



FOR IMMEDIATE RELEASE

PRESS RELEASE: January 29, 2026

Pinnacle Bank Announces Earnings for 2025

Gilroy, CA – January 29, 2026 – OTCQB: PBNK - Pinnacle Bank, headquartered in Gilroy, California, announced today unaudited net "income for the year ended December 31, 2025 of \$5,450,000 compared to net income to \$8,846,000 in 2024. Unaudited net income for the fourth quarter of 2025 was \$287,000 compared to \$3,421,000 in the fourth quarter of 2024. In the fourth quarter of 2025, we proactively recorded a provision of \$4.223 million to address credit issues in our asset-based lending and hospitality portfolios.

As of December 31, 2025, total assets were \$890.4 million, a 5% increase from \$846.8 million as of December 31, 2024.

Gross loans were \$583.4 million as of December 31, 2025, a decrease of \$17.2 million (-3%) from the December 31, 2024 balance of \$600.6 million and an increase of \$15.1 million (3%) from the September 30, 2025 balance of \$568.4 million. The allowance for loan losses as of December 31, 2025 was \$13.152 million or 2.27% of net loans compared to \$7.352 million or 1.23% of net loans as of December 31, 2024.

Total deposits as of December 31, 2025, increased 5% to \$765.8 million from \$732.2 million as of December 31, 2024.

"Our team continues to focus on adding quality relationships which led to an increase in our deposits in 2025," stated Jeffrey Payne, President and CEO. "The success of our communities from Salinas Valley to Silicon Valley remains a driving force for us to provide premier business banking through organic growth. 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 December 31, 2025, the Bank had a total capital ratio of 17.24%. Book value per share as of December 31, 2025 was \$17.93.

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 2025 Premier performing bank.

For more information, please go to www.pinnacle.bank click on Investor Relations and December 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 and click on Investor Relations.

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)*

	12/31/2025	9/30/2025	12/31/2024	Year over year change	
				\$	%
Total assets	\$ 890,355	\$ 905,733	\$ 846,848	\$ 43,507	5%
Gross loans	\$ 583,428	\$ 568,361	\$ 600,637	\$ (17,209)	-3%
Allowance for loan losses	\$ (13,152)	\$ (8,922)	\$ (7,352)	\$ (5,800)	79%
Non-interest bearing deposits	\$ 248,025	\$ 255,482	\$ 248,677	\$ (652)	0%
Interest-bearing deposits	\$ 517,822	\$ 529,495	\$ 483,555	\$ 34,267	7%
Total deposits	\$ 765,846	\$ 784,977	\$ 732,232	\$ 33,614	5%
Shareholders' equity	\$ 106,328	\$ 105,543	\$ 98,975	\$ 7,353	7%

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

	Year ended	Year ended	Change	Change
	12/31/2025	12/31/2024	\$	%
Interest income	\$ 48,764	\$ 51,711	\$ (2,947)	-5.7%
Interest expense	13,653	13,727	(74)	-0.5%
Net interest income	35,110	37,984	(2,873)	-7.6%
Provision for loan losses	6,223	3,791	2,432	64.1%
Non-interest income	1,867	2,196	(329)	-15.0%
Non-interest expense	23,328	24,088	(760)	-3.2%
Income tax expense	1,976	3,455	(1,479)	-42.8%
Net income (loss)	\$ 5,450	\$ 8,846	\$ (3,396)	-38.4%

Basic Earnings (loss) per share	\$0.92	\$1.52	(\$0.60)	-39.7%
Diluted Earnings (loss) per share	\$0.91	\$1.49	(\$0.58)	-38.9%
Book value per share	\$17.93	\$16.87	\$1.06	6.3%
Shares outstanding at period end	5,928,916	5,865,666	63,250	1.1%

Nonperforming assets*unaudited (dollars in thousands)*

	12/31/2025	9/30/2025	12/31/2024
Nonperforming assets	\$ 19,967	\$ 16,845	\$ 11,968

Capital Ratios

	12/31/2025	9/30/2025	12/31/2024	Minimum required to be well-capitalized
Tier 1 leverage ratio	11.80%	11.87%	11.41%	5.00%
Common Equity Tier 1 capital ratio	15.98%	16.51%	15.22%	6.50%
Tier 1 capital ratio	15.98%	16.51%	15.22%	8.00%
Total capital ratio	17.24%	17.76%	16.34%	10.00%