



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

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

The Company reported net income of \$3,610,000 or \$3.15 per fully diluted common share, compared with \$2,659,000 or \$2.26 per fully diluted common share earned in 2019.

Net interest income increased from \$10,541,000 in 2019 to \$12,756,000 in 2020 due to an increase in loans outstanding, while loan yields decreased from 5.27 percent to 4.78 percent. Income from investments increased from \$544,780 in 2019 to \$673,224 in 2020. The net interest margin decreased from 4.02 percent in 2019 to 3.53 percent in 2020 as YOY market rates declined precipitously decreasing earning asset yields and the loan mix absorbed the 1% PPP loans.

Non-interest income decreased .55 percent from \$2,202,000 in 2019 to \$2,190,000 in 2020 and non-interest expenses increased 2.94 percent from \$8,923,000 in 2019 to \$9,185,000 in 2020.

The provision for loan losses increased from \$330,000 in 2019 to \$1,101,000 in 2020. This increase is due to loan growth and the uncertainty of the potential economic impact from COVID. The allowance for loan loss reserves was \$5,561,000 or 1.66 percent of total loans as of September 30, 2020, and non-performing assets were .01 percent of total assets compared to .08 percent on that date in 2019.

Total assets as of September 30, 2020 were \$482,113,000, an increase of 24.89 percent from \$386,038,000 reported as of September 30, 2019. Total deposits were \$435,717,000, an increase of 26.94 percent from \$343,254,000. Net loans, including \$54,791,000 in PPP loans, increased to \$329,050,000 at September 30, 2020, compared to \$270,064,000 at September 30, 2019, a 21.84 percent increase.

“While we are blessed to have a Sunshine State economy, it sure appears much easier to shut down economic growth than to restart it. Still, our new Non-PPP loan production continues to be fairly robust. For the first 9 months of 2019 we generated \$44.7 million in new loan production at an average yield of 5.39% as compared to new loan production in 2020 of \$67.2 million at an average yield of 4.47%. Our portfolio and secondary market mortgage business is booming as the new home construction industry has almost returned to levels we saw before the Great Recession and as the low rate market spurs refinancing. The Balance Sheet is also booming as we are tracking to break the \$500 million asset mark this year, something we never thought possible at the beginning of the year when assets were about \$400 million. Our longer range financial projections, prepared at the beginning of this year, forecast assets of \$466 million at the end of 2023.

Where do we go from here? Your guess is as good as mine, but we certainly anticipate some economic slowing, tighter margins, brutal competition, and some shrinkage as the forgiveness of PPP loans should evoke increased spending. Our 2021 budget process will be interesting. Yet, we are very pleased to be seeing no signs yet of a deterioration in credit quality”, stated President & Chief Executive Officer Carey Soud.

“We remain optimistic that the Airglades International Airport project will reach a financial close and begin construction in 2021. Also, mark your calendars for the Fall of 2022 for what will be a major commemorative celebration of our centennial anniversary.” 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)

	9/30/2020	12/31/2019	9/30/2019
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 482,113	\$ 395,186	\$ 386,038
Total loans, Net	329,050	276,520	270,064
Investments	72,558	43,012	42,638
Deposits	435,717	351,182	343,254
Stockholder's equity	41,498	38,385	37,629
Non-performing assets to total assets	0.01%	0.05%	0.08%
Loans past due more than 90 days to total loans	0.03%	0.00%	0.15%
Allowance for loan losses to total loans	1.66%	1.57%	1.55%
Tangible book value per common share	\$ 36.16	\$ 32.61	\$ 31.96

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

	2020	2019
Interest income	\$ 13,865	\$ 12,102
Interest expense	1,109	1,561
Net interest income	12,756	10,541
Provision for loan losses	1,101	330
Net interest income after provision for loan losses	11,655	10,211
Noninterest income	2,190	2,202
Noninterest expense	9,185	8,923
Net income before taxes	4,660	3,490
Provision for income taxes	1,050	832
Net income	3,610	2,659
Net income available to common shareholders	3,610	2,659
Basic net income per share	3.15	2.26
Diluted net income per share	3.15	2.26
Return on average total assets (1)	1.07%	0.93%
Return on average total equity (1)	12.14%	10.09%
Yield on average interest earning assets	3.86%	4.59%
Cost of funds	0.34%	0.58%
Net yield on average interest earning assets	3.53%	4.02%
Overhead efficiency ratio	61.00%	69.12%
Net charge-offs/average loans	-0.03%	0.00%

(1) Annualized for all periods presented

For additional information, please contact:

Carey Soud, President & CEO
(863) 902-3423

Randall N. Wood, SVP & CFO
(863) 902-3422