



FOR RELEASE: December 05, 2016 08:00 AM Eastern Time

Pinnacle Bank Announces Rights Offering to Purchase up to 429,000 Shares of the Bank's Common Stock at a Purchase Price of \$7.00 Per Share; Sets Record Date

GILROY, CA - Pinnacle Bank (OTCQX:PBNK) announced today that it has set 5:00 p.m., Eastern Time, on December 12, 2016, as the record date for a rights offering.

The rights offering will be made through the distribution of nontransferable subscription rights to purchase shares of Pinnacle Bank's common stock. Shareholders as of the record date will receive, at no charge, 0.1221 subscription rights for every share of common stock held of record at the record date, provided that the final number of subscription rights will be subject to downward adjustment for any increase in the number of shares of Bank common stock outstanding between the date of this press release and the record date. Subscription rights may only be exercised in whole numbers with the total number of subscription rights issuable to a holder rounded down to avoid the issuance of fractional shares. Each whole subscription right will entitle a shareholder to purchase one share of Pinnacle Bank common stock at a subscription price equal to \$7.00 per share. In addition, shareholders will receive an oversubscription privilege, allowing them to subscribe for shares that are not purchased by other shareholders in the rights offering.

Pinnacle Bank will offer up to 429,000 shares of common stock in the rights offering. In the event all 429,000 shares are not subscribed for in the rights offering by the Bank's shareholders of record, the Bank may sell any remaining shares to non-shareholder investors.

The rights offering is expected to commence as soon as practicable after the record date and will terminate on January 20, 2017, unless extended or terminated earlier.

THIS PRESS RELEASE SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY THE SECURITIES NOR SHALL THERE BE ANY SALE OF SECURITIES MENTIONED IN THIS PRESS RELEASE IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL PRIOR TO THE REGISTRATION OR QUALIFICATION UNDER THE SECURITIES LAWS OF ANY SUCH STATE. THE RIGHTS OFFERING IS BEING MADE SOLELY BY AND THROUGH AN OFFERING CIRCULAR. THE SHARES BEING OFFERED PURSUANT TO THE RIGHTS OFFERING ARE BEING SOLD PURSUANT TO A STOCK PERMIT ISSUED BY THE CALIFORNIA DEPARTMENT OF BUSINESS OVERSIGHT. THIS PERMIT IS PERMISSIVE ONLY AND DOES NOT CONSTITUTE A RECOMMENDATION OR ENDORSEMENT OF THE SHARES OF COMMON STOCK BEING OFFERED OR SOLD THROUGH THE OFFERING CIRCULAR.

About Pinnacle Bank

Pinnacle Bank is a full-service business bank dedicated to providing quality depository and credit services in Santa Clara, San Benito and Monterey counties. The Bank focuses on commercial banking services for businesses and nonprofit organizations, offering a variety of products and services that combine the best of personal touch with convenient technology-based delivery. Pinnacle Bank has locations in Morgan Hill, Gilroy and Salinas. More information is available at www.pinnaclebankonline.com.

Forward-Looking Statements

This release may contain forward-looking statements, such as, among others, statements about plans, expectations and goals concerning growth and improvement. Forward-looking statements are subject to risks and uncertainties. Such risks and uncertainties may include, but are not necessarily limited to fluctuations in interest rates, inflation, government regulations and general economic conditions, including the real estate market in our primary service area and more generally in California and other factors beyond the Bank's control. Such risks and uncertainties could cause results for subsequent interim periods or for the entire year to differ materially from those indicated. Readers should not place undue reliance on the forward-looking statements, which reflect management's view only as of the date hereof. Pinnacle Bank undertakes no obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances, except as may be required by law.

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