

2025 ANNUAL MEETING OF SHAREHOLDERS

PINNACLE BANKSHARES CORPORATION
TUESDAY, MAY 13, 2025 | 11:00 AM



FORWARD- LOOKING STATEMENTS

This presentation and/or statements made during this meeting may contain “forward-looking statements” within the meaning of federal securities laws that involve significant risks and uncertainties. Any statements that are not historical facts are forward-looking and are based on current assumptions and analysis by Pinnacle Bankshares Corporation (the “Company”). These forward-looking statements may include, but are not limited to, statements regarding the credit quality of our asset portfolio in future periods, the expected losses of nonperforming loans in future periods, returns and capital accretion during future periods, our cost of funds, the maintenance of our net interest margin, future operating results, and business performance and our growth initiatives. Although we believe our plans and expectations reflected in these forward-looking statements are reasonable, our ability to predict results or the actual effect of future plans or strategies is inherently uncertain, and we can give no assurance that these plans or expectations will be achieved. Factors that could cause actual results to differ materially from management's expectations include, but are not limited to: changes in consumer spending and saving habits that may occur, including increased inflation; changes in general business, economic and market conditions; attracting, hiring, training, motivating and retaining qualified employees; changes in fiscal and monetary policies, and laws and regulations; changes in interest rates, inflation rates, deposit flows, loan demand and real estate values; changes in the quality or composition of the Company's loan portfolio and the value of the collateral securing loans; changes in macroeconomic trends and uncertainty, including liquidity concerns at other financial institutions, and the potential for local and/or global economic recession; changes in demand for financial services in Pinnacle's market areas; increased competition from both banks and non-banks in Pinnacle's market areas; a deterioration in credit quality and/or a reduced demand for, or supply of, credit; increased information security risk, including cyber security risk, which may lead to potential business disruptions or financial losses; volatility in the securities markets generally, including in the value of securities in the Company's securities portfolio or in the market price of Pinnacle common stock specifically; and other factors, which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These risks and uncertainties should be considered in evaluating the forward-looking statements contained herein, and you should not place undue reliance on such statements, which reflect our views as of the date of this meeting.

First, a disclosure that any “Forward-Looking Statements” made by me or contained in this presentation involve significant risks and uncertainties which should be considered in evaluating this information.



Let's Take a Look at the 2024 Overview

2024 OVERVIEW

INTEREST RATES

- Fed raised Interest Rates 11 Times during 2022 – 2023
- Paused in early 2024
- Decreased Rates 3 times beginning in September 2024
- Total Decrease of 1%
 - *Fed Funds Target 4.25% to 4.5%*
 - *Prime 7.5%*
- Treasury Yields
 - *5 Year +46 BPS*
 - *10 Year +64 BPS*



2024 Overview –Interest Rates

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 - 5 Year +46 BPS
 - 10 Year +64 BPS

NOTE: 1 Year Change as of 1-8-2025

2024 OVERVIEW

ECONOMY

- Real GDP
 - 2.8% (*Preliminary*)
- Inflation – CPI
 - 2.9%
 - 3.2% (*Core*)
- Unemployment
 - 4.1% (*December 2024*)



2024 Overview – Economy

- Real GDP – Adjusted for Inflation
 - 2.8% (*Preliminary*)
- Inflation – CPI
 - 2.9%
 - 3.2% (*Core*) – Exclude Food & Energy
- Unemployment
 - 4.1% (*December 2024*)

2024 OVERVIEW

EQUITY MARKETS

- Banner Year in 2024
 - Dow up 13%
 - NASDAQ up 29%
 - S&P 500 up 23%
- Generally responded favorably to U.S. Presidential Election Results
- Geopolitical Events still presented Uncertainties
- Concerns regarding Impact of New Administration's proposed Policies on Inflation



2024 Overview – Equity Markets

- Banner Year in 2024
 - Dow up 13%
 - NASDAQ up 29%
 - S&P 500 up 23%
- Generally responded favorably to U.S. Presidential Election Results
- Geopolitical Events still presented Uncertainties (Russia / Ukraine, Israel / Hamas)
- Concerns regarding Impact of New Administration's proposed Policies on Inflation

2024 OVERVIEW

BANKING INDUSTRY

- Liquidity Pressures Subsided
- Credit Quality still Good
 - *Concern about Impact of Interest Rate Repricing on Borrowers*
- Adjusted to Higher Cost of Funds, Many Banks > 2% - Creating Margin Pressures
- Unrealized Losses in Securities Portfolios still negatively impacted Book Values



2024 Overview – Banking Industry

- Liquidity Pressures Subsided
- Credit Quality still Good
 - Concern about Impact of Interest Rate Repricing on Borrowers
- Adjusted to Higher Cost of Funds, Many Banks > 2% - Creating Margin Pressures
- Unrealized Losses in Securities Portfolios still negatively impacted Book Values

2024 OVERVIEW

PINNACLE & FNB

- Expanded Net Interest Margin
- Increased Loan Volume
- Grew Deposits & Deposit Accounts
- Remained Core Funded with Ample Liquidity
- Strengthened Leverage Ratio
- Entered a New Market

Which resulted in...



2024 Overview – Pinnacle & FNB

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2024 OVERVIEW

PINNACLE & FNB

- Net Income consistent with 2023 (excluding BOLI Proceeds)
- Significantly Improved Stock Price
- Increased Cash Dividends

And, once again...



2024 Overview – Pinnacle & FNB

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And, once again...

2024 OVERVIEW

PINNACLE & FNB

- The **#3** Overall Peer Bank Performance Ranking!

(Per the Performance Trust Rank-the-Banks Virginia Report as of 12-31-2024)



2024 Overview – Pinnacle & FNB

- The **#3** Overall Peer Bank Performance Ranking (per the Performance Trust Rank-the-Banks Virginia Report as of 12-31-2024)

OUR VISION

To be recognized as the **Premier**
Community Banking Organization



Our Vision

To be recognized as the **Premier** Community Banking Organization

BUSINESS MODEL

- Self-Funded with a Strong, Diversified Base of Core Deposits
- Sound & Diversified Loan Portfolio
- Top of Peer in Non-Interest Income
- Modern Digital Platforms
- Regional Footprint across Diversified Markets



Our Business Model Includes:

- Self-Funded with a Strong, Diversified Base of Core Deposits
- Sound & Diversified Loan Portfolio
- Top of Peer Non-Interest Income
- Modern Digital Platforms
- Regional Footprint across Diversified Markets

AND...



Employment of Top Financial Professionals because...

OUR EMPLOYEES

Are Our Most
Valuable Asset!



OUR EMPLOYEES are our Most Valuable Asset!

OUR MISSION

Provide an **Extraordinary**
Customer Experience



Our Mission

To Provide an Extraordinary Customer Experience

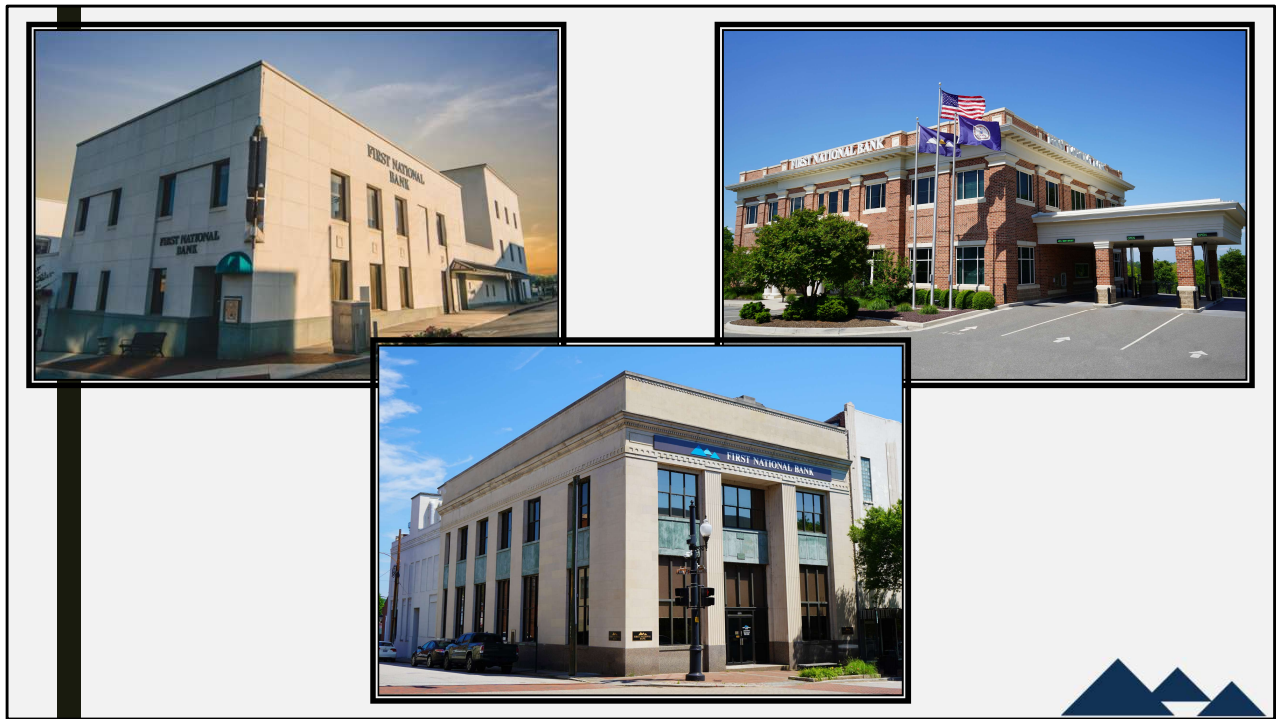
OBJECTIVES

- Managed Growth
- Improved Efficiency & Productivity
- Above Peer Returns
- Preservation of our “Community Bank Approach”



Our Objectives continue to be:

- Managed Growth
- Improved Efficiency & Productivity
- Above Peer Returns
- Preservation of our “Community Bank Approach”



Our Vision, Business Model, Mission, & Objectives have us well position for Continued Success!

Review of
2024
Financial Performance



And now, let's review our 2024 Financial Performance

2024 FINANCIAL PERFORMANCE

HIGHLIGHTS

- Net Income **\$9.2mm**
 - Overall Decrease of (\$584m), or (6%) compared to 2023
 - Net of BOLI Proceeds, Net Income for 2024 & 2023 was \$8.4mm
- Return on Assets **.92%**
- Return on Equity **12.49%**

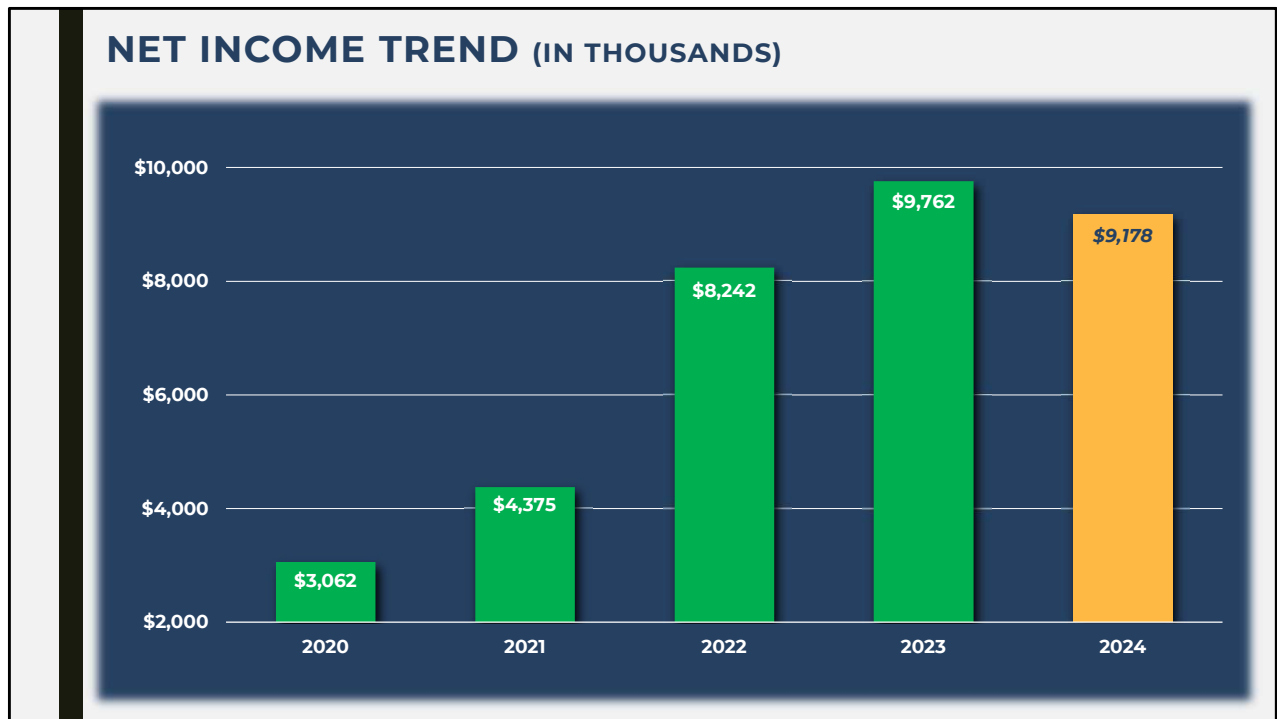


2024 Financial Performance – Highlights

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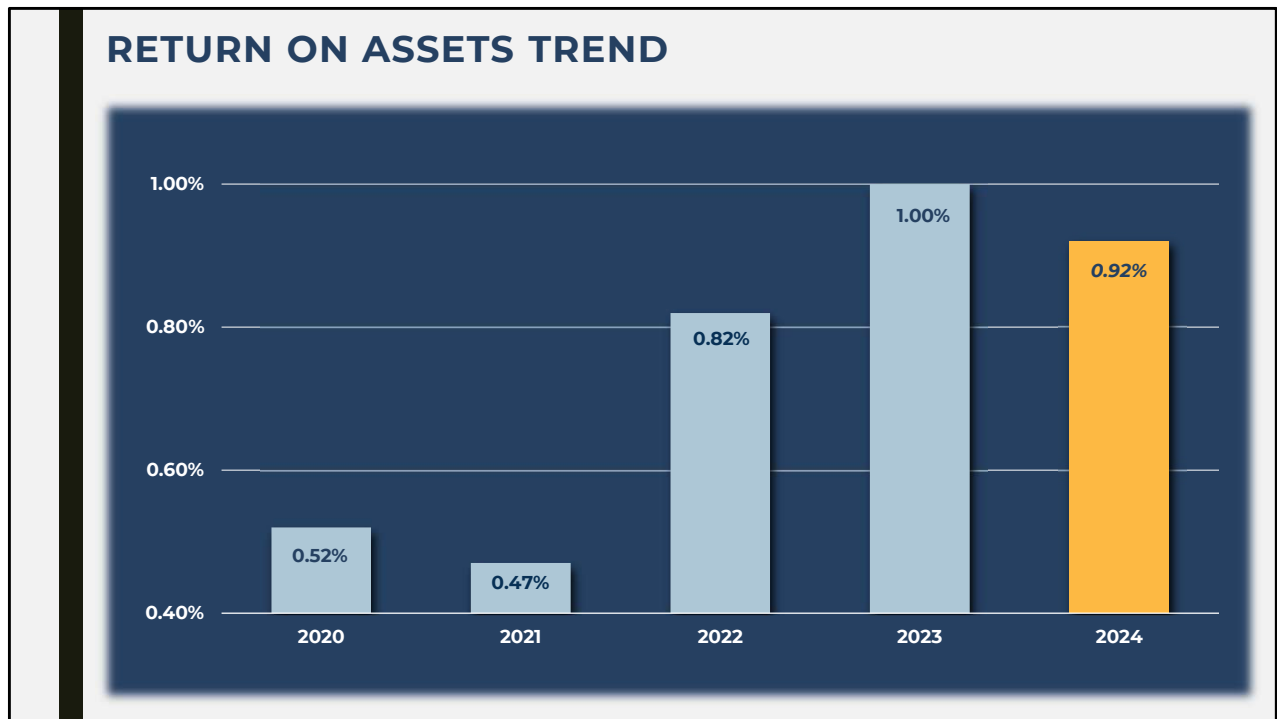
Note: BOLI Proceeds

2024	\$779m
2023	\$1.4mm



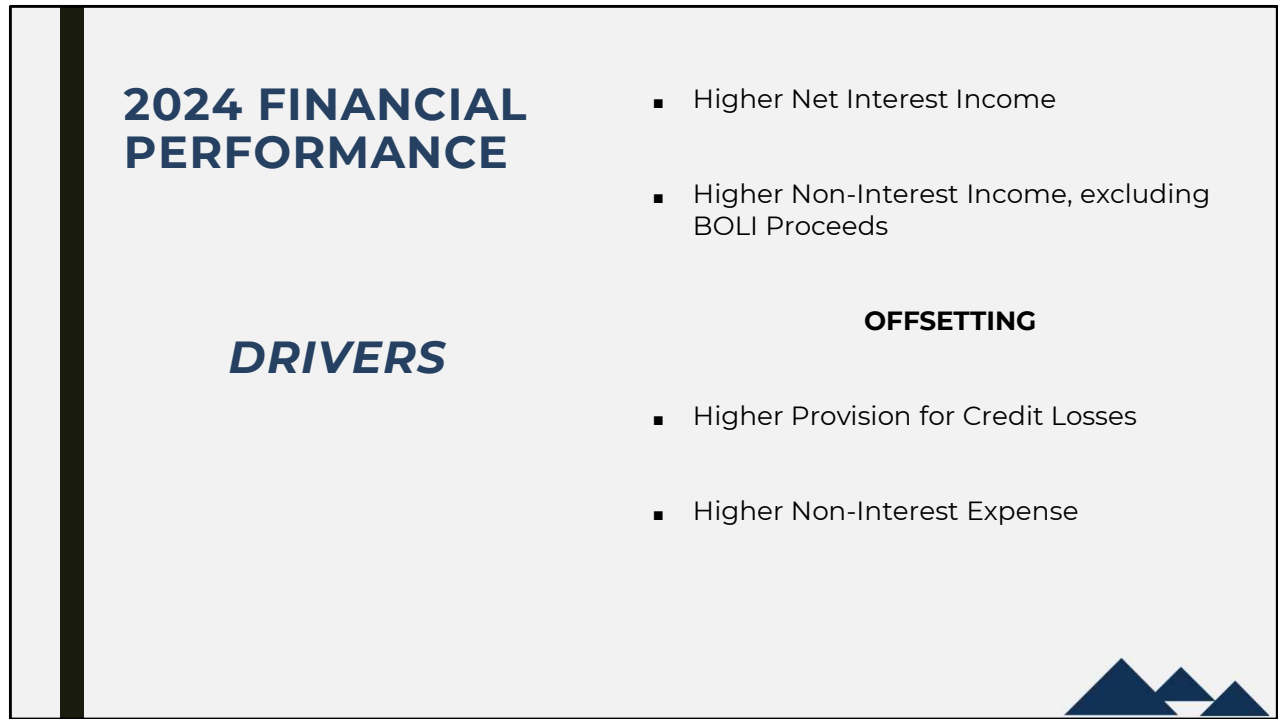
2024 Financial Performance – Highlights – Net Income Trend (Last 5 Years)

- 2020 \$3.1mm
- 2021 \$4.4mm
- 2022 \$8.2mm
- 2023 \$9.8mm
- 2024 \$9.2mm



2024 Financial Performance – Highlights – Return on Assets Trend (Last 5 Years)

- 2020 .52%
- 2021 .47%
- 2022 .82%
- 2023 1.00%
- 2024 .92%

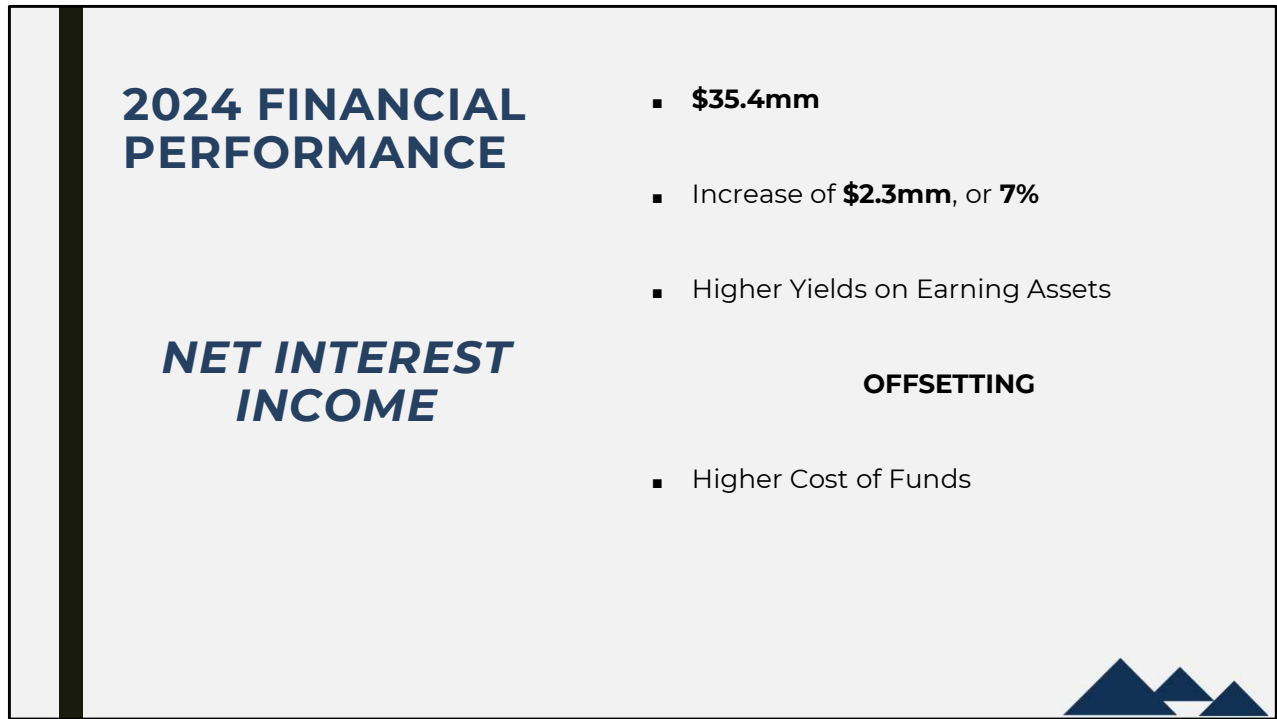


Drivers of Our 2024 Performance

- Higher Net Interest Income
- Higher Non-Interest Income, excluding BOLI Proceeds

Offsetting

- Higher Provision for Credit Losses
- Higher Non-Interest Expense

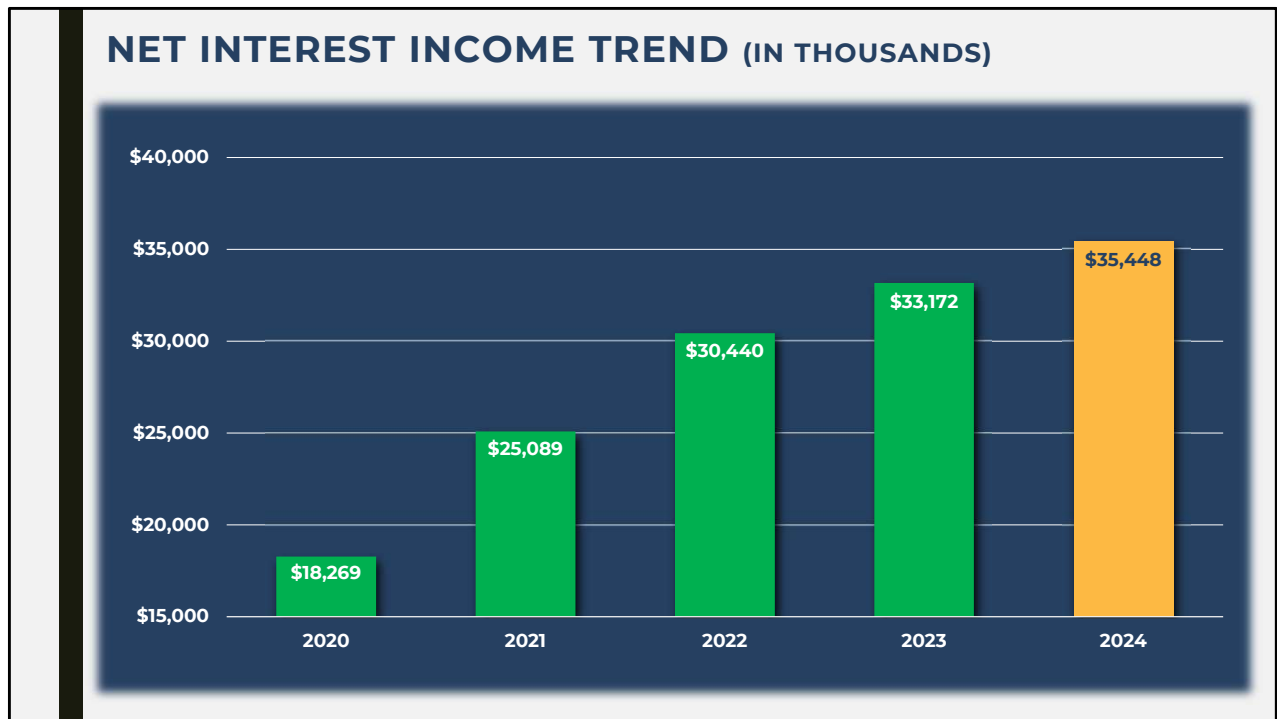


2024 Financial Performance – Net Interest Income

- **\$35.4mm**
- Increase of **\$2.3mm**, or **7%**
- Higher Yields on Earning Assets

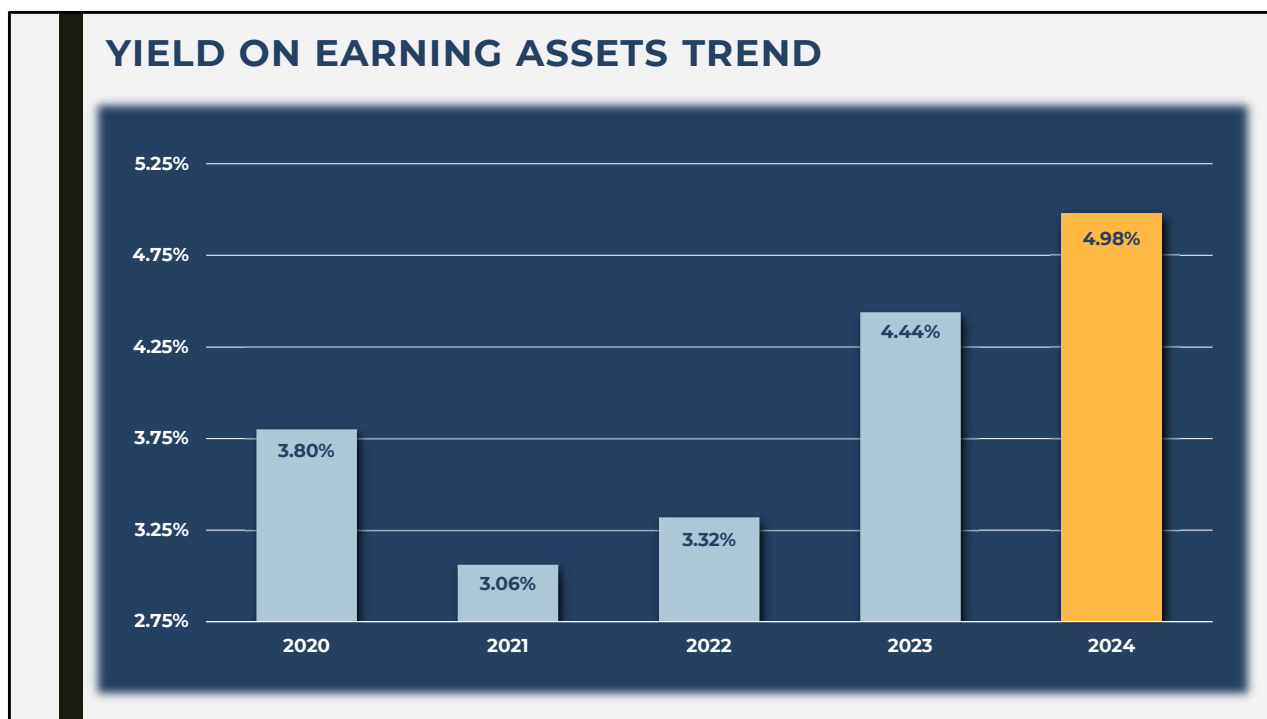
Offsetting

- Higher Cost of Funds



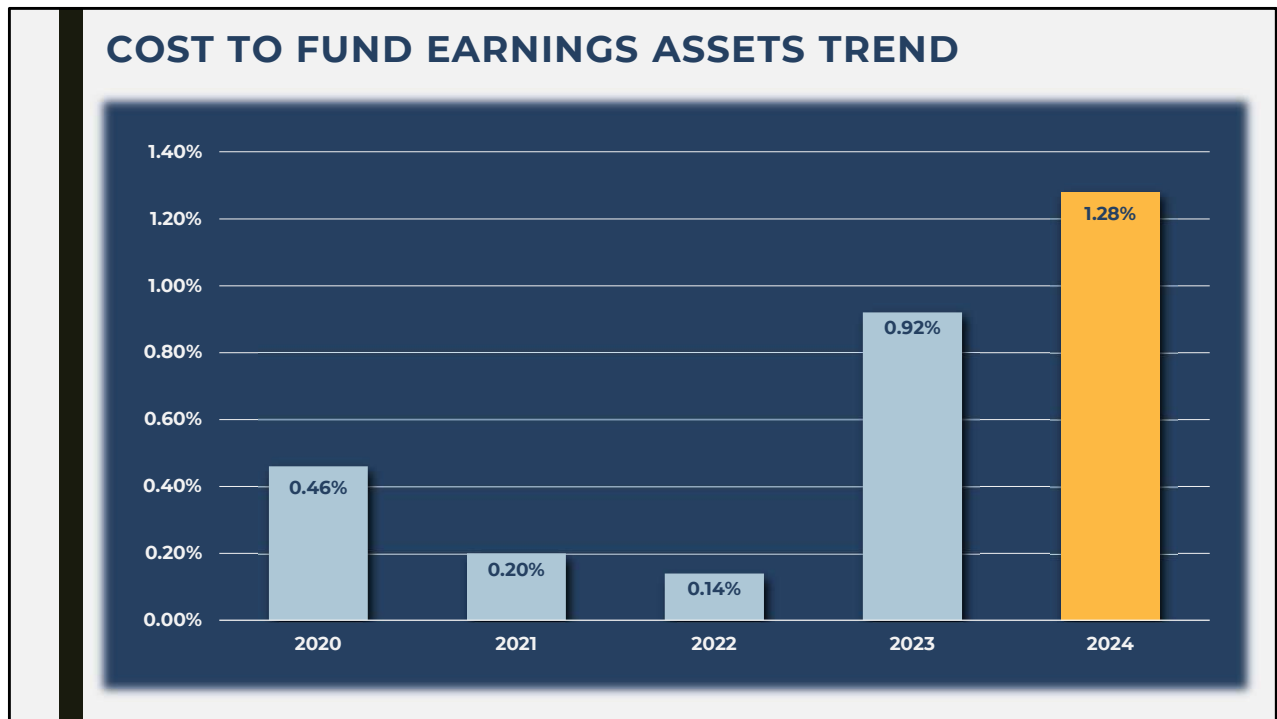
Net Interest Income Trend (Last 5 Years)

- Higher Yields on Earning Assets drove the increase in 2024



Yield on Earning Assets Trend (Last 5 Years)

- Up 54 basis points to 4.98% in 2024 due to increased Interest Rates & Loan Volume



Cost to Fund Earning Assets Trend (Last 5 Years)

- In 2024, our Cost of Funds increased 36 basis points to 1.28% due to increased Interest Rates



Net Interest Margin Trend (Last 5 Years)

- With the increase in Asset Yields exceeding the increase in Funding Costs, our Margin expanded 18 basis points to 3.70% in 2024

2024 FINANCIAL PERFORMANCE

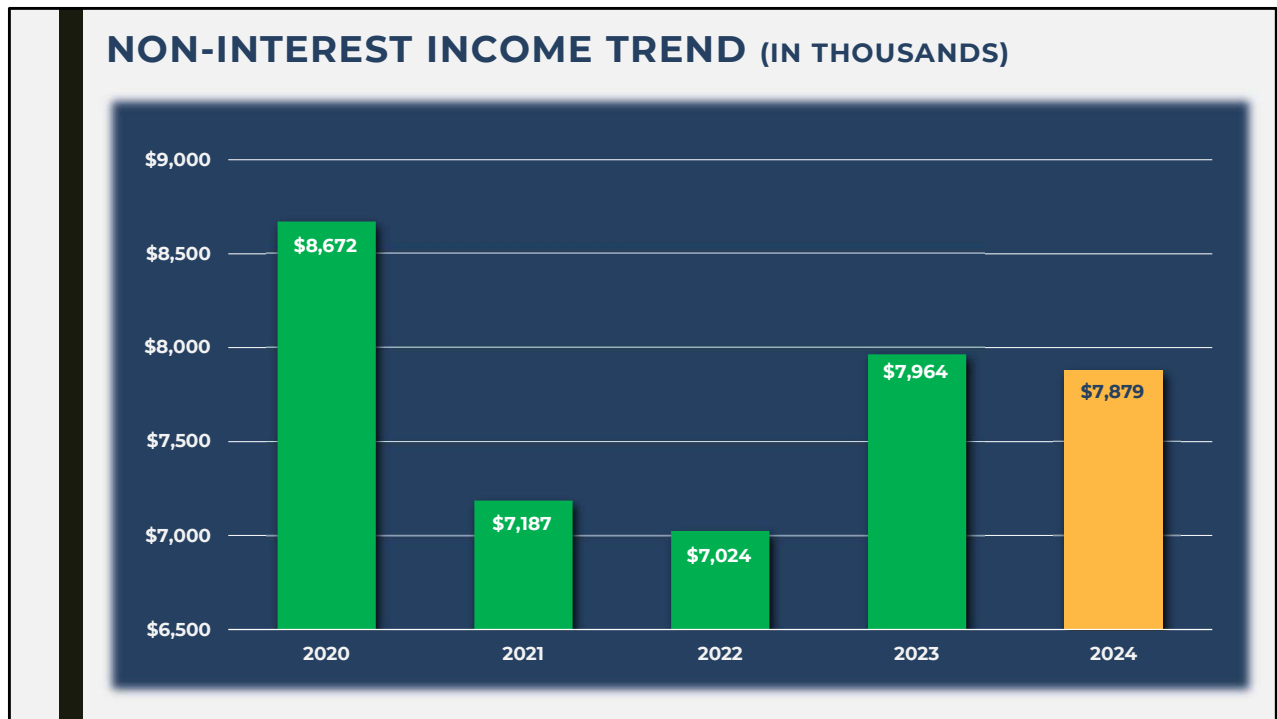
NON-INTEREST INCOME

- **\$7.9mm**
 - Overall Decrease of (\$85m)
- Increase of **\$499m**, or **7.5%**
 - Excluding BOLI Proceeds
- Primarily due to Higher
 - Mortgage Loan Fees
 - Merchant Card Fees
 - Other Recoveries
- BOLI Proceeds
 - For 2023 **\$1.4mm**
 - For 2024 **\$779m**
 - Year-End Portfolio Value **\$18mm**



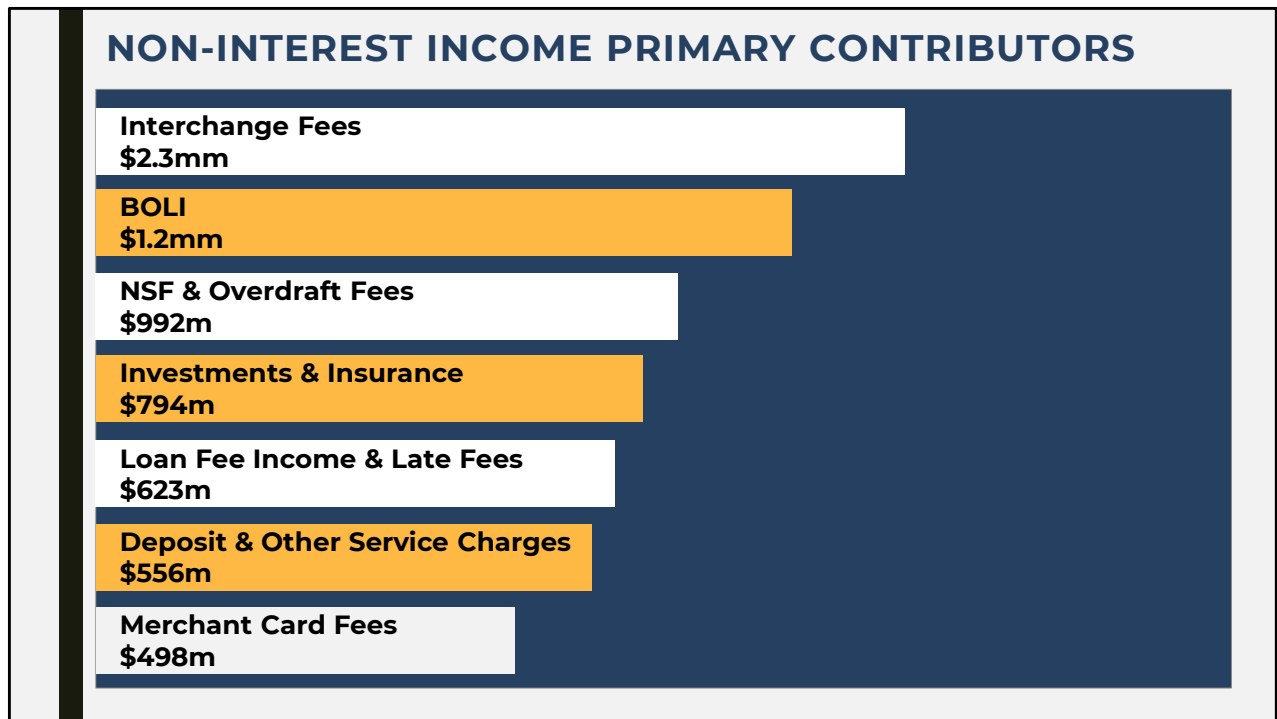
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Non-Interest Income Trend (Last 5 Years)

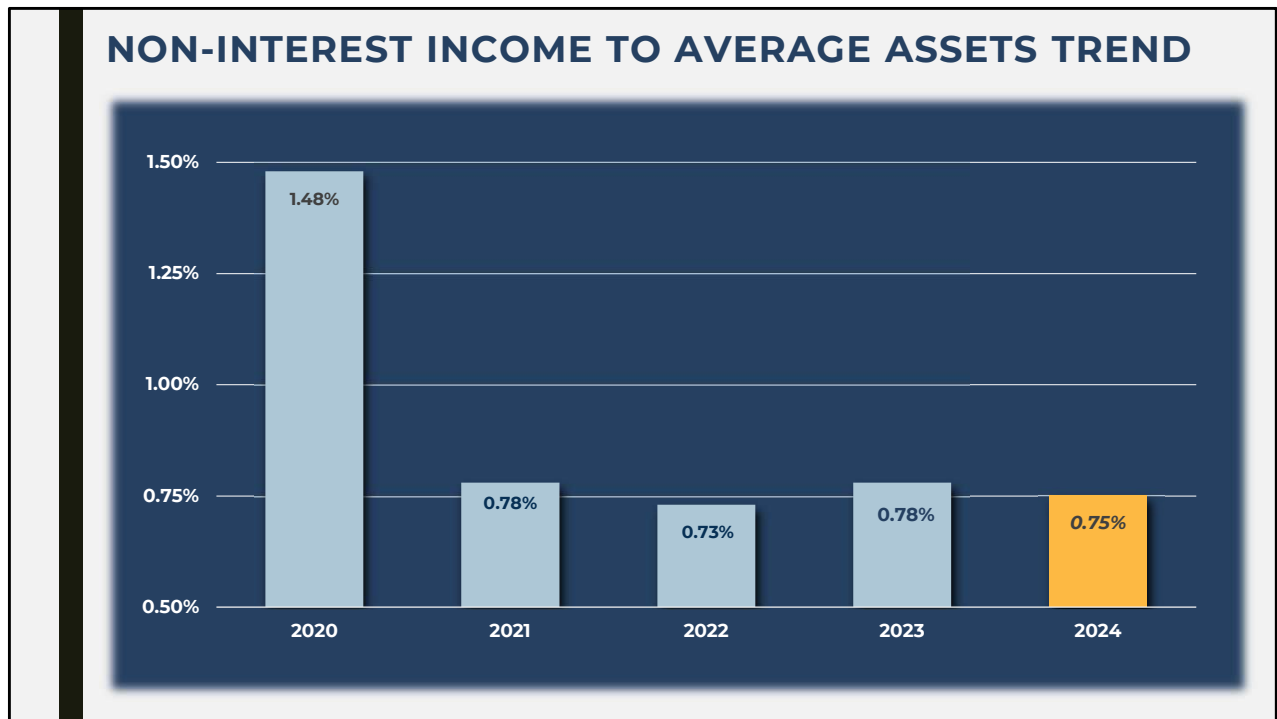
- 2020: \$6mm without **Merger Bargain Purchase Gain**
- 2023: \$6.6mm Net of BOLI Proceeds
- 2024: \$7.1mm Net of BOLI Proceeds



Non-Interest Income Primary Contributors

What were the Primary Contributors to the \$7.9mm in Non-Interest Income in 2024?

- Interchange Fees - **\$2.3mm**
- BOLI - **\$1.2mm**
- NSF & Overdraft Fees - **\$992m**
- Investments & Insurance - **\$794m**
- Loan Fee Income & Late Fees - **\$623m**
- Deposit & Other Service Charges - **\$556m**
 - Fee Income
 - Other Service Charges
 - ATM Surcharge
- Merchant Card Fees - **\$498m** (Treasury Services)



Non-Interest Income to Average Assets Trend (Last 4 Years)

- 2020 impacted by the **Merger Bargain Purchase Gain**
- Target: > .75%
- For 2024, 14% of Total Revenue

2024 FINANCIAL PERFORMANCE

PROVISION FOR CREDIT LOSSES & CREDIT QUALITY

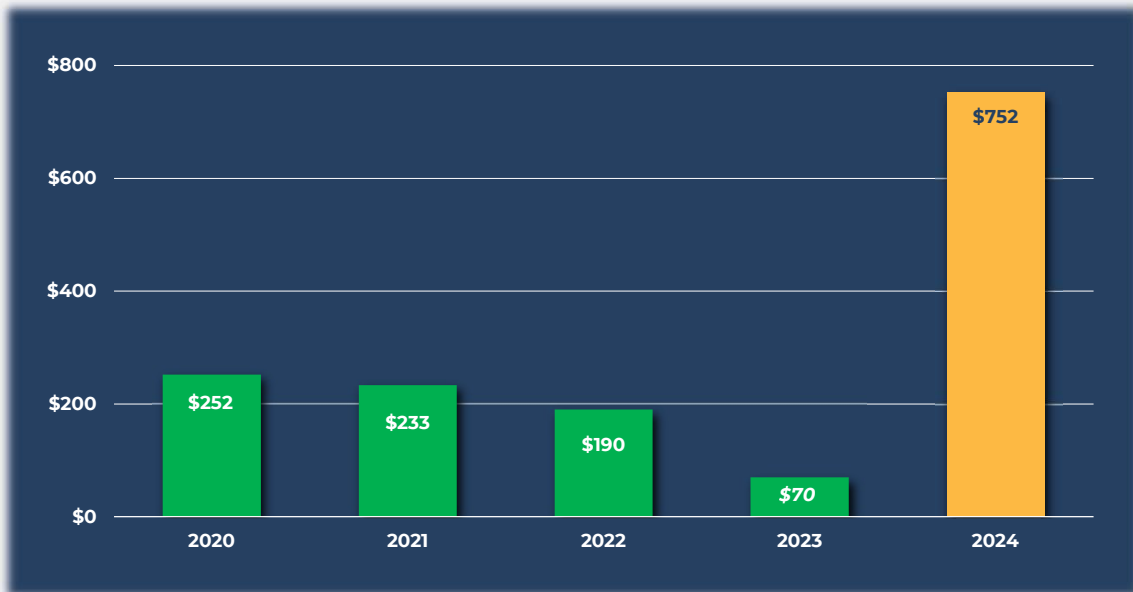
- **\$752m**
- Increase of **\$682m** due to Increased Loan Volume
- Criticized & Classified Loans Increased \$6mm to **\$9mm**
 - *Downgrade of 2 Commercial Relationships*
 - *No Losses Anticipated*
- Low Past Dues, Net Charge-Offs, & Non-Performing Loans
- No OREO
- Credit Quality still **Strong**



2024 Financial Performance – Provision for Credit Losses & Credit Quality

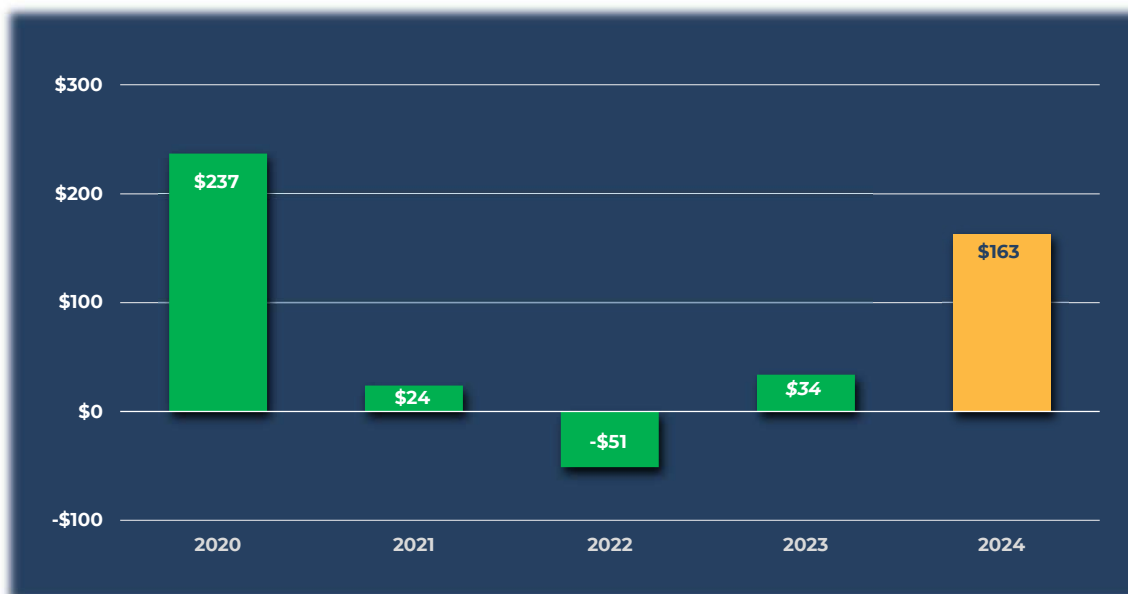
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PROVISION FOR CREDIT LOSSES TREND (IN THOUSANDS)



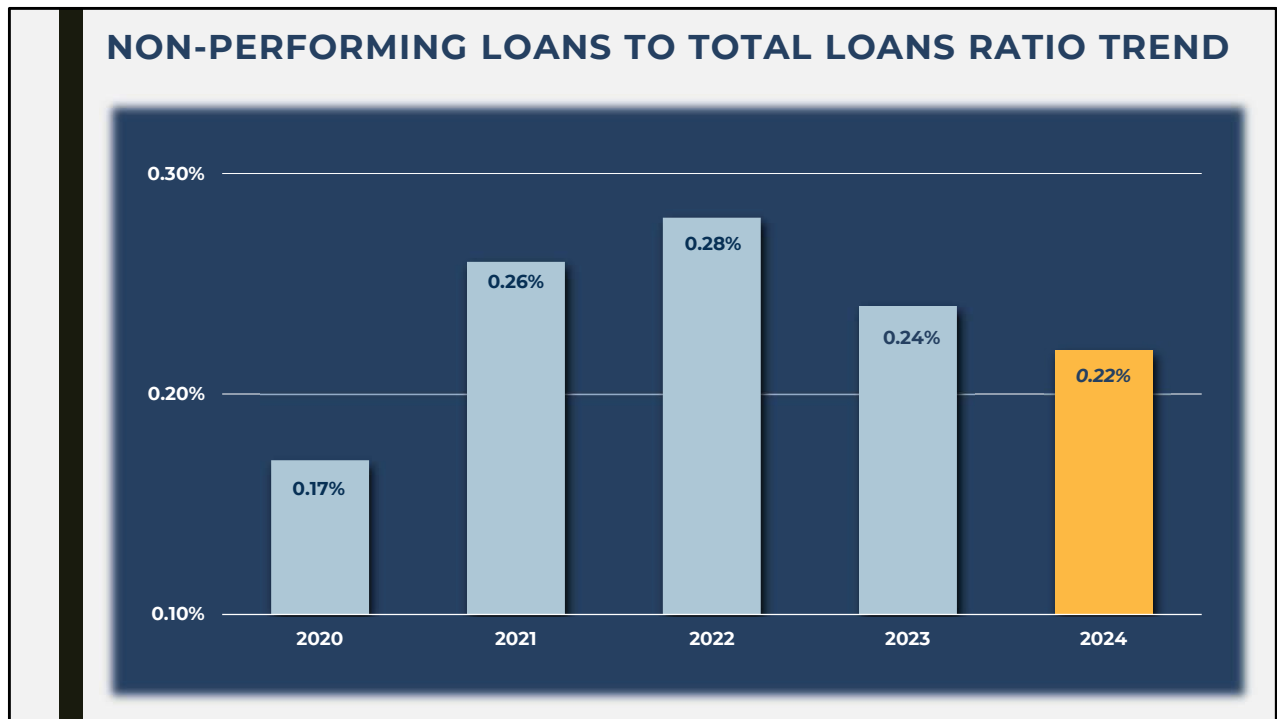
Provision for Credit Losses Trend (Last 5 Years)

NET CHARGE-OFFS TREND (IN THOUSANDS)



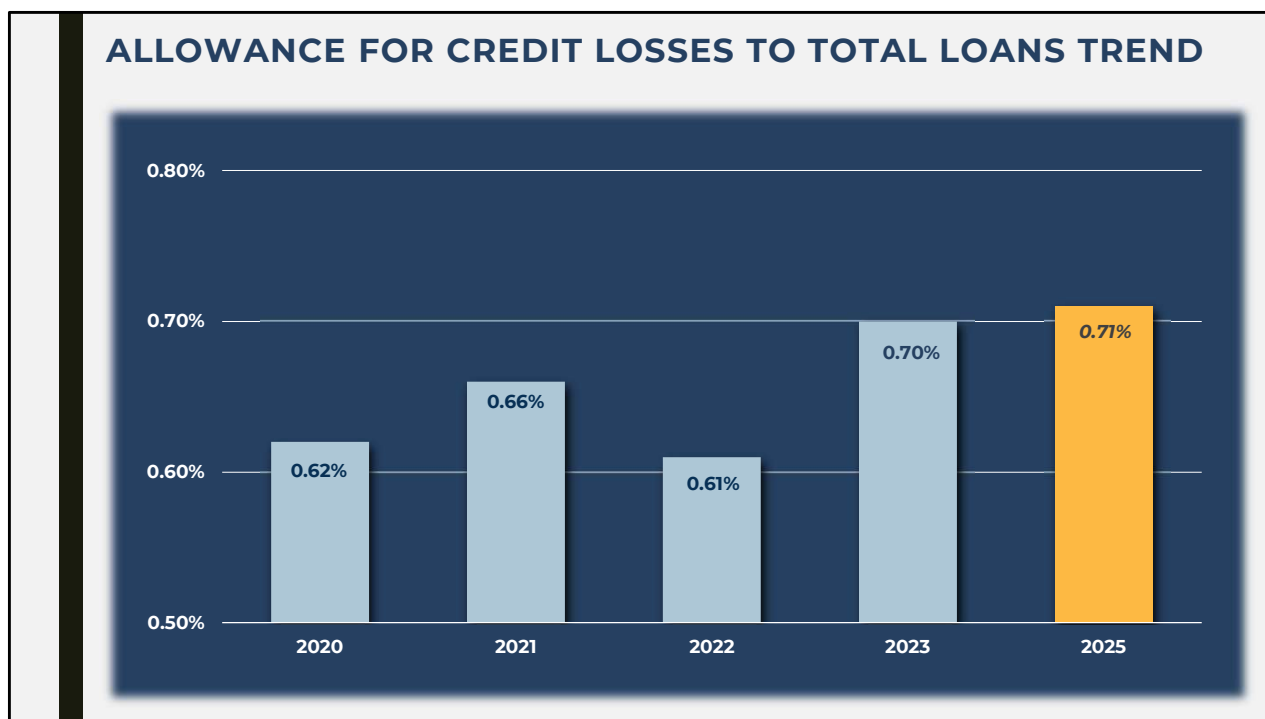
Net Charge-Offs Trend (Last 5 Years)

- Net Charge-Offs were \$163m in 2024 as compared to \$34m 2023
- .02% as a Percentage of Average Loans



Non-Performing Loans to Total Loans Ratio Trend (Last 5 Years)

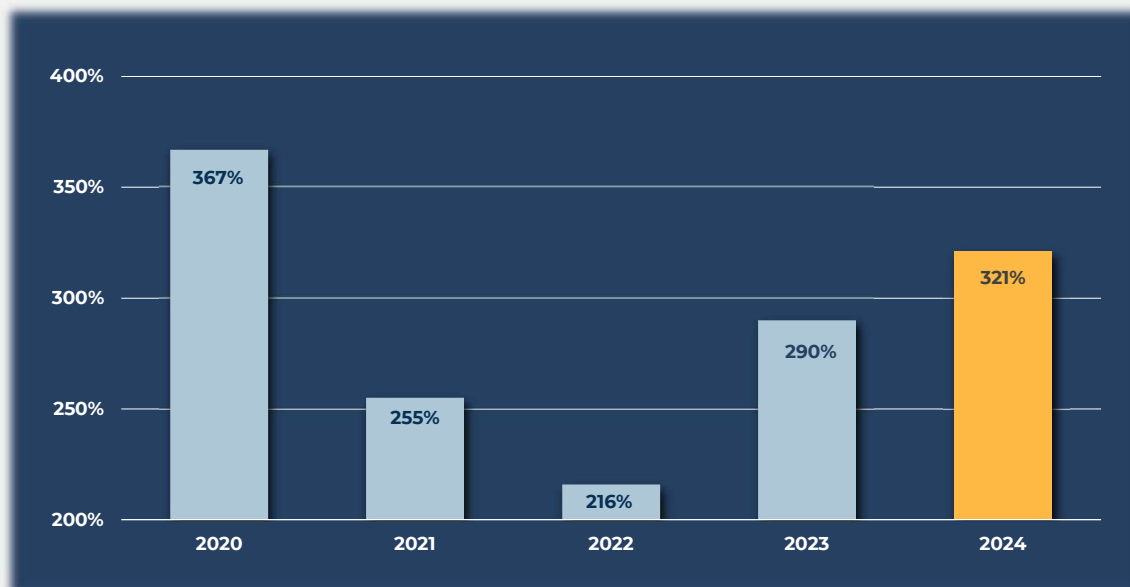
- Non-Performing Loans have been very low since 2020 and compare favorably to peers
- Decreased slightly to .22% as of 12-31-2024
- We are proud of the fact that the Bank continues to maintain strong Credit Quality with limited concentrations of Construction, Land Development & Non-Owner Occupied Commercial Real Estate Loans



Allowance for Credit Losses (ACL) to Total Loans Trend (Last 5 Years)

- Allowance for Credit Losses increased slightly to 0.71% in 2024

ACL TO NON-PERFORMING LOANS TREND



ACL to Non-Performing Loans Trend (Last 5 Years)

- Our Allowance balance was **\$5.1mm** as of 12-31-2024
- Providing over 3-to-1 coverage of Non-Performing Loans...
- which Management views as being more than adequate to cover potential future problems in the Loan Portfolio

2024 FINANCIAL PERFORMANCE

NON-INTEREST EXPENSE

- **\$31.4mm**
- Increase of **\$2.1mm**, or **7%**
- Increase due to Higher
 - *Salaries & Employee Benefits*
 - *Core Operating System Expense*
 - *Occupancy Expense*
 - *Other Losses – Fraud*



2024 Financial Performance – Non-Interest Expense

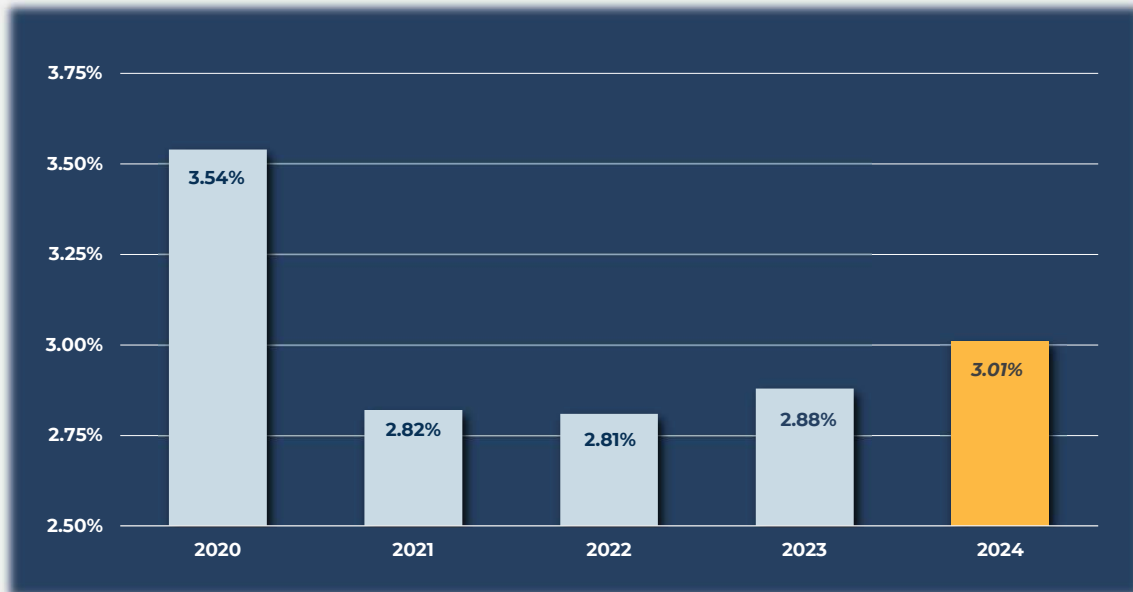
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NON-INTEREST EXPENSE TREND (IN THOUSANDS)



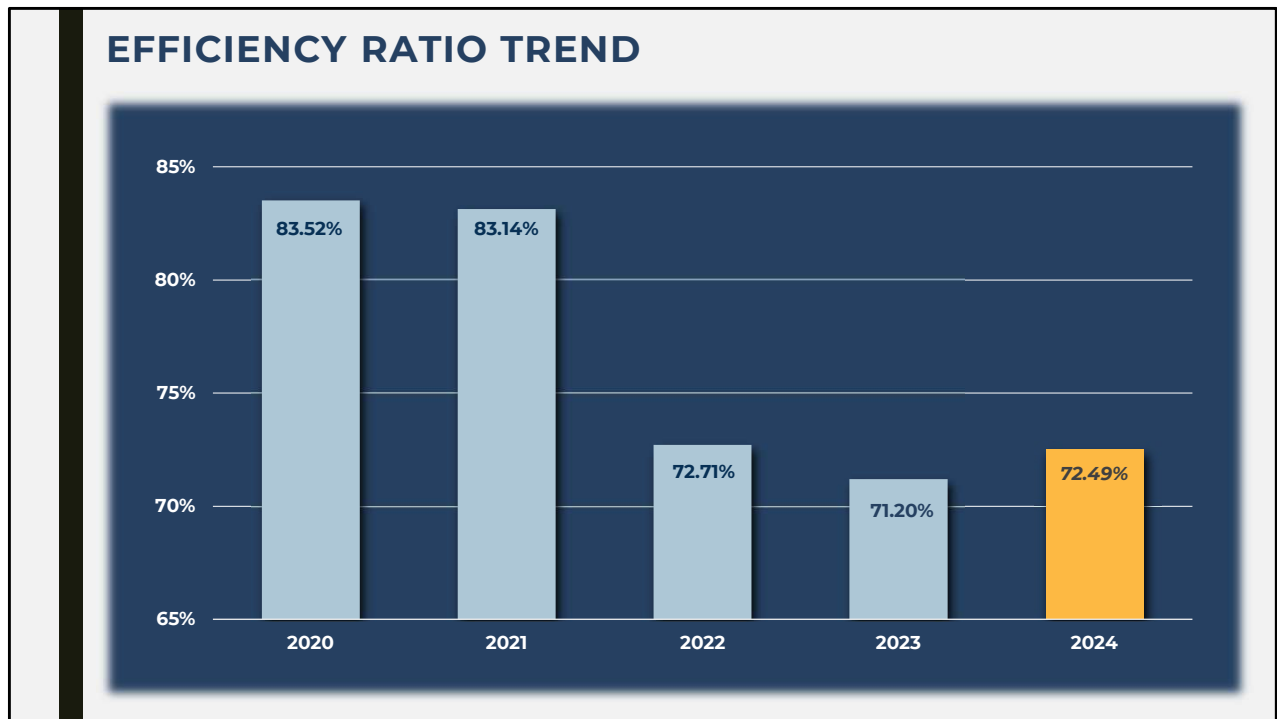
Non-Interest Expense Trend (Last 5 Years)

NON-INTEREST EXPENSE TO AVERAGE ASSETS TREND



Non-Interest Expense to Average Assets Trend (Last 5 Years)

- Up to 3.01% in 2024
- Target: < 2.75%



Efficiency Ratio Trend (Last 5 Years)

- Efficiency Ratio declined due to Improved Profitability
 - 2020 – 83.52%
 - 2021 – 83.14%
 - 2022 – 72.71%
 - 2023 – 71.20%
 - 2024 – 72.49%
- Target: <70%

ASSETS PER FTE TREND (IN THOUSANDS)



Assets per Full Time Equivalent Trend (Last 5 Years)

- Increased slightly to \$5.6mm per FTE in 2024
- Only \$4.3mm per FTE in 2020
- Target: >\$6mm

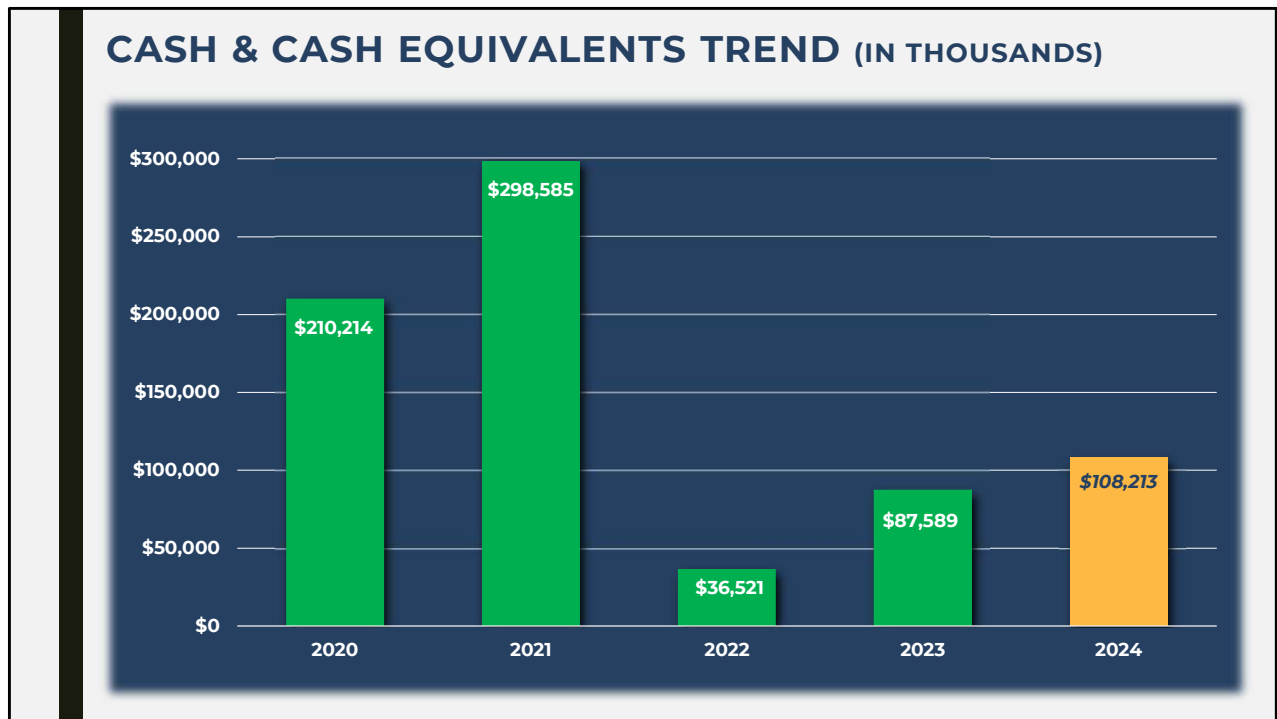
BALANCE SHEET HIGHLIGHTS

Category	12/31/2024	12/31/2023	\$ Change	% of Change
Cash & Cash Equivalents	\$108mm	\$88mm	\$21mm	24%
Total Loans	\$712mm	\$641mm	\$70mm	11%
Total Securities	\$176mm	\$234mm	(\$58mm)	(25%)
Total Assets	\$1.04B	\$1.02B	\$27mm	2.7%
Total Deposits	\$951mm	\$932mm	\$19mm	2%
Equity	\$78mm	\$68mm	\$10mm	15%

Balance Sheet Highlights

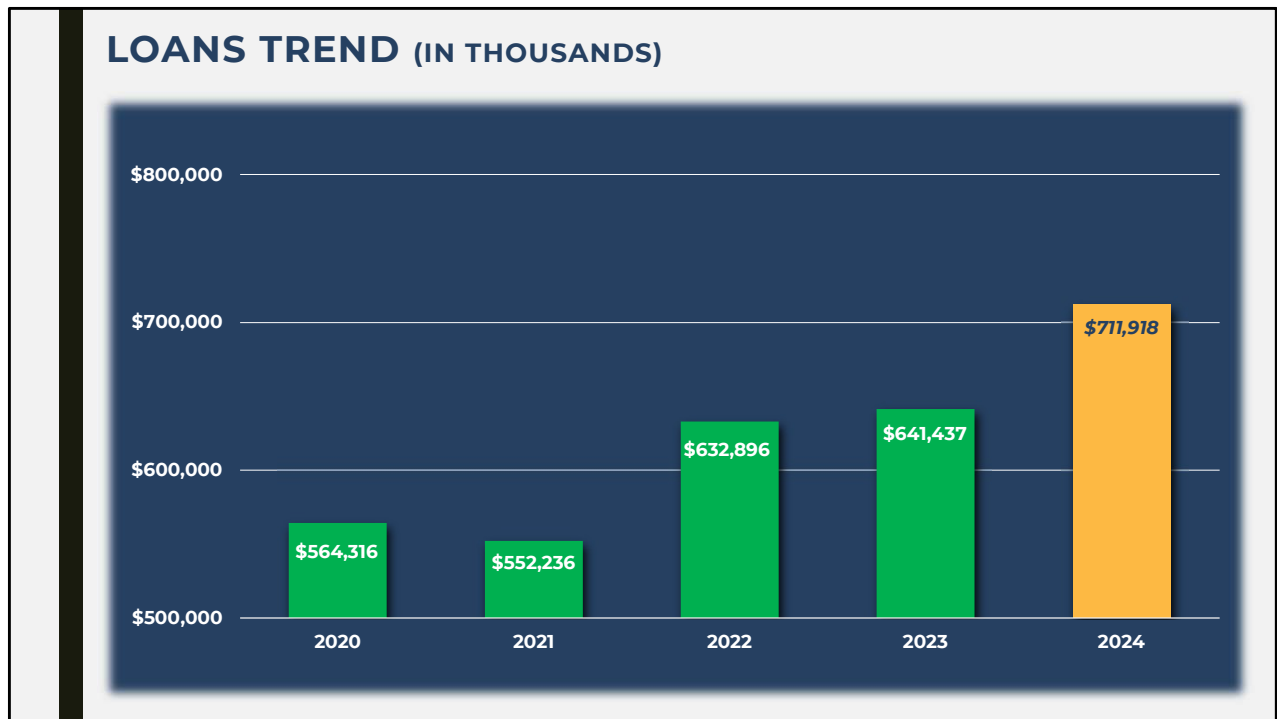
Here is a summary of our **Balance Sheet Highlights** as of 12-31-2024 compared to Year-End 2023

- **Cash & Cash Equivalents** increased \$21mm or 24%
- **Loans** increased \$70mm or 11%
- **Securities** decreased (\$58mm) or (25%)
- **Assets** increased \$27mm or 2.7%
- **Deposits** increased \$19mm or 2%
- **Stockholders' Equity** increased \$10mm or 15%



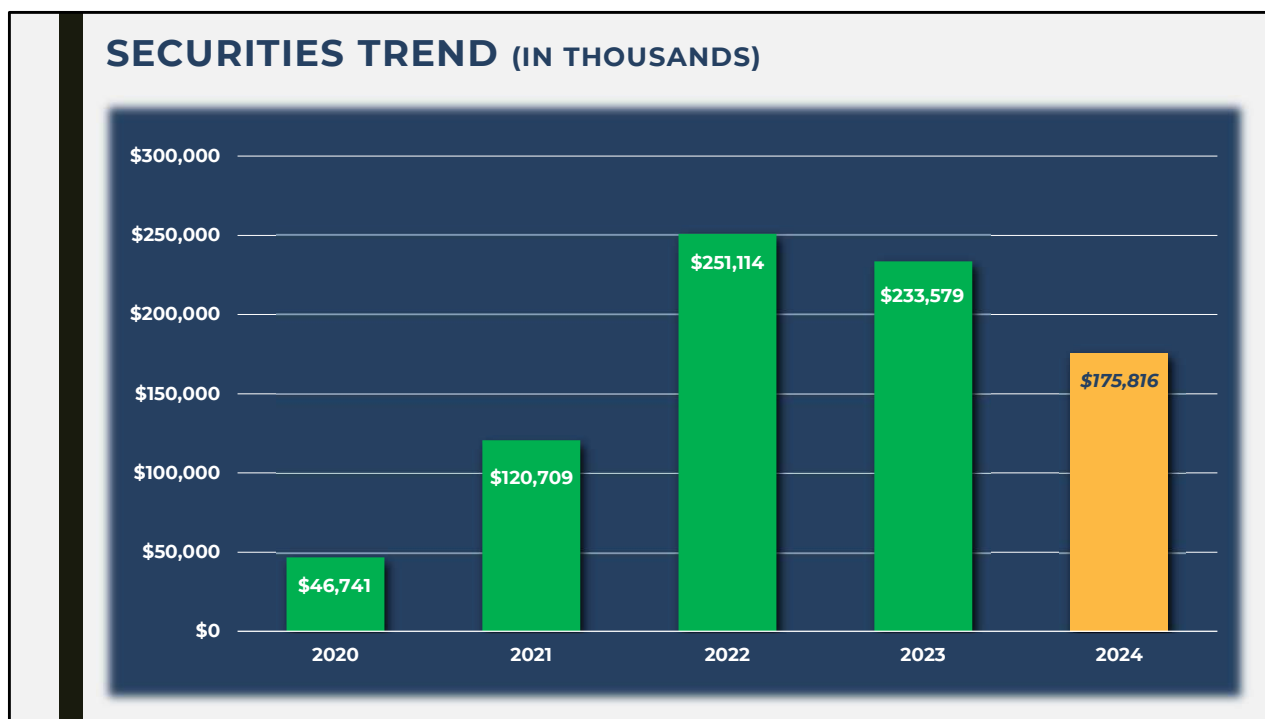
Balance Sheet Trends – Cash & Cash Equivalents (last 5 Years)

- Increase of \$21mm, or 24%, in 2024 due to the increase in Deposits & decrease in Securities
- Deployed Cash into Loans & Securities (primarily short-term U.S. Treasuries) during 2022



Balance Sheet Trends – Loans (last 5 Years)

- Increase of \$71mm, or 11%, in 2024



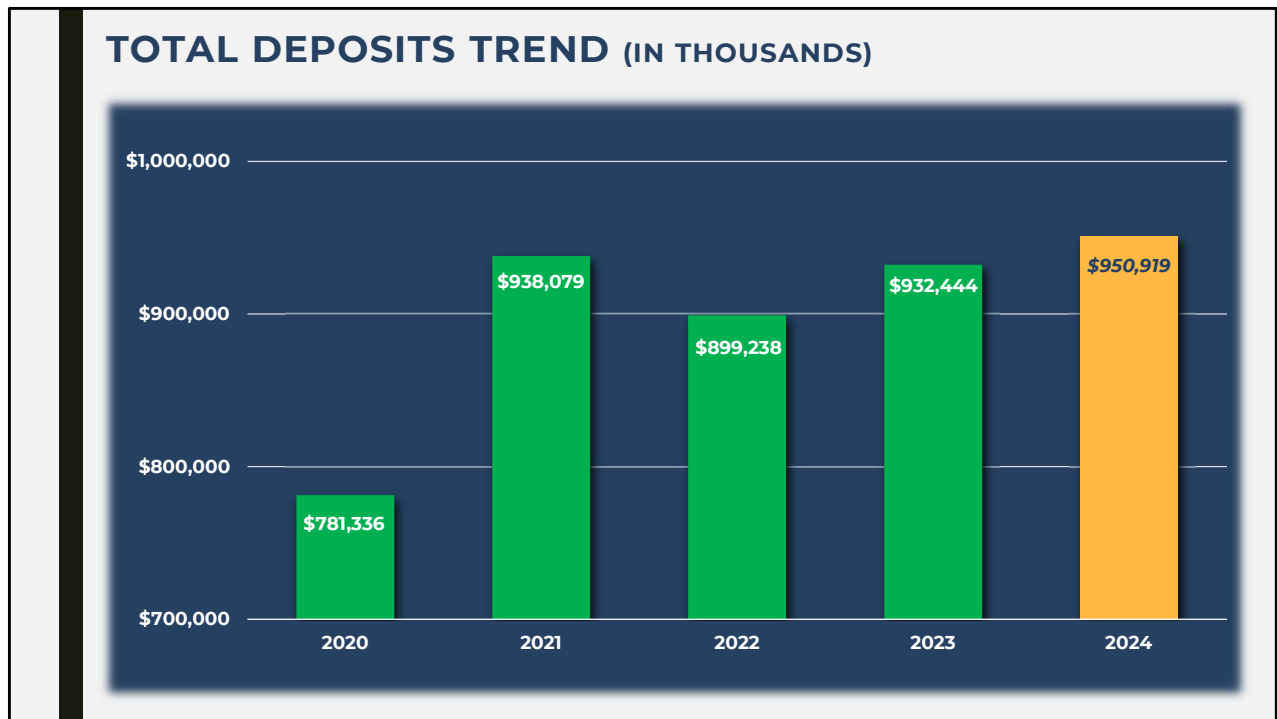
Balance Sheet Trends – Securities (last 5 Years)

- Decrease of (\$58mm), or (25%), in 2024 due to Maturing Issues and a decline in Market Values
- Securities Portfolio (12-31-2024)
 - Relatively Short-Term in Nature
 - 49% U.S. Treasuries – Average Maturity Less than 1 Year
 - \$58mm Matured in first 4 months of 2025
 - Unrealized Losses (\$11.8mm), 6% of Book Value



Balance Sheet Trends – Total Assets (last 5 Years)

- Increase of \$27mm, or 2.7%, in 2024, primarily due to Growth of Deposits & Retained Earnings



Balance Sheet Trends – Total Deposits (last 5 Years)

- Increase of \$19mm, or 2%, in 2024, due to an increase in Municipal & Commercial Customer Balances during December. Our number of Deposit Accounts grew 4% in 2024.
- Bank Measure Peer Bank Report (12-31-2024)
 - FNB – 29% Demand Deposits
 - 75th Percentile of 40-Bank Bank Measure Peer Group

2024 FINANCIAL PERFORMANCE

LIQUIDITY & CAPITAL

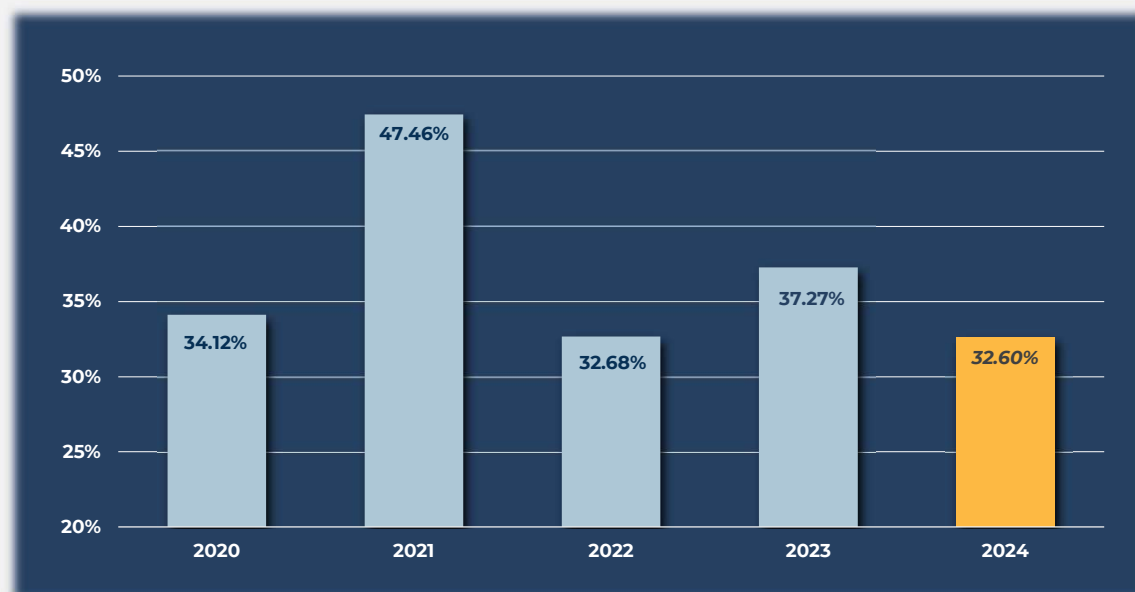
- Liquidity Ratio decreased to **32.60%**
 - *Excluding AFS Securities: 12%*
- Leverage Ratio at the Bank Level increased to **9.21%**
- Total Risk-Based Capital at the Bank Level decreased slightly to **13.52%**



2024 Financial Performance – Liquidity & Capital

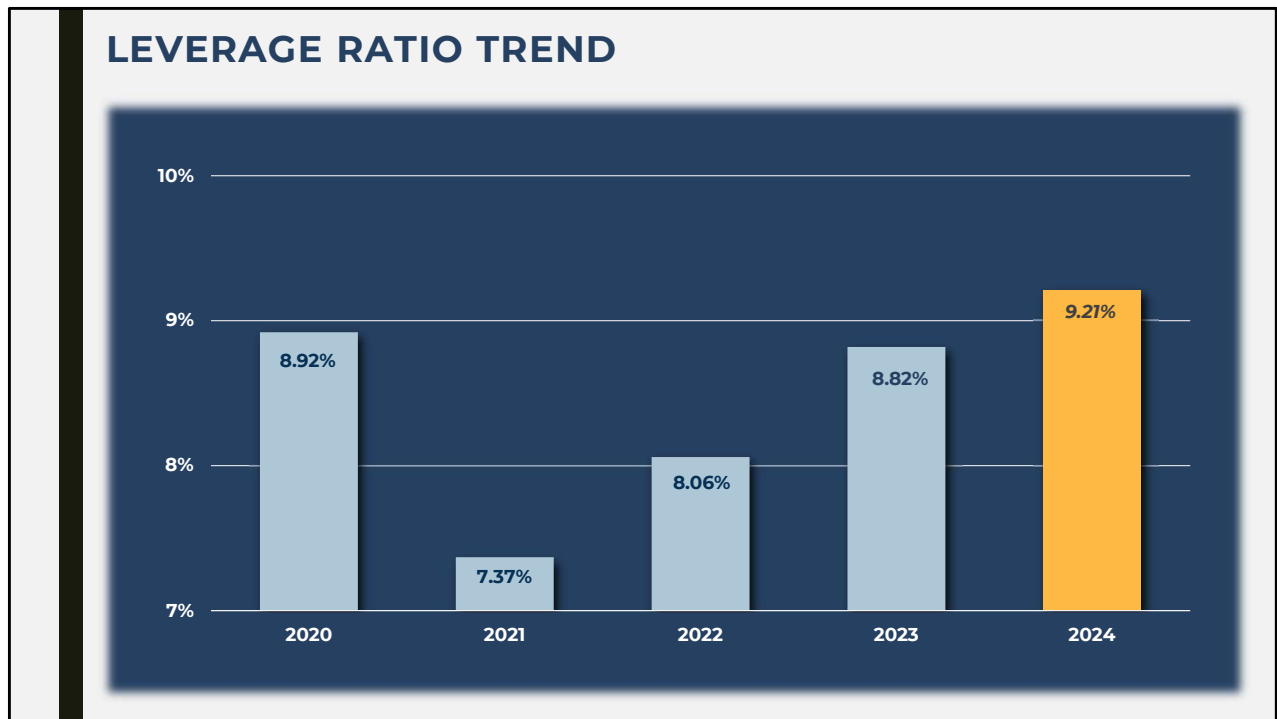
- Liquidity Ratio decreased to **32.60%** from 37.27%
 - Excluding AFS Securities: **12%**
- Leverage Ratio at the Bank Level increased to **9.21%** from 8.82%
- Total Risk-Based Capital at the Bank Level decreased slightly to **13.52%** from 13.67%

LIQUIDITY RATIO TREND



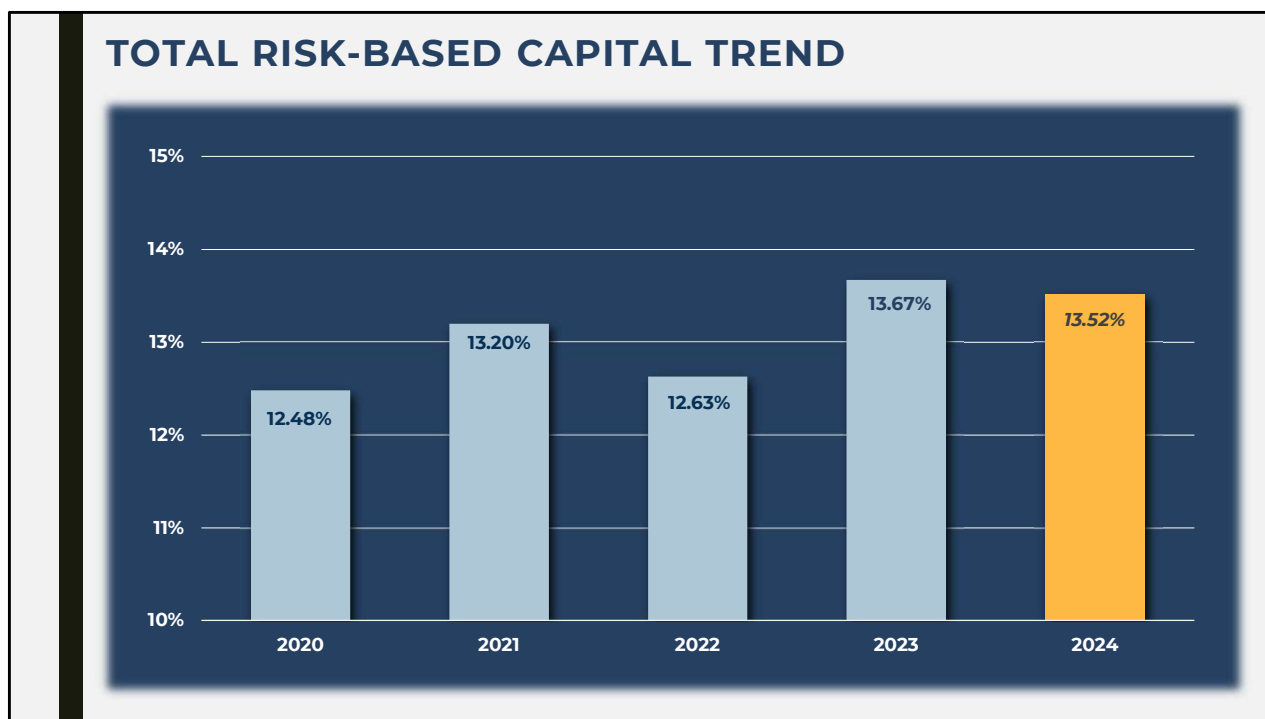
Ratios & Performance Trends – Liquidity Ratio (last 5 Years)

- Liquidity Ratio Excluding AFS Securities was 12% as of 12-31-2024



Ratios & Performance Trends – Leverage Ratio (last 5 Years)

- Target: >8%



Ratios & Performance Trends – Total Risk-Based Capital (last 5 Years)

- Target: >12%

2024 FINANCIAL PERFORMANCE

RETURN ON INVESTMENT

- Stock Performance
 - Year-End Share Price **\$31.20**
 - Up **\$7.19 / 30%**
 - Annual Cash Dividends Per Share **\$1.00**
 - Up **\$0.15 / 18%**
 - Total Return **34%**
 - Tangible Book Value Per Share **\$34.77**
 - Up **\$4.39 / 14%**



2024 Financial Performance – Return on Investment

- Stock Performance
 - Year-End Share Price **\$31.20**
 - Up **\$7.19 / 30%**
 - *S&P U.S. Banks Index Up 31%*
 - Annual Cash Dividends Per Share **\$1.00**
 - Up **\$0.15 / 18%**
 - Total Return **34%**
 - *S&P U.S. Banks Index Up 32.92%*
 - Tangible Book Value Per Share **\$34.77**
 - Up **\$4.39 / 14%**

STOCK PRICE TREND (THROUGH YEAR-END 2024)



Return on Investment – Stock Price (last 5 Years)

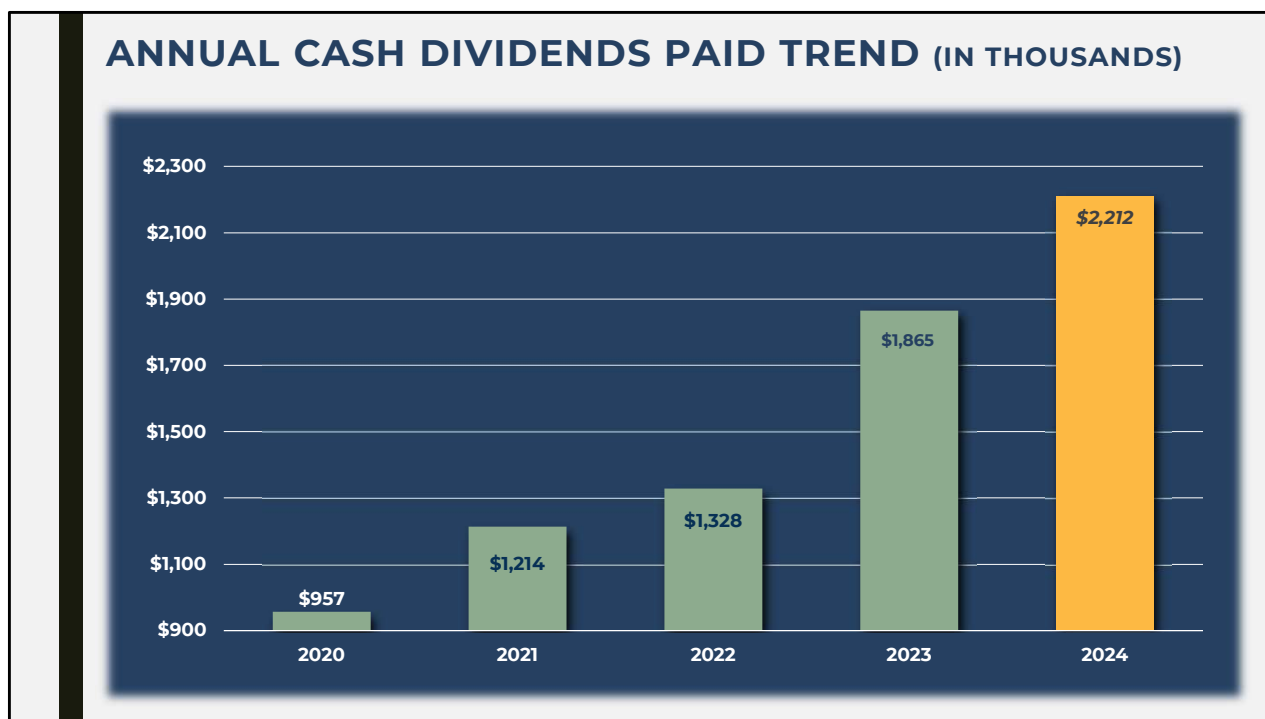
- 2024 Year-End Share Price = \$31.20
 - Up \$7.19, or 30%
 - S&P U.S. Banks Index up 31%

TANGIBLE BOOK VALUE TREND



Return on Investment – Tangible Book Value (last 5 Years)

- 2020 \$26.05 – Decrease due to Merger
 - 2021 \$26.74
 - 2022 \$25.35 – Decrease due to Unrealized Losses in the Securities Portfolio
 - 2023 \$30.38
 - 2024 \$34.77
-
- Unrealized Losses in Securities Portfolio per Share = \$11.8mm as of 12-31-2024 / \$5.33 per Share



Return on Investment – Annual Cash Dividends Paid (last 5 Years)

- 2020 \$957m
 - 2021 \$1.2mm
 - 2022 \$1.3mm
 - 2023 \$1.9mm
 - 2024 \$2.2mm
-
- Annual Cash Dividends Paid have Increased steadily over the past 5 years

AND

- Increased \$347m, or 18%, in 2024 due to a Year-Over-Year Dividend increase of \$0.15 per Share



SHARE REPURCHASE (BUYBACK) PROGRAM

- Have received Inquiries on Share Repurchase (Buyback) Program
- Evaluating all Opportunities to Generate Shareholder Value
- Primary Strategy – Sustain Capital to Support Present Growth
- \$10mm Subordinated Debt converts to Floating Interest Rate in 2025
 - *May Refinance or Retire*

Return on Investment – Share Repurchase (Buyback) Program

- Have received Inquiries on Share Repurchase (Buyback) Program
- Evaluating all Opportunities to Generate Shareholder Value
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2024 Year-End Peer Rankings

- Performance Trust Capital Partners – Rank-The-Banks Virginia Report

Peer Rankings – Overall Performance (4Q 2024)

Rank	Bank	Net Interest Margin	Non-Interest Income	Total Overhead	Asset Quality	ROAE	Composite Score
1	Chain Bridge Bank	25	25	4	2	1	11
2	First Bank & Trust Company	14	30	13	19	3	16
3	FIRST NATIONAL BANK	13	17	39	7	8	17
4	Bank of Southside	6	33	20	10	16	17
5	Benchmark Community Bank	5	16	42	24	4	18
13	Virginia National Bank	35	35	9	18	14	22
18	Bank of the James	29	13	47	8	28	25
18	Bank of Botetourt	28	23	23	32	19	25
24	First Bank	20	12	46	20	38	27
32	National Bank of Blacksburg	57	25	5	31	38	31
40	Farmers Bank of Appomattox	21	43	25	47	36	34
41	Select Bank	52	44	10	37	31	35

2024 Performance Compared to Peers: Overall Performance Ranking

- #3 of 58 Banks Scored
- Goal: Top 20


COMPONENT RANKINGS COMPARISON (Year-Over-Year)

	2023	2024
Net Interest Margin	25	13
Non-Interest Income	21	17
Total Overhead	35	39
Asset Quality	15	7
Return on Equity	6	8
Overall Rank	3	3

2024 Performance Compared to Peers: Component Rankings Comparisons (Year-Over-Year)

	2023	2024
▪ Net Interest Margin	25	13
▪ Non-Interest Income	21	17
▪ Total Overhead	35	39
▪ Asset Quality	15	7
▪ Return on Equity	6	8
▪ Overall Rank	3	3

Peer Rankings – Asset Size (4Q 2024)

<i>Rank</i>	<i>Bank</i>	<i>Assets (\$000) / Office</i>	<i>Assets (\$000) / Employee</i>	<i>Total Assets (\$000)</i>
7	Carter Bank & Trust	\$71,579	\$6,812	\$4,652,625
8	First Bank & Trust Company	\$141,540	\$8,455	\$3,821,583
16	First Bank	\$59,173	\$6,640	\$2,011,866
18	National Bank of Blacksburg	\$66,969	\$7,472	\$1,808,152
19	Virginia National Bank	\$115,395	\$11,065	\$1,615,529
25	Benchmark Community Bank	\$76,473	\$5,562	\$1,223,574
 28	FIRST NATIONAL BANK	\$57,874	\$5,601	\$1,041,730
29	Bank of the James	\$46,197	\$6,219	\$970,140
31	Bank of Botetourt	\$61,374	\$6,272	\$859,237
35	Bank of Southside Virginia	\$44,951	\$10,216	\$674,263
40	Select Bank	\$80,568	\$9,121	\$483,410
42	Farmers Bank of Appomattox	\$70,408	\$5,177	\$352,041

2024 Performance Compared to Peers: Asset Size Ranking

- #28 of 58 Banks Scored

PT Score Rankings



PT Score Model



National: 1,277 out of 4,543 (28th %)



Regional: 181 out of 512 (35th %)



State: 12 out of 59 (20th %)



2024 Performance Compared to Peers: Performance Trust (PT) Score

- Performance Trust (PT) Score Q4 2024 = 127 / #12 out of 58 (**59 showing on State graphic due to a subsequent merger after reporting period ended**)
- Safety & Soundness Measure

GOAL

Above Peer Performance
With
Below Peer Risk



Above Peer Performance with Below Peer Risk



Now let's talk about the start to 2025 & our Focus Moving Forward

FIRST QUARTER 2025 OVERVIEW

- Markets significantly “rattled” by New Administration’s Policies
 - *Tariffs*
 - *Geopolitical Positions*
- All Major Markets materially down from February Highs, but have Rebounded
- Inflation & Direction of the Economy, including potential Recession, are Concerns
- Fed held Rates in March, prior to President Trump’s April 2, 2025 Liberation Day Tariff Announcements, and again in May
- Actual Economic Data on Inflation & Jobs is Mixed



First Quarter 2025 Overview

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- Fed held Rates in March, prior to President Trump’s April 2, 2025 Liberation Day Tariff Announcements, and again in May
- Actual Economic Data on Inflation & Jobs is Mixed
 - GDP -0.3% Estimate
 - Added 177,000 Jobs in April
 - Unemployment Rate Unchanged at 4.2%

FIRST QUARTER 2025 FINANCIAL PERFORMANCE

HIGHLIGHTS

- Net Income **\$2.3mm**
➤ Increase of **\$177m**, or **8.5%**
- Return on Assets **.88%**
- Net Interest Margin **3.92%**
- Earnings Release Distributed 4-29-2025



2025 Financial Performance – Q1 – Highlights

PLEASE NOTE that these results are unaudited at this time

- Net Income **\$2.3mm**
➤ Increase of **\$177m**, or **8.5%**, compared to 1Q 2024
- Return on Assets **.88%**
- Net Interest Margin **3.92%**
- Earnings Release Distributed 4-29-2025
- Higher Net Interest Income & Non-Interest Income **Offset** Higher Non-Interest Expense

CURRENT PINNACLE STOCK PRICE

- As of 5-9-2025 **\$33.50**
 - Up \$2.30, or 7.37%, compared to Year-End 2024
- Tangible Book Value
 - As of 3-31-2025 **\$36.13**
- Price to Tangible Book **93%**
- Price to LTMs EPS of \$4.22 **7.94x**



2025 Financial Performance – 1Q – Pinnacle Stock Price

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 - Up \$2.30, or 7.37%, compared to Year-End 2024
- Tangible Book Value
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- Price to Tangible Book **93%**
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SOUTH BOSTON EXPANSION



South Boston Expansion

- Hired a prior American National Bank Team in August 2024
- Opened a Loan Production Office in September 2024
- Opened a Temporary Branch within the LPO on October 1, 2024
- Opened the Permanent Full-Service Branch on January 2, 2025



Our South Boston Team

- Ronnie Moore, Senior VP & South Boston Market Leader
- Susan McLamb, Senior VP & Commercial Officer
- Kathy Bane, Vice President & Branch Manager

Full-Service Branch



Loan Production Office



As of March 31, 2025:

- Deposits **\$8.6mm**
- Loans **\$18.6mm**

LPO & Branch Locations

- LPO – 97A Main Street
- Branch – 4027 Halifax Road

As of 3-31-2025, our South Boston Market has generated:

- Deposits **\$8.6mm**
- Loans **\$18.6mm**

OUR LEADERSHIP

- BOARD OF DIRECTORS
- SENIOR MANAGEMENT
- SENIOR VICE PRESIDENTS



Our Leadership

Our Performance, Position, & Ability to Capitalize on Future Opportunities are made possible by our Leadership & Employees

Board of Directors



Here is our Board of Directors (Including Years of Board Service) who were Introduced Earlier in the Meeting

- Average Tenure is 10+ Years
- Our Longest-Serving Member is Jeb Burton, who has been on the Board since 1998
- Our Newest Member is Ramsey Yeatts, who was elected to the Board in 2024

- Jeb Burton, Board Chair (27 Years)
- Don Merricks, Board Vice Chair (5 Years with Pinnacle; 14 Years with previous VBT Board)
- Elton Blackstock (10 Years)
- Vivian Brown (2 Years)
- Connie Burnette (9 Years)
- Jud Dalton (13 Years)
- Rob Finch (12 Years)
- Robert Hurt (3 Years)
- Dr. Bobby Johnson (11 Years)
- Mike Watson (22 Years)
- Jimmy Watts (10 Years)
- Ramsey Yeatts (1 Year)



Our Senior Management Members (Including Years of Banking Experience)

- Average Banking Experience is 28 Years, with Five (5) of our Senior Management Members having greater than 30 Years

PLEASE STAND

- Todd Hall, President & Chief Executive Officer (33 Years)
- Bryan Lemley, Executive Vice President & Chief Financial Officer (32 Years)
- Krystal Harris, Senior Vice President & Chief Human Resources Officer (4 Years)
- Michelle Gaydica, Senior Vice President & Chief Operating Officer (26 Years)
- Jennifer Edgell, Senior Vice President & Chief Credit Officer (25 Years)
- Tracie Gallahan, Senior Vice President & Chief Revenue Officer (35 Years)
- Shawn Stone, Senior Vice President & Chief Lending Officer (31 Years)
- Melissa Campbell, Senior Vice President & Chief Retail Officer (35 Years)



Our Senior Vice Presidents (Including Years of Banking Experience)

PLEASE STAND

- Jim Minear, Lynchburg Market Leader (35 Years)
- R.J. Weaver, Danville Market Leader (28 Years)
- Sam Kessler, Charlottesville Market Leader (27 Years of Management, Financial, & Banking)
- Ronnie Moore, South Boston Market Leader (26 Years)
- Susan McLamb, Commercial Officer (30 Years)
- Chris Lyford, Director of Information Services (26 Years)
- Amy Stallings, Director of Compliance (23 Years of Compliance & Banking)
- Dianna Hamlett, Senior Compliance Advisor (40 Years)
- Pam Adams, Loan Operations Manager (51 Years) – **Pam is not with us today; however, I would like to mention that she will be retiring in December 2025 with 40 Years of Service to FNB!**
- Tarry Pribble, Collections & Recovery Manager (47 Years)

MOVING FORWARD: CONCERNS/CHALLENGES

- Impact of Tariffs / Direction of Economy & Interest Rates
- Deposit Volume & Corresponding Asset Growth
- Limited Capacity for Non-Owner Occupied CRE Loans
- Fraud
- Operational & Compliance Risks



Moving Forward – Concerns / Challenges

- Impact of Tariffs / Direction of Economy & Interest Rates
- Deposit Volume & Corresponding Asset Growth
- Limited Capacity for Non-Owner Occupied CRE Loans
- Fraud
- Operational & Compliance Risks

MOVING FORWARD: POSITIVES

- 1Q 2025 Year-Over-Year Performance
- Performance Compared to Peers
- Liquidity / Fed Funds Sold Position
- Interest Rate Pressures Have Eased
- Expanding Margin
- Strengthened Capital Ratios
- Strong Asset Quality



Moving Forward – Positives

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- Performance Compared to Peers
- Liquidity / Fed Funds Sold Position
- Interest Rate Pressures Have Eased
- Expanding Margin
- Strengthened Capital Ratios
- Strong Asset Quality

MOVING FORWARD: KEY FOCUS INITIATIVES

- Remain Strategically Opportunistic
- Evaluate Sub-Debt / Share Repurchases
- Enhance Employee Training & Succession Plans
- Core Processor Evaluation / Identify the Right Partner
- Operational Enhancements & Process Improvements
- Capitalize on Our New Markets & Opportunities to Grow Customers / Increase Revenue



Moving Forward – Key Focus Initiatives

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- Core Processor Evaluation / Identify the Right Partner
- Operational Enhancements & Process Improvements
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In Closing:

- I am proud of Pinnacle's 2024 Performance & our start to 2025
- We have a Sound Business Model &...
- Outstanding Employees
- We are well positioned for Continued Success...
- **As we aim to be the Premier Community Banking Organization!**