Contact: Joe B. Adams, III
Chief Financial Officer
(205) 221-8866

PINNACLE BANCSHARES ANNOUNCES RESULTS FOR SECOND QUARTER ENDED JUNE 30, 2026

Jasper, Alabama (July 23, 2026) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCID: PCLB), today announced the Company's second quarter results of operations.

- For the three months ended June 30, 2026, Pinnacle's basic/diluted earnings per share was $1.14 as compared to $1.11 per share for the three months ended June 30, 2025. Net income for the three months ended June 30, 2026 was $1,027,000 as compared to $984,000 for the three months ended June 30, 2025.

- For the six months ended June 30, 2026, Pinnacle's basic/diluted earnings per share was $2.35 as compared to $2.22 per share for the six months ended June 30, 2025. Net income for the six months ended June 30, 2026 was $2,107,000 as compared to $2,002,000 for the six months ended June 30, 2025.

- Included in net income for both the three and six months ended June 30, 2026 was a loss of $268,000 in the sale of available for sale securities. The proceeds from the sale of these available for sale securities were used to purchase higher yielding securities with a shorter average duration.

- For the three and six months ended June 30, 2026, return on average assets was 1.06%, and 1.12%, respectively, compared to 1.11% and 1.13%, respectively, in the comparable 2025 period.

The Company's net interest margin was 3.20% and 3.21% for the three and six months ended June 30, 2026, respectively, as compared to 3.13% and 3.16% for the three and six months ended June 30, 2025.

At June 30, 2026, the Company's allowance for loan losses as a percent of total loans was 1.48%, compared to 1.52% at December 31, 2025. There were $21,000 and $22,000 in nonperforming assets as of June 30, 2026 and December 31, 2025, respectively.

Pinnacle Bank was classified as "well capitalized" at June 30, 2026. All capital ratios are significantly higher than the requirements for a well-capitalized institution. As of June 30, 2026, the Bank's common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 20.01%. As of June 30, 2026, its total capital ratio was 20.89%, and its Tier 1 leverage ratio was 11.30%.

Dividends of $.27 and $.54 per share were paid to shareholders during the three and six months ended for both June 30, 2026 and 2025.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at June 30, 2026, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 99.69% 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, excluding brokered deposits, at June 30, 2026 increased approximately $17.1 million, or 5%, as compared to December 31, 2025.

Effects of Inflation

Inflation caused a substantial rise in interest rates during 2023 and 2022 which had a negative effect in the securities market. As a result of rising interest rates, the Company recorded an accumulated other comprehensive loss on securities available for sale of approximately $23 million as of June 30, 2026 as compared to $22.8 million as of December 31, 2025. Although these unrealized losses recorded as of June 30, 2026 and December 31, 2025 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. These losses do not impact the Bank's regulatory capital ratios.

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 June 30, 2026	Three Months Ended June 30, 2025
Net income	$ 1,027,000	$ 984,000
Basic and diluted earnings per share	$ 1.14	$ 1.11
Performance ratios (annualized):		
Return on average assets	1.06%	1.11%
Return on average equity (excluding OCI)	8.62%	9.11%
Interest rate spread	2.60%	2.56%
Net interest margin	3.20%	3.13%
Operating cost to assets	2.21%	2.37%
Weighted average basic and diluted shares outstanding	898,336	898,512
Dividends per share	$ 0.27	$ 0.27
Provision for loan losses	$ -	$ -

	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net income	$ 2,107,000	$ 2,002,000
Basic and diluted earnings per share	$ 2.35	$ 2.22
Performance ratios (annualized):		
Return on average assets	1.12%	1.13%
Return on average equity (excluding OCI)	9.13%	9.33%
Interest rate spread	2.62%	2.61%
Net interest margin	3.21%	3.16%
Operating cost to assets	2.27%	2.32%
Weighted average basic and diluted shares outstanding	898,336	900,452
Dividends per share	$ 0.54	$ 0.54
Provision for loan losses	$ -	$ -

	June 30, 2026	*(Audited)* December 31, 2025
Total assets	$ 385,422,000	$ 364,232,000
Loans receivable, net	$ 134,055,000	$ 130,849,000
Deposits	$ 351,602,000	$ 331,496,000
Brokered CD’s included in deposits	$ 23,985,000	$ 20,983,000
Total stockholders’ equity	$ 24,004,000	$ 22,646,000
Book value per share	$ 26.72	$ 25.21
Book value per share (excluding OCI)	$ 52.00	$ 50.19
Total average stockholders’ equity to assets ratio (excluding OCI)	12.22%	12.20%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.02%	.02%
Nonperforming assets as a percent of total loans	.02%	.02%
Allowance for loan losses as a percent of total loans	1.48%	1.52%

FINANCIAL INFORMATION

PINNACLE BANCSHARES, INC.
CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	(Unaudited) **June 30, 2026**	*(Audited)* **December 31, 2025**
Assets		
Cash and cash equivalents	$ 3,116,663	2,763,958
Interest bearing deposits in banks	29,291,541	21,122,646
Securities available for sale	185,573,447	176,921,364
Restricted equity securities	969,600	957,100
Loans	136,067,029	132,861,644
Less Allowance for loan losses	2,012,179	2,013,072
Loans, net	134,054,850	130,848,572
Premises and equipment, net	8,314,167	7,801,667
Right-of-use lease assets – operating	956,473	981,519
Goodwill	306,488	306,488
Bank owned life insurance	11,754,018	11,498,037
Accrued interest receivable	2,072,132	2,072,700
Deferred tax assets, net	7,762,855	7,548,292
Other assets	1,249,709	1,409,158
Total assets	$ 385,421,943	$ 364,231,501
Liabilities and Stockholders' Equity		
Deposits		
Noninterest-bearing	$ 99,153,642	$ 92,867,774
Interest-bearing	252,448,426	238,627,990
Total deposits	351,602,068	331,495,764
Subordinated debentures	3,093,000	3,093,000
Other borrowings	4,000,000	4,000,000
Accrued interest payable	723,505	781,290
Operating lease liabilities	956,473	981,519
Other liabilities	1,043,031	1,233,844
Total liabilities	361,418,077	341,585,417
Stockholders' equity		
Common stock, par value $.01 per share; 2,400,000 authorized; 1,872,313 issued; 898,336 shares outstanding	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock (973,977 shares)	(15,929,095)	(15,929,095)
Retained earnings	53,697,297	52,075,496
Accumulated other comprehensive loss, net of tax	(22,706,282)	(22,442,263)
Total stockholders' equity	24,003,866	22,646,084
Total liabilities and stockholders' equity	$ 385,421,943	$ 346,231,501

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest income				
Loans, including fees	$ 2,377,009	$ 2,206,111	$ 4,689,450	$ 4,496,357
Securities available for sale	1,642,304	1,428,563	3,199,012	2,798,043
Other interest	216,943	257,989	450,678	492,729
Total interest income	4,236,256	3,892,663	8,339,140	7,787,129
Interest expense				
Deposits	1,130,042	982,155	2,158,525	1,905,824
Borrowings and repurchase agreements	45,556	49,769	94,778	112,114
Subordinated debentures	38,000	37,400	76,000	76,450
Total interest expense	1,213,598	1,069,324	2,329,302	2,094,388
Net interest income	3,022,658	2,823,339	6,009,837	5,692,741
Provision for loan losses	15,000	-	30,000	-
Net interest income after provision for loan losses	3,007,658	2,823,339	5,979,837	5,692,741
Other income				
Fees and service charges on deposit accounts	426,320	403,046	826,771	791,689
Bank owned life insurance	127,294	115,500	255,980	232,721
Loss on sale of securities available for sale	(267,613)	-	(267,613)	-
Mortgage fee income	8,804	5,330	19,377	5,330
Total other income	294,805	523,876	834,515	1,029,740
Other expense:				
Salaries and employee benefits	1,169,021	1,200,564	2,470,478	2,409,512
Occupancy expense	284,763	306,971	609,012	621,063
Marketing and professional expense	112,423	68,345	189,948	123,843
Other operating expenses	538,777	525,652	1,021,568	1,030,584
Total other expenses	2,104,984	2,101,532	4,291,006	4,185,002
Income before income taxes	1,197,479	1,245,683	2,523,346	2,537,479
Income tax expense	170,828	261,329	416,444	535,138
Net income	$ 1,026,651	$ 984,354	$ 2,106,902	$ 2,002,341
Cash dividend per share	$ 0.27	$ 0.27	$ 0.54	$ 0.54
Basic and diluted earnings per share	$ 1.14	$ 1.10	$ 2.35	$ 2.22
Weighted –average basic and diluted shares outstanding	898,336	898,512	898,336	900,452

