

PIONEER BANKSHARES, INC. ANNOUNCES

2023 3rd QUARTER EARNINGS

Stanley, VA, November 10, 2023 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 3rd quarter of 2023 of \$1.9 million or \$1.94 per share as compared to \$2.8 million or \$2.84 per share for the 3rd quarter of 2022. The net decrease in earnings for the period ending September 30, 2023, as compared to the same period for 2022 is directly attributed to a non-recurring stock investment gain of \$1.4 million recorded during the prior year. Core earnings for the consolidated entity as of September 30, 2023, without the aforementioned non-recurring item were \$1.73 million or 2.17% ahead of the prior year.

The Company issued a 3rd quarter dividend payment in September 2023 of \$0.25 per share, which brings the year-to-date dividend total paid to \$0.75 a share. This dividend payment represents an annualized yield and return to investors of 5.00% based on the market price per share of PNBI stock as of the date of this release. Pioneer Bankshares' consolidated total assets as of September 30, 2023, were \$314.9 million compared to \$304.6 million as of September 30, 2022, and \$293.3 million as of December 31, 2022.

Pioneer Bank, the Company's subsidiary, had loan growth of \$22.1 million or 10.64% for the 9 month period ending September 30, 2023 compared to an increase of \$14.8 million or 8.28% for the same period in 2022. Deposits remain stable at \$259 million and have increased by \$2.0 million during 2023. Total consolidated assets have increased by \$23.2 million or 7.96% during the 9 month period ending September 30, 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 \$33.0 million. The Company's total number of outstanding common shares as of September 30, 2023, were 988,390. The Company's book value per share is \$33.39 as of September 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. 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 consolidated quarter-end financial highlights are included in the tables below:

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

| | <u>September 30, 2023</u> | <u>September 30, 2022</u> |
|---|---------------------------|---------------------------|
| Earnings Results | | |
| Interest and dividend income | \$ 10,193 | \$ 7,776 |
| Interest expense | <u>1,950</u> | <u>384</u> |
| Net interest income | 8,243 | 7,392 |
| Provision for loan losses | <u>50</u> | <u>(289)</u> |
| Net interest income after provision for loan losses | 8,193 | 7,681 |
| Noninterest income | 1,048 | 2,555 |
| Noninterest expense | <u>6,993</u> | <u>6,925</u> |
| Income before income taxes | 2,248 | 3,311 |
| Income tax (benefit) expense | <u>332</u> | <u>472</u> |
| Net Income | <u>\$ 1,916</u> | <u>\$ 2,839</u> |
| Financial Condition | | |
| Assets | \$ 314,910 | \$ 304,566 |
| Deposits | 259,375 | 270,071 |
| Loans, net of allowance | 227,560 | 191,767 |
| Stockholders' Equity | 32,998 | 32,173 |
| Per Share Data | | |
| Net income per share, basic and diluted | \$ 1.94 | \$ 2.84 |
| Dividends per share | 0.75 | 0.72 |
| Book value per share | 33.39 | 32.14 |
| Performance Ratios | | |
| Return on assets | 0.78% | 1.02% |
| Return on equity | 7.43% | 9.70% |