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BUSINESS

Earnings at Pioneer Bank up amid rising interest rates

Bank reported more than \$2 billion in assets for first time in its history

Larry Rulison
Nov. 9, 2022



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Tom Amell, president and CEO of Pioneer Bank, announces the installation of a new electric vehicle charging station at the Albany-Shaker Road headquarters building on Thursday, July 21, 2022, in Colonie, N.Y. The company has seen its its earnings rise as a result of rising interest rates.
Will Waldron/Times Union

COLONIE - The parent company of Colonie-based Pioneer Bank reported net income of \$5.2 million for its fiscal first quarter that ended Sept. 30, a major increase over the same period last year in which the company made \$1.4 million.

Pioneer, one of the largest locally owned banks in the Capital Region with 22 locations, also reported that its total assets topped \$2 billion for the first time ever, a major milestone in the bank's history.

Pioneer's success during the quarter was largely due to rising interest rates that have come about as a result of the Federal Reserve increasing the benchmark interest rate several times this year as a means to combat historic price inflation.

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The bank has also been rapidly expanding its services and customer relationships since going public in 2019.

First quarter results were solid and up from the corresponding quarter in the prior year," Pioneer CEO Thomas Amell said in a statement issued Wednesday. "Pioneer is well positioned to benefit from the rising interest rate environment as can be seen from the growth in our net interest income and our net interest margin expansion during the quarter.

The positive earnings news comes after Pioneer had taken hits to its finances and reputation following a \$100 million bank fraud scheme that was orchestrated by one of its largest customers, businessman Michael Mann, who is now serving 12 years in federal prison after admitting to a dozen felonies. Pioneer lost \$36 million from the scheme although it has sought to recover a large portion of that through litigation.

Pioneer said its provision for loan losses - set asides that are used to protect the bank from bad loans, has actually gone down to \$120,000 from \$250,000 a year ago.

"The decrease in provision was primarily due to improved credit quality and lower net charge-offs," the bank said in its earnings release.

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