

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

**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
THIRD QUARTER ENDED SEPTEMBER 30, 2025**

Jasper, Alabama (October 27, 2025) – 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, 2025, Pinnacle’s basic/diluted earnings per share was \$1.19 as compared to \$1.16 for the three months ended September 30, 2024. Net income for the three months ended September 30, 2025 was \$1,069,000 as compared to \$1,057,000 for the three months ended September 30, 2024.
- For the nine months ended September 30, 2025, Pinnacle’s basic/diluted earnings per share was \$3.41 as compared to \$3.33 for the nine months ended September 30, 2024. Net income for the nine months ended September 30, 2025 was \$3,071,000 as compared to \$3,027,000 for the nine months ended September 30, 2024.
- For the three and nine months ended September 30, 2025, return on average assets was 1.18%, and 1.15%, respectively, compared to 1.20% and 1.17%, respectively, in the comparable 2024 period.

Pinnacle’s net interest margin was 3.20% and 3.17% for the three and nine months ended September 30, 2025, respectively, compared to 3.24% and 3.18% for the three and nine months ended September 30, 2024, respectively.

At September 30, 2025, Pinnacle’s allowance for loan losses as a percent of total loans was 1.77%, compared to 1.78% at December 31, 2024. There were \$112,000 and \$0 in nonperforming assets at September 30, 2025 and December 31, 2024, respectively.

Pinnacle Bank was classified as “well capitalized” at September 30, 2025. All capital ratios are higher than the requirements for a well-capitalized institution. As of September 30, 2025, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 20.32%. As of September 30, 2025, its total capital ratio was 21.39%, and its Tier 1 leverage ratio was 11.21%.

Dividends of \$.27 and \$.81 per share were paid to shareholders during the three and nine months ended for both September 30, 2025 and September 30, 2024.

Management believes that the Company has adequate liquidity through its low loan to deposit ratio at September 30, 2025, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 101.20% 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 September 30, 2025 increased \$7.7 million, or 2.4%, 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 the rising interest rates, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$23.8 million as of September 30, 2025 as compared to recording other comprehensive loss in the amount of \$28.7 million as of December 31, 2024. Although these unrealized losses recorded as of September 30, 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 September 30,	
	2025	2024
Net income	\$ 1,069,000	\$ 1,057,000
Basic and diluted earnings per share	\$ 1.19	\$ 1.16
Performance ratios (annualized):		
Return on average assets	1.18%	1.20%
Return on average equity (excluding OCI)	9.71%	10.32%
Interest rate spread	2.63%	2.68%
Net interest margin	3.20%	3.24%
Operating cost to assets	2.32%	2.34%
Weighted average basic and diluted shares outstanding	898,336	908,508
Dividends per share	\$ 0.27	\$ 0.27
Provision for loan losses	\$ -	\$ -
	Nine Months Ended September 30,	
	2025	2024
Net income	\$ 3,071,000	\$ 3,027,000
Basic and diluted earnings per share	\$ 3.41	\$ 3.33
Performance ratios (annualized):		
Return on average assets	1.15%	1.17%
Return on average equity (excluding OCI)	9.46%	10.00%
Interest rate spread	2.61%	2.64%
Net interest margin	3.17%	3.18%
Operating cost to assets	2.34%	2.37%
Weighted average basic and diluted shares outstanding	899,739	909,127
Dividends per share	\$ 0.81	\$ 0.81
Provision for loan losses	\$ -	\$ -
	September 30, 2025	(Audited) December 31, 2024
Total assets	\$ 355,899,000	\$ 346,514,000
Loans receivable, net	\$ 126,009,000	\$ 129,437,000
Deposits	\$ 325,846,000	\$ 318,169,000
Brokered CD's included in deposits	\$ 14,981,000	\$ 14,917,000
Total stockholders' equity	\$ 20,764,000	\$ 13,861,000
Book value per share	\$ 23.11	\$ 15.30
Book value per share (excluding OCI)	\$ 49.22	\$ 46.48
Average Stockholders' equity to assets ratio (excluding OCI)	12.11%	11.80%
Asset quality ratios:		
Nonperforming loans as a percent of total loans	.03%	.00%
Nonperforming assets as a percent of total loans	.03%	.00%
Allowance for loan losses as a percent of total loans	1.77%	1.78%

FINANCIAL INFORMATION

PINNACLE BANCSHARES, INC. CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<i>(Unaudited)</i> September 30, 2025	<i>(Audited)</i> December 31, 2024
<u>Assets</u>		
Cash and cash equivalents	\$ 2,987,577	2,406,608
Interest bearing deposits in banks	16,963,824	17,830,073
Securities available for sale	177,986,311	163,442,222
Restricted equity securities	957,100	954,300
Loans	128,286,191	131,789,490
Less Allowance for loan losses	2,277,062	2,352,415
Loans, net	126,009,129	129,437,075
Premises and equipment, net	7,910,968	8,198,615
Right-of-use lease assets – operating	228,541	260,248
Goodwill	306,488	306,488
Bank owned life insurance	11,378,714	11,024,493
Accrued interest receivable	1,623,603	2,107,432
Deferred tax assets, net	8,039,628	9,608,246
Other assets	1,506,749	938,828
Total assets	\$ 355,898,632	\$ 346,514,628
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 92,282,191	\$ 90,389,786
Interest-bearing	233,564,188	227,779,259
Total deposits	325,846,379	318,169,045
Subordinated debentures	3,093,000	3,093,000
Other borrowings	4,000,000	9,000,000
Accrued interest payable	657,764	874,774
Operating lease liabilities	228,541	260,248
Other liabilities	1,308,885	1,256,189
Total liabilities	335,134,569	332,653,256
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 898,336 and 905,756 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	51,200,140	48,857,057
Accumulated other comprehensive loss, net	(23,448,928)	(28,239,616)
Total stockholders' equity	20,764,063	13,861,372
Total liabilities and stockholders' equity	\$ 355,898,632	\$ 346,514,628

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest income				
Loans, including fees	\$ 2,248,276	\$ 2,198,772	\$ 6,744,633	\$ 6,361,388
Securities available for sale	1,457,691	1,327,160	4,255,734	3,990,155
Other interest	320,497	395,345	813,226	1,044,262
Total interest income	<u>4,026,464</u>	<u>3,921,277</u>	<u>11,813,593</u>	<u>11,395,805</u>
Interest expense				
Deposits	1,025,478	811,310	2,931,302	2,329,581
Borrowings	50,641	201,884	162,755	570,949
Subordinated debentures	28,000	39,050	104,450	117,150
Total interest expense	<u>1,104,119</u>	<u>1,052,244</u>	<u>3,198,507</u>	<u>3,017,680</u>
Net interest income	2,922,345	2,869,033	8,615,086	8,378,125
Provision for loan losses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net interest income after provision for loan losses	<u>2,922,345</u>	<u>2,869,033</u>	<u>8,615,086</u>	<u>8,378,125</u>
Other income				
Fees and service charges on deposit accounts	409,618	429,651	1,201,307	1,278,274
Service fee income, net	-	-	-	743
Bank owned life insurance	121,500	106,500	354,221	316,672
Mortgage fee income	1,147	1,514	6,477	6,167
Total other income	<u>532,265</u>	<u>537,665</u>	<u>1,562,005</u>	<u>1,601,856</u>
Other expense:				
Salaries and employee benefits	1,215,331	1,172,413	3,624,843	3,468,123
Occupancy expense	307,641	303,811	928,704	936,914
Marketing and professional expense	79,040	76,575	202,883	223,863
Other operating expenses	497,121	508,549	1,527,705	1,508,230
Total other expenses	<u>2,099,133</u>	<u>2,061,348</u>	<u>6,284,135</u>	<u>6,137,130</u>
Income before income taxes	1,355,477	1,345,350	3,892,956	3,842,851
Income tax expense	<u>286,544</u>	<u>288,258</u>	<u>821,682</u>	<u>815,383</u>
Net income	<u>\$ 1,068,933</u>	<u>\$1,057,092</u>	<u>\$ 3,071,274</u>	<u>\$ 3,027,468</u>
Cash dividend per share	<u>\$ 0.27</u>	<u>\$ 0.27</u>	<u>\$ 0.81</u>	<u>\$ 0.81</u>
Basic and diluted earnings per share	<u>\$ 1.19</u>	<u>\$ 1.16</u>	<u>\$ 3.41</u>	<u>\$ 3.33</u>
Weighted –average basic and diluted shares outstanding	<u>898,336</u>	<u>908,508</u>	<u>899,739</u>	<u>909,127</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 2025 and 2024

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Amount	Paid-in	Stock	Earnings	Other	Stockholders'
			Capital			Comprehensive	Equity
						Loss	
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	-	-	-	-	3,027,468	-	3,027,468
Cash dividends declared (\$.81 per share)	-	-	-	-	(736,452)	-	(736,452)
Purchase of treasury stock	-	-	-	(41,400)	-	-	(41,400)
Other comprehensive income	-	-	-	-	-	4,914,826	4,914,826
Balance September 30, 2024	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,630,199)</u>	<u>\$ 48,063,272</u>	<u>\$ (21,424,036)</u>	<u>\$ 19,950,983</u>

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Amount	Paid-in	Stock	Earnings	Comprehensive	Stockholders'
			Capital			Loss	Equity
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	-	-	-	-	3,071,274	-	3,071,274
Cash dividends declared (\$.81 per share)	-	-	-	-	(728,191)	-	(728,191)
Purchase of treasury stock	-	-	-	(231,080)	-	-	(231,080)
Other comprehensive income	-	-	-	-	-	4,790,688	4,790,688
Balance September 30, 2025	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,929,095)</u>	<u>\$ 51,200,140</u>	<u>\$ (23,448,928)</u>	<u>\$ 20,764,063</u>

PINNACLE BANCSHARES, INC.,

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30,	
	2025	2024
OPERATING ACTIVITIES:		
Net income	\$ 3,071,274	\$ 3,027,468
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	356,135	393,633
Net investment amortization expense	111,466	147,629
Net increase in bank owned life insurance	(354,221)	(316,672)
Decrease in accrued interest receivable	483,829	499,051
Decrease in accrued interest payable	(217,010)	(622,782)
Net other operating activities	(168,543)	80,801
Net cash provided by operating activities	<u>3,282,930</u>	<u>3,209,128</u>
INVESTING ACTIVITIES:		
Net (increase) decrease in loans	3,427,946	(5,888,335)
Net increase in interest bearing deposits in other banks	866,249	5,355,989
Purchase of securities available for sale	(17,193,506)	(6,323,402)
Proceeds from maturing, calls, and payments received on securities available for sale	9,152,014	5,066,020
Net purchase of restricted equity securities	(2,800)	(118,100)
Purchase of income tax credit at discount	(601,439)	-
Purchase of premises and equipment	(68,488)	(291,866)
Net cash used in investing activities	<u>(4,420,024)</u>	<u>(2,199,694)</u>
FINANCING ACTIVITIES:		
Net increase in deposits	7,677,334	3,363,108
Proceeds from other borrowings	-	16,500,000
Repayments of other borrowings	(5,000,000)	(20,000,000)
Purchase of treasury stock	(231,080)	(41,400)
Payments of cash dividends	(728,191)	(736,452)
Net cash used in financing activities	<u>(1,718,063)</u>	<u>(914,744)</u>
Net increase in cash and cash equivalents	580,969	94,690
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><u>\$ 2,987,577</u></u>	<u><u>\$ 2,285,483</u></u>
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 3,415,517	\$ 3,640,462
Taxes	\$ 851,759	\$ 700,747
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -