



FOR IMMEDIATE RELEASE
PRESS RELEASE: April 28, 2022

Pinnacle Bank Announces Earnings for First Quarter of 2022

Gilroy, CA – April 28, 2022 – OTCQB: PBNK - Pinnacle Bank, headquartered in Gilroy, California, announced today unaudited net income for the three months ended March 31, 2022 of \$1,246,000 compared to \$1,169,000 in the same period in 2021.

As of March 31, 2022, total assets were \$778.8 million, a 14% increase from the \$684.0 million at March 31, 2021.

Gross loans were \$442.6 million at March 31, 2022, a decrease of \$68.5 million (-13%) from the March 31, 2021 balance of \$511.2 million. Gross Paycheck Protection Program (PPP) loans at March 31, 2022 were \$8.5 million compared to \$127.1 million a year earlier. Excluding PPP loans, gross loans increased \$52.5 million or 14%. The allowance for loan losses at March 31, 2022 was \$6.2 million or 1.45% of loans (1.48% of net loans excluding the PPP loans) compared to \$6.1 million or 1.28% of loans at March 31, 2021 (1.74% excluding PPP loans).

Total deposits at March 31, 2022, increased to \$701.0 million from \$609.4 million at March 31, 2021, a 15% increase.

"The first quarter continued our momentum from 2021. We again recorded double-digit growth in deposits and loans excluding PPP. This growth in core loans and deposits is the result of our approach to relationship banking," stated Jeffrey Payne, President and CEO. "Our franchise continues to attract quality bankers and in turn, new clients. We are honored to contribute to the success of our communities by providing premier business banking from Salinas Valley to Silicon Valley. We appreciate the ongoing efforts of our outstanding team of professional bankers, committed directors and advisors and our many loyal clients that contribute to our ongoing success and continued momentum."

The Bank's capital position remains above regulatory guidelines for well capitalized banks. At March 31, 2022, the Bank had a total capital ratio of 13.96%. Book value per share at March 31, 2022 was \$12.37.

Pinnacle Bank is rated by Bauer Financial as Five-Star "Superior" for strong financial performance, the top rating given by the independent bank rating firm. DepositAccounts.com awarded Pinnacle Bank an A+ rating with a ranking of 80 out of 5,035 U.S. banks analyzed. The Findley Reports named Pinnacle Bank a 2020 Super Premier performing bank.

For more information please go to www.pinnacle.bank click on Investor Relations and March 2022 call report.

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, Salinas and Campbell. For more information please go to www.pinnacle.bank click on Investor Relations and March 2022 call report.

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.

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Summary Balance Sheet*(Unaudited, dollars in thousands)*

	3/31/2022	12/31/2021	3/31/2021	Year over year change	
				\$	%
Total assets	\$ 778,795	\$ 737,833	\$ 683,991	\$ 94,804	14%
Gross loans	\$ 442,627	\$ 434,498	\$ 511,173	\$ (68,546)	-13%
Allowance for loan losses	\$ (6,209)	\$ (6,194)	\$ (6,118)	\$ (91)	1%
Non-interest bearing deposits	\$ 347,328	\$ 332,445	\$ 294,905	\$ 52,423	18%
Interest-bearing deposits	\$ 353,670	\$ 327,230	\$ 314,464	\$ 39,206	12%
Total deposits	\$ 700,998	\$ 659,675	\$ 609,369	\$ 91,629	15%
Shareholders' equity	\$ 66,969	\$ 66,407	\$ 59,439	\$ 7,530	13%

Summary Income Statement*(Unaudited, dollars in thousands except per share data)*

	Quarter ended	Quarter ended	Change	Quarter ended	Change
	3/31/2022	12/31/2021	%	3/31/2021	%
Interest income	\$ 6,095	\$ 5,810	5%	\$ 5,870	4%
Interest expense	219	235	-7%	321	-32%
Net interest income	5,876	5,575	5%	5,549	6%
Provision for loan losses	0	0	0%	0	0%
Non-interest income	1,048	1,926	-46%	727	44%
Non-interest expense	5,202	4,760	9%	4,597	13%
Income tax expense	476	730	-35%	510	-7%
Net income (loss)	\$ 1,246	\$ 2,011	-38%	\$ 1,169	7%
Basic Earnings per share	\$ 0.23	\$ 0.38	-40%	\$0.22	5%
Diluted Earnings per share	\$ 0.23	\$ 0.37	-38%	\$0.22	5%
Book value per share	\$ 12.37	\$ 12.41	0%	\$ 11.12	11%
Shares outstanding at period end	5,415,761	5,352,349	1%	5,343,535	1%

Capital Ratios

	3/31/2022	12/31/2021	3/31/2021	Minimum required to be well-capitalized
Tier 1 leverage ratio	8.99%	9.09%	9.20%	5.00%
Common Equity Tier 1 capital ratio	12.78%	13.40%	13.58%	6.50%
Tier 1 capital ratio	12.78%	13.40%	13.58%	8.00%
Total capital ratio	13.96%	14.65%	14.83%	10.00%