

## PIONEER BANKSHARES, INC. ANNOUNCES

### 1<sup>st</sup> QUARTER EARNINGS FOR 2020

Stanley, VA, April 21, 2020 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 1<sup>st</sup> quarter of 2020 of \$244,000 or \$0.25 per share as compared to \$592,000 or \$0.60 per share for the 1<sup>st</sup> quarter of 2019. The net decrease in earnings for the first quarter of 2020 as compared to the first quarter of the prior year is primarily due to the change in the unrealized gain(loss) position on equity investments, increased provisions for potential loan losses related to the uncertainty in the economy resulting from the impact of COVID19, and increases in certain technology and general operating expenses.

Pioneer Bank, the Company's subsidiary, had deposit growth of \$3.9 million or 1.97% during the 1<sup>st</sup> quarter of 2020 and a total of \$18.0 million or 9.92% in deposit growth when compared to the first quarter of 2019. The bank had a net decrease in its loan portfolio of \$2.1 million or 1.09% during the 1<sup>st</sup> quarter of 2020, which was primarily attributed to temporary fluctuations in mortgage purchase program volumes since year-end 2019. The bank has had a total of \$17.6 million or 10.16% in loan growth as compared to the first quarter of 2019.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$31.3 million. The Company's total number of outstanding common shares were 985,320 as of March 31, 2020. The Company's book value per share has increased from \$28.98 as of March 31, 2019, to \$31.80 per share as of March 31, 2020.

The Company issued a 2020 1<sup>st</sup> quarter dividend payment of \$0.23 per share, which represented an increase of 4.55% over the prior quarterly dividend payment. This dividend payment represents an annualized yield and return to investors of 4.09% 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, 2020, were \$236.1 million compared to \$218.0 million as of March 31, 2019, and \$232.4 million as of December 31, 2019.

#### **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, 2020</u>	<u>March 31, 2019</u>
<b>Earnings Results</b>		
Interest and dividend income	\$ 2,807	\$ 2,667
Interest expense	<u>376</u>	<u>322</u>
Net interest income	2,431	2,345
Provision for loan losses	<u>167</u>	<u>106</u>
Net interest income after provision for loan losses	2,264	2,239
Noninterest income	132	362
Noninterest expense	<u>2,182</u>	<u>1,934</u>
Income before income taxes	214	667
Income tax (benefit) expense	<u>(30)</u>	<u>75</u>
Net Income	<u>\$ 244</u>	<u>\$ 592</u>
<b>Financial Condition</b>		
Assets	\$ 236,131	\$ 217,995
Deposits	199,739	181,720
Loans, net of allowance	187,772	170,184
Stockholders' Equity	31,328	29,371
<b>Per Share Data</b>		
Net income per share, basic and diluted	\$ 0.25	\$ 0.60
Dividends per share	0.23	0.22
Book value per share	31.80	29.98
<b>Performance Ratios</b>		
Return on assets	0.72%	1.00%
Return on equity	5.44%	7.45%