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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR  
SECOND QUARTER ENDED JUNE 30, 2022**

Jasper, Alabama (July 26, 2022) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced Pinnacle’s second quarter results of operations.

- For the three months ended June 30, 2022, Pinnacle reported net income of \$1,210,000 compared to \$984,000 for the three months ended June 30, 2021.
- For the six months ended June 30, 2022, Pinnacle reported net income of \$2,320,000 compared to \$1,891,000 for the six months ended June 30, 2021. PPP loan fees recognized during the six months ended June 30, 2022 and 2021 were \$190,000 and \$191,000, respectively.
- Net interest income for the three and six months ended June 30, 2022, was \$2,832,000 and \$5,567,000, respectively, compared with \$2,463,000 and \$4,842,000 respectively, in the same periods last year.
- Basic and diluted earnings per share for the three and six months ended June 30, 2022 were \$1.25 and \$2.39 per share, respectively, compared to \$1.01 and \$1.94 per share, respectively, for the same periods last year.
- For the three and six months ended June 30, 2022, return on average assets was 1.39%, and 1.33%, respectively, compared to 1.26% and 1.25%, respectively, in the comparable 2021 period.

Pinnacle’s net interest margin was 3.28% for both the three and six months ended June 30, 2022, respectively, compared to 3.41% and 3.48% for the three and six months ended June 30, 2021, respectively.

At June 30, 2022, Pinnacle’s allowance for loan losses as a percent of total loans was 2.08%, compared to 2.02% at December 31, 2021. Excluding PPP loans of \$376,000 and \$4.3 million dollars, the allowance for loan losses as a percent of total loans as of June 30, 2022 and December 31, 2021, was 2.08% and 2.09%, respectively. Nonperforming assets were \$60,000 at June 30, 2022, compared to \$30,000 at December 31, 2021. The ratio of nonperforming assets to total loans was .05% and .01% at June 30, 2022 and December 31, 2021, respectively. All capital ratios are higher than the requirements for a well-capitalized institution.

Dividends of \$.25 and \$.50 were paid to shareholders during the three and six months ended for June 30, 2022, respectively as compared to \$.22 and \$.44 per share dividends that were paid to shareholders during the three and six months ended June 30, 2021.

### ***Impact of COVID-19 on Our Business***

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Company. The extent of COVID-19's impact on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the virus' impact on the Company's customers, employees and vendors, and vaccination supply and delivery. At this point, the extent to which COVID-19 may impact the Company's financial condition or results of operations remains uncertain.

### ***Effects of Inflation***

We do not believe that inflation has had a material effect on our results of operations for the three- and six-months period ended June 30, 2022 and June 30, 2021; however, our business could be affected by inflation in the future which we plan to mitigate through a combination of pricing actions and operating efficiencies, although these actions could have an adverse impact on demand.

### ***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)*

	<b>Three Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Net income	\$ 1,210,000	\$ 984,000
Basic and diluted earnings per share	\$ 1.25	\$ 1.01
Performance ratios (annualized):		
Return on average assets	1.39%	1.26%
Return on average equity (excluding OCI)	13.82%	12.44%
Interest rate spread	3.19%	3.31%
Net interest margin	3.28%	3.41%
Operating cost to assets	2.02%	2.17%
Weighted average basic and diluted shares outstanding	969,445	973,505
Dividends per share	\$ 0.25	\$ 0.22
Provision for loan losses	\$ -	\$ -

	<b>Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
Net income	\$ 2,320,000	\$ 1,891,000
Basic and diluted earnings per share	\$ 2.39	\$ 1.94
Performance ratios (annualized):		
Return on average assets	1.33%	1.25%
Return on average equity (excluding OCI)	13.30%	12.09%
Interest rate spread	3.20%	3.38%
Net interest margin	3.28%	3.48%
Operating cost to assets	2.03%	2.24%
Weighted average basic and diluted shares outstanding	970,114	973,505
Dividends per share	\$ 0.50	\$ 0.44
Provision for loan losses	\$ -	\$ -

	<b>(Audited)</b>	
	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Total assets	\$ 339,113,000	\$ 339,710,000
Loans receivable, net (includes \$376k and \$4.3M PPP loans, respectively)	\$ 118,893,000	\$ 122,659,000
Deposits	\$ 323,835,000	\$ 298,693,000
Brokered CD's included in deposits	\$ 11,748,000	\$ 24,937,000
Total stockholders' equity	\$ 10,614,000	\$ 35,659,000
Book value per share (excluding OCI)	\$ 35.28	\$ 35.15
Total average stockholders' equity to assets ratio (excluding OCI)	9.98%	10.19%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.05%	.01%
Nonperforming assets as a percent of total loans	.05%	.01%
Allowance for loan losses as a percent of total loans	2.08%	2.02%
Allowance for loan losses as a percent of nonperforming loans	4,210.00%	8,460.00%

## FINANCIAL INFORMATION

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

	<i>(Unaudited)</i> June 30, 2022	<i>(Audited)</i> December 31, 2021
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,025,947	1,730,327
Interest bearing deposits in banks	10,943,513	11,146,497
Securities available for sale	177,731,521	183,516,514
Restricted equity securities	773,600	741,600
Loans	121,419,789	125,196,462
Less Allowance for loan losses	2,526,489	2,537,948
Loans, net	118,893,300	122,658,514
Premises and equipment, net	7,001,270	7,015,537
Right-of-use lease assets – operating	445,911	493,627
Goodwill	306,488	306,488
Bank owned life insurance	10,014,387	9,822,441
Accrued interest receivable	1,969,592	1,917,598
Other assets	9,007,475	361,228
<b>Total assets</b>	\$ 339,113,004	339,710,371
<b><u>Liabilities and Stockholders' Equity</u></b>		
Deposits		
Noninterest-bearing	\$ 92,010,352	88,430,320
Interest-bearing	231,824,569	210,262,213
Total deposits	323,834,921	298,692,533
Subordinated debentures	3,093,000	3,093,000
Accrued interest payable	92,702	77,843
Operating lease liabilities	445,911	493,627
Other liabilities	1,032,550	1,694,225
<b>Total liabilities</b>	328,499,084	304,051,228
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 909,534 and 970,791 shares outstanding, respectively.	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock (962,779 and 901,522 shares, respectively)	(15,588,799)	(13,533,621)
Retained earnings	40,545,323	38,710,339
Accumulated other comprehensive income (loss), net of tax	(23,284,550)	1,540,479
<b>Total stockholders' equity</b>	10,613,920	35,659,143
<b>Total liabilities and stockholders' equity</b>	\$ 339,113,004	\$ 339,710,371

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	<b>Three Months Ended June 30,</b>		<b>Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Interest income</b>				
Loans, including fees	\$ 1,590,490	\$ 1,526,216	\$ 3,245,439	\$ 3,064,459
Securities available for sale	1,367,724	1,060,940	2,582,022	2,031,546
Other interest	35,438	5,420	45,759	11,052
<b>Total interest income</b>	<u>2,993,652</u>	<u>2,592,576</u>	<u>5,873,220</u>	<u>5,107,057</u>
<b>Interest expense</b>				
Deposits	125,070	91,510	231,305	188,682
Borrowings and repurchase agreements	-	795	-	795
Subordinated debentures	36,710	37,550	75,310	76,050
<b>Total interest expense</b>	<u>161,780</u>	<u>129,855</u>	<u>306,615</u>	<u>265,527</u>
<b>Net interest income</b>	2,831,872	2,462,721	5,566,605	4,841,530
Provision for loan losses	-	-	-	-
<b>Net interest income after provision for loan losses</b>	<u>2,831,872</u>	<u>2,462,721</u>	<u>5,566,605</u>	<u>4,841,530</u>
<b>Other income</b>				
Fees and service charges on deposit accounts	382,786	353,863	740,619	700,051
Service fee income, net	811	1,001	1,697	2,059
Bank owned life insurance	95,973	97,967	191,946	195,935
Mortgage fee income	12,887	14,987	27,248	17,474
<b>Total other income</b>	<u>492,457</u>	<u>467,818</u>	<u>961,510</u>	<u>915,519</u>
<b>Other expense:</b>				
Salaries and employee benefits	1,026,255	965,842	2,051,838	1,924,815
Occupancy expense	203,934	212,163	433,556	434,307
Marketing and professional expense	63,764	67,527	128,665	132,164
Other operating expenses	467,623	445,711	929,464	878,612
<b>Total other expenses</b>	<u>1,761,576</u>	<u>1,691,243</u>	<u>3,543,523</u>	<u>3,369,898</u>
<b>Income before income taxes</b>	1,562,753	1,239,296	2,984,592	2,387,151
<b>Income tax expense</b>	<u>353,134</u>	<u>255,536</u>	<u>664,213</u>	<u>496,439</u>
<b>Net income</b>	<u>\$ 1,209,619</u>	<u>\$ 983,760</u>	<u>\$ 2,320,379</u>	<u>\$ 1,890,712</u>
<b>Cash dividend per share</b>	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 0.50</u>	<u>\$ 0.44</u>
<b>Basic and diluted earnings per share</b>	<u>\$ 1.25</u>	<u>\$ 1.01</u>	<u>\$ 2.39</u>	<u>\$ 1.94</u>
<b>Weighted –average basic and diluted shares outstanding</b>	<u>969,445</u>	<u>973,505</u>	<u>970,114</u>	<u>973,505</u>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**Six Months Ended June 30, 2022 and 2021**

