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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
FIRST QUARTER ENDED MARCH 31, 2025**

Jasper, Alabama (April 23, 2025) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced the Company's results of operations for the first quarter ended March 31, 2025:

- For the three months ended March 31, 2025, Pinnacle's basic/diluted earnings per share was \$1.13 as compared to \$1.06 per share for the three months ended March 31, 2024. Net income for the three months ended March 31, 2025 was \$1,018,000 as compared to \$964,000 for the three months ended March 31, 2024.
- For the three months ended March 31, 2025, return on average assets was 1.16%, compared to 1.14% for the three months ended March 31, 2024.

The Company's net interest margin was 3.33% for the three months March 31, 2025, compared to 3.11% for the three months ended March 31, 2024.

At March 31, 2025, the Company's allowance for loan losses as a percent of total loans was 1.65%, compared to 1.78% at December 31, 2024. There were no nonperforming assets at March 31, 2025 as well as at December 31, 2024.

Pinnacle Bank was classified as "well capitalized" at March 31, 2025. All capital ratios are significantly higher than the requirements for a well-capitalized institution. As of March 31, 2025, the Bank's common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 18.86% and its total capital ratio and Tier 1 leverage was 19.89% and 10.96%, respectively.

Dividends of \$.27 per share were paid to shareholders during the first quarter of 2025 as well as the first quarter 2024.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at March 31, 2025, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 98.63% 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 as of March 31, 2025 increased \$15.8 million (4.95%) as compared to December 31, 2024.

Effects of Inflation

Inflation 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 rising interest rates since 2022, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$26.1 million as of March 31, 2025 as compared to \$28.7 million as of December 31, 2024. Although these unrealized losses recorded as of March 31, 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. In addition, these losses do not impact our 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. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company'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.
AND SUBSIDIARY**

UNAUDITED FINANCIAL HIGHLIGHTS

	Three Months Ended March 31,	
	2025	2024
Net Income	\$ 1,018,000	\$ 964,000
Weighted average basic shares outstanding	902,414	909,534
Weighted average diluted shares outstanding	902,414	909,534
Dividend per share	\$.27	\$.27
Provision for loan losses	\$ -	\$ -
Basic and diluted earnings per share	\$ 1.13	\$ 1.06
Performance Ratios: (annualized)		
Return on average assets	1.16%	1.14%
Return on average equity	9.70%	9.85%
Interest rate spread	2.83%	2.58%
Net interest margin	3.33%	3.11%
Operating cost to assets	2.21%	2.19%
		(Audited)
	March 31, 2025	December 31, 2024
Total assets	\$ 360,125,000	\$ 346,514,000
Loans receivable, net	\$ 135,433,000	\$ 129,437,000
Deposits	\$ 333,928,000	\$ 318,169,000
Brokered CD's included in deposits	\$ 14,938,000	\$ 14,917,000
Total stockholders' equity	\$ 17,024,000	\$ 13,861,000
Book value per share	\$ 18.91	\$ 15.30
Book value per share (excluding OCI)	\$ 47.43	\$ 46.48
Total average stockholders' equity to asset ratio (excluding OCI)	11.98%	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	1.65%	1.78%

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CONDENSED CONSOLIDATED STATEMENTS OF CONDITION

	(Unaudited) March 31, 2025	(Audited) December 31, 2024
<u>Assets</u>		
Cash and cash equivalents	\$ 2,519,182	\$ 2,406,608
Interest bearing deposits in banks	22,058,758	17,830,073
Securities available for sale	168,119,506	163,442,222
Restricted equity securities	957,000	954,300
Loans	137,710,120	131,789,490
Less allowance for loan losses	2,277,118	2,352,415
Loans, net	<u>135,433,002</u>	<u>129,437,075</u>
Premises and equipment, net	8,084,097	8,198,615
Operating right-of-use lease assets	249,616	260,248
Goodwill	306,488	306,488
Bank owned life insurance	11,141,714	11,024,493
Accrued interest receivable	1,614,794	2,107,432
Deferred tax assets, net	8,841,293	9,608,246
Other assets	799,972	938,828
Total assets	<u>\$ 360,125,422</u>	<u>\$ 346,514,628</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Noninterest-bearing	\$ 95,433,784	\$ 90,389,786
Interest-bearing	238,493,893	227,779,259
Total deposits	<u>333,927,677</u>	<u>318,169,045</u>
Subordinated debentures	3,093,000	3,093,000
Other borrowings	4,000,000	9,000,000
Accrued interest payable	556,809	874,774
Operating lease liabilities	249,616	260,248
Other liabilities	1,274,559	1,256,189
Total liabilities	<u>343,101,661</u>	<u>332,653,256</u>
Stockholders' equity		
Common stock, \$.01 par value, 2,400,000 shares authorized; 1,872,313 shares issued; 900,336 and 905,786 shares outstanding, respectively	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock, at cost (971,977 and 966,527 shares at cost, respectively)	(15,866,469)	(15,698,015)
Retained earnings	49,631,954	48,857,057
Accumulated other comprehensive loss, net of tax	(25,683,670)	(28,239,616)
Total stockholders' equity	<u>17,023,761</u>	<u>13,861,372</u>
Total liabilities and stockholders' equity	<u>\$ 360,125,422</u>	<u>\$ 346,514,628</u>

**PINNACLE BANCSHARES, INC.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Interest income		
Loans, including fees	\$ 2,290,246	\$ 2,026,371
Taxable securities	1,334,545	1,296,269
Nontaxable securities	34,935	40,019
Other interest	234,740	308,824
Total interest income	<u>3,894,466</u>	<u>3,671,483</u>
Interest expense		
Deposits	923,669	760,947
Subordinated debentures	39,050	39,050
Other borrowings	62,345	178,803
Total interest expense	<u>1,025,064</u>	<u>978,800</u>
Net interest income	2,869,402	2,962,683
Provision for loan losses	-	-
Net interest income after provision for loan losses	<u>2,869,402</u>	<u>2,962,683</u>
Other income		
Fees and service charges on deposit accounts	388,643	424,843
Servicing fee income, net	-	743
Bank owned life insurance	117,221	103,672
Mortgage fee income	-	2,131
Total other income	<u>505,864</u>	<u>531,389</u>
Other expenses		
Salaries and employee benefits	1,208,948	1,137,415
Occupancy expenses	314,092	312,671
Marketing and professional expenses	55,498	74,863
Other operating expenses	504,932	479,823
Total other expenses	<u>2,083,470</u>	<u>2,004,772</u>
Income before income taxes	1,291,796	1,219,300
Income tax expense	<u>273,809</u>	<u>255,730</u>
Net income	<u>\$ 1,017,987</u>	<u>\$ 963,570</u>
Basic and diluted earnings per share	<u>\$ 1.13</u>	<u>\$ 1.06</u>
Cash dividends per share	<u>\$ 0.27</u>	<u>\$ 0.27</u>
Weighted-average basic and diluted shares outstanding	<u>902,414</u>	<u>909,534</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2025 and 2024**

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Par Value	Paid-in Capital	Stock	Earnings	Other Comprehensive Loss	Stockholders' Equity
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	-	-	-	-	963,570	-	963,570
Cash dividends declared, \$0.27 per share	-	-	-	-	(245,574)	-	(245,574)
Other comprehensive loss	-	-	-	-	-	(1,378,571)	(1,378,571)
Balance, March 31, 2024	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 46,490,252</u>	<u>\$ (27,717,433)</u>	<u>\$ 12,125,966</u>
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	-	-	-	-	1,017,987	-	1,017,987
Purchase of treasury stock	-	-	-	(168,454)	-	-	(168,454)
Cash dividends declared, \$0.27 per share	-	-	-	-	(243,090)	-	(243,090)
Other comprehensive income	-	-	-	-	-	2,555,946	2,555,946
Balance, March 31, 2025	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,866,469)</u>	<u>\$ 49,631,954</u>	<u>\$ (25,683,670)</u>	<u>\$ 17,023,761</u>

**PINNACLE BANCSHARES, INC.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
OPERATING ACTIVITIES		
Net income	\$ 1,017,987	\$ 963,570
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	123,701	128,826
Net amortization of securities	38,140	50,376
Bank owned life insurance	(117,221)	(103,672)
Decrease in accrued interest receivable	492,638	574,435
Decrease in accrued interest payable	(317,965)	(527,736)
Net other operating activities	(50,614)	31,716
Net cash provided by operating activities	<u>1,186,666</u>	<u>1,117,515</u>
INVESTING ACTIVITIES		
Net (increase) decrease in loans	(5,995,927)	3,199,779
Net increase in interest-bearing deposits in banks	(4,228,685)	(3,306,813)
Purchase of securities available for sale	(3,000,000)	-
Proceeds from maturing or callable securities available for sale	1,815,315	1,399,125
Net purchase of restricted equity securities	(2,700)	(6,900)
Purchase of premises and equipment	(9,183)	(194,533)
Net cash provided by (used in) investing activities	<u>(11,421,180)</u>	<u>1,090,658</u>
FINANCING ACTIVITIES		
Net increase (decrease) in deposits	15,758,632	(2,174,979)
Repayment of other borrowings	(5,000,000)	-
Purchase of treasury stock	(168,454)	-
Payment of cash dividends	(243,090)	(245,574)
Net cash provided by (used in) financing activities	<u>10,347,088</u>	<u>(2,420,553)</u>
Net increase (decrease) in cash and cash equivalents	112,574	(212,380)
Cash and cash equivalents at beginning of year	2,406,608	2,190,793
Cash and cash equivalents at end of year	<u>\$ 2,519,182</u>	<u>\$ 1,978,413</u>
SUPPLEMENTAL DISCLOSURE		
Cash paid during the year for:		
Interest	\$ 1,343,029	\$ 1,506,536
Taxes	\$ -	\$ -
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -