

PBKC

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

CLEWISTON, FL, April 30, 2023 – Pioneer Bankcorp, Inc (OTC Markets: **PBKC**), the holding company for First Bank, today reported earnings for the three months ended March 31, 2023. Comparisons to 2022 noted below are for the three months ending March 31, 2022.

The Company reported net income of \$1.68 million or \$1.45 per fully diluted common share, compared with \$1.73 million or \$1.52 per fully diluted common share earned in 2022.

Loan yields increased from 4.54 % to 4.92 %, and net interest income increased slightly from \$4.97 million in 2022 to \$4.98 million in 2023. Income from investments increased from \$386 thousand in 2022 to \$799 thousand in 2023. The net interest margin remained the same at 2.97%, although the yield on earning assets and cost of funds both increased due to the rising rate environment over the past year.

Non-interest income increased 52% from \$942 thousand in 2022 to \$1.4 million in 2023 and non-interest expenses increased 17.06% from \$3.5 million in 2022 to \$4.1 million in 2023. The substantial increase in non-interest income is due in large part to higher fees earned through one-way sells in off-balance sheet deposit programs.

The provision for loan losses remained the same at \$105 thousand for both 2022 and 2023., and the allowance for loan loss reserves was \$6.6 million or 1.69 % of total loans as of March 31, 2023. CECL was implemented during the quarter which resulted in a decrease to the allowance of \$516,000 offset by a corresponding increase in the reserve for unfunded commitments required by CECL. Non-performing assets were .29 % of total assets.

Total assets as of March 31, 2023, were \$731.0 million, an increase of 12.9% from \$647.8 million reported as of March 31, 2022. Total deposits were \$672.6 million, an increase of 13.4% from \$593.3 million. Net loans increased to \$383.4 million at March 31, 2023, compared to \$348.3 million at March 31, 2022, a 10.1% increase.

“While we are hearing and seeing liquidity concerns in the industry, we have not experienced any issues and do not expect to. Our On Hand and Comprehensive Liquidity ratios drastically exceed our policy requirements. For example, our On Hand liquidity target is 15% and actual is over 40%. While unrealized investment losses are an industry-wide concern, First Bank has the capacity to hold all of our investments to maturity. At the end of 1Q23 we have over \$300 million in available liquidity without selling securities and \$114 million of that is in overnight funds” stated President and CEO Carey Soud.

“The decline in year over year NI and corresponding declines in ROAA and EPS was the result of the recognition of \$649 thousand in PPP fees in 1Q22. This represented most of our remaining PPP loans at the time. When adjusted for that one-time event, our core earnings are up significantly year over year. Cost of funds has increased significantly; however, we have maintained our 2.97% net yield on earning assets. Combined with our asset growth, maintaining our margin is the primary driver of the improvement in our core operating earnings” stated EVP and Chief Operations Officer, Andrew Couse.

“We continued to see strong deposit growth in the quarter. Much of which occurred in March, during the turmoil in the banking industry. This speaks highly of the reputation of First Bank and confidence that our communities have in both our brand and our management team.” continued Couse.

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 should 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)

	3/31/2023 (unaudited)	12/31/2022 (audited)	3/31/2022 (unaudited)
Total assets	\$ 731,009	\$ 691,197	\$ 647,760
Total loans, Net	383,404	389,940	348,297
Investments	176,319	164,356	151,971
Deposits	672,613	636,500	593,349
Stockholder's equity	44,983	42,655	41,888
Tier one leverage ratio (bank only)	8.44%	8.48%	8.42%
Total risk-based capital ratio (bank only)	15.45%	15.10%	15.19%
Non-performing assets to total assets	0.29%	0.31%	0.00%
Loans past due more than 90 days to total loans	0.29%	0.11%	0.00%
Allowance for loan losses to total loans	1.69%	1.77%	1.86%
Tangible book value per common share	\$ 38.79	\$ 36.78	\$ 36.67

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

	2023	2022
Interest income	\$ 6,706	\$ 5,228
Interest expense	1,723	263
Net interest income	4,983	4,965
Provision for loan losses	105	105
Net interest income after provision for loan losses	4,878	4,860
Noninterest income	1,436	942
Noninterest expense	4,120	3,520
Net income before taxes	2,194	2,282
Provision for income taxes	516	548
Net income	1,678	1,734
Net income available to common shareholders	1,678	1,734
Basic net income per share	1.45	1.52
Diluted net income per share	1.45	1.52
Return on average total assets (1)	0.94%	1.12%
Return on average total equity (1)	15.31%	16.03%
Yield on average interest earning assets	3.97%	3.12%
Cost of funds	1.04%	0.14%
Net yield on average interest earning assets	2.97%	2.97%
Overhead efficiency ratio	59.14%	58.27%
Net charge-offs/average loans	0.00%	-0.01%

(1) Annualized for all periods presented

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