



## **PRESS RELEASE**

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### **PB FINANCIAL CORPORATION REPORTS FOURTH QUARTER AND YEAR-END 2020 EARNINGS**

Rocky Mount, North Carolina... Ted E. Whitehurst, President and CEO of PB Financial Corporation (OTCQX:PBNC), the holding company (the "Company") for Providence Bank, announced today that the Company reported net income for the quarter ended December 31, 2020, of \$1,892,886 compared to \$1,733,759 for the same period in 2019, an increase of 9.18%. For 2020, net income was \$6,808,484 compared to \$7,124,414 for 2019, a decrease of 4.43%.

As of December 31, 2020, the Company reported total assets of \$586.6 million compared to \$478.3 million at December 31, 2019, an increase of 22.62%. Total deposits were \$456.4 million and gross loans were \$464.2 million at the end of 2020, compared to total deposits of \$354.3 million and gross loans of \$387.2 million at the end of 2019, increases of 28.80% and 19.88% respectively.

Whitehurst commented, "The Bank was able to grow total assets by over \$100 million in 2020 with double digit percentage growth in both loans and deposits. There was continued pressure on our net interest margin from the low rate environment caused by the COVID-19 pandemic. However, strong loan growth helped produce an increase in fourth quarter net income versus fourth quarter of last year. I'm confident in our ability to maintain a strong balance sheet and manage costs to provide consistent financial results for our shareholders. We are also actively involved in assisting businesses in our communities with the Small Business Administration's Paycheck Protection Program (PPP) which includes round one issued earlier in 2020 and round two that started in January, 2021. As of today, over half of our round one PPP loans have been forgiven."

For 2020, the Company had basic earnings of \$3.09 per share compared to basic earnings of \$3.25 per share in 2019, a decrease of 4.92%. The December 31, 2020, book value per common share was \$26.60, and the tangible book value per common share was \$24.54. In 2020, the Bank paid cash dividends of \$0.835 per share for each share of common stock outstanding, an increase of approximately 32.54% from the cash dividends paid in 2019. The Company has paid 36 consecutive quarterly cash dividends since it began paying cash dividends in the first quarter of 2012.

Providence Bank is a state-chartered community bank headquartered at 450 N. Winstead Avenue in Rocky Mount, North Carolina, with branches in Rocky Mount, Tarboro, Nashville, Wilson and Raleigh.

[www.pbknc.com](http://www.pbknc.com)

*This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding PB Financial Corporation. Those statements may include but are not limited to statements regarding the Company's plans, objectives, expectations and intentions and other statements identified by words such as "believes," "considers," "expects," "anticipates," "estimates," "intends," "plans," "targets," "projects," "would be," and similar expressions. These statements are based upon current beliefs and expectations of management of PB Financial Corporation and are subject to significant risks and uncertainties. Actual or future results or events may differ from those set forth in the forward-looking statements. PB Financial Corporation does not undertake to update any forward-looking statements in this press release. The information as of and for the quarters ended December 31, 2020 and December 31, 2019 as presented is unaudited.*

## PB Financial Corporation

### Consolidated Balance Sheets and Statements of Operations

#### Balance Sheets

In Thousands

##### Assets

	December 31, 2020 (unaudited)	December 31, 2019 *
Cash and due from banks	\$ 6,939	\$ 5,816
Interest-earning deposits with banks	56,301	38,742
Investment securities	32,551	19,733
Loans, gross	464,220	387,248
Allowance for loan losses	(4,592)	(3,602)
Other assets	31,140	30,403
Total assets	<u>\$ 586,559</u>	<u>\$ 478,340</u>

##### Liabilities and

##### Shareholders' Equity

Deposits	\$ 456,413	\$ 354,346
Borrowed funds	68,431	66,894
Other liabilities	3,614	3,149
Shareholders' Equity	<u>58,101</u>	<u>53,951</u>
Total liabilities and shareholders' equity	<u>\$ 586,559</u>	<u>\$ 478,340</u>

Book value per share	<u>\$ 26.60</u>	<u>\$ 24.38</u>
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#### Statements of Operations

In Thousands

	For the three months ended		For the twelve months ended	
	December 31, 2020 (unaudited)	December 31, 2019 (unaudited)	December 31, 2020 (unaudited)	December 31, 2019 (unaudited)
Interest income	\$ 6,019	\$ 5,605	\$ 23,365	\$ 22,762
Interest expense	1,486	1,498	6,325	5,854
Net interest income	<u>4,533</u>	<u>4,107</u>	<u>17,040</u>	<u>16,908</u>
Provision for loan losses	<u>164</u>	<u>191</u>	<u>1,245</u>	<u>474</u>
Net interest income after provision for loan losses	4,369	3,916	15,795	16,434
Non interest income	227	222	1,119	887
Non interest expense	<u>2,175</u>	<u>1,943</u>	<u>8,176</u>	<u>8,179</u>
Income before income taxes	2,421	2,195	8,738	9,142
Income tax expense	<u>528</u>	<u>461</u>	<u>1,930</u>	<u>2,018</u>
Net income	<u>\$ 1,893</u>	<u>\$ 1,734</u>	<u>\$ 6,808</u>	<u>\$ 7,124</u>
Net income per common share - basic	<u>\$ 0.86</u>	<u>\$ 0.79</u>	<u>\$ 3.09</u>	<u>\$ 3.25</u>
Net income per common share - diluted	<u>\$ 0.85</u>	<u>\$ 0.77</u>	<u>\$ 3.03</u>	<u>\$ 3.20</u>

\* Derived from audited financial statements