

# PBKC



*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 three months ended March 31, 2019. Comparisons to 2018 noted below are for the three months ended March 31, 2018.

The Company reported net income of \$795,000 or \$.79 per fully diluted common share, compared with \$862,000 or \$.86 per fully diluted common share earned in 2018. The decrease in earnings resulted from a loan workout transaction that generated extraordinary after tax income of \$101,000 in the first quarter of 2018. Net income, without this extraordinary item, is up \$34,000 or 5% over 2018.

Net interest income increased from \$3,112,000 in 2018 to \$3,241,000 in 2019 due to an increase in loans outstanding and a rising rate environment. The net interest margin decreased from 4.09 percent in 2018 to 4.06 percent in 2019 due to changes in the earning asset mix. Loan yields increased from 5.16 percent in 2018 to 5.24 percent in 2019 due to the rising rate environment. Income from investments increased from \$136,000 in 2018 to \$142,000 in 2019, a 4.4 percent increase due to a general increase in interest rates. The cost of funds increased from 0.31 percent in 2018 to 0.60 percent in 2019 from rising interest rates and as years of pent up low yield frustration spurred market competition. The increase in deposit costs was negated somewhat due to noninterest-bearing deposits making up a higher percentage of average deposits in 2018 and 2019.

The provision for loan losses was \$90,000 for both periods of 2018 and 2019. While the demand for provision is decreasing due to continuing improved credit quality, it is increasing from loan growth of 9.6%.

Noninterest income decreased from \$840,000 in 2018 to \$812,000 in 2019 as a result of decreased overdraft income and income from the sale of REO property in 2018. Noninterest expenses increased 6.9 percent from \$2,738,000 in 2018 to \$2,926,000 in 2019. This increase was primarily due to the cost of enhanced cyber security, depreciation and staffing costs, marketing for the new branches, and professional fees.

The allowance for loan loss reserves was \$4,027,000 or 1.52 percent of total loans as of March 31, 2019. Non-performing assets were .01 percent of total assets compared to .17 percent on that date in 2018.

Total assets as of March 31, 2019 were \$383,347,000, an increase of 4.4 percent from \$367,228,000 reported as of March 31, 2018. Total deposits as of March 31, 2019 were \$341,258,000, an increase of 1.9 percent from \$334,961,000 reported as of March 31, 2018. Net loans increased to \$261,725,000 at March 31, 2019, compared to \$238,708,000 at March 31, 2018, a 9.6 percent increase.

“We finalized a very successful capital campaign in March raising nearly \$6.8 million in common equity which secures a strong footing for future plans. We also had our first entry into the OTC Markets to be traded under the ticker symbol PBKC” stated President & Chief Executive Officer Carey Soud. “While normalized earnings grew 5% from March 31, 2018 to 2019, we have been swimming against the tide of significant startup costs for 2 branch openings in the past 3 years and these new locations are expected to provide significant growth and profitability opportunities in the future” noted Soud.

### **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 15<sup>th</sup> 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](http://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 press release 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.

For additional information, please contact  
Carey Soud, President & CEO,  
(863) 902-3423  
or Randy Wood, SVP & CFO  
(863) 902-3422

## CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share amounts)

	<b>3/31/2019</b>	<b>12/31/2018</b>	<b>3/31/2018</b>
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 383,347	\$ 356,343	\$ 367,228
Total loans Net	261,725	262,692	238,708
Investments	34,946	33,953	35,046
Deposits	341,258	321,721	334,961
Stockholder's equity	37,040	29,245	27,289
Non-performing assets to total assets	0.01%	0.09%	0.17%
Loans past due more than 90 days to total loans	0.00%	0.11%	0.22%
Allowance for loan losses to total loans	1.52%	1.47%	1.49%
Tangible book value per common share	\$ 30.70	\$ 29.18	\$ 27.23

	<b>For the three months ended March 31</b>	
	<b>2019</b>	<b>2018</b>
Interest income	\$ 3,755	\$ 3,384
Interest expense	514	272
Net interest income	3,241	3,112
Provision for loan losses	90	90
Net interest income after provision for loan losses	3,151	3,022
Noninterest income	812	840
Noninterest expense	2,926	2,738
Net income before taxes	1,037	1,124
Provision for income taxes	241	262
Net income	795	862
Net income available to common shareholders	795	862
Basic net income per share	0.79	0.86
Diluted net income per share	0.79	0.86
Return on average total assets (1)	0.86%	0.98%
Return on average total equity (1)	9.60%	12.78%
Yield on average interest earning assets	4.66%	4.41%
Cost of funds	0.60%	0.31%
Net yield on average interest earning assets	4.06%	4.09%
Overhead efficiency ratio	71.59%	68.62%
Net charge-offs/average loans	-0.02%	0.00%

(1) Annualized for all periods presented