

**PIONEER BANKSHARES, INC.**  
**ANNOUNCES 3<sup>rd</sup> QUARTER – 2017 OPERATING RESULTS**

Stanley, VA, November 1, 2017, -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, is pleased to announce unaudited consolidated operating results and net earnings for the nine month period ending September 30, 2017 of \$1.777 million or \$1.59 per share as compared to \$1.344 million or \$1.39 per share through the 3<sup>rd</sup> quarter of 2016. The Company's earnings through September 30, 2017 increased \$433,000 or 32.2%, as compared to the same period for 2016. The overall net increase continues to be attributed to improved operational efficiencies, decreases in general operational expenses, a reduction in the provision for loan loss funding and realized gains on securities transactions.

The Company's net asset growth for the nine month period ending September 30, 2017 was \$9.2 million, bringing total assets to \$204 million as of September 30, 2017, compared to \$196.3 million as of September 30, 2016 and \$194.9 million as of December 31, 2016. The Company's subsidiary, Pioneer Bank, had net loan growth of \$2.5 million or 1.56% during the first nine months of 2017 and a total of \$3.8 million or 2.35% in loan growth as compared to the same period for 2016. The total loan portfolio as of September 30, 2017 was \$163.3 million. The bank has also increased its deposits by \$7.9 million or 4.97% during the first nine months of 2017, with a total of \$7.4 million or 4.65% in deposit growth since September of 2016. Total deposits for the period ending September 30, 2017 were \$166.8 million. The Company and its Bank subsidiary continue to maintain a strong capital position and remain classified as well-capitalized with total consolidated capital of \$27.3 million. The Company's total number of outstanding common shares as of September 30, 2017 were 972,027.

We are proud to have issued dividend payments to shareholders for each of the first three quarters of 2017 at \$0.20 per share and are currently planning for a 4th quarter dividend in the amount of \$0.20 per share, subject to final approval at the November Board of Director's meeting. These dividend payments represent an increase of 5.26% over the prior year's quarterly dividend payments and represent an annualized yield and return to investors of 2.99% based on the market price per share of PNBI stock as of November 1, 2017.

In addition to our strong earnings performance, the Bank has recently upgraded its internet banking and online bill pay services to allow for Person-to-Person payments, as well as expedited and gift transactions. We are also exploring additional mobile banking options that will allow for faster transfer of payments or funds in the near future. Additionally, we are working toward the development of new relationship and rewards products for 2018. Please be looking for more updates on these exciting initiatives on our website ([www.pioneerbks.com](http://www.pioneerbks.com)) or on our Facebook page.

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, Stanardsville, 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.