

PBKC

*First*¹*Bank*
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Pioneer Bankcorp, Inc. (PBKC) is the bank holding company for First Bank

CLEWISTON, FL, April 30, 2021 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the three months ended March 31, 2021. Comparisons to 2021 noted below are for the three months ending March 31, 2020.

The Company reported net income of \$1.4 million or \$1.25 per fully diluted common share, compared with \$.99 million or \$.86 per fully diluted common share earned in 2020.

Net interest income increased from \$3.69 million in 2020 to \$4.34 million in 2021 due to an increase in loans outstanding, and loan yields decreased from 5.3 % to 4.47 %. Income from investments increased slightly from \$210 thousand in 2020 to \$218 thousand in 2021. The net interest margin decreased from 3.87 % in 2020 to 3.23 % in 2021 as YOY market rates declined precipitously decreasing earning asset yields and the mix of 1% PPP loans diluted loan yields.

Non-interest income increased 11.0 % from \$709 thousand in 2020 to \$787 thousand in 2021 and non-interest expenses increased 8.8 % from \$2.95 million in 2020 to \$3.20 million in 2021.

The provision for loan losses decreased from \$150 thousand in 2020 to \$45 thousand in 2021, and the allowance for loan loss reserves was \$6.1 million or 1.78 % of total loans as of March 31, 2021. Non-performing assets were .00 % of total assets compared to .02 % on that date in 2020.

Total assets as of March 31, 2021 were \$552.7 million, an increase of 27 % from \$433.6 million reported as of March 31, 2020. Total deposits were \$505.1 million, an increase of 30 % from \$389.8 million. Net loans increased to \$335.3 million at March 31, 2021, compared to \$273.6 million at March 31, 2020, a 23 % increase.

“So what has changed at a predominantly rural community bank a year after the CV19 pandemic? Honestly, things look very much the same as they did before, except our foresight is in doubt. With the unexpected \$110 million or 30% growth in average deposits and 1,310 or 7% increase in new accounts, came the expected increase in ATM activity, active debit cards, interchange revenue, and Online/Mobile and Bill Pay Banking users. However, and unexpectedly, teller activity continues to increase as well, albeit mostly from new and growing locations. Is there a radical, fundamental paradigm shift in consumer behavior, not really, not here, not yet. What has changed is the rapid economic recovery from the low-rate environment, Federal stimulus, and our Governors “open for business” policy. Florida is BOOMING with new home construction experiencing labor and materials shortages and existing home inventory plummeting, and contract prices above the asking price appears to be the new norm. As the old Proverb says, “Make hay while the sun shines” and indeed we are as monthly new loan production topped \$25 million last December and again this February (excludes PPP). “Round 2 PPP has consumed far less of our productive human resources as we implemented a fully automated online process from application through funding,” stated President & Chief Executive Officer Carey Soud.

“We are very pleased with the overall condition of the Bank’s Asset Quality, Management, Earnings, Liquidity, and Rate Sensitivity. With March 31, 2021 Leverage and TRB capital at 8.21% and 13.88%, respectively, we are experiencing the moderate Capital stress that the industry at large is seeing in this fast growth environment, but it is acceptable and expected to improve as the bountiful stimulus flushes through,” said President Soud.

“The Airglades International Airport project continues moving ahead to an expected Final Record of Decision from the FAA and financial close during 2021. The beginning stages of construction will be hopefully in 2022. Mark your calendar as 2022 will be a very special year for First Bank as we are working on plans to celebrate a major milestone, our 100th Year Anniversary. A special Thank You to our shareholders, some of which have been with us since the very beginning,” 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)

	3/31/2021	12/31/2020	3/31/2020
	(unaudited)	(unaudited)	(unaudited)
Total assets	\$ 552,723	\$ 498,991	\$ 433,570
Total loans, Net	335,304	340,457	273,618
Investments	88,862	81,176	48,080
Deposits	505,134	452,940	389,847
Stockholder's equity	42,701	41,972	38,664
Tier one leverage ratio (bank only)	8.21%	8.47%	9.45%
Total risk-based capital ratio (bank only)	13.88%	13.77%	14.39%
Non-performing assets to total assets	0.00%	0.00%	0.02%
Loans past due more than 90 days to total loans	0.00%	0.27%	0.02%
Allowance for loan losses to total loans	1.78%	1.75%	1.63%
Tangible book value per common share	\$ 37.28	\$ 36.65	\$ 33.69

**For the three months
ended March 31st**

	2021	2020
Interest income	\$ 4,606	\$ 4,162
Interest expense	263	471
Net interest income	4,343	3,691
Provision for loan losses	45	150
Net interest income after provision for loan losses	4,298	3,541
Noninterest income	787	709
Noninterest expense	3,204	2,945
Net income before taxes	1,881	1,305
Provision for income taxes	445	313
Net income	1,437	992
Net income available to common shareholders	1,437	992
Basic net income per share	1.25	0.86
Diluted net income per share	1.25	0.86
Return on average total assets (1)	1.09%	0.96%
Return on average total equity (1)	13.57%	10.30%
Yield on average interest earning assets	3.44%	4.36%
Cost of funds	0.21%	0.49%
Net yield on average interest earning assets	3.23%	3.87%
Overhead efficiency ratio	62.05%	66.43%
Net charge-offs/average loans	0.00%	0.00%

(1) Annualized for all periods presented

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