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Treasury Stock</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>					
	<b>Balance December 31, 2020</b>	1,872,313	\$ 18,723	\$ 8,923,223	\$ (13,441,345)	\$ 34,874,072	\$ 3,957,193
Net income	-	-	-	-	1,572,615	-	1,572,615
Cash dividends declared (\$ .44 per share)	-	-	-	-	(428,343)	-	(428,343)
Other comprehensive loss	-	-	-	-	-	(1,448,820)	(1,448,820)
<b>Balance June 30, 2021</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (13,441,345)</u>	<u>\$ 36,336,441</u>	<u>\$ 2,508,373</u>	<u>\$ 34,345,415</u>

	<u>Common Stock</u>		<u>Additional Paid-in Capital</u>	<u>Treasury Stock</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income (Loss)</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>					
	<b>Balance December 31, 2021</b>	1,872,313	\$ 18,723	\$ 8,923,223	\$ (13,533,621)	\$ 38,710,339	\$ 1,540,479
Net income	-	-	-	-	2,320,379	-	2,320,379
Cash dividends declared (\$ .50 per share)	-	-	-	-	(485,395)	-	(485,395)
Purchase of treasury stock	-	-	-	(2,055,178)	-	-	(2,055,178)
Other comprehensive loss	-	-	-	-	-	(24,825,029)	(24,825,029)
<b>Balance June 30, 2022</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 40,545,323</u>	<u>\$ (23,284,550)</u>	<u>\$ 10,613,920</u>

**PINNACLE BANCSHARES, INC,**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Six Months Ended June 30,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 2,320,379	\$ 1,890,712
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	220,219	214,258
Net investment amortization expense	121,027	161,957
Bank owned life insurance	(191,946)	(195,935)
Increase in accrued interest receivable	(51,994)	(241,911)
Increase (decrease) in accrued interest payable	14,859	(45,535)
Net other operating activities	(128,162)	727,798
Net cash provided by operating activities	2,304,382	2,511,344
<b>INVESTING ACTIVITIES:</b>		
Net (increase) decrease in loans	3,765,214	(11,483,330)
Net (increase) decrease in interest bearing deposits in other banks	202,984	(9,562,744)
Purchase of securities available for sale	(32,299,292)	(37,014,405)
Proceeds from maturing, sale and payments received on securities available for sale	3,958,469	10,460,206
Net (purchase) redemption of restricted equity securities	(32,000)	69,500
Purchase of premises and equipment	(205,952)	(774,655)
Net cash used in investing activities	(24,610,577)	(48,305,428)
<b>FINANCING ACTIVITIES:</b>		
Net increase in deposits	25,142,388	46,112,054
Purchase of treasury stock	(2,055,178)	-
Payments of cash dividends	(485,395)	(428,343)
Net cash provided by financing activities	22,601,815	45,683,711
<b>Net increase (decrease) in cash and cash equivalents</b>	295,620	(110,373)
Cash and cash equivalents at beginning of period	1,730,327	2,080,667
Cash and cash equivalents at end of period	\$ 2,025,947	\$ 1,970,294
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for:		
Interest	\$ 291,756	\$ 311,062
Taxes	\$ 677,568	\$ 415,000
<b>OTHER NONCASH TRANSACTIONS</b>		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -