



FOR IMMEDIATE RELEASE
PRESS RELEASE: October 30, 2025

Pinnacle Bank Announces Earnings for Third Quarter of 2025

Gilroy, CA – October 30, 2025— OTCQB: PBNK - Pinnacle Bank announced today unaudited net income for the three months ended September 30, 2025 of \$1,076,000, compared to net income of \$244,000 for the same period in 2024.

As of September 30, 2025, total assets were \$905.7 million, a 2% increase from the \$891.4 million at September 30, 2024.

Gross loans were \$568.4 million at September 30, 2025, a decrease of \$46.2 million (8%) from the September 30, 2024 balance of \$614.6 million. The allowance for credit losses at September 30, 2025 was \$8.922 million or 1.58% of net loans compared to \$7.335 million or 1.20% of net loans at September 30, 2024. During the third quarter of 2025, appraisals indicated declines in the values of real estate and other collateral for nonaccrual loans. The provision for credit losses for the third quarter of 2025 was \$2 million and included the changes in the specific reserves for these loans. Nonaccrual loans at September 30, 2025 consisted of \$8.1mm of commercial real estate hotel loans and \$5.6mm of asset-based commercial loans compared to \$8.4 million in commercial real estate hotel loans a year earlier.

Total deposits at September 30, 2025 were \$785.0 million, a 1% increase from \$780.9 million at September 30, 2024.

"Relationship banking, built on our high level of personalized service, remains our core mission and the key to building shareholder value," stated Jeffrey Payne, President and CEO. "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 valued relationships."

The Bank's capital position remains above regulatory guidelines for well capitalized banks. At September 30, 2025, the Bank had a total capital ratio of 17.76%. Book value per share at September 30, 2025 was \$17.81.

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. The Findley Reports named Pinnacle Bank a 2024 Premier performing bank.

For more information, please go to www.pinnacle.bank click on Investor Relations and September 2025 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 September 2025 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, expected future cash flows on loans and securities, 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.

Media Contact:
Pinnacle Bank
Jeffrey D. Payne, President & CEO
408-762-7146

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

	9/30/2025	6/30/2025	9/30/2024	Year over year change	
				\$	%
Total assets	\$ 905,733	\$ 878,109	\$ 891,406	\$ 14,327	2%
Gross loans	\$ 568,361	\$ 568,703	\$ 614,609	\$ (46,248)	-8%
Allowance for loan losses	\$ (8,922)	\$ (6,905)	\$ (7,335)	\$ (1,587)	22%
Non-interest bearing deposits	\$ 255,482	\$ 262,071	\$ 263,771	\$ (8,289)	-3%
Interest-bearing deposits	\$ 529,495	\$ 497,242	\$ 517,108	\$ 12,387	2%
Total deposits	\$ 784,977	\$ 759,313	\$ 780,878	\$ 4,099	1%
Shareholders' equity	\$ 105,543	\$ 104,111	\$ 95,580	\$ 9,963	10%

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

	Quarter ended 9/30/2025	Quarter ended 6/30/2025	Change %	Quarter ended 9/30/2024	Change %
Interest income	\$ 12,355	\$ 12,278	1%	\$ 13,130	-6%
Interest expense	3,472	3,384	3%	3,633	-4%
Net interest income	8,883	8,894	0%	9,497	-6%
Provision for loan losses	2,000	0		3,427	-42%
Non-interest income	540	600	-10%	415	30%
Non-interest expense	5,925	6,484	-9%	6,162	-4%
Income tax expense	422	837	-50%	79	434%
Net income (loss)	\$ 1,076	\$ 2,173	-50%	\$ 244	341%
Basic Earnings per share	\$ 0.18	\$ 0.37	-51%	\$ 0.04	350%
Diluted Earnings per share	\$ 0.18	\$ 0.36	-50%	\$ 0.04	350%
Book value per share	\$ 17.81	\$ 17.57	1%	\$ 16.32	9%
Shares outstanding at period end	5,926,791	5,926,716	0%	5,856,959	1%

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

	Nine months ended 9/30/2025	Nine months ended 9/30/2024	Change %
Interest income	\$ 36,681	\$ 38,786	-5%
Interest expense	10,184	10,223	0%
Net interest income	26,497	28,563	-7%
Provision for loan losses	2,000	3,813	-48%
Non-interest income	1,546	1,707	-9%
Non-interest expense	18,992	18,861	1%
Income tax expense	1,888	2,172	-13%
Net income (loss)	\$ 5,163	\$ 5,425	-5%
Basic Earnings per share	\$ 0.87	\$ 0.93	-6%
Diluted Earnings per share	\$ 0.86	\$ 0.91	-5%

	9/30/2025	6/30/2025	9/30/2024	Minimum required to be well-capitalized
Capital Ratios				
Tier 1 leverage ratio	11.87%	12.04%	11.11%	5.00%
Common Equity Tier 1 capital ratio	16.51%	16.44%	14.26%	6.50%
Tier 1 capital ratio	16.51%	16.44%	14.26%	8.00%
Total capital ratio	17.76%	17.52%	15.35%	10.00%