

**PIONEER BANKSHARES, INC. ANNOUNCES  
2017 2<sup>nd</sup> QUARTER EARNINGS**

Stanley, VA, August 1, 2017-- Pioneer Bankshares, Inc., (OTC Bulletin Board: PNBI) parent company of Pioneer Bank, reported unaudited consolidated net income for the six month period ending June 30, 2017 of \$1.154 million or \$1.19 per share as compared to \$880,000 or \$0.91 per share through the 2<sup>nd</sup> quarter of 2016. The Company's earnings through June 30, 2017 resulted in an increase of \$274,000 or 31%, as compared to the same period for 2016. The overall net increase in earnings is primarily attributed to decreases in general operational expenses, a reduction in the provision for loan loss funding and realized gains on securities transactions.

The Company is pleased to report it has recently crossed the \$200 million milestone for total assets. Net asset growth for the six month period ending June 30, 2017 was \$7.6 million, bringing total assets to \$202.3 million as of June 30, 2017 compared to \$194.8 million as of June 30, 2016 and \$194.9 million as of December 31, 2016.

The Company's subsidiary, Pioneer Bank, had loan growth of \$4.0 million or 2.51% during the first six months of 2017 and a total of \$8.1 million or 5.18% in loan growth as compared to the same period for 2016. The total loan portfolio as of June 30, 2017 was \$164.8 million.

The bank has also increased its deposits by \$5.5 million during the first six months of 2017, with a total of \$10.6 million or 6.9% in deposit growth since June of 2016. Total deposits for the period ending June 30, 2017 were \$164.4 million.

The Company and its Bank subsidiary continue to maintain a strong capital position and are classified as well-capitalized with total consolidated capital of \$26.9 million. The Company's total number of outstanding common shares as of June 30, 2017 were 972,027.

The Company has issued dividend payments to shareholders during the first two quarters of 2017 at \$0.20 per share each quarter or \$0.40 total year-to-date through June 30, 2017. These dividend payments represent an increase of 5.26% over the prior year's quarterly dividend payments. These dividend payments represent an annualized yield and return to investors of 3.05% 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.