



FOR IMMEDIATE RELEASE
PRESS RELEASE: October 29, 2024

Pinnacle Bank Announces Earnings for Third Quarter of 2024

Gilroy, CA – October 29, 2024– OTCQB: PBNK - Pinnacle Bank, headquartered in Gilroy, California, announced today unaudited net income for the three months ended September 30, 2024 of \$1,909,000, compared to net income of \$2,728,000 for the same period in 2023.

As of September 30, 2024, total assets were \$893.1 million, a 6% increase from the \$843.5 million at September 30, 2023.

Gross loans were \$617.0 million at September 30, 2024, a new record and an increase of \$78.6 million (15%) from the September 30, 2023 balance of \$538.4 million. The allowance for credit losses at September 30, 2024 was \$7.335 million or 1.20% of net loans compared to \$5.799 million or 1.09% of net loans at September 30, 2023. Nonaccrual loans were \$10.9 million at September 30, 2024, consisting of \$8.4 million of commercial real estate loans and \$2.5 million of commercial and industrial loans. There were no nonaccrual loans at September 30, 2023.

Total deposits at September 30, 2024 were \$780.9 million, a 5% increase from \$746.6 million at September 30, 2023.

“We saw continued loan and deposit growth in the third quarter. These achievements highlight the success of our approach to relationship banking and our high level of personalized service,” 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, 2024, the Bank had a total capital ratio of 15.52%. Book value per share at September 30, 2024 was \$16.60.

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 health rating. The Findley Reports named Pinnacle Bank a 2023 Super Premier performing bank.

For more information, please go to www.pinnacle.bank click on Investor Relations and September 2024 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 2024 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)*

	9/30/2024	6/30/2024	9/30/2023	Year over year change	
				\$	%
Total assets	\$ 893,117	\$ 849,535	\$ 843,531	\$ 49,586	6%
Gross loans	\$ 617,019	\$ 597,562	\$ 538,413	\$ 78,606	15%
Allowance for loan losses	\$ (7,335)	\$ (6,319)	\$ (5,799)	\$ (1,536)	26%
Non-interest bearing deposits	\$ 263,771	\$ 252,445	\$ 272,652	\$ (8,881)	-3%
Interest-bearing deposits	\$ 517,108	\$ 488,502	\$ 473,947	\$ 43,161	9%
Total deposits	\$ 780,878	\$ 740,947	\$ 746,599	\$ 34,279	5%
Shareholders' equity	\$ 97,245	\$ 94,278	\$ 82,804	\$ 14,441	17%

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

	Quarter ended	Quarter ended	Change	Quarter ended	Change
	9/30/2024	6/30/2024		9/30/2023	
Interest income	\$ 13,130	\$ 12,835	2%	\$ 12,366	6%
Interest expense	3,633	3,401	7%	2,760	32%
Net interest income	9,497	9,434	1%	9,606	-1%
Provision for loan losses	1,017	80	1170%	0	0%
Non-interest income	415	764	-46%	640	-35%
Non-interest expense	6,208	6,250	-1%	6,097	2%
Income tax expense	778	1,140	-32%	1,223	-36%
Net income (loss)	\$ 1,909	\$ 2,728	-30%	\$ 2,926	-35%
Basic Earnings per share	\$ 0.33	\$ 0.47	-30%	\$ 0.52	-37%
Diluted Earnings per share	\$ 0.32	\$ 0.46	-30%	\$ 0.51	-37%
Book value per share	\$ 16.60	\$ 16.14	3%	\$ 14.68	13%
Shares outstanding at period end	5,856,959	5,839,701	0%	5,641,771	4%

Capital Ratios

	9/30/2024	6/30/2024	9/30/2023	Minimum required to be well-capitalized
Tier 1 leverage ratio	11.30%	11.47%	10.35%	5.00%
Common Equity Tier 1 capital ratio	14.45%	14.16%	13.42%	6.50%
Tier 1 capital ratio	14.45%	14.16%	13.42%	8.00%
Total capital ratio	15.52%	15.10%	14.34%	10.00%