



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

CLEWISTON, FL, October 28, 2019 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the nine months ended September 30, 2019. Comparisons to 2018 noted below are for the nine months ended September 30, 2018.

The Company reported net income of \$2,659,000 or \$2.26 per fully diluted common share, compared with \$2,404,000 or \$2.40 per fully diluted common share earned in 2018.

Net interest income increased from \$9,581,000 in 2018 to \$10,541,000 in 2019 due to an increase in loans outstanding and a rising rate environment. The net interest margin remained virtually unchanged at 4.03 percent in 2018 and 4.01 percent in 2019 even though cost of funds increased as described below. Loan yields increased from 5.05 percent in 2018 to 5.27 percent in 2019 due to the rising rate environment. Income from investments increased slightly from \$448,000 in 2018 to \$471,000 in 2019. The cost of funds increased from 0.34 percent in 2018 to 0.58 percent in 2019 from rising interest rates and increased 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.

Noninterest income decreased from \$2,245,000 in 2018 to \$2,202,000 in 2019 as a result of decreased overdraft income and income from the sale of REO property in 2018. Noninterest expenses increased 5.85% percent from \$8,430,000 in 2018 to \$8,923,000 in 2019. This increase was primarily due to the cost of enhanced cyber security, depreciation, staffing costs, marketing for the new branches and professional fees.

The provision for loan losses increased from \$270,000 in 2018 to \$330,000 2019, and the allowance for loan loss reserves was \$4,250,000 or 1.55 percent of total loans as of September 30, 2019. Non-performing assets were .08 percent of total assets compared to .25 percent on that date in 2018.

Total assets as of September 30, 2019 were \$386,038,000, an increase of 11.42 percent from \$346,466,000 reported as of September 30, 2018. Total deposits as of September

30, 2019 were \$343,254,000, an increase of 9.54 percent from \$313,351,000 reported as of September 30, 2018. Net loans increased to \$270,064,000 at September 30, 2019, compared to \$255,165,000 at September 30, 2018, a 5.84% percent increase.

“We continue to leverage the Balance Sheet as a result of the successful capital campaign in March raising nearly \$6.8 million in common equity which has supported 11% year over year asset growth. In the third quarter, our first PBKC shares traded on the OTC market and were qualified as DTC and DRS eligible enhancing our ability to trade. 2019 continues to be a record-breaking year in many areas; i.e. total earnings, loans and assets, deposits, and number of employees.” stated President & Chief Executive Officer Carey Soud. “Normalized earnings grew over 15% from September 30, 2018 to 2019, even against significant headwinds from added costs for two branch openings in the past three years,” said Soud.

“We could have just won the lottery” said Miller Couse, Chairman of PBKC in response to the September 30, 2019 Federal Aviation Administration Record of Decision approving the Airglades Airport into the Airport Investment Partnership Program. “This is a huge milestone which brings Hendry County one step closer to a new state of the art logistics complex handling perishable cargo from Latin America and a significant economic opportunity for the entire region” said Couse.

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 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.

(Dollars in thousands, except per share amounts)

	9/30/2019	12/31/2018	9/30/2018
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 386,038	\$ 356,343	\$ 346,466
Total loans, Net	270,064	262,692	255,165
Investments	42,638	33,953	35,768
Deposits	343,254	321,721	313,351
Stockholder's equity	37,629	29,245	28,518
Non-performing assets to total assets	0.08%	0.01%	0.25%
Loans past due more than 90 days to total loans	0.25%	0.11%	0.31%
Allowance for loan losses to total loans	1.55%	1.47%	1.46%
Tangible book value per common share	\$ 31.96	\$ 29.18	\$ 28.45

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share amounts)

**For the nine months
ended September 30th**

	2019	2018
Interest income	\$ 12,102	\$ 10,473
Interest expense	1,561	892
Net interest income	10,541	9,581
Provision for loan losses	330	270
Net interest income after provision for loan losses	10,211	9,311
Noninterest income	2,202	2,245
Noninterest expense	8,923	8,430
Net income before taxes	3,490	3,126
Provision for income taxes	832	722
Net income	2,659	2,404
Net income available to common shareholders	2,659	2,404
Basic net income per share	2.26	2.40
Diluted net income per share	2.26	2.40
Return on average total assets (1)	0.93%	0.91%
Return on average total equity (1)	10.09%	11.62%
Yield on average interest earning assets	4.59%	4.37%
Cost of funds	0.58%	0.34%
Net yield on average interest earning assets	4.01%	4.03%
Overhead efficiency ratio	69.12%	70.59%
Net charge-offs/average loans	0.00%	-0.01%

(1) Annualized for all periods presented

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