



FOR IMMEDIATE RELEASE
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Pinnacle Bank Announces Q1 2021 Results

Gilroy, CA – April 29, 2021 – OTCQB: PBNK - Pinnacle Bank, headquartered in Gilroy, California, announced today unaudited net income for the three months ended March 31, 2021 of \$1,169,000 compared to \$105,000 in the same period in 2020. The public health and economic uncertainties that emerged in March 2020 were the basis for a provision for loan losses of \$1,000,000 in the first quarter of 2020 compared to no provision in the first quarter of 2021.

As of March 31, 2021, total assets were \$684.0 million, a 58% increase from the \$432.7 million at March 31, 2020.

Gross loans were \$511.2 million at March 31, 2021, an increase of \$164.5 million (47%) from the March 31, 2020 balance of \$346.6 million. Gross Paycheck Protection Program (PPP) loans at March 31, 2021 were \$129.6 million. Excluding the PPP loans, gross loans increased \$35.0 million or 10%. The allowance for loan losses at March 31, 2021 was \$6.118 million or 1.21% of loans (1.62% of net loans excluding the PPP loans) compared to \$4.988 million or 1.46% of loans at March 31, 2020.

Total deposits at March 31, 2021, increased to \$609.4 million from \$370.5 million at March 31, 2020, a 64% increase.

"During the first quarter we provided more than 200 clients with Round 2 Paycheck Protection Program loans totaling over \$50 million. At the same time, others in our communities are seeing opportunities for growth. We will continue to support the determination, resiliency and entrepreneurial spirit of our clients and communities," 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. I sincerely appreciate the continued efforts and contributions of our outstanding team of professional bankers, our committed directors and advisors and our many loyal clients."

As of March 31, 2021, COVID loan modifications, generally for interest only periods, were in place for 3 loans totaling \$5.9 million compared to 10 loans totaling \$11.5 million at December 31, 2020. All of these loans were on performing status.

The Bank's capital position remains above regulatory guidelines for well capitalized banks. At March 31, 2021, the Bank had a total capital ratio of 14.83%. Book value per share at March 31, 2021 was \$11.12.

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 2021 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 2021 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)*

	3/31/2021	12/31/2020	3/31/2020	Year over year change	
				\$	%
Total assets	\$ 683,991	\$ 616,847	\$ 432,714	\$ 251,277	58%
Gross loans	\$ 511,173	\$ 487,035	\$ 346,625	\$ 164,548	47%
Allowance for loan losses	\$ (6,118)	\$ (6,101)	\$ (4,988)	\$ (1,130)	23%
Non-interest bearing deposits	\$ 294,905	\$ 244,749	\$ 158,598	\$ 136,307	86%
Interest-bearing deposits	\$ 314,464	\$ 299,424	\$ 211,859	\$ 102,605	48%
Total deposits	\$ 609,369	\$ 544,173	\$ 370,457	\$ 238,912	64%
Shareholders' equity	\$ 59,439	\$ 58,225	\$ 54,046	\$ 5,393	10%

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

	Quarter ended	Quarter ended	Change	Quarter ended	Change
	3/31/2021	12/31/2020	%	3/31/2020	%
Interest income	\$ 5,870	\$ 5,900	-1%	\$ 5,454	8%
Interest expense	321	397	-19%	486	-34%
Net interest income	5,549	5,503	1%	4,968	12%
Provision for loan losses	0	200	-100%	1,000	-100%
Non-interest income	727	1,059	-31%	475	53%
Non-interest expense	4,597	4,276	8%	4,272	8%
Income tax expense	510	675	-24%	66	673%
Net income (loss)	\$ 1,169	\$ 1,411	-17%	\$ 105	1,013%
Basic Earnings per share	\$ 0.22	\$ 0.27	-19%	\$0.02	1,000%
Diluted Earnings per share	\$ 0.22	\$ 0.27	-19%	\$0.02	1,000%
Book value per share	\$ 11.12	\$ 11.01	1%	\$ 10.25	8%

Capital Ratios	3/31/2021	12/31/2020	3/31/2020	Minimum
				required to be well-capitalized
Tier 1 leverage ratio	9.20%	9.13%	12.97%	5.00%
Common Equity Tier 1 capital ratio	13.58%	13.69%	13.76%	6.50%
Tier 1 capital ratio	13.58%	13.69%	13.76%	8.00%
Total capital ratio	14.83%	14.95%	16.01%	10.00%