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PINNACLE BANCSHARES ANNOUNCES RESULTS FOR SECOND QUARTER ENDED JUNE 30, 2025

Jasper, Alabama (July 24, 2025) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced the Company's second quarter results of operations.

- For the three months ended June 30, 2025, Pinnacle's basic/diluted earnings per share was \$1.10 as compared to \$1.11 per share for the three months ended June 30, 2024. Net income for the three months ended June 30, 2025 was \$984,000 as compared to \$1,007,000 for the three months ended June 30, 2024.
- For the six months ended June 30, 2025, Pinnacle's basic/diluted earnings per share was \$2.22 as compared to \$2.17 per share for the six months ended June 30, 2024. Net income for the six months ended June 30, 2025 was \$2,002,000 as compared to \$1,970,000 for the six months ended June 30, 2024.
- For the three and six months ended June 30, 2025, return on average assets was 1.11%, and 1.13%, respectively, compared to 1.18% and 1.15%, respectively, in the comparable 2024 period.

The Company's net interest margin was 3.13% and 3.16% for the three and six months ended June 30, 2025, respectively, as compared to 3.22% and 3.15% for the three and six months ended June 30, 2024.

At June 30, 2025, the Company's allowance for loan losses as a percent of total loans was 1.77%, compared to 1.78% at December 31, 2024. There were no nonperforming assets as of June 30, 2025 as well as December 31, 2024.

Pinnacle Bank was classified as "well capitalized" at June 30, 2025. All capital ratios are significantly higher than the requirements for a well-capitalized institution. As of June 30, 2025, the Bank's common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 19.97%. As of June 30, 2025, its total capital ratio was 21.03%, and its Tier 1 leverage ratio was 11.13%.

Dividends of \$.27 and \$.54 per share were paid to shareholders during the three and six months ended for both June 30, 2025 and 2024.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at June 30, 2025, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 98.76% 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 June 30, 2025 increased approximately \$9.9 million, or 3%, as compared to December 31, 2024.

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 \$26.6 million as of June 30, 2025 as compared to \$28.7 million as of December 31, 2024. Although these unrealized losses recorded as of June 30, 2025 and 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. 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,	
	2025	2024
Net income	\$ 984,000	\$ 1,007,000
Basic and diluted earnings per share	\$ 1.10	\$ 1.11
Performance ratios (annualized):		
Return on average assets	1.11%	1.18%
Return on average equity (excluding OCI)	9.11%	9.96%
Interest rate spread	2.56%	2.69%
Net interest margin	3.13%	3.22%
Operating cost to assets	2.37%	2.42%
Weighted average basic and diluted shares outstanding	898,512	909,347
Dividends per share	\$ 0.27	\$ 0.27
Provision for loan losses	\$ -	\$ -

	Six Months Ended June 30,	
	2025	2024
Net income	\$ 2,002,000	\$ 1,970,000
Basic and diluted earnings per share	\$ 2.22	\$ 2.17
Performance ratios (annualized):		
Return on average assets	1.13%	1.15%
Return on average equity (excluding OCI)	9.33%	9.84%
Interest rate spread	2.61%	2.62%
Net interest margin	3.16%	3.15%
Operating cost to assets	2.32%	2.38%
Weighted average basic and diluted shares outstanding	900,452	909,441
Dividends per share	\$ 0.54	\$ 0.54
Provision for loan losses	\$ -	\$ -

	June 30, 2025	(Audited) December 31, 2024
Total assets	\$ 354,101,000	\$ 346,514,000
Loans receivable, net	\$ 126,154,000	\$ 129,437,000
Deposits	\$ 328,055,000	\$ 318,169,000
Brokered CD's included in deposits	\$ 14,959,000	\$ 14,917,000
Total stockholders' equity	\$ 17,050,000	\$ 13,861,000
Book value per share	\$ 18.98	\$ 15.30
Book value per share (excluding OCI)	\$ 48.30	\$ 46.48
Total average stockholders' equity to assets ratio (excluding OCI)	12.07%	11.80%
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	1.77%	1.78%

FINANCIAL INFORMATION

PINNACLE BANCSHARES, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<i>(Unaudited)</i> June 30, 2025	<i>(Audited)</i> December 31, 2024
<u>Assets</u>		
Cash and cash equivalents	\$ 3,095,144	2,406,608
Interest bearing deposits in banks	22,764,592	17,830,073
Securities available for sale	169,525,566	163,442,222
Restricted equity securities	957,000	954,300
Loans	128,423,547	131,789,490
Less Allowance for loan losses	2,269,516	2,352,415
Loans, net	126,154,031	129,437,075
Premises and equipment, net	8,005,365	8,198,615
Right-of-use lease assets – operating	239,047	260,248
Goodwill	306,488	306,488
Bank owned life insurance	11,257,214	11,024,493
Accrued interest receivable	2,033,480	2,107,432
Deferred tax assets, net	9,060,048	9,608,246
Other assets	703,336	938,828
Total assets	\$ 354,101,311	\$ 346,514,628
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 92,059,679	\$ 90,389,786
Interest-bearing	235,994,943	227,779,259
Total deposits	328,054,622	318,169,045
Subordinated debentures	3,093,000	3,093,000
Other borrowings	4,000,000	9,000,000
Accrued interest payable	676,183	874,774
Operating lease liabilities	239,047	260,248
Other liabilities	988,920	1,256,189
Total liabilities	337,051,772	332,653,256
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 898,336 and 905,786 shares outstanding, respectively.	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock (973,977 and 966,527 shares, respectively)	(15,929,095)	(15,698,015)
Retained earnings	50,373,757	48,857,057
Accumulated other comprehensive loss, net of tax	(26,337,069)	(28,239,616)
Total stockholders' equity	17,049,539	13,861,372
Total liabilities and stockholders' equity	\$ 354,101,311	\$ 346,514,628

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Interest income				
Loans, including fees	\$ 2,206,111	\$ 2,136,245	\$ 4,496,357	\$ 4,162,616
Securities available for sale	1,428,563	1,326,707	2,798,043	2,662,995
Other interest	257,989	340,093	492,729	648,917
Total interest income	<u>3,892,663</u>	<u>3,803,045</u>	<u>7,787,129</u>	<u>7,474,528</u>
Interest expense				
Deposits	982,155	757,324	1,905,824	1,518,271
Borrowings and repurchase agreements	49,769	190,262	112,114	369,065
Subordinated debentures	37,400	39,050	76,450	78,100
Total interest expense	<u>1,069,324</u>	<u>986,636</u>	<u>2,094,388</u>	<u>1,965,436</u>
Net interest income	2,823,339	2,816,409	5,692,741	5,509,092
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>2,823,339</u>	<u>2,816,409</u>	<u>5,692,741</u>	<u>5,509,092</u>
Other income				
Fees and service charges on deposit accounts	403,046	423,780	791,689	848,623
Service fee income, net	-	-	-	743
Bank owned life insurance	115,500	106,500	232,721	210,172
Mortgage fee income	5,330	2,522	5,330	4,653
Total other income	<u>523,876</u>	<u>532,802</u>	<u>1,029,740</u>	<u>1,064,191</u>
Other expense:				
Salaries and employee benefits	1,200,564	1,158,295	2,409,512	2,295,710
Occupancy expense	306,971	320,432	621,063	633,103
Marketing and professional expense	68,345	72,425	123,843	147,288
Other operating expenses	525,652	519,858	1,030,584	999,681
Total other expenses	<u>2,101,532</u>	<u>2,071,010</u>	<u>4,185,002</u>	<u>4,075,782</u>
Income before income taxes	1,245,683	1,278,201	2,537,479	2,497,501
Income tax expense	<u>261,329</u>	<u>271,395</u>	<u>535,138</u>	<u>527,125</u>
Net income	<u>\$ 984,354</u>	<u>\$ 1,006,806</u>	<u>\$ 2,002,341</u>	<u>\$ 1,970,376</u>
Cash dividend per share	<u>\$ 0.27</u>	<u>\$ 0.27</u>	<u>\$ 0.54</u>	<u>\$ 0.54</u>
Basic and diluted earnings per share	<u>\$ 1.10</u>	<u>\$ 1.11</u>	<u>\$ 2.22</u>	<u>\$ 2.17</u>
Weighted –average basic and diluted shares outstanding	<u>898,512</u>	<u>909,347</u>	<u>900,452</u>	<u>909,441</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Six Months Ended June 30, 2025 and 2024

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Amount	Paid-in	Stock	Earnings	Other	Stockholders'
			Capital			Comprehensive	Equity
						Loss	
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	-	-	-	-	1,970,376	-	1,970,376
Cash dividends declared (\$.54 per share)	-	-	-	-	(491,148)	-	(491,148)
Purchase of treasury stock	-	-	-	(31,000)	-	-	(31,000)
Other comprehensive loss	-	-	-	-	-	(161,244)	(161,244)
Balance June 30, 2024	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,619,799)</u>	<u>\$ 47,251,484</u>	<u>\$ (26,500,106)</u>	<u>\$ 14,073,525</u>

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Amount	Paid-in	Stock	Earnings	Comprehensive	Stockholders'
			Capital			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	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,929,095)</u>	<u>\$ 50,373,757</u>	<u>\$ (26,337,069)</u>	<u>\$ 17,049,539</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Six Months Ended June 30,	
	2025	2024
OPERATING ACTIVITIES:		
Net income	\$ 2,002,341	\$ 1,970,376
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	242,651	261,892
Net investment amortization expense	77,948	101,905
Bank owned life insurance	(232,721)	(210,172)
Decrease in accrued interest receivable	73,952	81,052
Decrease in accrued interest payable	(198,591)	(528,390)
Net other operating activities	(270,406)	58,211
Net cash provided by operating activities	<u>1,695,174</u>	<u>1,734,874</u>
INVESTING ACTIVITIES:		
Net decrease in loans	3,283,044	260,825
Net increase in interest-bearing deposits in other banks	(4,934,519)	(7,391,029)
Purchase of securities available for sale	(8,074,614)	-
Proceeds from maturing, sale and payments received on securities available for sale	4,602,696	2,971,115
Net purchase of restricted equity securities	(2,700)	(118,100)
Purchase of premises and equipment	(49,401)	(291,866)
Net cash used in investing activities	<u>(5,175,494)</u>	<u>(4,569,055)</u>
FINANCING ACTIVITIES:		
Net increase (decrease) in deposits	9,885,577	(1,029,910)
Proceeds from other borrowings	-	16,500,000
Repayments of other borrowings	(5,000,000)	(12,500,000)
Purchase of treasury stock	(231,080)	(31,000)
Payments of cash dividends	(485,641)	(491,148)
Net cash provided by financing activities	<u>4,168,856</u>	<u>2,477,942</u>
Net increase (decrease) in cash and cash equivalents	685,536	(386,239)
Cash and cash equivalents at beginning of period	<u>2,406,608</u>	<u>2,190,793</u>
Cash and cash equivalents at end of period	<u><u>\$ 3,095,144</u></u>	<u><u>\$ 1,804,554</u></u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 2,292,979	\$ 2,493,826
Taxes	\$ 537,759	\$ 387,747
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -