

PBKC

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

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

The Company reported net income of \$2.65 million or \$2.31 per fully diluted common share, compared with \$2.23 million or \$1.94 per fully diluted common share earned in 2020.

Net interest income increased from \$8.12 million in 2020 to \$8.59 million in 2021 due to an increase in loans outstanding, and loan yields decreased from 4.97 % to 4.47 %. Income from investments increased from \$440 thousand in 2020 to \$504 thousand in 2021. The net interest margin decreased from 3.58 % in 2020 to 3.11 % in 2021 as year over year market rates declined precipitously decreasing earning asset yields and the mix of 1% Paycheck Protection Program (PPP) loans diluted loan yields.

Non-interest income increased 19.5 % from \$1.37 million in 2020 to \$1.63 million in 2021 and non-interest expenses increased 9.7 % from \$6 million in 2020 to \$6.6 million in 2021.

The provision for loan losses decreased from \$600 thousand in 2020 to \$150 thousand in 2021, and the allowance for loan loss reserves was \$6.2 million or 1.81 % of total loans as of June 30, 2021. Non-performing assets were .00 % of total assets compared to .02 % on that date in 2020.

Total assets as of June 30, 2021 were \$573.3 million, an increase of 17.7% from \$486.9 million reported as of June 30, 2020. Total deposits were \$525.4 million, an increase of 19% from \$441.5 million. Even after a \$35 million net reduction in PPP loans, net loans increased to \$333.8 million at June 30, 2021, compared to \$329 million at June 30, 2020, a 1.4 % increase.

“PPP Round 1 (2020) and Round 2 (2021) have finally drawn to a close with a combined total of nearly 1,000 loans for \$73MM in support of more than 10,000 local jobs. Less than \$1MM still remains unforgiven from Round 1 and no issues are anticipated. Not the good old fashioned Community Banking as we have known it, but a critical supply of capital for many small businesses and farmers for which they are outspokenly grateful. Our commitment to providing a Golden Rule standard of excellence in serving our customers; maintaining a vigilant cybersecurity protocol; improving financial and operational efficiency; as well as sustaining a healthy and safe environment for our customers and staff remain as priorities for us.” 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 June 30, 2021 Leverage and TRB capital at 7.77% and 14.09%, respectively, we are experiencing the moderate Capital stress that the industry at large is seeing in this fast growth environment, which now appears to be slowing.” said President Soud.

“The Airglades International Airport project received a nine-month extension from the FAA citing “that the enduring and disruptive effects of the COVID-19 pandemic, as in other parts of the aviation industry, continues to hamper efforts to obtain final commitments from growers, especially with increased remote celebrations, travel restrictions, and supply chain impediments”. However, the enthusiasm remains. We look for the project to push ahead to a close in 2022.” said Miller Couse, Chairman of the Board.

First Bank will celebrate its Centennial next year and celebratory activities will be shared at a later time.

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)

	6/30/2021	12/31/2020	6/30/2020
	(unaudited)	(audited)	(unaudited)
Total assets	\$ 573,325	\$ 499,033	\$ 486,948
Total loans, Net	333,805	340,457	329,084
Investments	111,633	84,397	62,175
Deposits	525,359	451,962	441,548
Stockholder's equity	43,617	41,972	40,015
Tier one leverage ratio (bank only)	7.77%	8.47%	8.40%
Total risk-based capital ratio (bank only)	14.09%	13.77%	14.56%
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%	0.00%
Allowance for loan losses to total loans	1.81%	1.75%	1.51%
Tangible book value per common share	\$ 38.08	\$ 36.65	\$ 34.87

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

	2021	2020
Interest income	\$ 9,115	\$ 8,931
Interest expense	520	812
Net interest income	8,596	8,119
Provision for loan losses	150	600
Net interest income after provision for loan losses	8,446	7,519
Noninterest income	1,634	1,367
Noninterest expense	6,617	6,030
Net income before taxes	3,463	2,856
Provision for income taxes	813	625
Net income	2,650	2,231
Net income available to common shareholders	2,650	2,231
Basic net income per share	2.31	1.94
Diluted net income per share	2.31	1.94
Return on average total assets (1)	0.98%	1.02%
Return on average total equity (1)	12.39%	11.43%
Yield on average interest earning assets	3.31%	3.96%
Cost of funds	0.19%	0.39%
Net yield on average interest earning assets	3.11%	3.58%
Overhead efficiency ratio	64.20%	63.09%
Net charge-offs/average loans	0.00%	-0.04%

(1) Annualized for all periods presented

For additional information, please contact:

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

or

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