

Contact: Joe B. Adams, III
Chief Financial Officer
(205) 221-8866

PINNACLE BANCSHARES ANNOUNCES RESULTS FOR YEAR ENDED AND FOURTH QUARTER DECEMBER 31, 2025

Jasper, Alabama (January 22, 2026) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCID: PCLB), today announced Pinnacle’s results of operations for the fourth quarter and year ended December 31, 2025:

- For the three months ended December 31, 2025, Pinnacle’s basic/diluted earnings per share was \$1.24 as compared to \$1.15 per share for the three months ended December 31, 2024. Net income for the three months ended December 31, 2025 was \$1,118,000 as compared to \$1,038,000 for the three months ended December 31, 2024.
- For the year ended December 31, 2025, Pinnacle’s basic/diluted earnings per share was \$4.66 as compared to \$4.48 per share for the year ended December 31, 2024. Pinnacle reported net income of \$4,189,000 for the year ended December 31, 2025 as compared to \$4,066,000, for the year ended December 31, 2024.
- For the three and nine months ended December 31, 2025, return on average assets was 1.24%, and 1.17%, respectively, compared to 1.20% and 1.18%, respectively, in the comparable 2024 period.

Company’s net interest margin was 3.27% and 3.20%, respectively for the three months and year ended December 31, 2025, respectively, compared to 3.17% and 3.18% for both the three months and year ended December 31, 2024, respectively.

At December 31, 2025, Pinnacle’s allowance for loan losses as a percent of total loans was 1.52%, compared to 1.78% at December 31, 2024. Net charge-offs were \$339,000 during 2025 and \$107,000 for 2024. There was \$22,000 in non-performing assets at December 31, 2025 and none at 2024.

Pinnacle was classified as “well capitalized” at the end of 2025. All capital ratios are higher than the requirements for a well-capitalized institution. As of December 31, 2025, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 19.95%. As of December 31, 2025, its total capital ratio was 20.86%, and its Tier 1 leverage ratio was 11.57%.

Dividends of \$.27 and \$1.08 per share were paid to shareholders during the three months and year ended for both December 31, 2025 and 2024.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at December 31, 2025, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 104.20% 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 December 31, 2025 increased \$13.3 million, or 4.2%, as compared to December 31, 2024.

Effects of Inflation

Inflation has 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 the increase in interest rates, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$22.7 million and \$28.7 million as of December 31, 2025 and 2024, respectively. Although these unrealized losses recorded as of December 31, 2025 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)

	Three Months Ended December 31,	
	2025	2024
Net income	\$ 1,118,000	\$ 1,038,000
Basic and diluted earnings per share	\$ 1.24	\$ 1.15
Performance ratios (annualized):		
Return on average assets	1.24%	1.20%
Return on average equity (excluding OCI)	9.97%	9.90%
Interest rate spread	2.70%	2.64%
Net interest margin	3.27%	3.17%
Operating cost to assets	2.38%	2.28%
Weighted average basic and diluted shares outstanding	898,336	906,730
Dividends per share	\$ 0.27	\$ 0.27
Provision for loan losses	\$ -	\$ -
Years Ended December 31,		
	2025	2024
	\$ 4,189,000	\$ 4,066,000
Net income	\$ 4.66	\$ 4.48
Basic and diluted earnings per share		
Performance ratios (annualized):		
Return on average assets	1.17%	1.18%
Return on average equity (excluding OCI)	9.59%	9.96%
Interest rate spread	2.64%	2.64%
Net interest margin	3.20%	3.18%
Operating cost to assets	2.35%	2.34%
Weighted average basic and diluted shares outstanding	899,385	908,525
Dividends per share	\$ 1.08	\$ 1.08
Provision for loan losses	\$ -	\$ -
<i>(Audited)</i>		
December 31, 2025		December 31, 2024
Total assets	\$ 363,672,000	\$ 346,514,000
Loans receivable, net	\$ 130,849,000	\$ 129,437,000
Deposits	\$ 331,496,000	\$ 318,169,000
Brokered CD's included in deposits	\$ 20,983,000	\$ 14,917,000
Total stockholders' equity	\$ 22,646,000	\$ 13,861,000
Book value per share	\$ 25.21	\$ 15.30
Book value per share (excluding OCI)	\$ 50.19	\$ 46.48
Average Stockholders' equity to assets ratio (excluding OCI)	12.20%	11.80%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.02%	.00%
Nonperforming assets as a percent of total loans	.02%	.00%
Allowance for loan losses as a percent of total loans	1.52%	1.78%

FINANCIAL INFORMATION

PINNACLE BANCSHARES, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<i>(Unaudited)</i> December 31, 2025	<i>(Audited)</i> December 31, 2024
<u>Assets</u>		
Cash and cash equivalents	\$ 2,763,958	2,406,608
Interest bearing deposits in banks	21,122,645	17,830,073
Securities available for sale	176,921,364	163,442,222
Restricted equity securities	957,100	954,300
Loans	132,861,644	131,789,490
Less Allowance for loan losses	2,013,072	2,352,415
Loans, net	<u>130,848,572</u>	<u>129,437,075</u>
Premises and equipment, net	7,801,667	8,198,615
Right-of-use lease assets – operating	217,576	260,248
Goodwill	306,488	306,488
Bank owned life insurance	11,498,037	11,024,493
Accrued interest receivable	2,072,700	2,107,432
Deferred tax assets, net	7,664,319	9,608,246
Other assets	1,497,820	938,828
Total assets	<u>\$ 363,672,246</u>	<u>\$ 346,514,628</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 91,473,838	\$ 90,389,786
Interest-bearing	240,021,925	227,779,259
Total deposits	<u>331,495,763</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	781,290	874,774
Operating lease liabilities	217,576	260,248
Other liabilities	1,438,533	1,256,189
Total liabilities	<u>341,026,162</u>	<u>332,653,256</u>
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 at cost, respectively	(15,929,095)	(15,698,015)
Retained earnings	52,075,496	48,857,057
Accumulated other comprehensive loss, net of tax	<u>(22,442,263)</u>	<u>(28,239,616)</u>
Total stockholders' equity	<u>22,646,084</u>	<u>13,861,372</u>
Total liabilities and stockholders' equity	<u>\$ 363,672,246</u>	<u>\$ 346,514,628</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended December 31,		Years Ended December 31,	
	2025	2024	2025	2024
	Total	Total	Total	Total
Interest income				
Loans, including fees	\$ 2,302,872	\$ 2,235,841	\$ 9,047,505	\$ 8,597,229
Securities available for sale	1,501,926	1,378,965	5,757,660	5,369,120
Other interest	212,583	177,504	1,025,809	1,221,766
Total interest income	<u>4,017,381</u>	<u>3,792,310</u>	<u>15,830,974</u>	<u>15,188,115</u>
Interest expense				
Deposits	995,549	876,187	3,926,851	3,205,768
Borrowings	50,316	110,926	213,071	681,875
Subordinated debentures	35,500	39,050	139,950	156,200
Total interest expense	<u>1,081,365</u>	<u>1,026,163</u>	<u>4,279,872</u>	<u>4,043,843</u>
Net interest income	<u>2,936,016</u>	<u>2,766,147</u>	<u>11,551,102</u>	<u>11,144,272</u>
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>2,936,016</u>	<u>2,766,147</u>	<u>11,144,272</u>	<u>11,144,272</u>
Other income				
Fees and service charges on deposit accounts	421,350	434,913	1,622,657	1,713,187
Service fee income, net	-	-	-	743
Bank owned life insurance	119,323	105,982	473,544	422,654
Mortgage fee income	5,356	-	11,833	6,167
Total other income	<u>546,029</u>	<u>540,895</u>	<u>2,108,034</u>	<u>2,142,751</u>
Other expense:				
Salaries and employee benefits	1,247,115	1,143,327	4,871,958	4,611,450
Occupancy expense	314,316	259,798	1,243,020	1,196,712
Marketing and professional expense	61,056	74,751	263,939	298,614
Other operating expenses	520,539	496,104	2,048,244	2,004,334
Total other expenses	<u>2,143,026</u>	<u>1,973,980</u>	<u>8,427,161</u>	<u>8,111,110</u>
Income before income taxes	<u>1,339,019</u>	<u>1,133,062</u>	<u>5,231,975</u>	<u>5,175,913</u>
Income tax expense	<u>221,111</u>	<u>294,715</u>	<u>1,042,793</u>	<u>1,110,098</u>
Net income	<u><u>\$ 1,117,908</u></u>	<u><u>\$ 1,038,437</u></u>	<u><u>\$ 4,189,182</u></u>	<u><u>\$ 4,065,815</u></u>
Cash dividend per share	<u><u>\$ 0.27</u></u>	<u><u>\$ 0.27</u></u>	<u><u>\$ 1.08</u></u>	<u><u>\$ 1.08</u></u>
Basic and diluted earnings per share	<u><u>\$ 1.24</u></u>	<u><u>\$ 1.15</u></u>	<u><u>\$ 4.66</u></u>	<u><u>\$ 4.48</u></u>
Weighted –average basic and diluted shares outstanding	<u><u>898,336</u></u>	<u><u>906,730</u></u>	<u><u>899,385</u></u>	<u><u>908,525</u></u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Years Ended December 31, 2025 and 2024

	Accumulated						Total Stockholders' Equity
	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Other Comprehensive Loss		
Shares	Amount						
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	-	-	-	4,065,815	-	-	4,065,815
Cash dividends declared (\$1.08 per share)	-	-	-	(981,014)	-	-	(981,014)
Purchase of treasury stock	-	-	-	(109,216)	-	-	(109,216)
Other comprehensive loss	-	-	-	-	-	(1,900,754)	(1,900,754)
Balance December 31, 2024	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,698,015)	\$ 48,857,057	\$ (28,239,616)	\$ 13,861,372

	Accumulated						Total Stockholders' Equity
	Common Stock	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Other Comprehensive Loss		
Shares	Amount						
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	-	-	-	4,189,182	-	-	4,189,182
Cash dividends declared (\$1.08 per share)	-	-	-	(970,743)	-	-	(970,743)
Purchase of treasury stock	-	-	-	(231,080)	-	-	(231,080)
Other comprehensive income	-	-	-	-	-	5,797,353	5,797,353
Balance December 31, 2025	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,929,095)	\$ 52,075,496	\$ (22,442,263)	\$ 22,646,084

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Years Ended December 31,	
	2025	2024
OPERATING ACTIVITIES:		
Net income	\$ 4,189,182	\$ 4,065,815
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	481,490	522,575
Net investment amortization expense	127,196	185,926
Net increase in bank owned life insurance	(473,544)	(422,654)
(Increase) decrease in accrued interest receivable	34,732	(242)
Decrease in accrued interest payable	(93,484)	(517,499)
Net other operating activities	(2,848)	94,019
Net cash provided by operating activities	<u>4,262,724</u>	<u>3,927,940</u>
INVESTING ACTIVITIES:		
Net increase in loans	(1,411,497)	(6,463,335)
Net (increase) decrease in interest bearing deposits in other banks	(3,292,572)	1,688,869
Purchase of securities available for sale	(17,193,506)	(7,414,432)
Proceeds from maturing, calls, and payments received on securities available for sale	11,556,087	6,654,000
Net purchase of restricted equity securities	(2,800)	(118,100)
Purchase of income tax credit at discount	(601,439)	-
Purchase of premises and equipment	(84,542)	(299,901)
Net cash used in investing activities	<u>(11,030,269)</u>	<u>(5,952,899)</u>
FINANCING ACTIVITIES:		
Net increase in deposits	13,326,718	6,831,004
Proceeds from other borrowings	-	16,500,000
Repayments of other borrowings	(5,000,000)	(20,000,000)
Purchase of treasury stock	(231,080)	(109,216)
Payments of cash dividends	(970,743)	(981,014)
Net cash provided by financing activities	<u>7,124,895</u>	<u>2,240,744</u>
Net increase in cash and cash equivalents	357,350	215,815
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>\$ 2,763,958</u>	<u>\$ 2,406,608</u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 4,373,356	\$ 4,561,342
Taxes	\$ 923,759	\$ 1,022,747
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -