

PBKC

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

CLEWISTON, FL, January 31, 2020 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the twelve months ended December 31, 2019. Comparisons to 2018 noted below are for the twelve months ended December 31, 2018.

The Company reported net income of \$3,712,000 or \$3.15 per fully diluted common share, compared with \$3,267,000 or \$3.26 per fully diluted common share earned in 2018.

Net interest income increased from \$12,924,000 in 2018 to \$14,246,000 in 2019 due to an increase in loans outstanding, and loan yields increased from 5.07 percent to 5.27 percent. Income from investments increased from \$676,000 in 2018 to \$769,000 in 2019. The net interest margin decreased slightly from 4.05 percent in 2018 to 4.02 percent in 2019. This was due to the cost of funds increasing from 0.38 percent to 0.56 percent as a result of increased market competition. The increase in deposit costs was negated somewhat due to non-interest bearing deposits making up a higher percentage of average deposits in 2018 and 2019.

Non-interest income decreased from \$2,990,000 in 2018 to \$2,960,000 in 2019 as a result of decreased overdraft income and income from the sale of REO property in 2018. Non-interest expenses increased 5.58% percent from \$11,262,000 in 2018 to \$11,890,000 in 2019. This increase was primarily due to additional expense of depreciation, staffing costs and marketing for the new branches along with increased professional fees.

The provision for loan losses increased from \$400,000 in 2018 to \$445,000 in 2019, and the allowance for loan loss reserves was \$4,400,000 or 1.57 percent of total loans as of December 31, 2019. Non-performing assets were .05 percent of total assets compared to .09 percent on that date in 2018.

Total assets as of December 31, 2019 were \$395,408,000, an increase of 10.96 percent from \$356,343,000 reported as of December 31, 2018. Total deposits were \$351,847,000, an increase of 9.36 percent from \$321,721,000. Net loans increased to \$276,520,000 at December 31, 2019, compared to \$262,692,000 at December 31, 2018, a 5.26% percent increase.

“While we are never content but always THANKFUL, 2019 will remain in our memory as a year of new “firsts” for First Bank (PBKC) as we: finalized a successful capital campaign in March raising nearly \$6.8 million in common equity; traded on the OTC market and were qualified as DTC and DRS eligible enhancing our ability to trade; set new high-water marks in total earnings, loans, assets (breaking \$400MM), deposits, and number of employees.” stated President & Chief Executive Officer Carey Soud. “Normalized earnings grew over 17% from December 31, 2018 to 2019, despite significant added costs from two branch openings in the past three years. Looking ahead to 2020, we see an increasingly competitive marketplace for loans and deposits, stable credit quality, and will continue our pursuit of operational process improvements for efficiency such as implementing a new fully integrated loan platform. We will be refreshing our overdraft and investment service programs to generate additional non-interest income and will be renovating our Berner Road Branch in preparation for the airport expansion.” said Soud.

“Since the September 30, 2019 Federal Aviation Administration Record of Decision approving the Airglades Airport into the Airport Investment Partnership Program, the project continues to be forging ahead to bring Hendry County a new state of the art logistics complex handling perishable cargo from Latin America and a significant economic opportunity for the entire region. We continue to expect a 2020 financial close and beginning stages of construction.” said Miller Couse, Chairman of the Board.

About Pioneer Bankcorp

Pioneer Bankcorp, Inc. 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.

CONSOLIDATED FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share amounts)

	12/31/2019	12/31/2018
	(unaudited)	(audited)
Total assets	\$ 395,408	\$ 356,343
Total loans, Net	276,520	262,692
Investments	43,012	33,953
Deposits	351,847	321,721
Stockholder's equity	38,385	29,245
Non-performing assets to total assets	0.05%	0.09%
Loans past due more than 90 days to total loans	0.00%	0.11%
Allowance for loan losses to total loans	1.57%	1.47%
Tangible book value per common share	\$ 32.61	\$ 29.18

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

**For the twelve months
ended December 31st**

	2019	2018
Interest income	\$ 16,304	\$ 14,227
Interest expense	2,058	1,303
Net interest income	14,246	12,924
Provision for loan losses	445	400
Net interest income after provision for loan losses	13,801	12,524
Noninterest income	2,960	2,990
Noninterest expense	11,890	11,262
Net income before taxes	4,872	4,252
Provision for income taxes	1,160	985
Net income	3,712	3,267
Net income available to common shareholders	3,712	3,267
Basic net income per share	3.15	3.26
Diluted net income per share	3.15	3.26
Return on average total assets (1)	0.97%	0.94%
Return on average total equity (1)	10.37%	11.70%
Yield on average interest earning assets	4.58%	4.43%
Cost of funds	0.56%	0.38%
Net yield on average interest earning assets	4.02%	4.05%
Overhead efficiency ratio	68.22%	69.89%
Net charge-offs/average loans	-0.01%	-0.01%

(1) Annualized for all periods presented

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