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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
FIRST QUARTER ENDED MARCH 31, 2021**

Jasper, Alabama (April 15, 2021) – Robert B. Nolen, Jr., President and Chief Executive Officer of Pinnacle Bancshares, Inc. (OTC Pink: PCLB), today announced Pinnacle’s results of operations for the first quarter ended March 31, 2021:

- For the three months ended March 31, 2021, Pinnacle reported net income of \$907,000, compared to \$841,000 for the three months ended March 31, 2020. Included in net income for the first quarter 2020 was approximately \$120,000 gain on sale of securities, net of tax. These were no such gains recorded during the first quarter 2021.
- Net interest income after the provision for loan losses for the three months ended March 31, 2021, was \$2,379,000, compared with \$2,022,000 in the same period last year.
- Included in net interest income for the three months ended March 31, 2021 are Paycheck Protection Program (“PPP”) amortized loan fees of approximately \$141,000. There were no PPP amortized loans fees recorded for the three months ended March 31, 2020.
- For the three months ended March 31, 2021, basic and diluted earnings per share were each \$0.93. For the same period in 2020 basic and diluted earnings per share were each \$0.82.
- For the three months ended March 31, 2021, return on average assets was 1.26%, compared to 1.39% in the comparable 2020 period.

The Company’s net interest margin was 3.61% for the three months March 31, 2021, compared to 3.68% for the three months ended March 31, 2020.

At March 31, 2021, Pinnacle’s allowance for loan losses as a percent of total loans was 1.92%, compared to 2.13% at December 31, 2020. Excluding PPP loans of \$10.7 million dollars and \$6.4 million dollars, the allowance for loan losses as a percent of total loans as of March 31, 2021 and December 31, 2020, was 2.10% and 2.26%, respectively. At March 31, 2021, the allowance for loan losses as a percent of nonperforming loans was 1979.83%, compared to 1833.08% at December 31, 2020. Nonperforming assets were \$119,000 at March 31, 2021, compared to \$130,000 at December 31, 2020. The ratio of nonperforming assets to total loans was .10% at March 31, 2021, and .12% at December 31, 2020.

Pinnacle was classified as “well capitalized” at March 31, 2021. All capital ratios are significantly higher than the requirements for a well-capitalized institution.

Dividends of \$.22 per share were paid to shareholders during the first quarter of 2021 and \$.19 per share during the first quarter 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.
AND SUBSIDIARY**

UNAUDITED FINANCIAL HIGHLIGHTS

	Three Months Ended March 31,	
	2021	2020
Net Income	\$ 907,000	\$ 841,000
Weighted average basic shares outstanding	973,505	1,019,389
Weighted average diluted shares outstanding	973,505	1,019,389
Dividend per share	\$.22	\$.19
Provision for loan losses	\$ -	\$ -
Basic and diluted earnings per share	\$ 0.93	\$ 0.82
Performance Ratios: (annualized)		
Return on average assets	1.26%	1.39%
Return on average equity	11.90%	11.44%
Interest rate spread	3.51%	3.45%
Net interest margin	3.61%	3.68%
Operating cost to assets	2.33%	2.64%
		(Audited)
	March 31, 2021	December 31, 2021
Total assets	\$ 306,731,000	\$ 275,742,000
Loans receivable, net	\$ 120,325,000	\$ 109,429,000
Deposits	\$ 269,186,000	\$ 235,109,000
Brokered CD's included in deposits	\$ 14,980,000	\$ 14,980,000
Total stockholders' equity	\$ 32,100,000	\$ 34,332,000
Weighted average book value per share	\$ 32.97	\$ 34.63
Total average stockholders' equity to asset ratio	10.60%	11.15%
Asset Quality Ratios:		
Nonperforming loans as a percent of total loans	.10%	.12%
Nonperforming assets as a percent of total loans	.10%	.12%
Allowance for loan losses as a percent of total loans	1.92%	2.13%
Allowance for loan losses as a percent of nonperforming loans	1979.83%	1833.08%

**PINNACLE BANCSHARES, INC.
AND SUBSIDIARY**

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
Three Months Ended March 31, 2021 and 2020

