



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

CLEWISTON, FL, May 11, 2020 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the three months ended March 31, 2020. Comparisons to 2020 noted below are for the three months ended March 31, 2019.

The Company reported net income of \$992,000 or \$.86 per fully diluted common share, compared with \$795,000 or \$.66 per fully diluted common share earned in 2019.

Net interest income increased from \$3,330,000 in 2019 to \$3,691,000 in 2020 due to an increase in loans outstanding, and loan yields increased from 5.24 percent to 5.32 percent. Income from investments increased from \$172,000 in 2019 to \$214,000 in 2020. The net interest margin decreased from 4.06 percent in 2019 to 3.87 percent in 2020 as YOY market rates declined precipitously decreasing earning asset yields.

Non-interest income decreased 1.84 percent from \$722,000 in 2019 to \$709,000 in 2020 and non-interest expenses increased .66 percent from \$2,926,000 in 2019 to \$2,945,000 in 2020.

The provision for loan losses increased from \$90,000 in 2019 to \$150,000 in 2020, and the allowance for loan loss reserves was \$4,552,000 or 1.63 percent of total loans as of March 31, 2020. Non-performing assets were .02 percent of total assets compared to .01 percent on that date in 2019.

Total assets as of March 31, 2020 were \$433,570,000, an increase of 13.10 percent from \$383,347,000 reported as of March 31, 2019. Total deposits were \$389,847,000, an increase of 14.24 percent from \$341,258,000. Net loans increased to \$273,618,000 at March 31, 2020, compared to \$261,725,000 at March 31, 2019, a 4.54% percent increase.

“Effective Friday March 20th, in order to protect our customers and staff from the virulent CV19, we decided to transition to drive-thru and e-banking services as well as “appointment only” interior traffic. No banking services were interrupted. These service levels remain through the date of this letter and we continue planning for a safe reopening sometime soon. Fortunately, no one on staff has tested positive and we will remain vigilant

to protect our staff and customers. Unfortunately, we are concerned about the impact on several sectors of the local economy like hospitality, food service and farming and the many small businesses that rely on these industries” stated President & Chief Executive Officer Carey Soud.

“Normalized earnings grew 25% from March 31, 2019 to 2020 and we continue to see good loan demand in a very competitive pricing marketplace. This coupled with the recent Fed rate cuts will continue the downward pressure on the NIM. Credit quality remains stable for now and we continue to pursue operational process improvements for efficiency such as a new fully integrated loan platform and refreshing our overdraft and investment service programs to generate additional non-interest income” said Soud.

“The Airglades International Airport project continued moving ahead when on March 2nd over 100 people gathered to celebrate the groundbreaking ceremony for the new \$2.1 million, 4,000-square-foot U.S. Customs and Border Protection (CBP) facility. We continue to expect a 2020 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)

	3/31/2020	12/31/2019	3/31/2019
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 433,570	\$ 395,186	\$ 383,347
Total loans, Net	273,618	276,520	261,725
Investments	48,080	43,012	34,946
Deposits	389,847	351,182	341,258
Stockholder's equity	38,664	38,385	37,040
Non-performing assets to total assets	0.02%	0.05%	0.01%
Loans past due more than 90 days to total loans	0.02%	0.00%	0.00%
Allowance for loan losses to total loans	1.63%	1.57%	1.52%
Tangible book value per common share	\$ 33.69	\$ 32.61	\$ 30.70

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

	For the three months ended March 31st	
	2020	2019
Interest income	\$ 4,162	\$ 3,844
Interest expense	471	514
Net interest income	3,691	3,330
Provision for loan losses	150	90
Net interest income after provision for loan losses	3,541	3,240
Noninterest income	709	722
Noninterest expense	2,945	2,926
Net income before taxes	1,305	1,037
Provision for income taxes	313	241
Net income	992	795
Net income available to common shareholders	992	795
Basic net income per share	0.86	0.66
Diluted net income per share	0.86	0.66
Return on average total assets (1)	0.96%	0.86%
Return on average total equity (1)	10.30%	9.60%
Yield on average interest earning assets	4.36%	4.66%
Cost of funds	0.49%	0.60%
Net yield on average interest earning assets	3.87%	4.06%
Overhead efficiency ratio	66.43%	71.59%
Net charge-offs/average loans	0.00%	-0.02%

(1) Annualized for all periods presented

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