



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

CLEWISTON, FL, July 31, 2020 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, reported earnings today for the six months ending June 30, 2020. Comparisons to 2020 noted below are for the six months ending June 30, 2019.

The Company reported net income of \$2,231,000 or \$1.94 per fully diluted common share, compared with \$1,738,000 or \$1.48 per fully diluted common share earned in 2019.

Net interest income increased from \$6,886,000 in 2019 to \$8,119,000 in 2020 due to an increase in loans outstanding, while loan yields decreased from 5.26 percent to 4.97 percent. Income from investments increased from \$342,000 in 2019 to \$425,000 in 2020. The net interest margin decreased from 4.01 percent in 2019 to 3.58 percent in 2020 as YOY market rates declined precipitously decreasing earning asset yields.

Non-interest income decreased 8.85 percent from \$1,500,000 in 2019 to \$1,367,000 in 2020 and non-interest expenses increased 1.82 percent from \$5,922,000 in 2019 to \$6,030,000 in 2020.

The provision for loan losses increased from \$180,000 in 2019 to \$600,000 in 2020. This increase is due to loan growth and the uncertainty of the current economy. The allowance for loan loss reserves was \$5,065,000 or 1.51 percent of total loans as of June 30, 2020, and non-performing assets were .02 percent of total assets compared to .08 percent on that date in 2019.

Total assets as of June 30, 2020 were \$486,948,000, an increase of 21.57 percent from \$400,538,000 reported as of June 30, 2019. Total deposits were \$441,548,000, an increase of 23.04 percent from \$358,867,000. Net loans increased to \$329,084,000 at June 30, 2020, compared to \$269,495,000 at June 30, 2019, a 22.11% percent increase.

“Our second quarter activity verified the old adage that *Change is the only constant in life* as we were thrust headlong into the PPP loan calamity. When the dust settled, we completed every loan application we received closing over 600 new loans totaling \$55MM and proved once again the pliability and agility of Community Banking. We certainly don’t expect the *New Normal* to last very long and the mad rush for PPP forgiveness will stress our human resources once again. In spite of the industry wide margin compression ensuing from the Fed rate cuts, our outlook for the remaining months of 2020 is for strong earnings from the PPP loans and fees and good loan demand although pricing is very competitive. Credit quality continues to remain stable at least for the near term”, stated President & Chief Executive Officer Carey Soud.

“After more than two months of closing our lobbies for “by appointment only” service, we reopened for business as usual in early June. No banking services were interrupted and our customers adapted well. While it appears the worst may not be over, we will remain vigilant to protect our staff and customers”, said Mr. Soud.

“The Corona virus became a huge headwind for the fresh flower and produce industry which slowed the progress of the Airglades International Airport project. We continue to expect a late 2020 or early 2021 financial close and the 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)

	6/30/2020	12/31/2019	6/30/2019
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 486,948	\$ 395,186	\$ 400,538
Total loans, Net	329,084	276,520	269,495
Investments	62,175	43,012	35,877
Deposits	441,548	351,182	358,867
Stockholder's equity	40,015	38,385	36,628
Non-performing assets to total assets	0.02%	0.05%	0.08%
Loans past due more than 90 days to total loans	0.00%	0.00%	0.00%
Allowance for loan losses to total loans	1.51%	1.57%	1.49%
Tangible book value per common share	\$ 34.87	\$ 32.61	\$ 31.11

**For the six months
ended June 30th**

	2020	2019
Interest income	\$ 8,931	\$ 7,941
Interest expense	812	1,055
Net interest income	8,119	6,886
Provision for loan losses	600	180
Net interest income after provision for loan losses	7,519	6,706
Noninterest income	1,367	1,500
Noninterest expense	6,030	5,922
Net income before taxes	2,856	2,284
Provision for income taxes	625	546
Net income	2,231	1,738
Net income available to common shareholders	2,231	1,738
Basic net income per share	1.94	1.48
Diluted net income per share	1.94	1.48
Return on average total assets (1)	1.02%	0.91%
Return on average total equity (1)	11.43%	10.14%
Yield on average interest earning assets	3.96%	4.61%
Cost of funds	0.39%	0.59%
Net yield on average interest earning assets	3.58%	4.01%
Overhead efficiency ratio	63.09%	69.69%
Net charge-offs/average loans	-0.04%	0.01%

(1) Annualized for all periods presented

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