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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
FIRST QUARTER ENDED MARCH 31, 2020**

Jasper, Alabama (April 7, 2020) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTC Pink: PCLB), today announced Pinnacle’s results of operations for the first quarter ended March 31, 2020:

- For the three months ended March 31, 2020, Pinnacle reported net income of \$841,000, compared to \$665,000 for the three months ended March 31, 2019. Included in net income for the first quarter 2020 was approximately \$120,000 gain on sale of securities, net of tax. These were no such gains recorded during the first quarter 2019.
- Net interest income after the provision for loan losses for the three months ended March 31, 2020, was \$2,022,000, compared with \$1,944,000 in the same period last year.
- For the three months ended March 31, 2020, basic and diluted earnings per share were each \$0.82. For the same period in 2019 basic and diluted earnings per share were each \$0.64.
- For the three months ended March 31, 2020, return on average assets was 1.39%, compared to 1.20% in the comparable 2019 period.

The Company’s net interest margin was 3.68% for the three months March 31, 2020, compared to 3.81% for the three months ended March 31, 2019.

At March 31, 2020, Pinnacle’s allowance for loan losses as a percent of total loans was 2.12%, compared to 2.07% at December 31, 2019. At March 31, 2020, the allowance for loan losses as a percent of nonperforming loans was 1408.92%, compared to 1362.66% at December 31, 2019. Nonperforming assets were \$157,000 at March 31, 2020, compared to \$158,000 at December 31, 2019. The ratio of nonperforming assets to total loans was .15% at both March 31, 2020, and December 31, 2019.

Pinnacle was classified as “well capitalized” at March 31, 2020. All capital ratios are significantly higher than the requirements for a well-capitalized institution.

Dividends of \$.19 per share were paid to shareholders during the first quarter of both 2020 and 2019.

The outbreak of the recent coronavirus ("COVID-19") , or an outbreak of another highly infectious or contagious disease, could adversely affect our business activities, financial condition and results of operations.

Our business is dependent upon the willingness and ability of our customers to conduct banking and other financial transactions. The spread of a highly infectious or contagious disease, such as COVID-19, could cause severe disruptions in the U.S. economy, which could in turn disrupt the business, activities, and operations of our customers, as well as our business and operations. Moreover, since the beginning of January 2020, the coronavirus outbreak has caused significant disruption in the financial markets both globally and in the United States. The spread of COVID-19, or an outbreak of another highly infectious or contagious disease, may result in a significant decrease in business and/or cause our customers to be unable to meet existing payment or other obligations to us, particularly in the event of a spread of COVID-19 or an outbreak of an infectious disease in our market area. Although we maintain contingency plans for pandemic outbreaks, a spread of COVID-19, or an outbreak of another contagious disease, could also negatively impact the availability of key personnel necessary to conduct our business activities. Such a spread or outbreak could also negatively impact the business and operations of third-party service providers who perform critical services for us. If COVID-19, or another highly infectious or contagious disease, spreads or the response to contain COVID-19 is unsuccessful, we could experience a material adverse effect to our business, financial condition, and results of operations.

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.
AND SUBSIDIARY**

UNAUDITED FINANCIAL HIGHLIGHTS

	Three Months Ended March 31,	
	2020	2019
Net Income	\$ 841,000	\$ 665,000
Weighted average basic shares outstanding	1,019,389	1,039,479
Weighted average diluted shares outstanding	1,019,389	1,039,479
Dividend per share	\$.19	\$.19
Provision for loan losses	\$ -	\$ -
Basic and diluted earnings per share	\$ 0.82	\$ 0.64
Performance Ratios: (annualized)		
Return on average assets	1.39%	1.20%
Return on average equity	11.44%	9.48%
Interest rate spread	3.45%	3.59%
Net interest margin	3.68%	3.81%
Operating cost to assets	2.64%	2.81%
		(Audited)
	March 31, 2020	December 31, 2019
Total assets	\$ 244,600,000	\$ 230,435,000
Loans receivable, net	\$ 102,092,000	\$ 101,500,000
Deposits	\$ 211,452,000	\$ 194,361,000
Brokered CD's included in deposits	\$ 17,985,000	\$ 17,915,000
Total stockholders' equity	\$ 28,111,000	\$ 30,788,000
Book value per share	\$ 28.31	\$ 29.81
Total average stockholders' equity to asset ratio	12.17%	12.98%
Asset Quality Ratios:		
Nonperforming loans as a percent of total loans	.15%	.15%
Nonperforming assets as a percent of total loans	.15%	.15%
Allowance for loan losses as a percent of total loans	2.12%	2.07%
Allowance for loan losses as a percent of nonperforming loans	1408.92%	1362.66%

