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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR  
YEAR ENDED AND FOURTH QUARTER DECEMBER 31, 2022**

Jasper, Alabama (February 23, 2023) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced Pinnacle’s results of operations for the fourth quarter and year ended December 31, 2022:

- For the year ended December 31, 2022, net income was \$4,504,000, which resulted in basic/diluted earnings per share to be \$4.79. Net income for the year ended December 31, 2021 was \$4,692,000, which resulted in basic/diluted earnings per share of \$4.83. Excluding significant unusual items, net income for the years-ended December 31, 2022 and 2021, was approximately \$4,327,000 and \$3,879,000, respectively and basic/diluted earnings per share was \$4.61 and \$3.99 for 2022 and 2021, respectively.
- For the three months ended December 31, 2022, net income was \$1,016,000 which resulted in basic/diluted earnings per share to be \$1.12. Net income for the three months ended December 31, 2021 was \$972,000, which resulted in basic/diluted earnings per share of \$1.00 per share. Excluding significant unusual items, net income for the three months ended December 31, 2022 and 2021, was approximately \$1,016,000 and \$791,000, respectively and basic/diluted earnings per share was \$1.12 and \$.82.
- Provision for loan losses was \$125,000 for the three months and year ended for December 31, 2022 and \$200,000 for the three months and year ended for 2021.

Company’s net interest margin was 3.48% and 3.35%, respectively for the three months and year ended December 31, 2022, respectively, compared to 3.48% and 3.49% for both the three months and year ended December 31, 2021, respectively.

At December 31, 2022, Pinnacle’s allowance for loan losses as a percent of total loans was 2.16%, compared to 2.02% at December 31, 2021. Net charge-offs were \$102,000 during 2022 as compared to net recoveries was \$45,000 in the prior year. There were no nonperforming assets at December 31, 2022, compared to \$130,000 at December 31, 2021. The ratio of nonperforming assets to total loans was .00% at December 31, 2022, compared to .01% at December 31, 2021.

Pinnacle was classified as “well capitalized” at the end of 2022. All capital ratios are significantly higher than the requirements for a well-capitalized institution.

Dividends of \$.25 and \$1.00 per share were paid to shareholders during the three months and year ended for December 31, 2022, as compared to \$.22 and \$.88 per share during the three months and year ended December 31, 2021.

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

Inflation has caused a substantial rise in interest rates during 2022 which has had a negative effect in the securities market. As a result of rising interest rates, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$30 million as compared to recording other comprehensive income in the amount of \$1.5 million as of December 31, 2021. Thus, this has caused the decrease in total equity during 2022 even though net earnings has been strong. Although these unrealized losses recorded as of December 31, 2022 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 December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net income	\$ 1,016,000	\$ 972,000
Basic and diluted earnings per share	\$ 1.12	\$ 1.00
Performance ratios (annualized):		
Return on average assets	1.29%	1.17%
Return on average equity	11.45%	11.44%
Interest rate spread	3.35%	3.39%
Net interest margin	3.48%	3.48%
Operating cost to assets	2.57%	2.13%
Weighted average basic and diluted shares outstanding	909,534	970,791
Dividends per share	\$ 0.25	\$ 0.22
Provision for loan losses	\$ 125,000	\$ 200,000
	<b>Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
Net income	\$ 4,504,000	\$ 4,692,000
Basic and diluted earnings per share	\$ 4.79	\$ 4.83
Performance ratios (annualized):		
Return on average assets	1.35%	1.48%
Return on average equity	12.88%	14.49%
Interest rate spread	3.25%	3.40%
Net interest margin	3.35%	3.49%
Operating cost to assets	2.22%	2.26%
Weighted average basic and diluted shares outstanding	939,575	972,248
Dividends per share	\$ 1.00	\$ 0.88
Provision for loan losses	\$ 125,000	\$ 200,000
	<b>December 31, 2022</b>	<b>(Audited) December 31, 2021</b>
	\$	\$
Total assets	332,905,000	339,710,000
Loans receivable, net	115,956,000	122,659,000
Deposits	322,260,000	298,693,000
Brokered CD's included in deposits	11,756,000	24,937,000
Total stockholders' equity	5,738,000	35,659,000
Book value per share (excluding OCI)	\$ 39.17	\$ 35.15
Average Stockholders' equity to assets ratio (excluding OCI)	10.47%	10.19%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.00%	.01%
Nonperforming assets as a percent of total loans	.00%	.01%
Allowance for loan losses as a percent of total loans	2.16%	2.02%

**FINANCIAL INFORMATION**

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

	<i>(Unaudited)</i> <b>December 31,</b> <b>2022</b>	<i>(Audited)</i> <b>December 31,</b> <b>2021</b>
	<hr/>	<hr/>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,054,034	1,730,327
Interest bearing deposits in banks	11,874,886	11,146,497
Securities available for sale	170,580,649	183,516,514
Restricted equity securities	773,600	741,600
Loans	118,516,666	125,196,462
Less Allowance for loan losses	2,561,078	2,537,948
Loans, net	<hr/> 115,955,588	<hr/> 122,658,514
Premises and equipment, net	6,926,632	7,015,537
Right-of-use lease assets – operating	398,364	493,627
Goodwill	306,488	306,488
Bank owned life insurance	10,206,334	9,822,441
Accrued interest receivable	2,070,896	1,917,598
Other assets	11,757,553	361,228
<b>Total assets</b>	<hr/> <b>\$ 332,905,024</b> <hr/>	<hr/> <b>339,710,371</b> <hr/>
<b><u>Liabilities and Stockholders' Equity</u></b>		
Deposits		
Noninterest-bearing	\$ 94,783,406	88,430,320
Interest-bearing	227,476,411	210,262,213
Total deposits	<hr/> 322,259,817	<hr/> 298,692,533
Subordinated debentures	3,093,000	3,093,000
Accrued interest payable	111,652	77,843
Operating lease liabilities	398,364	493,627
Other liabilities	1,304,275	1,694,225
<b>Total liabilities</b>	<hr/> 327,167,108 <hr/>	<hr/> 304,051,228 <hr/>
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	42,274,372	38,710,339
Accumulated other comprehensive income (loss), net of tax	(29,889,603)	1,540,479
<b>Total stockholders' equity</b>	<hr/> 5,737,916 <hr/>	<hr/> 35,659,143 <hr/>
<b>Total liabilities and stockholders' equity</b>	<hr/> <b>\$ 332,905,024</b> <hr/>	<hr/> <b>\$ 339,710,371</b> <hr/>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME**

	<b>Three Months Ended</b>		<b>Years Ended</b>	
	<b>December 31,</b>		<b>December 31,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>Interest income</b>				
Loans, including fees	\$ 1,666,711	\$ 1,669,927	\$ 6,512,150	\$ 6,453,336
Securities available for sale	1,431,684	1,187,083	5,419,511	4,332,287
Other interest	72,494	4,196	170,912	31,000
<b>Total interest income</b>	<u>3,170,889</u>	<u>2,861,206</u>	<u>12,102,573</u>	<u>10,816,623</u>
<b>Interest expense</b>				
Deposits	184,218	103,069	570,926	386,593
Borrowings	935	1,934	1,745	2,729
Subordinated debentures	38,600	37,550	152,510	151,150
<b>Total interest expense</b>	<u>223,753</u>	<u>142,553</u>	<u>725,181</u>	<u>540,472</u>
<b>Net interest income</b>	2,947,136	2,718,653	11,377,392	10,276,151
Provision for loan losses	125,000	200,000	125,000	200,000
<b>Net interest income after provision for loan losses</b>	<u>2,822,136</u>	<u>2,518,653</u>	<u>11,252,392</u>	<u>10,076,151</u>
<b>Other income</b>				
Fees and service charges on deposit accounts	384,999	397,276	1,504,850	1,490,449
Service fee income, net	758	911	3,292	3,962
Bank owned life insurance	95,975	90,625	383,894	1,106,105
Mortgage fee income	2,700	8,263	30,457	37,901
Net gain on securities available for sale	-	-	-	227,237
<b>Total other income</b>	<u>484,432</u>	<u>497,075</u>	<u>1,922,493</u>	<u>2,865,654</u>
<b>Other expense:</b>				
Salaries and employee benefits	1,095,981	973,561	4,165,501	3,970,530
Occupancy expense	230,977	236,014	891,240	900,124
Marketing and professional expense	88,407	64,551	289,975	262,672
Other operating expenses	609,725	504,497	2,057,305	2,034,747
<b>Total other expenses</b>	<u>2,025,090</u>	<u>1,778,623</u>	<u>7,404,021</u>	<u>7,168,073</u>
<b>Income before income taxes</b>	1,281,478	1,237,105	5,770,864	5,773,732
<b>Income tax expense</b>	<u>265,692</u>	<u>265,425</u>	<u>1,266,668</u>	<u>1,081,975</u>
<b>Net income</b>	<u>\$ 1,015,786</u>	<u>\$971,680</u>	<u>\$ 4,504,196</u>	<u>\$ 4,691,757</u>
<b>Cash dividend per share</b>	<u>\$ 0.25</u>	<u>\$ 0.22</u>	<u>\$ 1.00</u>	<u>\$ 0.88</u>
<b>Basic and diluted earnings per share</b>	<u>\$ 1.12</u>	<u>\$ 1.00</u>	<u>\$ 4.79</u>	<u>\$ 4.83</u>
<b>Weighted-average basic and diluted shares outstanding</b>	<u>909,534</u>	<u>970,791</u>	<u>939,575</u>	<u>972,248</u>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**Years Ended December 31, 2022 and 2021**

	<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>Income</u>	<u>Equity</u>
<b>Balance December 31, 2020</b>	1,872,313	\$ 18,723	\$ 8,923,223	\$ (13,441,345)	\$ 34,874,072	\$ 3,957,193	\$ 34,331,866
Net income	-	-	-	-	4,691,757	-	4,691,757
Cash dividends declared (\$ .88 per share)	-	-	-	-	(855,490)	-	(855,490)
Purchase of treasury stock	-	-	-	(92,276)	-	-	(92,276)
Other comprehensive loss	-	-	-	-	-	(2,416,714)	(2,416,714)
<b>Balance December 31, 2021</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (13,533,621)</u>	<u>\$ 38,710,339</u>	<u>\$ 1,540,479</u>	<u>\$ 35,659,143</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>Comprehensive</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Income (Loss)</u>	<u>Equity</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	-	-	-	-	4,504,196	-	4,504,196
Cash dividends declared (\$1.00 per share)	-	-	-	-	(940,163)	-	(940,163)
Purchase of treasury stock	-	-	-	(2,055,178)	-	-	(2,055,178)
Other comprehensive loss	-	-	-	-	-	(31,430,082)	(31,430,082)
<b>Balance December 31, 2022</b>	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 42,274,372</u>	<u>\$ (29,889,603)</u>	<u>\$ 5,737,916</u>

**PINNACLE BANCSHARES, INC.**

**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>For the Years Ended December 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 4,504,196	\$ 4,691,757
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	424,648	446,694
Provision for loan losses	125,000	200,000
Net investment amortization expense	208,429	318,421
Net increase in bank owned life insurance	(383,893)	(1,106,105)
Gain on sale of securities available for sale	-	(227,237)
Decrease in accrued interest receivable	(153,298)	(426,572)
Increase (decrease) in accrued interest payable	33,809	(67,983)
Net other operating activities	(96,419)	332,950
Net cash provided by operating activities	4,662,472	4,161,925
<b>INVESTING ACTIVITIES:</b>		
Net (increase) decrease in loans	6,577,926	(13,429,427)
Net increase in interest bearing deposits in other banks		
	(728,389)	(7,039,836)
Purchase of securities available for sale	(41,170,098)	(68,497,441)
Proceeds from sale of securities available for sale	-	7,752,740
Proceeds from maturing, calls, and payments received on securities available for sale	10,777,596	13,348,008
Net (purchase) redemption of restricted equity securities	(32,000)	43,900
Proceeds from bank owned life insurance	-	1,580,540
Purchase of premises and equipment	(335,743)	(906,785)
Net cash used in investing activities	(24,910,708)	(67,148,301)
<b>FINANCING ACTIVITIES:</b>		
Net increase in deposits	23,567,284	63,583,802
Purchase of treasury stock	(2,055,178)	(92,276)
Payments of cash dividends	(940,163)	(855,490)
Net cash provided by financing activities	20,571,943	62,636,078
<b>Net increase (decrease) in cash and cash equivalents</b>	323,707	(350,340)
Cash and cash equivalents at beginning of period	1,730,327	2,080,667
Cash and cash equivalents at end of period	\$ 2,054,034	\$ 1,730,327
<b>SUPPLEMENTAL DISCLOSURES:</b>		
Cash paid during the period for:		
Interest	\$ 691,372	\$ 608,455
Taxes	\$ 1,330,568	\$ 1,025,679
<b>OTHER NONCASH TRANSACTIONS</b>		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -