

PIONEER BANKSHARES, INC.
ANNOUNCES 2023 YEAR-END EARNINGS

Stanley, VA, April 3, 2024 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported consolidated net income for the year ended December 31, 2023 of \$1.9 million or \$1.92 per share as compared to \$2.6 million or \$2.57 per share for the year ended December 31, 2022. The net decrease in earnings for 2023, as compared to the prior year, is primarily attributed to a one-time non-recurring investment gain in the prior year, and additional provisions for credit losses and an increase in interest expense during 2023.

The Company issued a 2023 4th quarter dividend payment of \$0.25 per share, which brought the 2023 dividend payments to a total of \$1.00 per share, representing an increase of 3.09% over the dividend payment for the same period in 2022. This dividend payment represents an annualized yield and return to investors of 4.29% based on the market price per share of PNBI stock as of the date of this release.

Pioneer Bankshares' consolidated total assets as of December 31, 2023, were \$322.1 million compared to \$293.3 million as of December 31, 2022. The Company had deposit growth of \$6.4 million or 2.49% for the period ending December 31, 2023, compared to an increase of \$5.0 million or 1.99% in deposit growth for 2022. The bank had a net increase in its loan portfolio of \$31.9 million or 15.39% during 2023 when compared to a net increase of \$28.8 million or 16.09% during the same period in 2022.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$34.2 million. The Company's total number of outstanding common shares as of December 31, 2023, were 991,198. The Company's book value as of December 31, 2023 was \$34.55 per share compared to \$32.22 per share as of December 31, 2022.

About Pioneer Bankshares, Inc.

Pioneer Bankshares, Inc. is a one-bank holding company headquartered in Page County, Virginia. The Company's main branch and corporate office are located in Stanley, Virginia, with other branch locations in Shenandoah, Luray, Harrisonburg, Ruckersville, and Charlottesville, Virginia. The bank also operates a small finance company known as Valley Finance Services, a division of Pioneer Bank, which specializes in consumer and auto lending.

Forward-Looking Statements

This press release may contain "forward-looking statements" as defined by federal securities laws, which may involve significant risks and uncertainties. These statements address issues that involve risks, uncertainties, estimates and assumptions made by management, and actual results could differ materially from the results contemplated by these forward-looking statements. Other risk factors that could have a material adverse effect on our operations and future prospects include, but are not limited to, changes in: interest rates, general economic conditions, legislative and regulatory policies, and a variety of other matters. Readers should consider these risks and uncertainties in evaluating forward-looking statements and should not place undue reliance on such statements. We undertake no obligation to update these statements following the date of this press release.

The Company's comparative year-end financial highlights for December 31, 2023 and December 31, 2022 are included in the tables below:

FINANCIAL HIGHLIGHTS
(In thousands, except for per share information)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Earnings Results		
Interest and dividend income	\$ 14,081	\$ 10,700
Interest expense	<u>3,146</u>	<u>601</u>
Net interest income	10,935	10,099
Reserve for credit losses	<u>823</u>	<u>(247)</u>
Net interest income after provision for credit losses	10,112	10,346
Noninterest income	1,412	2,188
Noninterest expense	<u>9,365</u>	<u>9,533</u>
Income before income taxes	2,159	3,001
Income tax expense	<u>263</u>	<u>434</u>
Net Income	<u>\$ 1,896</u>	<u>\$ 2,567</u>
Financial Condition		
Assets	\$ 322,134	\$ 293,295
Deposits	263,755	257,346
Loans, net of allowance for credit losses	237,444	205,698
Stockholders' Equity	34,247	32,330
Per Share Data		
Net income per share, basic and diluted	\$ 1.92	\$ 2.57
Dividends per share	1.00	0.97
Book value per share	34.55	32.22
Performance Ratios		
Return on average assets ¹	0.62%	0.86%
Return on average equity ¹	5.73%	7.81%
Dividend payout ratio	52.15%	37.83%
Average equity to average assets ¹	10.89%	11.06%

¹Ratios are based primarily on daily average balances