

**PIONEER BANKSHARES, INC.**  
**ANNOUNCES RECORD EARNINGS FOR 2019**

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Stanley, VA, February 27, 2020-- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income of \$2.64 million or \$2.69 per share for the year ending December 31, 2019, as compared to net earnings in 2018 of \$2.229 million or \$2.29 per share. The net increase in income for 2019 of \$407,000 represents a 18.26% overall increase and is primarily attributed to increased interest income on loan, a reduction in provisions for loan losses, reduced occupancy expenses, as well as unrealized gains in parent company's investment portfolio.

According to Company records, net earnings for 2019 is the highest income figure in the history of the institution. Earnings for 2019 exceeded the company's previous historical records, which had occurred in 2012, by approximately \$374,000 or 16.5%. The Company is extremely pleased to have accomplished this historical milestone.

The Company's subsidiary, Pioneer Bank, had net loan growth of \$22.7 million or 13.6% during 2019. The Bank also had deposit growth of \$18.4 million or 10.4%. The Bank's total loan portfolio for the period ending December 31, 2019 was \$192.0 million and total deposits were \$195.9 million. Overall, the Company had net asset growth of approximately \$19.0 million or 8.9% for the year ended December 31, 2019. The Company's consolidated total assets as of December 31, 2019 were \$232.5 million.

The Company is pleased to report that it continues to maintain a well-capitalized position of \$31.0 million. The Company's total number of outstanding common shares as of December 31, 2019 was 982,820. The Company's book value per share increased by 6.87% during 2019, with a book value of \$31.56 as of December 31, 2019, compared to a book value per share of \$29.53 at December 31, 2018. As a result of the strong capital position and stable financial performance, Pioneer Bankshares, Inc. increased its shareholder dividend payments during 2019. The dividend payout for 2019 totaled \$0.88 per share and increased by 4.76% over the prior year. The 2019 dividend payout also represents a 3.05% return to investors based on the current market price of Pioneer Bankshares, Inc stock as of the date of this release. Additionally, the Company's total dividend payout ratio as a percentage of earnings for common equity shareholders in 2019 was 32.76%, as compared to 36.78% in 2018.

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. 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. Other risk factors are detailed from time to time in our Securities and Exchange Commission filings. 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 year-end financial highlights for December 31, 2019 and December 31, 2018 are included in the tables below:

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

	<u>2019</u>		<u>2018</u>
	Unaudited		Audited
<b>Results of Operations</b>			
Interest and dividend income	\$ 10,973	\$	10,137
Interest expense	<u>1,361</u>		<u>1,032</u>
Net interest income	9,612		9,105
Provision for loan losses	<u>288</u>		<u>354</u>
Net interest income after provision for loan losses	9,324		8,751
Noninterest income	1,697		1,157
Noninterest expense	<u>8,099</u>		<u>7,477</u>
Income before income taxes	2,922		2,431
Income tax expense	<u>286</u>		<u>202</u>
Net Income	<u>\$ 2,636</u>	\$	<u>2,229</u>
 <b>Financial Condition, At Year End</b>			
Assets	\$ 232,499	\$	213,514
Deposits	195,884		177,491
Loans, net of allowance	189,889		167,201
Stockholders' Equity	31,022		28,862
 <b>Per Share Data</b>			
Net income per share, basic and diluted	\$ 2.69	\$	2.29
Dividends per share	.88		.84
Book value per share	31.56		29.53
 <b>Performance Ratios</b>			
Return on average assets <sup>1</sup>	1.20%		1.08%
Return on average equity <sup>1</sup>	8.82%		7.93%
Dividend payout ratio	32.76%		36.78%
Average equity to average assets <sup>1</sup>	13.61%		13.62%

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