

PIONEER BANKSHARES, INC. ANNOUNCES

2019 1st QUARTER EARNINGS

Stanley, VA, April 30, 2019 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 1st quarter of 2019 of \$592,000 or \$0.60 per share as compared to \$758,000 or \$0.78 per share for the 1st quarter of 2018. The net decrease in earnings for the first quarter of 2019 as compared to the first quarter of the prior year is primarily due to nonrecurring realized gains on equity investments of \$285,000, which occurred in the 1st quarter of 2018. Excluding this one-time item, 1st quarter 2019 earnings were 23.3% higher than 1st quarter of 2018.

The Company issued a 2019 1st quarter dividend payment of \$0.22 per share, which represented an increase of 4.76% over the prior quarterly dividend payment. This dividend payment represents an annualized yield and return to investors of 3.20% based on the market price per share of PNBI stock as of the date of this release. Pioneer Bankshares' consolidated total assets as of March 31, 2019, were \$218.0 million compared to \$206.0 million as of March 31, 2018, and \$213.5 million as of December 31, 2018.

Pioneer Bank, the Company's subsidiary, had core deposit growth of \$4.2 million or 2.38% during the 1st quarter of 2019 and a total of \$10.8 million or 6.34% in deposit growth when compared to the first quarter of 2018. Total deposits as of March 31, 2018, were \$181.7 million. The bank had a net increase in its loan portfolio of \$3.1 million or 1.82% during the 1st quarter of 2019 and a total of \$10.0 million or 6.18% in loan growth as compared to the first quarter of 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 \$29.4 million. The Company's total number of outstanding common shares as of March 31, 2019, were 979,719. The Company's book value per share has increased from \$28.42 as of March 31, 2018, to \$29.98 per share as of March 31, 2019.

"2019 is a building year for Pioneer Bankshares, during which our emphasis will be focused on improving operational efficiencies, especially in the information technology area, while continuing to grow core deposits and quality loans", stated President and Chief Executive Officer, Mark N. Reed. "As a corporation, we remain committed to our core values of Integrity, Community and Excellence."

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, 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.

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>March 31, 2019</u>	<u>March 31, 2018</u>
Earnings Results		
Interest and dividend income	\$ 2,667	\$ 2,418
Interest expense	<u>322</u>	<u>221</u>
Net interest income	2,345	2,197
Provision for loan losses	<u>106</u>	<u>106</u>
Net interest income after provision for loan losses	2,239	2,091
Noninterest income	362	627
Noninterest expense	<u>1,934</u>	<u>1,824</u>
Income before income taxes	667	894
Income tax expense	<u>75</u>	<u>136</u>
Net Income	<u>\$ 592</u>	<u>\$ 758</u>
Financial Condition		
Assets	\$ 217,995	\$ 206,029
Deposits	181,720	170,881
Loans, net of allowance	170,184	160,304
Stockholders' Equity	29,371	27,698
Per Share Data		
Net income per share, basic and diluted	\$ 0.60	\$ 0.78
Dividends per share	0.22	0.21
Book value per share	29.98	28.42
Performance Ratios		
Return on assets	1.00%	1.07%
Return on equity	7.45%	7.99%