	2021	2020
Interest income		
Loans, including fees	\$ 1,538,243	\$ 1,431,258
Taxable securities	912,113	749,227
Nontaxable securities	58,493	106,123
Other interest	5,632	19,132
Total interest income	2,514,481	2,305,740
Interest expense		
Deposits	97,172	240,037
Borrowings and repurchase agreements	-	3,330
Subordinated debentures	38,500	40,100
Total interest expense	135,672	283,467
Net interest income	2,378,809	2,022,273
Provision for loan losses	-	-
Net interest income after provision for loan losses	2,378,809	2,022,273
Other income		
Fees and service charges on deposit accounts	346,188	365,647
Servicing fee income, net	1,059	1,423
Bank owned life insurance	97,967	94,186
Mortgage fee income	2,487	12,006
Net gain on sale of securities available for sale	-	152,658
Total other income	447,701	625,920
Other expenses		
Salaries and employee benefits	958,973	940,542
Occupancy expenses	222,144	201,705
Marketing and professional expenses	64,637	59,246
Other operating expenses	432,901	389,240
Total other expenses	1,678,655	1,590,733
Income before income taxes	1,147,855	1,057,460
Income tax expense	240,903	216,849
Net income	\$ 906,952	\$ 840,611
Basic and diluted earnings per share	\$ 0.93	\$ 0.82
Cash dividends per share	\$ 0.22	\$ 0.19
Weighted-average basic and diluted shares outstanding	973,505	1,019,389

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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Three Months Ended March 31, 2021 and 2020**

	Common Stock		Additional	Treasury	Retained	Accumulated	Total
	Shares	Par Value	Paid-in Capital	Stock	Earnings	Other Comprehensive Income (Loss)	Stockholders' Equity
Balance, December 31, 2019	1,872,313	\$ 18,723	\$ 8,923,223	\$ (11,730,888)	\$ 32,445,916	\$ 1,130,578	\$ 30,787,552
Net income	-	-	-	-	840,611	-	840,611
Cash dividends declared, \$0.19 per share	-	-	-	-	(194,354)	-	(194,354)
Purchase of treasury stock	-	-	-	(1,173,412)	-	-	(1,173,412)
Other comprehensive loss	-	-	-	-	-	(2,149,147)	(2,149,147)
Balance, March 31, 2020	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (12,904,300)</u>	<u>\$ 33,092,173</u>	<u>\$ (1,018,569)</u>	<u>\$ 28,111,250</u>
Balance, December 31, 2020	1,872,313	\$ 18,723	\$ 8,923,223	\$ (13,441,345)	\$ 34,874,072	\$ 3,957,193	\$ 34,331,866
Net income	-	-	-	-	906,952	-	906,952
Cash dividends declared, \$0.22 per share	-	-	-	-	(214,171)	-	(214,171)
Other comprehensive loss	-	-	-	-	-	(2,924,470)	(2,924,470)
Balance, March 31, 2021	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (13,441,345)</u>	<u>\$ 35,566,853</u>	<u>\$ 1,032,723</u>	<u>\$ 32,100,177</u>

**PINNACLE BANCSHARES, INC.
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**UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
Three Months Ended March 31, 2021 and 2020**

	2021	2020
OPERATING ACTIVITIES		
Net income	\$ 906,952	\$ 840,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	103,599	95,319
Net amortization of securities	81,760	67,250
Gain on sale of securities available for sale	-	(152,658)
Bank owned life insurance	(97,967)	(94,186)
Decrease in accrued interest receivable	307,664	197,846
Increase (decrease) in accrued interest payable	(22,632)	5,055
Net other operating activities	539,307	(444,397)
Net cash provided by operating activities	1,818,683	514,840
INVESTING ACTIVITIES		
Net increase in loans	(10,896,412)	(143,420)
Net increase in interest-bearing deposits in banks	(10,902,836)	(1,091,768)
Purchase of securities available for sale	(19,626,046)	(21,737,575)
Proceeds from sales of securities available for sale	-	2,732,970
Proceeds from maturing or callable securities available for sale	6,103,652	4,623,758
Net redemption of restricted equity securities	69,500	34,000
Purchase of premises and equipment	(469,528)	(180,984)
Net cash used in investing activities	(35,721,670)	(15,763,019)
FINANCING ACTIVITIES		
Net increase in deposits	34,077,734	17,090,449
Purchase of treasury stock	-	(1,173,412)
Payments of cash dividends	(214,171)	(194,354)
Net cash provided by financing activities	33,863,563	15,722,683
Net increase (decrease) in cash and cash equivalents	(39,424)	474,504
Cash and cash equivalents at beginning of year	2,080,667	1,814,912
Cash and cash equivalents at end of year	\$ 2,041,243	\$ 2,289,416
SUPPLEMENTAL DISCLOSURE		
Cash paid during the year for:		
Interest	\$ 158,304	\$ 278,412
Taxes	\$ -	\$ 402,131
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ -