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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
THIRD QUARTER ENDED SEPTEMBER 30, 2024**

Jasper, Alabama (October 30, 2024) – 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, 2024, Pinnacle’s basic/diluted earnings per share was \$1.16 as compared to \$1.29 for the three months ended September 30, 2023. Net income for the three months ended September 30, 2024 was \$1,057,000 as compared to \$1,174,000 for the three months ended September 30, 2023 and \$981,000 for the three months ended December 31, 2023.
- For the nine months ended September 30, 2024, Pinnacle’s basic/diluted earnings per share was \$3.33 as compared to \$3.85 for the nine months ended September 30, 2023. Net income for the nine months ended September 30, 2024 was \$3,027,000 as compared to \$3,499,000 for the nine months ended September 30, 2023.
- For the three and nine months ended September 30, 2024, return on average assets was 1.20%, and 1.17%, respectively, compared to 1.40% and 1.39%, respectively, in the comparable 2023 period.

Pinnacle’s net interest margin was 3.24% and 3.18% for the three and nine months ended September 30, 2024, respectively, compared to 3.25% and 3.37% for the three and nine months ended September 30, 2023, respectively.

At September 30, 2024, Pinnacle’s allowance for loan losses as a percent of total loans was 1.84%, compared to 1.96% at December 31, 2023. There were no nonperforming assets at September 30, 2024 as well as at December 31, 2023.

Pinnacle Bank was classified as “well capitalized” at September 30, 2024. All capital ratios are higher than the requirements for a well-capitalized institution. As of September 30, 2024, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 18.78%. As of September 30, 2024, its total capital ratio was 19.90%, and its Tier 1 leverage ratio was 11.52%.

Dividends of \$.27 and \$.81 per share were paid to shareholders during the three and nine months ended for both September 30, 2024 and September 30, 2023.

Management believes that the Company has adequate liquidity through its low loan to deposit ratio at September 30, 2024, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 105.48% 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, 2024 increased \$3.3 million, or 1%, as compared to December 31, 2023.

Effects of Inflation

Inflation caused a substantial rise in interest rates during 2022 and 2023 which has had a negative effect in the securities market. As a result of the increase in interest rates since 2022, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$21.8 million as of September 30, 2024 as compared to recording other comprehensive loss in the amount of \$26.7 million as of December 31, 2023. Although these unrealized losses recorded as of September 30, 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.

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,	
	2024	2023
Net income	\$ 1,057,000	\$ 1,174,000
Basic and diluted earnings per share	\$ 1.16	\$ 1.29
Performance ratios (annualized):		
Return on average assets	1.20%	1.40%
Return on average equity (excluding OCI)	10.32%	12.30%
Interest rate spread	2.68%	2.84%
Net interest margin	3.24%	3.25%
Operating cost to assets	2.34%	2.24%
Weighted average basic and diluted shares outstanding	908,508	909,534
Dividends per share	\$ 0.27	\$ 0.27
Provision for loan losses	\$ -	\$ -
	Nine Months Ended September 30,	
	2024	2023
Net income	\$ 3,027,000	\$ 3,499,000
Basic and diluted earnings per share	\$ 3.33	\$ 3.85
Performance ratios (annualized):		
Return on average assets	1.17%	1.39%
Return on average equity (excluding OCI)	10.00%	12.52%
Interest rate spread	2.64%	3.07%
Net interest margin	3.18%	3.37%
Operating cost to assets	2.37%	2.29%
Weighted average basic and diluted shares outstanding	909,127	909,534
Dividends per share	\$ 0.81	\$ 0.81
Provision for loan losses	\$ -	\$ -
	(Audited)	
	September 30, 2024	December 31, 2023
Total assets	\$ 349,193,000	\$ 342,578,000
Loans receivable, net	\$ 128,862,000	\$ 122,973,000
Deposits	\$ 314,702,000	\$ 311,339,000
Brokered CD's included in deposits	\$ 14,895,000	\$ 11,907,000
Total stockholders' equity	\$ 19,951,000	\$ 12,787,000
Book value per share	\$ 21.97	\$ 14.06
Book value per share (excluding OCI)	\$ 45.56	\$ 43.02
Average Stockholders' equity to assets ratio (excluding OCI)	11.67%	11.25%
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	1.84%	1.96%

FINANCIAL INFORMATION

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

	<i>(Unaudited)</i> September 30, 2024	<i>(Audited)</i> December 31, 2023
	2024	2023
<u>Assets</u>		
Cash and cash equivalents	\$ 2,285,483	\$ 2,190,793
Interest bearing deposits in banks	14,162,953	19,518,942
Securities available for sale	173,332,274	165,520,025
Restricted equity securities	954,300	836,200
Loans	131,279,465	125,433,112
Less Allowance for loan losses	2,417,390	2,459,372
Loans, net	128,862,075	122,973,740
Premises and equipment, net	8,319,522	8,421,289
Right-of-use lease assets – operating	270,944	302,171
Goodwill	306,488	306,488
Bank owned life insurance	10,918,511	10,601,839
Accrued interest receivable	1,608,138	2,107,189
Deferred tax assets, net	7,337,873	8,951,799
Other assets	834,435	847,912
Total assets	\$ 349,192,996	\$ 342,578,387
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 86,434,945	\$ 89,518,619
Interest-bearing	228,267,309	221,820,527
Total deposits	314,702,254	311,339,146
Subordinated debentures	3,093,000	3,093,000
Other borrowings	9,000,000	12,500,000
Accrued interest payable	769,491	1,392,273
Operating lease liabilities	270,944	302,171
Other liabilities	1,406,324	1,165,256
Total liabilities	329,242,013	329,791,846
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 908,134 and 909,534 shares outstanding, respectively	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock, 964,179 and 962,779 shares at cost, respectively	(15,630,199)	(15,588,799)
Retained earnings	48,063,272	45,772,256
Accumulated other comprehensive loss, net	(21,424,036)	(26,338,862)
Total stockholders' equity	19,950,983	12,786,541
Total liabilities and stockholders' equity	\$ 349,192,996	\$ 342,578,387

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Interest income				
Loans, including fees	\$ 2,198,772	\$ 1,941,342	\$ 6,361,388	\$ 5,524,642
Securities available for sale	1,327,160	1,361,835	3,990,155	4,156,942
Other interest	395,345	235,620	1,044,262	573,914
Total interest income	<u>3,921,277</u>	<u>3,538,797</u>	<u>11,395,805</u>	<u>10,255,498</u>
Interest expense				
Deposits	811,310	556,599	2,329,581	1,166,228
Borrowings	201,884	148,848	570,949	289,178
Subordinated debentures	39,050	39,050	117,150	117,150
Total interest expense	<u>1,052,244</u>	<u>744,497</u>	<u>3,017,680</u>	<u>1,572,556</u>
Net interest income	2,869,033	2,794,300	8,378,125	8,682,942
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>2,869,033</u>	<u>2,794,300</u>	<u>8,378,125</u>	<u>8,682,942</u>
Other income				
Fees and service charges on deposit accounts	429,651	503,147	1,278,274	1,255,373
Service fee income, net	-	677	743	2,164
Bank owned life insurance	106,500	97,806	316,672	294,418
Mortgage fee income	1,514	1,345	6,167	12,113
Total other income	<u>537,665</u>	<u>602,975</u>	<u>1,601,856</u>	<u>1,564,068</u>
Other expense:				
Salaries and employee benefits	1,172,413	1,104,360	3,468,123	3,341,009
Occupancy expense	303,811	215,091	936,914	671,430
Marketing and professional expense	76,575	70,122	223,863	206,713
Other operating expenses	508,549	495,168	1,508,230	1,544,281
Total other expenses	<u>2,061,348</u>	<u>1,884,741</u>	<u>6,137,130</u>	<u>5,763,433</u>
Income before income taxes	1,345,350	1,512,534	3,842,851	4,483,577
Income tax expense	<u>288,258</u>	<u>338,607</u>	<u>815,383</u>	<u>984,541</u>
Net income	<u>\$ 1,057,092</u>	<u>\$ 1,173,927</u>	<u>\$ 3,027,468</u>	<u>\$ 3,499,036</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>\$ 1.16</u>	<u>\$ 1.29</u>	<u>\$ 3.33</u>	<u>\$ 3.85</u>
Weighted –average basic and diluted shares outstanding	<u>908,508</u>	<u>909,534</u>	<u>909,127</u>	<u>909,534</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 2024 and 2023

	<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>Other</u>		<u>Comprehensive</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Stock</u>		<u>Earnings</u>	<u>Loss</u>
Balance December 31, 2022	1,872,313	\$ 18,723	\$ 8,923,223	\$ (15,588,799)	\$ 42,274,372	\$ (29,889,603)	\$ 5,737,916		
Net income	-	-	-	-	3,499,036	-	3,499,036		
Cash dividends declared (\$.81 per share)	-	-	-	-	(736,715)	-	(736,715)		
Other comprehensive loss	-	-	-	-	-	(4,650,949)	(4,650,949)		
Balance September 30, 2023	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 45,036,693</u>	<u>\$ (34,540,552)</u>	<u>\$ 3,849,288</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>Other</u>		<u>Comprehensive</u>	<u>Stockholders'</u>
			<u>Capital</u>			<u>Stock</u>		<u>Earnings</u>	<u>Loss</u>
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>		

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30,	
	2024	2023
OPERATING ACTIVITIES:		
Net income	\$ 3,027,468	\$ 3,499,036
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	393,633	296,162
Net investment amortization expense	147,629	130,812
Net increase in bank owned life insurance	(316,672)	(294,418)
Decrease in accrued interest receivable	499,051	540,306
Increase (decrease) in accrued interest payable	(622,782)	841,497
Net other operating activities	80,801	201,969
Net cash provided by operating activities	3,209,128	5,215,364
INVESTING ACTIVITIES:		
Net increase in loans	(5,888,335)	(3,300,429)
Net (increase) decrease in interest bearing deposits in other banks	5,355,989	(11,285,255)
Purchase of securities available for sale	(6,323,402)	-
Proceeds from maturing, calls, and payments received on securities available for sale	5,066,020	8,295,689
Net purchase of restricted equity securities	(118,100)	(62,600)
Purchase of premises and equipment	(291,866)	(1,725,739)
Net cash used in investing activities	(2,199,694)	(8,078,334)
FINANCING ACTIVITIES:		
Net increase (decrease) in deposits	3,363,108	(8,904,782)
Proceeds from other borrowings	16,500,000	16,100,000
Repayments of other borrowings	(20,000,000)	(3,600,000)
Purchase of treasury stock	(41,400)	-
Payments of cash dividends	(736,452)	(736,715)
Net cash provided by (used in) financing activities	(914,744)	2,858,503
Net increase (decrease) in cash and cash equivalents	94,690	(4,467)
Cash and cash equivalents at beginning of period	2,190,793	1,742,938
Cash and cash equivalents at end of period	\$ 2,285,483	\$ 1,738,471
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 3,640,462	\$ 731,059
Taxes	\$ 700,747	\$ 945,928
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -
Internally financed sales of other real estate owned	\$ -	\$ -