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For Immediate Release

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PIONEER BANK APPROVES PLAN OF MUTUAL HOLDING COMPANY REORGANIZATION AND MINORITY STOCK ISSUANCE

Pioneer Bank will remain independent and under local control under plan that will raise capital for new growth, the Pioneer Bank Foundation, and employee benefit plans

Albany, New York – Pioneer Bank announced today that its Board of Trustees has approved a Plan of Mutual Holding Company Reorganization and Minority Stock Issuance, which will allow Pioneer Bank to reorganize into a “two-tier” mutual holding company, and through a newly formed stock holding company may sell up to 49 percent of its shares of common stock to depositors, employees and others.

Under the plan, Pioneer Bank will form a mutual holding company and a stock holding company that will be a majority-owned subsidiary of the mutual holding company, and the sole stockholder of Pioneer Bank. Under this structure, there will be no change to the independence or the local control of Pioneer Bank.

The newly-formed stock holding company will offer up to 49 percent of its shares of common stock for sale to eligible depositors of Pioneer Bank, tax-qualified employee benefit plans of Pioneer Bank and other persons in a subscription offering. The amount of common stock to be offered for sale will be determined by an independent appraisal. Pioneer Bank also anticipates that a portion of the offering proceeds will be contributed to the Pioneer Bank Foundation, a non-profit organization committed to “helping kids be kids” in the Capital Region.

“We are very proud to continue building upon all that we have achieved as an organization, and to keep translating our successes into further investment in the Capital Region,” said Thomas Amell, President and Chief Executive Officer of Pioneer Bank. “Pioneer Bank remains committed to our community, our customers and our employees, and this milestone reorganization enables us to raise capital while still maintaining our mutuality.”

The plan approved by the Board of Trustees establishes December 31, 2017 as the eligibility record date for determining the eligible depositors of Pioneer Bank entitled to first priority non-transferable subscription rights to subscribe for shares of common stock in the subscription offering. If any shares of common stock remain unsold after the completion of the subscription offering, the unsold shares may be offered for sale in a

community offering, a syndicated community offering, a firm commitment offering, or a combination thereof.

Adoption of the Plan and the stock offering will not affect loans and deposit accounts at Pioneer Bank and all insured deposit accounts will remain insured by the Federal Deposit Insurance Corporation up to the applicable legal limit, without interruption.

The transactions contemplated by the plan are subject to regulatory approval or non-objection by the New York State Department of Financial Services, the Federal Deposit Insurance Corporation and the Board of Governors of the Federal Reserve System, as well as the approval of depositors of Pioneer Bank. The newly-formed stock holding company of Pioneer Bank will also file a registration statement for the offering of the shares of common stock with the Securities and Exchange Commission.

A prospectus and/or proxy statement, as applicable, containing detailed information about the Plan, the stock offering, and the business and financial information about the newly-formed stock holding company and Pioneer Bank will be sent to depositors of Pioneer Bank when available, which is currently anticipated to be in the second quarter of 2019.

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About Pioneer Bank - As a leading financial institution in New York's Capital Region, Pioneer Bank has more than \$1 billion in assets and operates 22 branches locally. Recognized as a "Best Places to Work" by the Albany Business Review six years running, Pioneer Bank delivers a world-class working environment for its employees and is continually evolving to meet the needs of its customers by offering new products, services and leading technologies. Pioneer Bank has earned a Five Star rating from Bauer Financial Inc. each quarter for more than a quarter-century – something only 5 percent of U.S. banks can claim. Pioneer Bank is committed to giving back to the communities in which it serves through the Pioneer Bank Foundation, which provides resources to nonprofit organizations that help improve the quality of life for children in the Capital Region. For more information on Pioneer Bank, please visit www.pioneerbanking.com.

This press release is neither an offer to sell nor a solicitation of an offer to buy common stock. The offer will be made only by means of the prospectus when accompanied by a stock order form. The shares of common stock are not savings accounts or savings deposits and are not insured by the Federal Deposit Insurance Corporation or any other government agency.

Forward-Looking Statements

Certain statements contained in this press release are "forward-looking statements." Forward looking statements may be identified by reference to a future period or by the use of forward looking terminology, such as "may," "will," "believe," "expect," "estimate," "anticipate," "continue" or similar terms. Forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to: the failure to obtain, or delays in obtaining, the requisite regulatory approvals for the reorganization; the failure to obtain the requisite depositor approval of the reorganization; and other risks that will be described in the prospectus of the newly-formed stock holding company of Pioneer Bank when available. Undue reliance should not be placed on any forward-looking statement, which speaks only as of the date made. Neither Pioneer Bank nor

any affiliate, including the newly-formed mutual holding company or stock holding company, undertake any obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.