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2026 and 2025

	Common Stock		Additional Paid-in	Treasury	Retained	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Stock	Earnings	Loss	Equity
Balance December 31, 2024	1,872,313	$ 18,723	$ 8,923,223	$ (15,698,015)	$ 48,857,057	$ (28,239,616)	$ 13,861,372
Net income	-	-	-	-	2,002,341	-	2,002,341
Cash dividends declared ($.54 per share)	-	-	-	-	(485,641)	-	(485,641)
Purchase of treasury stock	-	-	-	(231,080)	-	-	(231,080)
Other comprehensive income	-	-	-	-	-	1,902,547	1,902,547
Balance June 30, 2025	1,872,313	$ 18,723	$ 8,923,223	$ (15,929,095)	$ 50,373,757	$ (26,337,069)	$ 17,049,539

	Common Stock		Additional Paid-in	Treasury	Retained	Accumulated Other Comprehensive	Total Stockholders'
	Shares	Amount	Capital	Stock	Earnings	Loss	Equity
Balance December 31, 2025	1,872,313	$ 18,723	$ 8,923,223	$ (15,929,095)	$ 52,075,496	$ (22,442,263)	$ 22,646,084
Net income	-	-	-	-	2,106,902	-	2,106,902
Cash dividends declared ($.54 per share)	-	-	-	-	(485,101)	-	(485,101)
Other comprehensive loss	-	-	-	-	-	(264,019)	(264,019)
Balance June 30, 2026	1,872,313	$ 18,723	$ 8,923,223	$ (15,929,095)	$ 53,697,297	$ (22,706,282)	$ 24,003,866

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30, 2026	2025
OPERATING ACTIVITIES:		
Net income	$ 2,106,902	$ 2,002,341
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	242,023	242,651
Provision for loan losses	30,000	-
Loss on sale of securities available for sale	267,613	-
Net investment (accretion) amortization expense	(23,374)	77,948
Amortization of discount of solar income tax credit	(82,831)	-
Bank owned life insurance	(255,980)	(232,721)
Decrease in accrued interest receivable	568	73,952
Decrease in accrued interest payable	(57,785)	(198,591)
Net other operating activities	(275,536)	(270,406)
Net cash provided by operating activities	1,951,600	1,695,174
INVESTING ACTIVITIES:		
Net (increase) decrease in loans	(3,236,278)	3,283,044
Net increase in interest-bearing deposits in other banks	(8,168,895)	(4,934,519)
Purchase of securities available for sale	(25,020,356)	(8,074,614)
Proceeds from sale of securities available for sale	7,982,921	-
Proceeds from maturing, sale and payments received on securities available for sale	7,762,127	4,602,696
Net purchase of restricted equity securities	(12,500)	(2,700)
Purchase of premises and equipment	(754,523)	(49,401)
Proceeds from income tax refund associated with federal solar tax credit	1,902,849	-
Purchase of federal solar tax credit	(1,675,443)	-
Net cash used in investing activities	(21,220,098)	(5,175,494)
FINANCING ACTIVITIES:		
Net increase in deposits	20,106,304	9,885,577
Proceeds from other borrowings	2,000,000	-
Repayments of other borrowings	(2,000,000)	(5,000,000)
Purchase of treasury stock	-	(231,080)
Payments of cash dividends	(485,101)	(485,641)
Net cash provided by financing activities	19,621,203	4,168,856
Net increase in cash and cash equivalents	352,705	685,536
Cash and cash equivalents at beginning of period	2,763,958	2,406,608
Cash and cash equivalents at end of period	$ 3,116,663	$ 3,095,144
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	$ 2,387,087	$ 2,292,979
Taxes	$ 545,985	$ 537,759
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	$ -	$ -
Internally financed sales of other real estate owned	$ -	$ -