

PIONEER BANKSHARES, INC. ANNOUNCES

2019 3rd QUARTER EARNINGS

Stanley, VA, November 26, 2019-- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the nine month period ending September 30, 2019 of \$1.742 million or \$1.78 per share as compared to \$1.819 million or \$1.87 per share through the 3rd quarter of 2018. The Company's earnings through September 30, 2019 resulted in a decrease of \$77,000 or 4.23%, as compared to the same period for 2018. The slight decrease in earnings is attributed to certain increases in general operating expenses, professional fees and audit related expenses.

Net assets as of September 30, 2019 were \$223.9 million. Total assets for the Company have increased by \$14.9 million compared to September 30, 2018 and \$10.5 million as compared to December 31, 2018. Total loans as of September 30, 2019 were \$181.5 million and total deposits for the period ending September 30, 2019 were \$187.6 million. The bank has increased its loan portfolio by \$15.9 million as compared to September 30, 2018, and \$14.3 million compared to December 31, 2018. The bank has increased its deposits by \$12.0 million since September 30, 2018 and \$10.1 million as compared to December 31, 2018.

The Company and its Bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$30.3 million. The Company's total number of outstanding common shares as of September 30, 2019 were 981,089 and the book value per share has increased from \$29.23 at September 30, 2018 to \$30.90 at September 30, 2019, representing an increase of \$1.67 or 5.71% year over year.

The Company has issued dividend payments to shareholders during the first three quarters of 2019 at \$0.22 per share each quarter or \$0.66 total year-to-date through September 30, 2019. These dividend payments represent an increase of 4.76% over the prior year's quarterly dividend payments. These dividend payments represent an annualized yield and return to investors of 3.09% based on the market price per share of PNBI stock as of the date of this release.

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.

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 quarter-end financial highlights as of September 30, 2018 and September 30, 2019 are included in the tables below:

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

	<u>Sept 30, 2018</u>	<u>Sept 30, 2019</u>
Earnings Results		
Interest and dividend income	\$ 7,463	\$ 8,181
Interest expense	<u>737</u>	<u>994</u>
Net interest income	6,726	7,187
Provision for loan losses	<u>217</u>	<u>212</u>
Net interest income after provision for loan losses	6,509	6,975
Noninterest income	1,135	1,078
Noninterest expense	<u>5,591</u>	<u>6,094</u>
Income before income taxes	2,053	1,959
Income tax expense	<u>234</u>	<u>217</u>
Net Income	<u>\$ 1,819</u>	<u>\$ 1,742</u>
 Financial Condition		
Assets	\$ 208,974	\$ 223,905
Deposits	175,549	187,583
Loans, net of allowance	165,578	181,487
Stockholders' Equity	28,526	30,311
 Per Share Data		
Net income per share, basic and diluted	\$ 1.87	\$ 1.78
Dividends per share	0.63	0.66
Book value per share	29.23	30.90
 Performance Ratios		
Return on average assets ¹	1.13%	1.03%
Return on average equity ¹	8.24%	7.62%

¹Ratios above are based primarily on daily average balances