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CONDENSED CONSOLIDATED STATEMENTS OF CONDITION

	(Unaudited) March 31, 2020	(Audited) December 31, 2019
<u>Assets</u>		
Cash and cash equivalents	\$ 2,289,416	\$ 1,814,912
Interest bearing deposits in banks	6,545,067	5,453,299
Securities available for sale	113,531,773	101,499,758
Restricted equity securities	732,300	766,300
Loans	104,303,582	104,101,700
Less allowance for loan losses	2,211,766	2,153,304
Loans, net	102,091,816	101,948,396
Premises and equipment, net	6,505,831	6,420,166
Operating right-of-use lease assets	657,934	681,306
Goodwill	306,488	306,488
Bank owned life insurance	10,014,319	9,920,133
Accrued interest receivable	1,083,080	1,280,926
Other assets	842,398	343,488
Total assets	\$ 244,600,422	\$ 230,435,172
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Noninterest-bearing	\$ 57,389,076	\$ 55,071,909
Interest-bearing	154,062,531	139,289,249
Total deposits	211,451,607	194,361,158
Subordinated debentures	3,093,000	3,093,000
Accrued interest payable	249,930	244,875
Operating lease liabilities	657,934	681,306
Other liabilities	1,036,701	1,267,281
Total liabilities	216,489,172	199,647,620
Stockholders' equity		
Common stock, \$.01 par value, 2,400,000 shares authorized; 1,872,313 shares issued; 992,905 and 1,032,905 shares outstanding, respectively	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock, at cost (879,408 and 839,408 shares, respectively)	(12,904,300)	(11,730,888)
Retained earnings	33,092,173	32,445,916
Accumulated other comprehensive income (loss), net of tax	(1,018,569)	1,130,578
Total stockholders' equity	28,111,250	30,787,552
Total liabilities and stockholders' equity	\$ 244,600,422	\$ 230,435,172

**PINNACLE BANCSHARES, INC.
AND SUBSIDIARY**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Interest income		
Loans, including fees	\$ 1,431,258	\$ 1,429,293
Taxable securities	749,227	562,848
Nontaxable securities	106,123	159,498
Other interest	19,132	41,655
Total interest income	<u>2,305,740</u>	<u>2,193,294</u>
Interest expense		
Deposits	240,037	188,069
Borrowings and repurchase agreements	3,330	17,312
Subordinated debentures	40,100	44,000
Total interest expense	<u>283,467</u>	<u>249,381</u>
Net interest income	2,022,273	1,943,913
Provision for loan losses	-	-
Net interest income after provision for loan losses	<u>2,022,273</u>	<u>1,943,913</u>
Other income		
Fees and service charges on deposit accounts	365,647	327,284
Servicing fee income, net	1,423	1,714
Bank owned life insurance	94,186	90,006
Mortgage fee income	12,006	7,569
Net gain on sale of other real estate owed	-	967
Net gain on sale of securities available for sale	152,658	-
Total other income	<u>625,920</u>	<u>427,540</u>
Other expenses		
Salaries and employee benefits	940,542	914,824
Occupancy expenses	201,705	197,299
Marketing and professional expenses	59,246	63,977
Other operating expenses	389,240	384,403
Total other expenses	<u>1,590,733</u>	<u>1,560,503</u>
Income before income taxes	1,057,460	810,950
Income tax expense	<u>216,849</u>	<u>145,961</u>
Net income	<u>\$ 840,611</u>	<u>\$ 664,989</u>
Basic and diluted earnings per share	<u>\$ 0.82</u>	<u>\$ 0.64</u>
Cash dividends per share	<u>\$ 0.19</u>	<u>\$ 0.19</u>
Weighted-average basic and diluted shares outstanding	<u>1,019,389</u>	<u>1,039,479</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2020 and 2019**

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Par Value	Paid-in Capital	Stock	Earnings	Other Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2018	1,872,313	\$ 18,723	\$ 8,923,223	\$ (11,464,104)	\$ 30,343,475	\$ (614,718)	\$ 27,206,599
Net income	-	-	-	-	664,989	-	664,989
Cash dividends declared, \$0.19 per share	-	-	-	-	(197,335)	-	(197,335)
Purchase of treasury stock	-	-	-	(130,278)	-	-	(130,278)
Other comprehensive income	-	-	-	-	-	1,049,839	1,049,839
Balance, March 31, 2019	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (11,594,382)</u>	<u>\$ 30,811,129</u>	<u>\$ 435,121</u>	<u>\$ 28,593,814</u>
Balance, December 31, 2019	1,872,313	\$ 18,723	\$ 8,923,223	\$ (11,730,888)	\$ 32,445,916	\$ 1,130,578	\$ 30,787,552
Net income	-	-	-	-	840,611	-	840,611
Cash dividends declared, \$0.19 per share	-	-	-	-	(194,354)	-	(194,354)
Purchase of treasury stock	-	-	-	(1,173,412)	-	-	(1,173,412)
Other comprehensive loss	-	-	-	-	-	(2,149,147)	(2,149,147)
Balance, March 31, 2020	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (12,904,300)</u>	<u>\$ 33,092,173</u>	<u>\$ (1,018,569)</u>	<u>\$ 28,111,250</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2020 and 2019**

	2020	2019
OPERATING ACTIVITIES		
Net income	\$ 840,611	\$ 664,989
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	95,319	83,553
Net amortization of securities	67,250	88,940
Gain on sale of securities available for sale	(152,658)	-
Gain on sale of other real estate owned	-	(967)
Bank owned life insurance	(94,186)	(90,006)
Decrease in accrued interest receivable	197,846	241,476
Increase (decrease) in accrued interest payable	5,055	(7,660)
Net other operating activities	(444,397)	14,856
Net cash provided by operating activities	514,840	995,181
INVESTING ACTIVITIES		
Net increase in loans	(143,420)	(2,427,397)
Net increase in interest-bearing deposits in banks	(1,091,768)	(4,071,504)
Purchase of securities available for sale	(21,737,575)	-
Proceeds from sales of securities available for sale	2,732,970	-
Proceeds from maturing or callable securities available for sale	4,623,758	1,467,090
Net redemption of restricted equity securities	34,000	188,500
Proceeds from sale of other real estate owned, net of expenses	-	9,999
Purchase of premises and equipment	(180,984)	(148,177)
Net cash used in investing activities	(15,763,019)	(4,981,489)
FINANCING ACTIVITIES		
Net increase in deposits	17,090,449	8,890,606
Net decrease in other borrowings	-	(4,500,000)
Purchase of treasury stock	(1,173,412)	(130,278)
Payments of cash dividends	(194,354)	(197,335)
Net cash provided by financing activities	15,722,683	4,062,993
Net increase in cash and cash equivalents	474,504	76,685
Cash and cash equivalents at beginning of year	1,814,912	1,611,283
Cash and cash equivalents at end of year	\$ 2,289,416	\$ 1,687,968
SUPPLEMENTAL DISCLOSURE		
Cash paid during the year for:		
Interest	\$ 278,412	\$ 257,041
Taxes	\$ 402,131	\$ -
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ 9,032