

PIONEER BANKSHARES, INC. ANNOUNCES

2022 1st QUARTER EARNINGS

Stanley, VA, May 19, 2022--- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the 1st quarter of 2022 of \$313,000 or \$0.31 per share as compared to \$648,000 or \$0.66 per share for the 1st quarter of 2021. The decrease in earnings for the first quarter of 2022 as compared to the first quarter of the prior year is primarily attributed to unrealized losses on equity investments compared to unrealized gains during the first quarter of 2021, as well as reduced loan fees as compared to the PPP loan fees from the prior year.

The Company issued a 2022 1st quarter dividend payment of \$0.24 per share. This dividend payment represents an annualized yield and return to investors of 3.43% 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, 2022, were \$300.1 million compared to \$276.1 million as of March 31, 2021, and \$290.1 million as of December 31, 2021.

Pioneer Bank, the Company's subsidiary, had deposit growth of \$11.9 million or 4.7% during the 1st quarter of 2022 and a total of \$24.6 million or 10.3% in deposit growth when compared to the first quarter of 2021. The bank had a net increase in its loan portfolio of \$1.5 million or 0.85% during the 1st quarter of 2022 and a decrease of \$4.9 million or 2.63% as compared to the first quarter of 2021. This decrease in loans over the same period in 2021 is primarily due to loan forgiveness in the PPP loan portfolio.

The Company and its bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$33.4 million. The Company's total number of outstanding common shares as of March 31, 2022, were 999,432. The Company's book value per share has remained stable at \$33.40 as of March 31, 2022, compared to \$33.45 per share as of March 31, 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>March 31, 2022</u>	<u>March 31, 2021</u>
Earnings Results		
Interest and dividend income	\$ 2,471	\$ 2,665
Interest expense	<u>113</u>	<u>155</u>
Net interest income	2,358	2,510
Provision for loan losses	<u>(122)</u>	<u>106</u>
Net interest income after provision for loan losses	2,480	2,404
Noninterest income	58	473
Noninterest expense	<u>2,259</u>	<u>2,136</u>
Income before income taxes	279	741
Income tax expense (benefit)	<u>(34)</u>	<u>93</u>
Net Income	<u>\$ 313</u>	<u>\$ 648</u>
Financial Condition		
Assets	\$ 300,123	\$ 276,061
Deposits	264,198	239,574
Loans, net of allowance	178,325	182,726
Stockholders' Equity	33,385	33,080
Per Share Data		
Net income per share, basic and diluted	\$ 0.31	\$ 0.66
Dividends per share	0.24	0.24
Book value per share	33.40	33.45
Performance Ratios		
Return on assets	0.41%	0.74%
Return on equity	3.66%	6.16%