20.0 million at December 31, 2025. Specific reserves related to collateral dependent loans totaled $2.7 million and $1.5 million at September 30, 2026, and December 31, 2025, respectively. The allowance for credit losses as a percentage of total loans was 1.32% at September 30, 2026, and 1.32% at December 31, 2025.

The following table provides a summary of the change in the number and balance of OREO properties for the nine months ended September 30, 2026 and 2025 (dollars in thousands):

	Nine Months Ended September 30,			
($ in thousands)	#	2026	#	2025
Beginning Balance	2	$ 226	1	$ 91
Additions	-	-	1	50
Dispositions	(1)	(195)	-	-
Provision from change in OREO valuation			-	(27)
Gain on Sale of OREO	-	104	-	-
Ending Balance	1	$ 135	2	$ 114

Investment Portfolio and Federal Reserve Balances. Total investment securities were $475 million as of September 30, 2026, and $477 million at December 31, 2025. The investment portfolio at September 30, 2026, consisted of $394 million in securities of U.S. Government-sponsored agencies and U.S. Government agencies, and 155 municipal securities totaling $81 million. The investment portfolio at December 31, 2025, consisted of $388 million in securities of U.S. Government-sponsored agencies and U.S. Government agencies, and 156 municipal securities totaling $89 million.

Unrealized losses on available-for-sale investment securities totaling $44.4 million were recorded, net of $13.1 million in tax benefit, as accumulated other comprehensive loss within shareholders' equity at September 30, 2026. No investment securities were sold during the nine months ended September 30, 2026. Unrealized losses on available-for-sale investment securities totaling $14.9 million were recorded, net of $4.4 million in tax benefits, as accumulated other comprehensive loss within shareholders' equity at December 31, 2025. During the nine months ended September 30, 2025, the Company sold 90 available-for-sale investment securities for proceeds of $88,009,000, recording a $625,000 loss on sale. The unrealized losses at September 30, 2026 and December 31, 2025 were not attributable to credit-related factors.

The Company classifies its investment securities as available-for-sale or held-to-maturity. Currently all securities are classified as available-for-sale. Securities classified as available-for-sale may be sold to implement the Company's asset/liability management strategies and in response to changes in interest rates, prepayment rates and similar factors.

There were no Federal funds sold at September 30, 2026, and December 31, 2025; however, the Bank maintained interest earning balances at the Federal Reserve Bank totaling $76 million at September 30, 2026, and $39 million at December 31, 2025. The balance on September 30, 2026, earns interest at the rate of 3.90%.

Deposits. Deposits totaled $1.9 billion on September 30, 2026 and $1.8 billion at December 31, 2025. During the nine months ended September 30, 2026 total deposits increased by $57 million, or 3% of which $41 million represents accounts that were moved from repurchase agreements to money market deposits during the current period. On September 30, 2026, 46% of the Company's deposits were in the form of non-interest-bearing demand deposits. At September 30, 2026, brokered deposits consist of a $10 million time deposit acquired from CCB. The rate paid on this deposit is 3.80%.

The following table shows the distribution of deposits by type at September 30, 2026 and December 31, 2025.

($ in thousands) **Distribution of Deposits by Type**	**Balance at End of Period 09/30/2026**	**Percent of Deposits in Each Category to Total Deposits 09/30/2026**	**Balance at End of Period 12/31/2025**	**Percent of Deposits in Each Category to Total Deposits 12/31/2025**
Non-interest bearing	$ 859,713	46.1%	$ 848,986	46.9%
Money Market	471,653	25.3%	440,552	24.3%
Savings	298,402	16.0%	309,337	17.1%
Time	236,875	12.6%	210,729	11.7%
Total Deposits	$ 1,866,643	100%	$ 1,809,604	100%

Deposits represent the Bank's primary source of funds. Deposits are primarily core deposits in that they are demand, savings and time deposits generated from local businesses and individuals. These sources are considered to be relatively stable, long-term relationships thereby enhancing steady growth of the deposit base without major fluctuations in overall deposit balances. The Company experiences, to a small degree, some seasonality with the slower growth period between November through April, and the higher growth period from May through October. To assist in meeting any funding demands, the Company maintains several borrowing agreements as described below.

The Company estimates that it has approximately $789 million in uninsured deposits on September 30, 2026, which includes uninsured deposits of Plumas Bancorp. Of this amount, $209 million represents deposits that are collateralized such as deposits of states, municipalities and tribal accounts. Uninsured amounts are estimated based on the portion of the account balances in excess of FDIC insurance limits.

The following table presents the maturity distribution of the portion of time deposits in excess of the FDIC insurance limit.

Maturity Distribution of Estimated Uninsured Time Deposits

(dollars in thousands)	**September 30, 2026**	**December 31, 2025**
Remaining maturity:		
Three months or less	$ 57,840	$ 18,804
After three through six months	19,133	25,834
After six through twelve months	31,332	15,891
After twelve months	52,773	45,909
Total	$ 161,078	$ 106,438

Short-term Borrowing Arrangements. The Company is a member of the Federal Home Loan Bank of San Francisco (FHLB) and can borrow up to $451 million from the FHLB secured by commercial and residential mortgage loans with carrying values totaling $719 million. Based on its current level of FHLB stock holdings the Company can borrow up to $326 million. To borrow the full $451 million in available credit the Company would need to purchase $3 million in additional FHLB stock. The Company is also eligible to borrow at the Federal Reserve Bank (FRB) Discount Window. At September 30, 2026 the Company could borrow up to $55 million at the Discount Window secured by investment securities with a fair value of $57 million. In addition to its FHLB borrowing line and the Discount Window, the Company has unsecured short-term borrowing agreements with two of its correspondent banks in the amounts of $50 million and $20 million. There were no outstanding borrowings to the FHLB, FRB Discount Window or the correspondent banks at September 30, 2026 and December 31, 2025.

Note Payable. Plumas Bancorp had outstanding borrowings of $14.3 million with a correspondent bank at September 30, 2026. This loan matures on January 25, 2035, and can be prepaid at any time. This borrowing bears interest at a fixed rate of 3.85% for the first 5 years and then beginning January 25, 2027 at a floating interest rate linked to WSJ Prime Rate for the remaining eight-year term. Interest expense recognized on this loan for the nine-months ended September 30, 2026 and 2025, was $418 thousand and $438 thousand, respectively.

The Note is secured by the common stock of the Bank. The Loan Agreement contains certain financial and non-financial covenants, which include, but are not limited to, a minimum leverage ratio at the Bank, a minimum total risk-based capital ratio at the Bank, a maximum Texas Ratio at the Bank, a minimum level of Tier 1 capital at the Bank and a return on average assets needed to generate a 1.25X debt service coverage ratio. The Loan Agreement also contains customary events of default, including, but not limited to, failure to pay principal or interest, the commencement of certain bankruptcy proceedings, and certain adverse regulatory events affecting the Company or the Bank. Upon the occurrence of an event of default under the Loan Agreement, the Company's obligations under the Loan Agreement may be accelerated. The Company was in compliance with all covenants related to the Term Note at September 30, 2026.

Subordinated Debentures. In connection with the acquisition of Cornerstone, the Company assumed $12 million of subordinated debentures, including $2 million of 4.75% Fixed-to-Floating Rate Subordinated Notes due November 30, 2035 (the "2035 Notes"). The 2035 Notes, which were issued in 2020, have a fixed interest rate of 4.75% for the first ten years and thereafter a quarterly variable interest rate equal to the then current three-month term Secured Overnight Financing Rate ("SOFR") plus 4.14%. The remaining subordinated notes were called in 2025 and are no longer outstanding. Interest expense recognized on the subordinated notes for the nine months ended September 30, 2026 and 2025, was $133 thousand and $225 thousand, respectively.

Repurchase Agreements. The Bank offers a repurchase agreement product for its larger customers which use securities sold under agreements to repurchase as an alternative to interest-bearing deposits. Securities sold under agreements to repurchase totaled $62 million and $98 million at September 30, 2026 and December 31, 2025, respectively. The balances at September 30, 2026, are secured by U.S. Government agency securities with a carrying amount of $89 million. Interest expense recognized on repurchase agreements for the nine months ended September 30, 2026 and 2025, was $968 thousand and $347 thousand, respectively.

Shareholders' Equity. Shareholders' equity increased by $1.4 million from $261.1 million at December 31, 2025 to $262.5 million at September 30, 2026. The $1.4 million increase includes earnings during the nine-month period of $31.1 million, stock option exercises of $1.6 million and stock-based compensation expense of $577 thousand. These items were mostly offset by an increase in accumulated other comprehensive loss of $20.8 million, the payment of cash dividends totaling $6.9 million and common stock repurchases of $4.2 million.

It is the policy of the Company to periodically distribute excess retained earnings to the shareholders through the payment of cash dividends. Such dividends help promote shareholder value and capital adequacy by enhancing the marketability of the Company's stock. All authority to provide a return to the shareholders in the form of a cash or stock dividend or split rests with the Board of Directors. The Board will periodically, but on no regular schedule, review the appropriateness of a cash dividend payment. Banking regulations limit the amount of dividends that may be paid without prior approval of regulatory agencies. The Company paid quarterly cash dividends of $0.33 per share on February 18, 2026, May 15, 2026 and August 17, 2026 and a quarterly cash dividend of $0.30 per share on February 17, 2025, May 15, 2025, August 15, 2025 and November 17, 2025.

Capital Standards. The Company uses a variety of measures to evaluate its capital adequacy. Management reviews these capital measurements on a monthly basis and takes appropriate action to ensure that they are within established internal and external guidelines. The FDIC has promulgated risk-based capital guidelines for all state non-member banks such as the Bank. These guidelines establish a risk-adjusted ratio relating capital to different categories of assets and off-balance sheet exposures.

In July, 2013, the federal bank regulatory agencies adopted rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. depository organizations, sometimes called "Basel III," that increased the minimum regulatory capital requirements for bank holding companies and depository institutions and implemented strict eligibility criteria for regulatory capital instruments. The Basel III capital rules include a minimum common equity Tier 1 ratio of 4.5%, a Tier 1 capital ratio of 6.0%, a total risk-based capital ratio of 8.0%, and a minimum leverage ratio of 4.0% (calculated as Tier 1 capital to average consolidated assets). The minimum capital levels required to be considered "well capitalized" include a common equity Tier 1 ratio of 6.5%, a Tier 1 risk-based capital ratio of 8.0%, a total risk-based capital ratio of 10.0% and a leverage ratio of 5.0%. In addition, the Basel III capital rules require that banking organizations maintain a capital conservation buffer of 2.5% above the minimum capital requirements in order to avoid restrictions on their ability to pay dividends, repurchase stock or pay discretionary bonuses. Including the capital conservation buffer of 2.5%, the Basel III capital rules require the following minimum ratios for a bank holding company or bank to be considered well capitalized: a common equity Tier 1 capital ratio of 7.0%, a Tier 1 capital ratio of 8.5%, and a total capital ratio of 10.5%. At September 30, 2026, the Company's and the Bank's capital ratios exceeded the thresholds necessary to be considered "well capitalized" under the Basel III framework.

Under the FRB's Small Bank Holding Company and Savings and Loan Holding Company Policy Statement (the "Policy Statement"), qualifying bank holding companies with less than $3 billion in consolidated assets are exempt from the Basel III consolidated capital rules. The Company qualifies for treatment under the Policy Statement and is not currently subject to the Basel III consolidated capital rules at the bank holding company level. The Basel III capital rules continue to apply to the Bank.

In 2019, the federal bank regulators issued a rule establishing a "community bank leverage ratio" (the ratio of a bank's tier 1 capital to average total consolidated assets) that qualifying institutions with less than $10 billion in assets may elect to use in lieu of the generally applicable leverage and risk-based capital requirements under Basel III. During 2026 this rule was modified to lower the minimum leverage ratio requirement from greater than 9 percent to greater than 8 percent. A qualifying banking organization that elects to use the new ratio will be considered to have met all applicable federal regulatory capital and leverage requirements, including the minimum capital levels required to be considered "well capitalized," if it maintains a community bank leverage ratio exceeding 8%. The new rule became effective on January 1, 2020. Plumas Bank opted into the community bank leverage ratio effective June 30, 2026. On September 30, 2026, the Bank's community bank leverage ratio was 11.9% which is significantly above the minimum of 8% to be considered well capitalized. The election did not impact the Bank's capital position, which remains well above all regulatory well-capitalized thresholds.

The following table sets forth the Bank's actual capital amounts and ratios (dollar amounts in thousands):

			Minimum Amount of Capital Required			
	Actual		For Capital Adequacy Purposes (1)		To be Well-Capitalized Under Prompt Corrective Provisions	
($ in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
September 30, 2026						
Common Equity Tier 1 Ratio	$ 270,209	16.4%	$ 74,126	4.5%	$ 107,071	6.5%
Tier 1 Leverage Ratio	270,209	11.9%	90,962	4.0%	113,702	5.0%
Tier 1 Risk-Based Capital Ratio	270,209	16.4%	98,835	6.0%	131,780	8.0%
Total Risk-Based Capital Ratio	290,601	17.6%	131,780	8.0%	164,725	10.0%
December 31, 2025						
Common Equity Tier 1 Ratio	$ 247,747	14.8%	$ 75,265	4.5%	$ 108,717	6.5%
Tier 1 Leverage Ratio	247,747	11.1%	89,237	4.0%	111,547	5.0%
Tier 1 Risk-Based Capital Ratio	247,747	14.8%	100,354	6.0%	133,805	8.0%
Total Risk-Based Capital Ratio	268,425	16.0%	133,805	8.0%	167,257	10.0%

(1) Does not include amounts required to maintain the capital conservation buffer under the new capital rules.

Management believes that Plumas Bank currently meets all its capital adequacy requirements.

The current and projected capital positions of the Bank and the impact of capital plans and long-term strategies are reviewed regularly by management. The Company policy is to maintain the Bank's ratios above the prescribed well-capitalized ratios at all times.

Off-Balance Sheet Arrangements

Loan Commitments. In the normal course of business, there are various commitments outstanding to extend credits that are not reflected in the financial statements. Commitments to extend credit and letters of credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Annual review of commercial credit lines, letters of credit and ongoing monitoring of outstanding balances reduces the risk of loss associated with these commitments. As of September 30, 2026, the Company had $234 million in unfunded loan commitments and $7 million in letters of credit. This compares to $249 million in unfunded loan commitments at December 31, 2025 and $1.6 million in letters of credit. Of the $234 million in unfunded loan commitments, $151 million and $83 million represent commitments to commercial and consumer customers, respectively. Of the total unfunded commitments at September 30, 2026, $124 million were secured by real estate, of which $49 million was secured by commercial real estate and $75 million was secured by residential real estate mostly in the form of equity lines of credit. The commercial loan commitments not secured by real estate primarily represent business lines of credit, while the consumer loan commitments not secured by real estate primarily represent revolving credit card lines and overdraft protection lines. Since some of the commitments are expected to expire without being drawn upon the total commitment amounts do not necessarily represent future cash requirements.

Operating Leases. The Company leases eleven branches. Our Yuba City branch is classified as owned; however, it is subject to a long-term land lease. The Company also leases two lending offices and five administrative offices. The expiration dates of the leases vary, with the first such lease expiring during 2026 and the last such lease expiring during 2044. Including variable lease expense, total rent expense for the nine months ended September 30, 2026 and 2025 was $3.1 million and $2.6 million, respectively.

Liquidity

The Company manages its liquidity to provide the ability to generate funds to support asset growth, meet deposit withdrawals (both anticipated and unanticipated), fund customers' borrowing needs and satisfy maturity of short-term borrowings. The Company's liquidity needs are managed using assets or liabilities, or both. On the asset side, in addition to cash and due from banks, the Company maintains an investment portfolio which includes unpledged U.S. Government-sponsored agency securities that are classified as available-for-sale. On the liability side, liquidity needs are managed by offering competitive rates on deposit products and the use of established credit lines.

At September 30, 2026, the Company had $576 million of available borrowing capacity through a combination of FHLB advances, the FRB Discount Window and correspondent bank lines. There were no outstanding borrowings to the FHLB, FRB Discount Window or the correspondent banks at September 30, 2026 and December 31, 2025.

Customer deposits are the Company's primary source of funds. Total deposits increased by $57 million from $1.8 billion at December 31, 2025, to $1.9 billion at September 30, 2026. Deposits are held in various forms with varying maturities. The Company estimates that it has approximately $789 million in uninsured deposits which include uninsured deposits of Plumas Bancorp. Of this amount, $209 million represents deposits that are collateralized such as deposits of states, municipalities and tribal accounts.

The Company's securities portfolio, Discount Window advances, FHLB advances, and cash and due from banks serve as the primary sources of liquidity, providing adequate funding for loans during periods of high loan demand. During periods of decreased lending, funds obtained from the maturing or sale of investments, loan payments, and new deposits are invested in short-term earning assets, such as cash held at the FRB and investment securities, to serve as a source of funding for future loan growth. Management believes that the Company's available sources of funds, including borrowings, will provide adequate liquidity for its operations in the near future.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not required.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of the Company's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act") as of September 30, 2026. The Company's disclosure controls and procedures are designed to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the U.S. Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure. Based on this evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2026 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, the Company and/or its subsidiary are a party to claims and legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, the amount of ultimate liability with respect to such proceedings will not have a material adverse effect on the financial condition or results of operations of the Company taken as a whole.

ITEM 1A. RISK FACTORS

In addition to the other information set forth in this Form 10-Q you should carefully consider the risk factors that appeared under Item 1A, “Risk Factors” in the Company’s 2025 Annual Report. There are no material changes from the risk factors included within the Company’s 2025 Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a) None.

(b) None.

(c)

On February 2, 2026 the Company announced a share repurchase program permitting the repurchase of up to $25.0 million of the Company’s outstanding common stock through the fourth quarter of 2026. During the three months ended September 30, 2026, the Company repurchased 23,589 shares of its common stock for an aggregate purchase price of approximately $1,428,000, inclusive of commissions, at an average price of $60.54 per share. All repurchases were executed in open-market transactions and were funded using available cash on hand.

As of September 30, 2026, approximately $20.8 million remained available for future repurchases under the existing authorization. The Company is not obligated to repurchase any specific number of shares and expects that any future repurchases will depend on market conditions, capital availability, and other corporate considerations.

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share (1)	Shares Purchased as Part of Announced Plans	Approximate Dollar Value of Shares That May Yet Be Purchased
July 1-31, 2026	6,000	$60.55	6,000	$21,853,571
August 1-31, 2026	13,441	$60.40	13,441	$21,040,066
September 1-30, 2026	4,148	$60.71	4,148	$20,789,012

(1) Excludes commissions.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

The following documents are included or incorporated by reference in this Quarterly Report on Form 10Q:

2.1	Agreement and Plan of Merger and Reorganization dated as of January 28, 2025, by and between Plumas Bancorp and Cornerstone Community Bancorp included as Exhibit 2.1 to the Registrant's 8-K filed on January 29, 2025, which is incorporated by this reference herein.
3.1	Articles of Incorporation as amended of Registrant included as Exhibit 3.1 to the Registrant's Form S-4, File No. 333-84534, which is incorporated by reference herein.
3.2	Bylaws of Registrant as amended on August 16, 2023 included as Exhibit 3.1 to the Registrant's Form 8-K for August 17, 2023, which is incorporated by reference herein.
3.3	Amendment of the Articles of Incorporation of Registrant dated November 1, 2002, is included as Exhibit 3.3 to the Registrant's 10-Q for March 31, 2005, which is incorporated by this reference herein.
3.4	Amendment of the Articles of Incorporation of Registrant dated August 17, 2005, is included as Exhibit 3.4 to the Registrant's 10-Q for March 31, 2005, which is incorporated by this reference herein.
4	Specimen form of certificate for Plumas Bancorp included as Exhibit 4 to the Registrant's Form S-4, File No. 333-84534, which is incorporated by reference herein.
4.1	Description of Securities of Plumas Bancorp Registered Under Section 12 of the Exchange Act, is included as Exhibit 4.1 to the Registrant's 10-K for December 31, 2023, which is incorporated by this reference herein.
10.1	Form of Indemnification Agreement (Plumas Bancorp) is included as Exhibit 10.1 to the Registrant's 8-K filed on August 20,2020 which is incorporated by this reference herein.
10.2	Form of Indemnification Agreement (Plumas Bank) is included as Exhibit 10.2 to the Registrant's 8-K filed on August 20,2020 which is incorporated by this reference herein.
31.1*	Rule 13a-14(a) [Section 302] Certification of Principal Financial Officer dated November 4, 2026.
31.2*	Rule 13a-14(a) [Section 302] Certification of Principal Executive Officer dated November 4, 2026.
32.1*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated November 4, 2026.
32.2*	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 dated November 4, 2026.

101.INS*	Inline XBRL Instance Document (the Instance Document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).
*	Filed herewith

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PLUMAS BANCORP
(Registrant)
Date: November 4, 2026

/s/ Richard L. Belstock
Richard L. Belstock
Chief Financial Officer

/s/ Andrew J. Ryback
Andrew J. Ryback
Director, President and Chief Executive Officer

Exhibit 31.1

CERTIFICATION UNDER SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Richard L. Belstock, Chief Financial Officer, certify that:

1. I have reviewed this report on Form 10-Q of Plumas Bancorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ Richard L. Belstock

Richard L. Belstock, Chief Financial Officer

Exhibit 31.2

CERTIFICATION UNDER SECTION 302 OF THE SARBANES OXLEY ACT OF 2002

I, Andrew J. Ryback, Chief Executive Officer, certify that:

1. I have reviewed this report on Form 10-Q of Plumas Bancorp;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 4, 2026

/s/ Andrew J. Ryback

Andrew J. Ryback, Chief Executive Officer

Exhibit 32.1

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Plumas Bancorp (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2026

/s/ Richard L. Belstock
Richard L. Belstock, Chief Financial Officer

Exhibit 32.2

Certification of Chief Executive Officer
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned officer of Plumas Bancorp (the "Company") hereby certifies, to such officer's knowledge, that:

(i) the accompanying Quarterly Report on Form 10-Q of the Company for the quarterly period ended September 30, 2026 (the "Report") fully complies with the requirements of Section 13(a) or Section 15(d), as applicable, of the Securities Exchange Act of 1934, as amended; and

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2026

/s/ Andrew J. Ryback
Andrew J. Ryback, Chief Executive Officer