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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
FIRST QUARTER ENDED MARCH 31, 2024**

Jasper, Alabama (April 23, 2024) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced the Company’s results of operations for the first quarter ended March 31, 2024:

- For the three months ended March 31, 2024, Pinnacle’s basic/diluted earnings per share was \$1.06 as compared to \$1.30 per share for the three months ended March 31, 2023 and \$1.08 per share for the three months ended December 31, 2023. Net income for the three months ended March 31, 2024 was \$964,000 as compared to \$1,180,000 for the three months ended March 31, 2023 and \$981,000 for the three months ended December 31, 2023.
- For the three months ended March 31, 2024, return on average assets was 1.14%, compared to 1.43% for the three months ended March 31, 2023 and 1.18% for the three months ended December 31, 2023.

The Company’s net interest margin was 3.11% for the three months March 31, 2024, compared to 3.56% for the three months ended March 31, 2023. The Company anticipates that interest expense relating to its funding will continue to increase during 2024 as a result of several factors such as increased deposit exception pricing and increased deposit migration to higher yielding deposit products.

Mr. Nolen commented, “In response to concerns about liquidity and capital strength related to recent bank failures, we remain confident in our risk status. Our primary focus is, and will continue to be, the Bank’s safety and soundness, and the protection of our depositors.”

At March 31, 2024, the Company’s allowance for loan losses as a percent of total loans was 2.02%, compared to 1.96% at December 31, 2023. There were no nonperforming assets at March 31, 2024 as well as at December 31, 2023.

Pinnacle Bank was classified as “well capitalized” at March 31, 2024. All capital ratios are significantly higher than the requirements for a well-capitalized institution. As of March 31, 2024, the Bank’s common equity Tier 1 capital and Tier 1 risk-based capital ratios were each 18.68% and its total capital ratio and Tier 1 leverage was 19.84% and 11.34%, respectively.

Management believes that the Company has sufficient liquidity through its low loan to deposit ratio at March 31, 2024, as well as available funding from outside sources. Our net funding availability, as a percentage of our franchise funding, is 109.25% 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 March 31, 2024 decreased \$2.1 million, or less than 1%, as compared to December 31, 2023. As mentioned previously, pricing of deposits is anticipated to become more competitive and thus deposits could continue to decrease as they did during the first quarter 2024.

Dividends of \$.27 per share were paid to shareholders during the first quarter of 2024 as well as the first quarter 2023.

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 rising interest rates, the Company has recorded an accumulated other comprehensive loss on securities available for sale of approximately \$28.1 million as of March 31, 2024 as compared to \$26.7 million as of December 31, 2023. Although these unrealized losses recorded as of March 31, 2024 and December 31, 2023 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. In addition, these losses do not impact our regulatory capital ratios.

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. The Company undertakes no duty to update any forward-looking statement to conform the statement to actual results or changes in the Company'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,	
	2024	2023
Net Income	\$ 964,000	\$ 1,180,000
Weighted average basic shares outstanding	909,534	909,534
Weighted average diluted shares outstanding	909,534	909,534
Dividend per share	\$.27	\$.27
Provision for loan losses	\$ -	\$ -
Basic and diluted earnings per share	\$ 1.06	\$ 1.30
Performance Ratios: (annualized)		
Return on average assets	1.14%	1.43%
Return on average equity	9.85%	13.17%
Interest rate spread	2.58%	3.40%
Net interest margin	3.11%	3.56%
Operating cost to assets	2.36%	2.40%
		(Audited)
	March 31, 2024	December 31, 2023
Total assets	\$ 339,346,000	\$ 342,578,000
Loans receivable, net	\$ 119,774,000	\$ 122,973,000
Deposits	\$ 309,164,000	\$ 311,339,000
Brokered CD's included in deposits	\$ 11,907,000	\$ 11,907,000
Total stockholders' equity	\$ 12,126,000	\$ 12,787,000
Weighted average book value per share (excluding OCI)	\$ 43.81	\$ 43.02
Total average stockholders' equity to asset ratio (excluding OCI)	11.54%	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	2.02%	1.96%

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CONDENSED CONSOLIDATED STATEMENTS OF CONDITION

	(Unaudited) March 31, 2024	(Audited) December 31, 2023
<u>Assets</u>		
Cash and cash equivalents	\$ 1,978,413	\$ 2,190,793
Interest bearing deposits in banks	22,825,755	19,518,942
Securities available for sale	162,136,170	165,520,025
Restricted equity securities	843,100	836,200
Loans	122,199,276	125,433,112
Less allowance for loan losses	2,425,315	2,459,372
Loans, net	119,773,961	122,973,740
Premises and equipment, net	8,486,996	8,421,289
Operating right-of-use lease assets	291,700	302,171
Goodwill	306,488	306,488
Bank owned life insurance	10,705,511	10,601,839
Accrued interest receivable	1,532,754	2,107,189
Deferred tax assets, net	9,584,001	8,951,799
Other assets	881,605	847,912
Total assets	\$ 339,346,454	\$ 342,578,387
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Noninterest-bearing	\$ 90,107,848	\$ 89,518,619
Interest-bearing	219,056,319	221,820,527
Total deposits	309,164,167	311,339,146
Subordinated debentures	3,093,000	3,093,000
Other borrowings	12,500,000	12,500,000
Accrued interest payable	864,537	1,392,273
Operating lease liabilities	291,700	302,171
Other liabilities	1,307,084	1,165,256
Total liabilities	327,220,488	329,791,846
Stockholders' equity		
Common stock, \$.01 par value, 2,400,000 shares authorized; 1,872,313 shares issued; 909,534 shares outstanding	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock, at cost (962,779 shares)	(15,588,799)	(15,588,799)
Retained earnings	46,490,252	45,772,256
Accumulated other comprehensive loss, net of tax	(27,717,433)	(26,338,862)
Total stockholders' equity	12,125,966	12,786,541
 Total liabilities and stockholders' equity	\$ 339,346,454	\$ 342,578,387

**PINNACLE BANCSHARES, INC.
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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Interest income		
Loans, including fees	\$ 2,026,371	\$ 1,730,118
Taxable securities	1,296,269	1,368,748
Nontaxable securities	40,019	43,741
Other interest	308,824	143,856
Total interest income	<u>3,671,483</u>	<u>3,286,463</u>
Interest expense		
Deposits	760,947	227,051
Subordinated debentures	39,050	39,050
Other borrowings	178,803	2,209
Total interest expense	<u>978,800</u>	<u>268,310</u>
Net interest income	2,962,683	3,018,153
Provision for loan losses	-	-
Net interest income after provision for loan losses	<u>2,962,683</u>	<u>3,018,153</u>
Other income		
Fees and service charges on deposit accounts	424,843	362,295
Servicing fee income, net	743	771
Bank owned life insurance	103,672	98,806
Mortgage fee income	2,131	5,703
Total other income	<u>531,389</u>	<u>467,575</u>
Other expenses		
Salaries and employee benefits	1,137,415	1,135,798
Occupancy expenses	312,671	240,161
Marketing and professional expenses	74,863	68,819
Other operating expenses	479,823	542,672
Total other expenses	<u>2,004,772</u>	<u>1,987,450</u>
Income before income taxes	1,219,300	1,498,278
Income tax expense	<u>255,730</u>	<u>318,105</u>
Net income	<u>\$ 963,570</u>	<u>\$ 1,180,173</u>
Basic and diluted earnings per share	<u>\$ 1.06</u>	<u>\$ 1.30</u>
Cash dividends per share	<u>\$ 0.27</u>	<u>\$ 0.27</u>
Weighted-average basic and diluted shares outstanding	<u>909,534</u>	<u>909,534</u>

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2024 and 2023**

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Par Value	Paid-in Capital	Stock	Earnings	Other Comprehensive Loss	Stockholders' Equity
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	-	-	-	-	1,180,173	-	1,180,173
Cash dividends declared, \$0.27 per share	-	-	-	-	(245,574)	-	(245,574)
Other comprehensive income	-	-	-	-	-	2,594,039	2,594,039
Balance, March 31, 2023	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 43,208,971</u>	<u>\$ (27,295,564)</u>	<u>\$ 9,266,554</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	-	-	-	-	963,570	-	963,570
Cash dividends declared, \$0.27 per share	-	-	-	-	(245,574)	-	(245,574)
Other comprehensive loss	-	-	-	-	-	(1,378,571)	(1,378,571)
Balance, March 31, 2024	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (15,588,799)</u>	<u>\$ 46,490,252</u>	<u>\$ (27,717,433)</u>	<u>\$ 12,125,966</u>

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UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2024 and 2023

	2024	2023
OPERATING ACTIVITIES		
Net income	\$ 963,570	\$ 1,180,173
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	128,826	99,981
Net amortization of securities	50,376	41,914
Bank owned life insurance	(103,672)	(98,806)
Decrease in accrued interest receivable	574,435	533,436
Increase (decrease) in accrued interest payable	(527,736)	49,634
Net other operating activities	31,716	86,332
Net cash provided by operating activities	1,117,515	1,892,664
INVESTING ACTIVITIES		
Net (increase) decrease in loans	3,199,779	(1,290,780)
Net increase in interest-bearing deposits in banks	(3,306,813)	(31,166)
Proceeds from maturing or callable securities available for sale	1,399,125	2,473,516
Net (purchase) redemption of restricted equity securities	(6,900)	3,800
Purchase of premises and equipment	(194,533)	(518,500)
Net cash provided by investing activities	1,090,658	636,870
FINANCING ACTIVITIES		
Net decrease in deposits	(2,174,979)	(5,640,004)
Net increase in other borrowings	-	3,600,000
Payment of cash dividends	(245,574)	(245,574)
Net cash used in financing activities	(2,420,553)	(2,285,578)
Net increase (decrease) in cash and cash equivalents	(212,380)	243,956
Cash and cash equivalents at beginning of year	2,190,793	1,742,938
Cash and cash equivalents at end of year	\$ 1,978,413	\$ 1,986,894
SUPPLEMENTAL DISCLOSURE		
Cash paid during the year for:		
Interest	\$ 1,506,536	\$ 218,676
Taxes	\$ -	\$ -
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -