



FOR IMMEDIATE RELEASE
PRESS RELEASE: July 24, 2025

Pinnacle Bank Announces Earnings for Second Quarter of 2025

Gilroy, CA – July 24, 2025– OTCQB: PBNK - Pinnacle Bank, headquartered in Gilroy, California, announced today unaudited net income for the three months ended June 30, 2025 of \$2,173,000, compared to net income of \$1,914,000 in the prior quarter.

As of June 30, 2025, total assets were \$878.1 million, a 3% increase from \$849.5 million on June 30, 2024.

Gross loans were \$568.7 million on June 30, 2025 compared to \$597.6 million on June 30, 2024. The allowance for credit losses on June 30, 2025 was \$6.905 million or 1.22% of net loans compared to \$6.319 million or 1.07% of net loans on June 30, 2024. Nonperforming assets net of government guarantees were \$11.5 million on June 30, 2025. There were no nonperforming assets on June 30, 2024.

Total deposits on June 30, 2025 were \$759.3 million, a 2% increase from \$740.9 million on June 30, 2024 and a 4% increase from \$732.2 million at December 31, 2024.

"Economic activity in our markets remains solid as businesses adapt to the current uncertainties surrounding inflation and trade. The deposit growth in the first half of this year reflects the importance of our strong relationships," 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 continued momentum.

The Bank's capital position remains above regulatory guidelines for well capitalized banks. On June 30, 2025, the Bank had a total capital ratio of 17.52%. Book value per share on June 30, 2025 was \$17.57.

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

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

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

Summary Balance Sheet

(Unaudited, dollars in thousands)

	6/30/2025	3/31/2025	6/30/2024	Year over year change	
				\$	%
Total assets	\$ 878,109	\$ 892,522	\$ 849,535	\$ 28,574	3%
Gross loans	\$ 568,703	\$ 576,580	\$ 597,562	\$ (28,859)	-5%
Allowance for loan losses	\$ (6,905)	\$ (7,068)	\$ (6,319)	\$ (586)	9%
Non-interest bearing deposits	\$ 262,071	\$ 252,240	\$ 252,445	\$ 9,626	4%
Interest-bearing deposits	\$ 497,242	\$ 522,732	\$ 488,502	\$ 8,740	2%
Total deposits	\$ 759,313	\$ 774,972	\$ 740,947	\$ 18,366	2%
Shareholders' equity	\$ 104,111	\$ 101,500	\$ 94,278	\$ 9,833	10%

Summary Income Statement

(Unaudited, dollars in thousands except per share data)

	Quarter ended 6/30/2025	Quarter ended 3/31/2025	Change %	Quarter ended 6/30/2024	Change %
Interest income	\$ 12,278	\$ 12,048	2%	\$ 12,835	-4%
Interest expense	3,384	3,328	2%	3,401	-
Net interest income	8,894	8,720	2%	9,434	-6%
Provision for loan losses	0	0	0%	80	-100%
Non-interest income	600	406	48%	764	-21%
Non-interest expense	6,484	6,582	-1%	6,250	4%
Income tax expense	837	630	33%	1,140	-27%
Net income (loss)	<u>\$ 2,173</u>	<u>\$ 1,914</u>	14%	<u>\$ 2,728</u>	-20%
Basic Earnings per share	\$ 0.37	\$ 0.32	15%	\$ 0.47	-21%
Diluted Earnings per share	\$ 0.36	\$ 0.32	13%	\$ 0.46	-22%
Book value per share	\$ 17.57	\$ 17.16	2%	\$ 16.14	9%
Shares outstanding at period end	5,926,716	5,915,616	0%	5,839,701	1%

	6/30/2025	3/31/2025	6/30/2024	Minimum required to be well-capitalized
Capital Ratios				
Tier 1 leverage ratio	12.04%	11.94%	11.47%	5.00%
Common Equity Tier 1 capital ratio	16.44%	16.09%	14.16%	6.50%
Tier 1 capital ratio	16.44%	16.09%	14.16%	8.00%
Total capital ratio	17.52%	17.20%	15.10%	10.00%