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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
YEAR ENDED AND FOURTH QUARTER DECEMBER 31, 2021**

Jasper, Alabama (January 31, 2022) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTCBB: PCLB), today announced Pinnacle’s results of operations for the fourth quarter and year ended December 31, 2021:

- For the year ended December 31, 2021, net income was \$4,692,000, compared with net income of \$3,181,000 in the prior year.
- Net interest income before the provision for loan losses for the year ended December 31, 2021, was \$10,276,000, compared with \$9,157,000 in the prior year.
- Included in net interest income for the year ended December 31, 2021 are Paycheck Protection Program (“PPP”) amortized loan fees of approximately \$661,000, compared to \$586,000 for the year ended December 31, 2020.
- For the three months ended December 31, 2021, Pinnacle reported net income of \$972,000, compared to \$896,000 for the three months ended December 31, 2020.
- Net interest income before the provision for loan losses for the three months ended December 31, 2021 was \$2,719,000, compared with \$2,797,000 in the same period last year.
- Included in net interest income for the three months ended December 31, 2021 are Paycheck Protection Program (“PPP”) amortized loan fees of approximately \$231,000, compared to \$489,000 for the three months ended December 31, 2020.
- Provision for loan losses was \$200,000 for the three months and year ended for both December 31, 2021 and 2020.
- Basic and diluted earnings were each \$4.83 per share for the year ended December 31, 2021. For 2020, basic and diluted earnings were each \$3.21 per share.
- For the three months ended December 31, 2021, basic and diluted earnings were each \$1.00 per share. For the same period in 2020, basic and diluted earnings were each \$0.92 per share.

The Company’s net interest margin was 3.48% and 3.49%, respectively for the three months and year ended December 31, 2021, respectively, compared to 4.31% and 3.76% for both the three months and year ended December 31, 2020, respectively.

At December 31, 2021, Pinnacle’s allowance for loan losses as a percent of total loans was 2.02%, compared to 2.13% at December 31, 2020. The provision for loan losses during the fourth quarter 2021 was due to increasing qualitative factors relating to the current pandemic. Net charge-offs were \$45,000 as compared to net recoveries was \$29,500 in the prior year. Nonperforming assets were \$30,000 at December 31, 2021, compared to \$130,000 at December 31, 2020. The ratio of nonperforming assets to total loans was .01% at December 31, 2021, compared to .12% at December 31, 2020.

Pinnacle was classified as “well capitalized” at the end of 2021. All capital ratios are significantly higher than the requirements for a well-capitalized institution.

Dividends of \$.22 and \$.88 per share were paid to shareholders during the three months and year ended for December 31, 2021, as compared to \$.19 and \$.76 per share during the three months and year ended December 31, 2020.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to negatively impact the Company. The extent of COVID-19’s impact on the Company’s operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, the virus’ impact on the Company’s customers, employees and vendors, and vaccination supply and delivery. At this point, the extent to which COVID-19 may impact the Company’s financial condition or results of operations remains uncertain.

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

For the Year Ended December 31,

	2021	2020
Net Income	\$ 4,692,000	\$ 3,181,000
Weighted average basic shares outstanding	972,248	991,349
Weighted average diluted shares outstanding	972,248	991,349
Dividend per share	\$ 0.88	\$ 0.76
Provision for loan losses	\$ 200,000	\$ 200,000
Basic earnings per share	\$ 4.83	\$ 3.21
Diluted earnings per share	\$ 4.83	\$ 3.21
Performance Ratios: (annualized)		
Return on average assets	1.48%	1.19%
Return on average equity	14.49%	10.70%
Interest rate spread	3.40%	3.58%
Net interest margin	3.49%	3.76%
Operating cost to assets	2.26%	2.59%

Three Months Ended At December 31,

	2021	2020
Net Income	\$ 972,000	\$ 896,000
Weighted average basic shares outstanding	970,791	973,505
Weighted average diluted shares outstanding	970,791	973,505
Dividend per share	\$ 0.22	\$ 0.19
Provision for loan losses	\$ 200,000	\$ 200,000
Basic earnings per share	\$ 1.00	\$.92
Diluted earnings per share	\$ 1.00	\$.92
Performance Ratios:		
Return on average assets	1.17%	1.26%
Return on average equity	11.44%	11.86%
Interest rate spread	3.39%	4.18%
Net interest margin	3.48%	4.31%
Operating cost to assets	2.13%	2.74%

At December 31,

	2021	2020 (Audited)
Total assets	\$ 340,009,000	\$ 275,742,000
Loans receivable, net	\$ 122,884,000	\$ 109,429,000
Deposits	\$ 298,691,000	\$ 235,109,000
Brokered CD's included in Deposits	\$ 24,937,000	\$ 14,980,000
Total stockholders' equity	\$ 35,659,000	\$ 34,332,000
Weighted average book value per share	\$ 36.68	\$ 34.63
Stockholders' average equity to asset ratio	10.19%	11.15%
Asset Quality Ratios:		
Nonperforming loans as a percent of total loans	.01%	.12%
Nonperforming assets as a percent of total Loans	.01%	.12%
Allowance for loan losses as a percent of total loans	2.02%	2.13%
Allowance for loan losses as a percent of nonperforming loans	8460.00%	1833.08%