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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
YEAR ENDED AND FOURTH QUARTER DECEMBER 31, 2024**

Jasper, Alabama (January 28, 2025) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced Pinnacle’s results of operations for the fourth quarter and year ended December 31, 2024:

- For the three months ended December 31, 2024, Pinnacle’s basic/diluted earnings per share was \$1.15 as compared to \$1.08 per share for the three months ended December 31, 2023. Net income for the three months ended December 31, 2024 was \$1,038,000 as compared to \$981,000 for the three months ended December 31, 2023.
- For the year ended December 31, 2024, Pinnacle’s basic/diluted earnings per share was \$4.48 as compared to \$4.93 per share for the year ended December 31, 2023. Pinnacle reported net income of \$4,066,000 for the year ended December 31, 2024 as compared to \$4,480,000, for the year ended December 31, 2023.
- For the three and nine months ended December 31, 2024, return on average assets was 1.20%, and 1.18%, respectively, compared to 1.18% and 1.34%, respectively, in the comparable 2023 period.

Company’s net interest margin was 3.17% and 3.18%, respectively for the three months and year ended December 31, 2024, respectively, compared to 3.18% and 3.32% for both the three months and year ended December 31, 2023, respectively.

At December 31, 2024, Pinnacle’s allowance for loan losses as a percent of total loans was 1.78%, compared to 1.96% at December 31, 2023. Net charge-offs were \$107,000 during 2024 and \$102,000 for 2023. There were no nonperforming assets at both December 31, 2024 and 2023.

Pinnacle was classified as “well capitalized” at the end of 2024. All capital ratios are higher than the requirements for a well-capitalized institution. As of December 31, 2024, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 18.97%. As of December 31, 2024, its total capital ratio was 20.05%, and its Tier 1 leverage ratio was 11.09%.

Dividends of \$.27 and \$1.08 per share were paid to shareholders during the three months and year ended for both December 31, 2024 and 2023.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at December 31, 2024, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 102.67% as compared to our established minimal limit of 25%. In addition, the Bank provides access to additional FDIC insurance coverage for accounts that would otherwise exceed deposit insurance coverage. The Company’s total deposits at December 31, 2024 increased \$6.8 million, or 2.2%, as compared to December 31, 2023.

Effects of Inflation

Inflation has caused a substantial rise in interest rates during 2023 and 2022 which has had a negative effect in the securities market. As a result of the increase in interest rates since 2022, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$28.7 million and \$26.7 million as of December 31, 2024 and 2023, respectively. Although these unrealized losses recorded as of December 31, 2024 were significant, management does not anticipate these losses to be other than temporary as these unrealized losses do not currently appear related to any credit deterioration within the portfolio but from higher interest rates.

Forward-Looking Statements

Information contained in this press release, other than historical information, may be considered forward-looking in nature and is subject to various risks, uncertainties and assumptions. 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 or expected. Pinnacle undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in Pinnacle's expectations. Certain tabular presentations may not reconcile because of rounding.

Pinnacle Bancshares, Inc.'s wholly owned subsidiary Pinnacle Bank has seven offices located in central and northwest Alabama.

PINNACLE BANCSHARES, INC.
Unaudited Financial Highlights
(In Thousands, except share and per share data)

	Three Months Ended December 31,	
	2024	2023
Net income	\$ 1,038,000	\$ 981,000
Basic and diluted earnings per share	\$ 1.15	\$ 1.08
Performance ratios (annualized):		
Return on average assets	1.20%	1.18%
Return on average equity (excluding OCI)	9.90%	10.07%
Interest rate spread	2.64%	2.70%
Net interest margin	3.17%	3.18%
Operating cost to assets	2.28%	2.40%
Weighted average basic and diluted shares outstanding	906,730	909,534
Dividends per share	\$ 0.27	\$ 0.27
Provision for loan losses	\$ -	\$ -

	Years Ended December 31,	
	2024	2023
Net income	\$ 4,066,000	\$ 4,480,000
Basic and diluted earnings per share	\$ 4.48	\$ 4.93
Performance ratios (annualized):		
Return on average assets	1.18%	1.34%
Return on average equity (excluding OCI)	9.96%	11.89%
Interest rate spread	2.64%	2.98%
Net interest margin	3.18%	3.32%
Operating cost to assets	2.34%	2.31%
Weighted average basic and diluted shares outstanding	908,525	909,534
Dividends per share	\$ 1.08	\$ 1.08
Provision for loan losses	\$ -	\$ -

	(Audited)	
	December 31, 2024	December 31, 2023
Total assets	\$ 346,666,000	\$ 342,578,000
Loans receivable, net	\$ 129,437,000	\$ 122,973,000
Deposits	\$ 318,170,000	\$ 311,339,000
Brokered CD's included in deposits	\$ 14,917,000	\$ 11,907,000
Total stockholders' equity	\$ 13,861,000	\$ 12,787,000
Book value per share	\$ 15.30	\$ 14.06
Book value per share (excluding OCI)	\$ 46.48	\$ 43.02
Average Stockholders' equity to assets ratio (excluding OCI)	11.80%	11.25%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.00%	.00%
Nonperforming assets as a percent of total loans	.00%	.00%
Allowance for loan losses as a percent of total loans	1.78%	1.96%

FINANCIAL INFORMATION

**PINNACLE BANCSHARES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION**

	<i>(Unaudited)</i> December 31, 2024	<i>(Audited)</i> December 31, 2023
	<hr/>	<hr/>
<u>Assets</u>		
Cash and cash equivalents	\$ 2,406,608	\$ 2,190,793
Interest bearing deposits in banks	17,830,073	19,518,942
Securities available for sale	163,442,222	165,520,025
Restricted equity securities	954,300	836,200
Loans	131,789,490	125,433,112
Less Allowance for loan losses	2,352,415	2,459,372
Loans, net	<hr/> 129,437,075	<hr/> 122,973,740
Premises and equipment, net	8,198,615	8,421,289
Right-of-use lease assets – operating	260,248	302,171
Goodwill	306,488	306,488
Bank owned life insurance	11,024,493	10,601,839
Accrued interest receivable	2,107,431	2,107,189
Deferred tax assets, net	9,759,285	8,951,799
Other assets	938,828	847,912
Total assets	<hr/> \$ 346,665,666 <hr/>	<hr/> \$ 342,578,387 <hr/>
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 89,120,999	\$ 89,518,619
Interest-bearing	229,049,151	221,820,527
Total deposits	<hr/> 318,170,150	<hr/> 311,339,146
Subordinated debentures	3,093,000	3,093,000
Other borrowings	9,000,000	12,500,000
Accrued interest payable	874,774	1,392,273
Operating lease liabilities	260,248	302,171
Other liabilities	1,406,122	1,165,256
Total liabilities	<hr/> 332,804,294	<hr/> 329,791,846
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 905,786 and 909,534 shares outstanding, respectively	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock 966,527 and 962,779 shares at cost, respectively	(15,698,015)	(15,588,799)
Retained earnings	48,857,057	45,772,256
Accumulated other comprehensive loss, net of tax	(28,239,616)	(26,338,862)
Total stockholders' equity	<hr/> 13,861,372	<hr/> 12,786,541
Total liabilities and stockholders' equity	<hr/> \$ 346,665,666 <hr/>	<hr/> \$ 342,578,387 <hr/>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended December 31,		Years Ended December 31,	
	2024	2023	2024	2023
Interest income				
Loans, including fees	\$ 2,235,841	\$ 2,003,295	\$ 8,597,229	\$ 7,527,937
Securities available for sale	1,378,965	1,347,416	5,369,120	5,504,358
Other interest	177,504	266,587	1,221,766	840,501
Total interest income	<u>3,792,310</u>	<u>3,617,298</u>	<u>15,188,115</u>	<u>13,872,796</u>
Interest expense				
Deposits	876,187	692,818	3,205,768	1,859,046
Borrowings	110,926	148,910	681,875	438,088
Subordinated debentures	39,050	39,050	156,200	156,200
Total interest expense	<u>1,026,163</u>	<u>880,778</u>	<u>4,043,843</u>	<u>2,453,334</u>
Net interest income	2,766,147	2,736,520	11,144,272	11,419,462
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>2,766,147</u>	<u>2,736,520</u>	<u>11,144,272</u>	<u>11,419,462</u>
Other income				
Fees and service charges on deposit accounts	434,913	426,111	1,713,187	1,681,484
Service fee income, net	-	746	743	2,910
Bank owned life insurance	105,982	101,087	422,654	395,505
Mortgage fee income	-	-	6,167	12,113
Total other income	<u>540,895</u>	<u>527,944</u>	<u>2,142,751</u>	<u>2,092,012</u>
Other expense:				
Salaries and employee benefits	1,143,327	1,041,716	4,611,450	4,382,725
Occupancy expense	259,798	271,628	1,196,712	943,058
Marketing and professional expense	74,751	131,811	298,614	338,524
Other operating expenses	496,104	541,429	2,004,334	2,085,710
Total other expenses	<u>1,973,980</u>	<u>1,986,584</u>	<u>8,111,110</u>	<u>7,750,017</u>
Income before income taxes	1,133,062	1,277,880	5,175,913	5,761,457
Income tax expense	<u>294,715</u>	<u>296,737</u>	<u>1,110,098</u>	<u>1,281,278</u>
Net income	<u>\$ 1,038,347</u>	<u>\$ 981,143</u>	<u>\$ 4,065,815</u>	<u>\$ 4,480,179</u>
Cash dividend per share	<u>\$ 0.27</u>	<u>\$ 0.27</u>	<u>\$ 1.08</u>	<u>\$ 1.08</u>
Basic and diluted earnings per share	<u>\$ 1.15</u>	<u>\$ 1.08</u>	<u>\$ 4.48</u>	<u>\$ 4.93</u>
Weighted –average basic and diluted shares outstanding	<u>906,730</u>	<u>909,534</u>	<u>908,525</u>	<u>909,534</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2024 and 2023

	<u>Common Stock</u>		<u>Additional</u>	<u>Treasury</u>	<u>Retained</u>	<u>Accumulated</u>	<u>Total</u>		
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>			<u>Other</u>		<u>Comprehensive</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Stock</u>		<u>Earnings</u>	<u>Loss</u>
Balance December 31, 2022	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,588,799)	\$ 42,274,372	\$ (29,889,603)	\$ 5,737,916		
Net income	-	-	-	-	4,480,179	-	4,480,179		
Cash dividends declared (\$1.08 per share)	-	-	-	-	(982,295)	-	(982,295)		
Other comprehensive income	-	-	-	-	-	3,550,741	3,550,741		
Balance December 31, 2023	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 45,772,256</u>	<u>\$ (26,338,862)</u>	<u>\$ 12,786,541</u>		
	<u>Common Stock</u>		<u>Additional</u>	<u>Treasury</u>	<u>Retained</u>	<u>Accumulated</u>	<u>Total</u>		
	<u>Shares</u>	<u>Amount</u>	<u>Paid-in</u>			<u>Other</u>		<u>Comprehensive</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Stock</u>		<u>Earnings</u>	<u>Loss</u>
Balance December 31, 2023	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,588,799)	\$ 45,772,256	\$ (26,338,862)	\$ 12,786,541		
Net income	-	-	-	-	4,065,815	-	4,065,815		
Cash dividends declared (\$1.08 per share)	-	-	-	-	(981,014)	-	(981,014)		
Purchase of treasury stock	-	-	-	(109,216)	-	-	(109,216)		
Other comprehensive loss	-	-	-	-	-	(1,900,754)	(1,900,754)		
Balance December 31, 2024	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,698,015)</u>	<u>\$ 48,857,057</u>	<u>\$ (28,239,616)</u>	<u>\$ 13,861,372</u>		

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2024	2023
OPERATING ACTIVITIES:		
Net income	\$ 4,065,815	\$ 4,480,179
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	522,575	418,815
Net investment amortization expense	185,926	180,496
Net increase in bank owned life insurance	(422,654)	(395,505)
Decrease in accrued interest receivable	(242)	(36,292)
Increase (decrease) in accrued interest payable	(517,499)	1,280,620
Net other operating activities	94,019	535,306
Net cash provided by operating activities	3,927,940	6,463,619
INVESTING ACTIVITIES:		
Net increase in loans	(6,463,335)	(7,018,152)
Net (increase) decrease in interest bearing deposits in other banks	1,688,869	(7,332,960)
Purchase of securities available for sale	(7,414,432)	-
Proceeds from maturing, calls, and payments received on securities available for sale	6,654,000	9,712,596
Net purchase of restricted equity securities	(118,100)	(62,600)
Purchase of premises and equipment	(299,901)	(1,913,473)
Net cash used in investing activities	(5,952,899)	(6,614,589)
FINANCING ACTIVITIES:		
Net increase (decrease) in deposits	6,831,004	(10,918,880)
Proceeds from other borrowings	16,500,000	16,100,000
Repayments of other borrowings	(20,000,000)	(3,600,000)
Purchase of treasury stock	(109,216)	-
Payments of cash dividends	(981,014)	(982,295)
Net cash provided by financing activities	2,240,744	598,825
Net increase in cash and cash equivalents	215,815	447,855
Cash and cash equivalents at beginning of period	2,190,793	1,742,938
Cash and cash equivalents at end of period	\$ 2,406,608	\$ 2,190,793
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 4,561,342	\$ 1,172,714
Taxes	\$ 1,022,747	\$ 945,928
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -