

PIONEER BANKSHARES, INC. ANNOUNCES

EARNINGS AS OF JUNE 30, 2024

Stanley, VA, August 1, 2024 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated year-to-date net income as of June 30, 2024 was \$1.2 million or \$1.25 per share as compared to \$1.3 million or \$1.36 per share for the first six months of 2023. The net decrease in earnings for the first half of 2024 as compared to the first half of the prior year is primarily attributed to increased interest expense related to deposits and borrowings.

The Company issued a 2024 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 4.50% 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, 2024, were \$357.4 million compared to \$304.7 million as of June 30, 2023.

Pioneer Bank, the Company's subsidiary, had loan growth of \$18.4 million or 7.67% during the first half of 2024 compared to \$13.1 million or 6.28% during the same period in 2023. Total consolidated assets have increased by \$35.3 million or 10.9% during the first half of 2024.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$35.6 million. The Company's total number of outstanding common shares as of June 30, 2024, were 997,326. The Company's book value per share is \$35.65 as of June 30, 2024.

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, 2024</u>	<u>June 30, 2023</u>
Earnings Results		
Interest and dividend income	\$ 8,936	\$ 6,585
Interest expense	3,240	1,065
Net interest income	<u>5,696</u>	<u>5,520</u>
Provision for loan losses	<u>158</u>	<u>8</u>
Net interest income after provision for loan losses	5,538	5,512
Noninterest income	758	729
Noninterest expense	<u>4,835</u>	<u>4,654</u>
Income before income taxes	1,461	1,587
Income tax (benefit) expense	<u>218</u>	<u>240</u>
Net Income	<u>\$ 1,243</u>	<u>\$ 1,347</u>
Financial Condition		
Assets	\$ 357,392	\$ 304,717
Deposits	269,069	247,972
Loans, net of allowance	255,762	218,572
Stockholders' Equity	35,556	33,119
Per Share Data		
Net income per share, basic and diluted	\$ 1.25	\$ 1.36
Dividends per share	0.50	0.50
Book value per share	35.65	33.51
Performance Ratios		
Return on assets	0.67%	0.79%
Return on equity	6.75%	7.24%