

PBKC

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Pioneer Bankcorp, Inc. (PBKC) is the bank holding company for First Bank

CLEWISTON, FL, April 30, 2019 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the year ended 2018.

For the year ended December 31, 2018, net income totaled \$3,267,019 or \$3.26 per fully diluted common share, compared with \$2,242,442 or \$2.24 per fully diluted common share earned for the year ended 2017. The increase in earnings results from an increase in net interest income and a reduction in the provision for income taxes due to the rate reductions in the Tax Cuts and Jobs Act.

Net interest income increased from \$11,766,778 for the year ended 2017 to \$12,923,719 in 2018 due to an increase in loans outstanding and a raising rate environment. The net interest margin increased from 3.89 percent for the year ended 2017 to 4.05 percent for the year ended 2018 due to a change in earning asset mix. Loan yields increased from 4.93 percent in 2017 to 5.07 percent in 2018 due to a rising rate environment. Income from investments increased due to a general increase in interest rates and increased footings. Investment interest income increased from \$425,746 for the year ended 2017 to \$571,525 for the year ended 2018, a 34 percent increase. The cost of funds increased from 0.29 for the year ended 2017 to 0.38 percent for the year ended 2018 as general interest rates increased. The increase in deposit cost was negated somewhat due to noninterest-bearing deposits making up a higher percentage of average deposits in 2018.

The provision for loan losses increased from \$51,000 for the year ended 2017 to \$400,000 for the year ended 2018. While the demand for provision is decreasing due to continuing improved credit quality, it is increasing from the 8% loan growth.

Noninterest income increased from \$2,890,761 for the year ended 2017 to \$2,990,292 during the same period in 2018. This increase was due to increased debit and credit card interchange and loan servicing income, and rental income. Noninterest expenses increased 2.2 percent from \$11,021,186 in 2017, to \$11,261,705 in 2018. This increase was primarily due to the cost of enhanced cyber security, depreciation and staffing costs and marketing for the new branches, and professional fees.

The allowance for loan loss reserves was \$3,925,310 or 1.47 percent of total loans as of December 31, 2018. Non-performing assets were .09 percent of total assets at December 31, 2018, compared to .55 percent on that date in 2017

Total assets as of December 31, 2018 were \$356,343,208, an increase of 6.0 percent from \$336,195,068 reported as of December 31, 2017. Total deposits as of December 31, 2018 were \$321,721,492, an increase of 5.9 percent from \$303,811,011 reported as of December 31, 2017. Net loans increased to \$242,634,938 at the end of 2017, compared to \$262,691,529, at the end of 2018, an 8.3 percent increase.

About Pioneer Bankcorp

Pioneer Bankcorp is the bank holding company for First Bank (the “Bank”) and is located at 300 East Sugarland Highway, Clewiston, Florida. Full-service branch offices are also located at 301 State Road 80 in Labelle, 101 South Berner Rd in Clewiston, 11741 Palm Beach Boulevard in Fort Myers, 24704 US Highway 27 in Moore Haven, 325 South Main Street in Belle Glade, and 316 North 15th Street in Immokalee.

First Bank is engaged in financial planning and the sale of brokerage service products under the trademark First1Financial.

First Bank can be found online at www.first1bank.com.

Non-GAAP Financial Measures

This report refers to the overhead efficiency ratio, which is computed by dividing non-interest expense by the sum of net interest income and non-interest income. This is a non-GAAP financial measure that we believe provides investors with important information regarding our operational efficiency. Comparison of our efficiency ratio with those of other companies may not be possible, because other companies may calculate the efficiency ratio differently. Such information is not in accordance with generally accepted accounting principles in the United States (GAAP) and should not be construed as such. Management believes such financial information is meaningful to the reader in understanding operating performance but cautions that such information not be viewed as a substitute for GAAP. Pioneer Bankcorp, in referring to its net income, is referring to income under GAAP.

Forward-Looking Statements

Information in this report may contain “forward-looking statements.” These statements reflect management's current beliefs as to the expected outcomes of future events and are

not guarantees of future performance. These statements involve certain risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. As such, actual results and outcomes may materially differ from what may be expressed or forecast in such forward-looking statements. Factors that could cause a difference include, among others: changes in the national and local economies or market conditions; changes in interest rates, deposit levels, loan demand and asset quality, including real estate and other collateral values; changes in banking regulations and accounting principles, policies or guidelines; and the impact of competition from traditional or new sources. These and other factors that may emerge could cause decisions and actual results to differ materially from current expectations. Pioneer Bankcorp takes no obligation to revise, update, or clarify forward-looking statements to reflect events or conditions after the date of this press release.

CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share amounts)

	December 31 2018		December 31 2017	
	(audited)		(audited)	
Total assets	\$ 356,343		\$ 336,195	
Total loans Net	262,692		242,635	
Investments	33,953		34,441	
Deposits	321,721		303,811	
Stockholders' equity	29,245		26,670	
Non-performing assets to total assets	.09	%	.55	%
Loans past due more than 90 days to total loans	0.11	%	0.52	%
Allowance for loan losses to total loans	1.47	%	1.43	%
Tangible book value per common share	\$ 29.18		\$ 26.61	

CONSOLIDATED FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share amounts)

	For the Year Ended December 31,	
	2018	2017
Interest income	\$14,227	\$ 12,746
Interest expense	1,303	980
Net interest income	12,924	11,767
Provision for loan losses	400	51
Net interest income after provision for loan losses	12,524	11,716
Noninterest income	2,990	2,891
Noninterest expense	11,262	11,021
Net income before taxes	4,252	3,585
Provision for income taxes	985	1,343
Net income	3,267	2,242
Net income available to common shareholders	\$ 3,267	\$ 2,242
Basic net income per share	\$ 3.26	\$ 2.24
Diluted net income per share	\$ 3.26	\$ 2.24
Return on average total assets (1)	.94%	.69 %
Return on average total equity (1)	11.70%	8.70 %
Yield on average interest earning assets	4.43%	4.18 %
Cost of funds	0.38%	0.29 %
Overhead efficiency ratio	69.89%	73.80 %
Net charge-offs/average loans	-0.01%	-0.02 %

(1) Annualized for all periods presented.

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