

PIONEER BANKSHARES, INC. ANNOUNCES

2022 3rd QUARTER EARNINGS

Stanley, VA, November 14, 2022 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 3rd quarter of 2022 of \$2.8 million or \$2.84 per share as compared to \$3.0 million or \$3.04 per share for the 3rd quarter of 2021. The net decrease in earnings for the period ending September 30, 2022, as compared to the same period for 2021 is a result of the Payroll Protection Program (PPP) fees collected during the prior year and certain unrealized loss positions in equity securities compared to the prior years unrealized gain position.

The Company issued a 2022 3rd quarter dividend payment of \$0.24 per share, which brings the year-to-date dividend total paid to \$0.72 a share. This dividend payment represents an annualized yield and return to investors of 3.69% 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, 2022, were \$304.6 million compared to \$290.8 million as of September 30, 2021, and \$290.1 million as of December 31, 2021.

Pioneer Bank, the Company's subsidiary, had deposit growth of \$21.5 million or 8.51% for the year-to-date period ending September 30, 2022 as compared to \$24.2 million or 10.6% in deposit growth when compared to September 30, 2021. The bank had a net increase in its loan portfolio of \$14.8 million or 8.28% for the 9 month period ending September 30, 2022 compared to a net decrease of 22.1 million or -11.3% for the same period in 2021. The loan portfolio has seen core growth during 2022 as compared to the expected pay-downs in the PPP loan program and the associated loan forgiveness process that occurred during 2021.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$32.2 million. The Company's total number of outstanding common shares as of September 30, 2022, were 1,001,144. The Company's book value per share is \$32.14 as of September 30, 2022.

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, 2022</u>	<u>September 30, 2021</u>
Earnings Results		
Interest and dividend income	\$ 7,776	\$ 9,217
Interest expense	384	440
Net interest income	<u>7,392</u>	<u>8,777</u>
Provision for loan losses	<u>(289)</u>	<u>(284)</u>
Net interest income after provision for loan losses	7,681	9,061
Noninterest income	2,555	1,323
Noninterest expense	<u>6,925</u>	<u>6,862</u>
Income before income taxes	3,311	3,522
Income tax (benefit) expense	<u>472</u>	<u>512</u>
Net Income	<u>\$ 2,839</u>	<u>\$ 3,010</u>
Financial Condition		
Assets	\$ 304,566	\$ 290,805
Deposits	270,071	251,875
Loans, net of allowance	191,767	173,540
Stockholders' Equity	32,173	35,115
Per Share Data		
Net income per share, basic and diluted	\$ 2.84	\$ 3.04
Dividends per share	0.72	0.72
Book value per share	32.14	35.31
Performance Ratios		
Return on assets	1.02%	1.10%
Return on equity	9.70%	9.08%