

## **PIONEER BANKSHARES, INC. ANNOUNCES**

### **2021 3rd QUARTER EARNINGS**

Stanley, VA, November 17, 2021 -- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 3<sup>rd</sup> quarter of 2021 of \$3.0 million or \$3.04 per share as compared to \$1.9 million or \$1.91 per share for the 3<sup>rd</sup> quarter of 2020. The net increase in earnings for the period ending September 30, 2021, as compared to the same period for 2020 is primarily attributed to increased loan fees related to the Payroll Protection Program (PPP), decreased funding for potential loan losses and unrealized gain positions in equity securities.

The Company issued a 2021 3rd quarter dividend payment of \$0.24 per share, which brings the 2021 year-to-date dividend total to \$0.72 per share, representing an increase of 4.35% over the dividend payment for the same period in 2020. This dividend payment represents an annualized yield and return to investors of 3.28% 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, 2021, were \$290.8 million compared to \$255.5 million as of September 30, 2020, and \$264.4 million as of December 31, 2020.

Pioneer Bank, the Company's subsidiary, had deposit growth of \$24.2 million or 10.6% for the year-to-date period ending September 30, 2021 and a total of \$33.2 million or 15.2% in deposit growth when compared to September 30, 2020. The bank had a net decrease in its loan portfolio of \$22.1 million or -11.3% for the 9 month period ending September 30, 2021 compared to a net increase of \$15.6 million or 8.31% during the same period in 2020. The decrease in loans year-to-date for 2021 is primarily related to expected pay-downs in the PPP loan program and the associated loan forgiveness process.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$35.1 million. The Company's total number of outstanding common shares as of September 30, 2021, were 994,522. The Company's book value per share has increased from \$32.72 as of September 30, 2020, to \$35.31 per share as of September 30, 2021.

#### **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>September 30, 2021</u>	<u>September 30, 2020</u>
<b>Earnings Results</b>		
Interest and dividend income	\$ 9,217	\$ 8,302
Interest expense	440	882
Net interest income	<u>8,777</u>	<u>7,420</u>
Provision for loan losses	(284)	748
Net interest income after provision for loan losses	9,061	6,672
Noninterest income	1,323	1,313
Noninterest expense	<u>6,862</u>	<u>5,851</u>
Income before income taxes	3,522	2,134
Income tax (benefit) expense	<u>512</u>	<u>225</u>
Net Income	<u>\$ 3,010</u>	<u>\$ 1,879</u>
<b>Financial Condition</b>		
Assets	\$ 290,805	\$ 255,518
Deposits	251,875	219,018
Loans, net of allowance	173,540	205,482
Stockholders' Equity	35,115	32,297
<b>Per Share Data</b>		
Net income per share, basic and diluted	\$ 3.04	\$ 1.91
Dividends per share	0.72	0.69
Book value per share	35.31	32.72
<b>Performance Ratios</b>		
Return on assets	1.10%	0.87%
Return on equity	9.08%	6.90%