

PIONEER BANKSHARES, INC. ANNOUNCES

EARNINGS AS OF JUNE 30, 2023

Stanley, VA, August 7, 2023 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 2nd quarter of \$637,000. Consolidated year-to-date net income as of June 30, 2023 was \$1.3 million or \$1.36 per share as compared to \$1.2 million or \$1.19 per share for the first six months of 2022. The net increase in earnings for the first half of 2023 as compared to the first half of the prior year is primarily attributed to increased interest income on loans and cash deposits in correspondent bank accounts.

The Company issued a 2023 2nd quarter dividend payment of \$0.25 per share, which brings the year-to-date dividend total paid to \$0.50 a share. This dividend payment represents an annualized yield and return to investors of 4.76% based on the market price per share of PNBI stock as of the date of this release. Pioneer Bankshares' consolidated total assets as of June 30, 2023, were \$304.7 million compared to \$296.0 million as of June 30, 2022, and \$293.3 million as of December 31, 2022.

Pioneer Bank, the Company's subsidiary, had loan growth of \$13.1 million or 6.28% during the first half of 2023 compared to \$6.8 million or 3.8% during the same period in 2022. Total consolidated assets have increased by \$11.4 million or 3.89% during the first half of 2023.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$33.1 million. The Company's total number of outstanding common shares as of June 30, 2023, were 988,390. The Company's book value per share is \$33.51 as of June 30, 2023.

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. Additionally, the bank operates a small Business Banking Center in Harrisonburg, VA, which primarily services commercial loans for business clients. 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 quarter-end financial highlights are included in the tables below:

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

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Earnings Results		
Interest and dividend income	\$ 6,585	\$ 5,001
Interest expense	<u>1,065</u>	<u>228</u>
Net interest income	5,520	4,773
Provision for loan losses	<u>8</u>	<u>(289)</u>
Net interest income after provision for loan losses	5,512	5,062
Noninterest income	729	730
Noninterest expense	<u>4,654</u>	<u>4,498</u>
Income before income taxes	1,587	1,294
Income tax (benefit) expense	<u>240</u>	<u>102</u>
Net Income	<u>\$ 1,347</u>	<u>\$ 1,192</u>
Financial Condition		
Assets	\$ 304,717	\$ 296,020
Deposits	247,972	262,220
Loans, net of allowance	218,572	183,788
Stockholders' Equity	33,119	31,794
Per Share Data		
Net income per share, basic and diluted	\$ 1.36	\$ 1.19
Dividends per share	0.50	0.48
Book value per share	33.51	31.76
Performance Ratios		
Return on assets	0.79%	0.64%
Return on equity	7.24%	5.93%