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**PINNACLE BANCSHARES ANNOUNCES RESULTS FOR
THIRD QUARTER ENDED SEPTEMBER 30, 2021**

Jasper, Alabama (October 26, 2021) – 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, 2021, Pinnacle reported net income of \$1,829,000 compared to \$712,000 for the three months ended September 30, 2020.
- For the nine months ended September 30, 2021, Pinnacle reported net income of \$3,720,000 compared to \$2,285,000 for the nine months ended September 30, 2020.
- Included in net interest income for each of the three months ended September 30, 2021 and 2020 are Paycheck Protection Program (“PPP”) amortized loan fees of approximately \$240,000 and \$97,000, respectively. Included in net interest income for each of the nine months ended September 30, 2021 and 2020 are PPP amortized loan fees of approximately \$431,000 and \$97,000, respectively.
- Bank-owned life insurance income, which is included in non-interest income, was approximately \$820,000 and \$1,015,000 for the three months and nine months ended September 30, 2021 as compared to \$94,000 and \$283,000 for the three months and nine months ended September 30, 2020.
- Gain on sale of available for sales of securities in the amount of approximately \$227,000 was recorded during both the three and nine months ended September 30, 2021 as compared to \$153,000 recorded during the nine months ended September 30, 2020. There were no gains on sale of available for sales of securities recorded during the three months ended September 30, 2020.
- The Bank used part of the PPP loan fee income to make contributions to charities in its local communities. This represented an increase of approximately \$123,000 and \$143,000 in non-interest expense for the three months and nine months ended September 30, 2021 and 2020, respectively. The charitable organizations used these contributions in part to assist our community in dealing with the continued adverse effects of COVID-19.
- Basic and diluted earnings per share for the three and nine months ended September 30, 2021 were \$1.88 and \$3.82 per share, respectively, compared to \$0.72 and \$2.29 per share, respectively, for the same periods last year.
- For the three and nine months ended September 30, 2021, return on average assets was 2.19%, and 1.59%, respectively, compared to 1.04% and 1.17%, respectively, in the comparable 2020 period.

Pinnacle’s net interest margin was 3.52% and 3.49% for the three and nine months ended September 30, 2021, respectively, compared to 3.59% and 3.56% for the three and nine months ended September 30, 2020, respectively.

At September 30, 2021, Pinnacle's allowance for loan losses as a percent of total loans was 1.85%, compared to 2.13% at December 31, 2020. The allowance for loan losses as a percent of total loans, excluding PPP loans of approximately \$7.6 million dollars, was 1.97% as of September 30, 2021. Nonperforming assets were \$12,000 at September 30, 2021, compared to \$130,000 at December 31, 2020. The ratio of nonperforming assets to total loans was .01% and .12% at September 30, 2021 and December 31, 2020, respectively. All capital ratios are higher than the requirements for a well-capitalized institution.

Dividends of \$.22 and \$.66 per share were paid to shareholders during the three and nine months ended for September 30, 2021 as compared to \$.19 and \$.57 per share paid during the three and nine months ended for September 30, 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
(In Thousands, except share and per share data)

	Three Months Ended September 30,	
	2021	2020
Net income	\$ 1,829,000	\$ 712,000
Basic and diluted earnings per share	\$ 1.88	\$ 0.72
Performance ratios (annualized):		
Return on average assets	2.19%	1.04%
Return on average equity	22.21%	9.58%
Interest rate spread	3.42%	3.43%
Net interest margin	3.52%	3.59%
Operating cost to assets	2.42%	2.59%
Weighted average basic and diluted shares outstanding	971,234	983,119
Dividends per share	\$ 0.22	\$ 0.19
Provision for loan losses	\$ -	\$ -

	Nine Months Ended September 30,	
	2021	2020
Net income	\$ 3,720,000	\$ 2,285,000
Basic and diluted earnings per share	\$ 3.82	\$ 2.29
Performance ratios (annualized):		
Return on average assets	1.59%	1.17%
Return on average equity	15.58%	10.30%
Interest rate spread	3.40%	3.36%
Net interest margin	3.49%	3.56%
Operating cost to assets	2.30%	2.54%
Weighted average basic and diluted shares outstanding	972,740	997,340
Dividends per share	\$ 0.66	\$ 0.57
Provision for loan losses	\$ -	\$ -

	(Audited)	
	September 30, 2021	December 31, 2020
Total assets	\$ 337,849,000	\$ 275,742,000
Loans receivable, net	\$ 124,127,000	\$ 109,429,000
Deposits	\$ 295,710,000	\$ 235,109,000
Brokered CD's included in deposits	\$ 21,951,000	\$ 14,980,000
Total stockholders' equity	\$ 35,806,000	\$ 34,332,000
Book value per share	\$ 36.88	\$ 34.63
Average Stockholders' equity to assets ratio (excluding OCI)	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	1.85%	2.13%
Allowance for loan losses as a percent of nonperforming loans	19483.33%	1,833.08%

FINANCIAL INFORMATION

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

	<i>(Unaudited)</i> September 30, 2021	<i>(Audited)</i> December 31, 2020
	2021	2020
<u>Assets</u>		
Cash and cash equivalents	\$ 2,103,745	2,080,667
Interest bearing deposits in banks	5,643,770	4,106,661
Securities available for sale	185,828,408	139,688,995
Restricted equity securities	716,000	785,500
Loans	126,465,696	111,811,886
Less Allowance for loan losses	2,338,233	2,382,799
Loans, net	124,127,463	109,429,087
Premises and equipment, net	7,064,494	6,555,446
Right-of-use lease assets – operating	517,297	587,970
Goodwill	306,488	306,488
Bank owned life insurance	9,731,814	10,296,876
Accrued interest receivable	1,400,944	1,491,026
Other assets	408,236	413,613
Total assets	\$ 337,848,659	275,742,329
<u>Liabilities and Stockholders' Equity</u>		
Deposits		
Noninterest-bearing	\$ 88,074,409	72,897,929
Interest-bearing	207,635,647	162,210,802
Total deposits	295,710,056	235,108,731
Subordinated debentures	3,093,000	3,093,000
Accrued interest payable	90,219	145,826
Operating lease liabilities	517,297	587,970
Other liabilities	2,632,426	2,474,936
Total liabilities	302,042,998	241,410,463
Stockholders' equity		
Common stock, par value \$.01 per share; 2,400,000 authorized; 1,872,313 issued; 970,791 and 973,505 shares outstanding, respectively	18,723	18,723
Additional paid-in capital	8,923,223	8,923,223
Treasury stock (901,522 and 898,808 shares, respectively)	(13,533,621)	(13,441,345)
Retained earnings	37,952,233	34,874,072
Accumulated other comprehensive income, net of tax	2,445,103	3,957,193
Total stockholders' equity	35,805,661	34,331,866
Total liabilities and stockholders' equity	\$ 337,848,659	\$ 275,742,329

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2021	2020	2021	2020
Interest income				
Loans, including fees	\$ 1,718,950	\$ 1,558,204	\$ 4,783,409	\$ 4,433,232
Securities available for sale	1,113,658	858,000	3,145,204	2,591,275
Other interest	15,752	13,242	26,804	38,919
Total interest income	<u>2,848,360</u>	<u>2,429,446</u>	<u>7,955,417</u>	<u>7,063,426</u>
Interest expense				
Deposits	94,842	152,062	283,524	587,091
Borrowings	-	-	795	3,330
Subordinated debentures	37,550	35,000	113,600	113,310
Total interest expense	<u>132,392</u>	<u>187,062</u>	<u>397,919</u>	<u>703,731</u>
Net interest income	2,715,968	2,242,384	7,557,498	6,359,695
Provision for loan losses	-	-	-	-
Net interest income after provision for loan losses	<u>2,715,968</u>	<u>2,242,384</u>	<u>7,557,498</u>	<u>6,359,695</u>
Other income				
Fees and service charges on deposit accounts	393,121	318,078	1,093,172	986,071
Service fee income, net	992	1,255	3,051	4,048
Bank owned life insurance	819,545	94,186	1,015,480	282,558
Mortgage fee income	12,164	4,877	29,638	30,451
Net gain on securities available for sale	227,238	-	227,238	152,658
Total other income	<u>1,453,060</u>	<u>418,396</u>	<u>2,368,579</u>	<u>1,455,786</u>
Other expense:				
Salaries and employee benefits	1,072,154	970,728	2,996,969	2,845,648
Occupancy expense	229,893	215,986	664,200	633,969
Marketing and professional expense	65,957	67,725	198,121	195,786
Other operating expenses	651,548	521,130	1,530,160	1,287,460
Total other expenses	<u>2,019,552</u>	<u>1,775,569</u>	<u>5,389,450</u>	<u>4,962,863</u>
Income before income taxes	2,149,476	885,211	4,536,627	2,852,618
Income tax expense	<u>320,111</u>	<u>172,982</u>	<u>816,550</u>	<u>567,774</u>
Net income	<u>\$ 1,829,365</u>	<u>\$ 712,229</u>	<u>\$ 3,720,077</u>	<u>\$ 2,284,844</u>
Cash dividend per share	<u>\$ 0.22</u>	<u>\$ 0.19</u>	<u>\$ 0.66</u>	<u>\$ 0.57</u>
Basic and diluted earnings per share	<u>\$ 1.88</u>	<u>\$ 0.72</u>	<u>\$ 3.82</u>	<u>\$ 2.29</u>
Weighted –average basic and diluted shares outstanding	<u>971,234</u>	<u>983,119</u>	<u>972,740</u>	<u>997,340</u>

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
Nine Months Ended September 30, 2021 and 2020

	<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>Income</u>
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	-	-	-	-	2,284,844	-	2,284,844		
Cash dividends declared (\$.57 per share)	-	-	-	-	(567,897)	-	(567,897)		
Purchase of treasury stock	-	-	-	(1,710,456)	-	-	(1,710,456)		
Other comprehensive income	-	-	-	-	-	2,801,152	2,801,152		
Balance September 30, 2020	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (13,441,344)</u>	<u>\$ 34,162,863</u>	<u>\$ 3,931,730</u>	<u>\$ 33,595,195</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>Income</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	-	-	-	-	3,720,077	-	3,720,077		
Cash dividends declared (\$.66 per share)	-	-	-	-	(641,916)	-	(641,916)		
Purchase of treasury stock	-	-	-	(92,276)	-	-	(92,276)		
Other comprehensive loss	-	-	-	-	-	(1,512,090)	(1,512,090)		
Balance September 30, 2021	<u>1,872,313</u>	<u>\$ 18,723</u>	<u>\$ 8,923,223</u>	<u>\$ (13,533,621)</u>	<u>\$ 37,952,233</u>	<u>\$ 2,445,103</u>	<u>\$ 35,805,661</u>		

PINNACLE BANCSHARES, INC.

UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Nine Months Ended September 30,	
	2021	2020
OPERATING ACTIVITIES:		
Net income	\$ 3,720,077	\$ 2,284,844
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	332,075	298,504
Provision for loan losses	-	-
Net investment amortization expense	239,487	205,007
Net (increase) decrease in bank owned life insurance	565,062	(282,558)
Gain on sale of securities available for sale	(227,238)	(152,658)
Decrease in accrued interest receivable	90,082	84,462
Increase (decrease) in accrued interest payable	(55,607)	663
Net other operating activities	915,738	422,074
Net cash provided by operating activities	5,579,676	2,860,338
INVESTING ACTIVITIES:		
Net increase in loans	(14,698,376)	(23,788,381)
Net increase (decrease) in interest bearing deposits in other banks	(1,537,109)	332,822
Purchase of securities available for sale	(68,497,440)	(34,701,151)
Proceeds from sale of securities available for sale	7,752,740	2,732,970
Proceeds from maturing, sale and payments received on securities available for sale	12,328,077	12,330,031
Net redemption of restricted equity securities	69,500	34,000
Purchase of premises and equipment	(841,123)	(201,178)
Net cash used in investing activities	(65,423,731)	(43,260,887)
FINANCING ACTIVITIES:		
Net increase in deposits	60,601,325	43,177,108
Purchase of treasury stock	(92,276)	(1,710,456)
Payments of cash dividends	(641,916)	(567,897)
Net cash provided by financing activities	59,867,133	40,898,755
Net increase in cash and cash equivalents	23,078	498,206
Cash and cash equivalents at beginning of period	2,080,667	1,814,912
Cash and cash equivalents at end of period	\$ 2,103,745	\$ 2,313,118
SUPPLEMENTAL DISCLOSURES:		
Cash paid during the period for:		
Interest	\$ 453,526	\$ 703,068
Taxes	\$ 713,000	\$ 821,131
OTHER NONCASH TRANSACTIONS		
Real estate acquired through foreclosure	\$ -	\$ 86,400
Internally financed sales of other real estate owned	\$ -	\$ -