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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR  
THIRD QUARTER ENDED SEPTEMBER 30, 2023**

Jasper, Alabama (October 31, 2023) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced Pinnacle’s third quarter results of operations.

- For the three months ended September 30, 2023, net income of \$1,174,000 which resulted in basic/diluted earnings per share to be \$1.29. Net income for the three months ended September 30, 2022 was \$1,168,000, which resulted in basic/diluted earnings per share of \$1.28.
- For the nine months ended September 30, 2023, Pinnacle reported net income of \$3,499,000 which resulted in basic/diluted earnings per share to be \$3.85. Net income for the nine months ended September 30, 2022 was \$3,488,000, which resulted in basic/diluted earnings per share of \$3.67 per share.
- For the three and nine months ended September 30, 2023, return on average assets was 1.40%, and 1.39%, respectively, compared to 1.42% and 1.37%, respectively, in the comparable 2022 period.

Pinnacle’s net interest margin was 3.25% and 3.37% for the three and nine months ended September 30, 2023, respectively, compared to 3.37% and 3.31% for the three and nine months ended September 30, 2022, respectively. The Company anticipates that interest expense relating to its funding will continue to significantly increase during the remainder of the year as well as next year as a result of several factors such as increased deposit exception pricing and increased deposit migration to higher yielding deposit products.

At September 30, 2023, Pinnacle’s allowance for loan losses as a percent of total loans was 2.02%, compared to 2.16% at December 31, 2022. There were no nonperforming assets at September 30, 2023 as well as at December 31, 2022. Effective January 1, 2023, the Company adopted the current expected credit loss (CECL) model to account for credit losses on financial instruments, including loans. The adoption of the CECL model did not have an impact on the Company’s loan loss reserve due to minimal net losses that have occurred during the past five years.

Pinnacle Bank was classified as “well capitalized” at September 30, 2023. All capital ratios are higher than the requirements for a well-capitalized institution. As of September 30, 2023, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 17.82%. As of June 30, 2023, its total capital ratio was 18.74%, and its Tier 1 leverage ratio was 11.20%.

Dividends of \$.27 and \$.81 per share were paid to shareholders during the three and nine months ended for September 30, 2023 as compared to \$.25 and \$.75 per share paid during the three and nine months ended for September 30, 2022.

Management believes that the Company has adequate liquidity through its low loan to deposit ratio at September 30, 2023, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 95.56% 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 also retested its Federal Funds line and other borrowing lines during the first nine months of 2023.

The Company's total deposits at September 30, 2023 decreased \$8.9 million, or 2.8%, as compared to December 31, 2022. As mentioned previously, pricing of deposits is anticipated to become more competitive during the remainder of the year as well as next year, and thus deposits could continue to decrease as they did during the first nine months of 2023.

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

Inflation has caused a substantial rise in interest rates during 2023 which has had a negative effect in the securities market. As a result of the continued rise in interest rates, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$35.1 million as compared to recording other comprehensive loss in the amount of \$30.3 million as of December 31, 2022. Thus, this has caused the decrease in total equity during 2023 even though net earnings has been strong. Although these unrealized losses recorded as of September 30, 2023 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)*

	<b>Three Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net income	\$ 1,174,000	\$ 1,168,000
Basic and diluted earnings per share	\$ 1.29	\$ 1.28
Performance ratios (annualized):		
Return on average assets	1.40%	1.42%
Return on average equity (excluding OCI)	12.30%	14.18%
Interest rate spread	2.84%	3.26%
Net interest margin	3.25%	3.37%
Operating cost to assets	2.24%	2.23%
Weighted average basic and diluted shares outstanding	909,534	909,534
Dividends per share	\$ 0.27	\$ 0.25
Provision for loan losses	\$ -	\$ -
	<b>Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
Net income	\$ 3,499,000	\$ 3,488,000
Basic and diluted earnings per share	\$ 3.85	\$ 3.67
Performance ratios (annualized):		
Return on average assets	1.39%	1.37%
Return on average equity (excluding OCI)	12.52%	13.36%
Interest rate spread	3.07%	3.22%
Net interest margin	3.37%	3.31%
Operating cost to assets	2.29%	2.11%
Weighted average basic and diluted shares outstanding	909,534	949,699
Dividends per share	\$ 0.81	\$ 0.75
Provision for loan losses	\$ -	\$ -
		<i>(Audited)</i>
	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Total assets	\$ 335,492,000	\$ 332,718,000
Loans receivable, net	\$ 119,256,000	\$ 115,956,000
Deposits	\$ 313,355,000	\$ 322,261,000
Brokered CD's included in deposits	\$ 11,899,000	\$ 11,756,000
Total stockholders' equity	\$ 3,849,000	\$ 5,738,000
Book value per share (excluding OCI)	\$ 42.21	\$ 39.17
Average Stockholders' equity to assets ratio (excluding OCI)	11.09%	10.47%
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	2.02%	2.16%

**FINANCIAL INFORMATION**

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

	<i>(Unaudited)</i> <b>September 30,</b> <b>2023</b>	<i>(Audited)</i> <b>December 31,</b> <b>2022</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 1,738,471	\$ 1,742,938
Interest bearing deposits in banks	23,471,237	12,185,982
Securities available for sale	155,711,014	170,580,649
Restricted equity securities	836,200	773,600
Loans	121,719,199	118,516,666
Less Allowance for loan losses	2,463,182	2,561,079
Loans, net	119,256,017	115,955,587
Premises and equipment, net	8,356,209	6,926,631
Right-of-use lease assets – operating	326,309	398,364
Goodwill	306,488	306,488
Bank owned life insurance	10,500,752	10,206,335
Accrued interest receivable	1,530,590	2,070,895
Deferred tax assets, net	12,407,709	10,594,339
Other assets	1,051,320	976,361
<b>Total assets</b>	<b>\$ 335,492,316</b>	<b>\$ 332,718,169</b>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Deposits		
Noninterest-bearing	\$ 93,967,289	\$ 94,784,231
Interest-bearing	219,387,746	227,476,410
Total deposits	313,355,035	322,260,641
Subordinated debentures	3,093,000	3,093,000
Other borrowings	12,500,000	-
Accrued interest payable	953,149	111,652
Operating lease liabilities	326,309	398,364
Other liabilities	1,415,535	1,116,596
<b>Total liabilities</b>	331,643,028	326,980,253
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 909,534 shares outstanding	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock, 962,779 shares at cost	(15,588,799)	(15,588,799)
Retained earnings	45,036,693	42,274,372
Accumulated other comprehensive loss, net of tax	(34,540,552)	(29,889,603)
	3,849,288	5,737,916
<b>Total stockholders' equity</b>	<b>3,849,288</b>	<b>5,737,916</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 335,492,316</b>	<b>\$ 332,718,169</b>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	<b>Three Months Ended</b>		<b>Nine Months Ended</b>	
	<b>September 30,</b>		<b>September 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
<b>Interest income</b>				
Loans, including fees	\$ 1,941,342	\$ 1,600,000	\$ 5,524,642	\$ 4,845,439
Securities available for sale	1,361,835	1,405,805	4,156,942	3,987,827
Other interest	235,620	52,659	573,914	98,418
<b>Total interest income</b>	<u>3,538,797</u>	<u>3,058,464</u>	<u>10,255,498</u>	<u>8,931,684</u>
<b>Interest expense</b>				
Deposits	556,599	155,403	1,166,228	386,708
Borrowings	148,848	810	289,178	810
Subordinated debentures	39,050	38,600	117,150	113,910
<b>Total interest expense</b>	<u>744,497</u>	<u>194,813</u>	<u>1,572,556</u>	<u>501,428</u>
<b>Net interest income</b>	2,794,300	2,863,651	8,682,942	8,430,256
Provision for loan losses	-	-	-	-
<b>Net interest income after provision for loan losses</b>	<u>2,794,300</u>	<u>2,863,651</u>	<u>8,682,942</u>	<u>8,430,256</u>
<b>Other income</b>				
Fees and service charges on deposit accounts	503,147	379,232	1,255,373	1,119,851
Service fee income, net	677	837	2,164	2,534
Bank owned life insurance	97,806	95,973	294,418	287,919
Mortgage fee income	1,345	509	12,113	27,757
<b>Total other income</b>	<u>602,975</u>	<u>476,551</u>	<u>1,564,068</u>	<u>1,438,061</u>
<b>Other expense:</b>				
Salaries and employee benefits	1,104,360	1,017,682	3,341,009	3,069,520
Occupancy expense	215,091	226,707	671,430	660,263
Marketing and professional expense	70,122	72,903	206,713	201,568
Other operating expenses	495,168	518,116	1,544,281	1,447,580
<b>Total other expenses</b>	<u>1,884,741</u>	<u>1,835,408</u>	<u>5,763,433</u>	<u>5,378,931</u>
<b>Income before income taxes</b>	1,512,534	1,504,794	4,483,577	4,489,386
<b>Income tax expense</b>	<u>338,607</u>	<u>336,763</u>	<u>984,541</u>	<u>1,000,976</u>
<b>Net income</b>	<u>\$ 1,173,927</u>	<u>\$ 1,168,031</u>	<u>\$ 3,499,036</u>	<u>\$ 3,488,410</u>
<b>Cash dividend per share</b>	<u>\$ 0.27</u>	<u>\$ 0.25</u>	<u>\$ 0.81</u>	<u>\$ 0.75</u>
<b>Basic and diluted earnings per share</b>	<u>\$ 1.29</u>	<u>\$ 1.28</u>	<u>\$ 3.85</u>	<u>\$ 3.67</u>
<b>Weighted –average basic and diluted shares outstanding</b>	<u>909,534</u>	<u>909,534</u>	<u>909,534</u>	<u>949,699</u>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**Nine Months Ended September 30, 2023 and 2022**

	<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>Stock</u>	<u>Earnings</u>	<u>Other</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Comprehensive</u>	<u>Equity</u>
						<u>Income (Loss)</u>	
<b>Balance December 31, 2021</b>	1,872,313	\$ 18,723	\$ 8,923,223	\$ (13,533,621)	\$ 38,710,339	\$ 1,540,479	\$ 35,659,143
Net income	-	-	-	-	3,488,410	-	3,488,410
Cash dividends declared (\$ .75 per share)	-	-	-	-	(712,779)	-	(712,779)
Purchase of treasury stock	-	-	-	(2,055,178)	-	-	(2,055,178)
Other comprehensive loss	-	-	-	-	-	(32,004,484)	(32,004,484)
<b>Balance September 30, 2022</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 41,485,970</u>	<u>\$ (30,464,005)</u>	<u>\$ 4,375,112</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>Stock</u>	<u>Earnings</u>	<u>Other</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Comprehensive</u>	<u>Equity</u>
						<u>Loss</u>	
<b>Balance December 31, 2022</b>	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,588,799)	\$ 42,274,372	\$ (29,889,603)	\$ 5,737,916
Net income	-	-	-	-	3,499,036	-	3,499,036
Cash dividends declared (\$ .81 per share)	-	-	-	-	(736,715)	-	(736,715)
Other comprehensive loss	-	-	-	-	-	(4,650,949)	(4,650,949)
<b>Balance September 30, 2023</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 45,036,693</u>	<u>\$ (34,540,552)</u>	<u>\$ 3,849,288</u>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Nine Months Ended September 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 3,499,036	\$ 3,488,410
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	296,162	322,633
Net investment amortization expense	130,812	163,944
Net increase in bank owned life insurance	(294,418)	(287,919)
Decrease in accrued interest receivable	540,306	393,609
Increase in accrued interest payable	841,497	49,906
Net other operating activities	201,969	(197,719)
Net cash provided by operating activities	5,215,364	3,932,864
<b>INVESTING ACTIVITIES:</b>		
Net (increase) decrease in loans	(3,300,429)	8,214,887
Net (increase) decrease in interest bearing deposits in other banks	(11,285,255)	4,105,621
Purchase of securities available for sale	-	(40,160,098)
Proceeds from maturing, calls, and payments received on securities available for sale	8,295,689	8,714,406
Net purchase of restricted equity securities	(62,600)	(32,000)
Purchase of premises and equipment	(1,725,739)	(351,154)
Net cash used in investing activities	(8,078,334)	(19,508,338)
<b>FINANCING ACTIVITIES:</b>		
Net increase (decrease) in deposits	(8,904,782)	18,522,973
Proceeds from other borrowings	16,100,000	-
Repayments of other borrowings	(3,600,000)	-
Purchase of treasury stock	-	(2,055,178)
Payments of cash dividends	(736,715)	(712,779)
Net cash provided by financing activities	2,858,503	15,755,016
<b>Net increase (decrease) in cash and cash equivalents</b>	(4,467)	179,542
Cash and cash equivalents at beginning of period	1,742,938	1,730,327
Cash and cash equivalents at end of period	\$ 1,738,471	\$ 1,909,869
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for:		
Interest	\$ 731,059	\$ 451,522
Taxes	\$ 945,928	\$ 1,008,568
<b>OTHER NONCASH TRANSACTIONS</b>		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -