

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

### **2018 3<sup>rd</sup> QUARTER EARNINGS**

Stanley, VA, November 1, 2018-- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the nine month period ending September 30, 2018 of \$1.819 million or \$1.87 per share as compared to \$1.777 million or \$1.59 per share through the 3<sup>rd</sup> quarter of 2017. The Company's earnings through September 30, 2018 resulted in an increase of 2.33%, as compared to the same period for 2017. The Company continues to see positive earnings trends in the areas of increased interest income, reductions in the provision for potential loan losses, and reductions in various operational expenses.

Total assets as of September 30, 2018 were \$208.9 million, with net asset growth over the same period last year being \$4.9 million or 2.41%. Total loans as of September 30, 2018 were \$167.6 million compared to \$163.3 million as of September 30, 2017, representing a stable growth rate of 2.67%. Total deposits for the period ending September 30, 2018 were \$175.5 million compared to \$166.8 million as of September 30, 2017. Deposit growth for the institution has increased by \$8.8 million or 5.25% over the same period last year. The overall increase in deposits has primarily been in the non-maturing demand and savings account categories and are the result of continued efforts to build on our customer relationships.

The Company and its Bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$28.5 million. The Company's total number of outstanding common shares as of September 30, 2018 were 975,819.

The Company has issued dividend payments to shareholders during the first three quarters of 2018 at \$0.21 per share each quarter or \$0.63 total year-to-date through September 30, 2018. These dividend payments represent an increase of 5.00% over the prior year's quarterly dividend payments. These dividend payments represent an annualized yield and return to investors of 2.66% based on the market price per share of PNBI stock as of the date of this release.

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.

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 comparative quarter-end financial highlights as of September 30, 2018 and September 30, 2017 are included in the tables below:

**FINANCIAL HIGHLIGHTS**  
(In thousands, except for per share information)

	<u>Sept 30, 2018</u>	<u>Sept 30, 2017</u>
<b>Earnings Results</b>		
Interest and dividend income	\$ 7,463	\$ 7,178
Interest expense	<u>737</u>	<u>615</u>
Net interest income	6,726	6,563
Provision for loan losses	<u>217</u>	<u>320</u>
Net interest income after provision for loan losses	6,509	6,243
Noninterest income	1,135	1,282
Noninterest expense	<u>5,591</u>	<u>5,162</u>
Income before income taxes	2,053	2,363
Income tax expense	<u>234</u>	<u>586</u>
Net Income	<u>\$ 1,819</u>	<u>\$ 1,777</u>
 <b>Financial Condition</b>		
Assets	\$ 208,974	\$ 204,049
Deposits	175,549	166,786
Loans, net of allowance	165,578	161,153
Stockholders' Equity	28,526	27,342
 <b>Per Share Data</b>		
Net income per share, basic and diluted	\$ 1.87	\$ 1.59
Dividends per share	0.63	0.60
Book value per share	29.23	28.13
 <b>Performance Ratios</b>		
Return on average assets <sup>1</sup>	1.13%	1.11%
Return on average equity <sup>1</sup>	8.24%	8.32%

<sup>1</sup>Ratios above are based primarily on daily average balances