FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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PIONEER AMERICAN HOLDING CO CORP
CIK:**760731**| IRS No.: **232319931** | State of Incorp.:**PA** | Fiscal Year End: **1231**
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SIC: **6021** National commercial banks

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION
Washington DC 20549

QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF
THE SECURITIES EXCHANGE ACT OF 1934

For quarter ended March 31, 1995

Commission file number 0-14506

Pioneer American Holding Company, Corp.
(Exact name of registrant as specified in its charter)

Pennsylvania	23-2319931
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
41 North Main Street, Carbondale PA	18407
(Address of principal executive offices)	(Zip Code)

(717) 282-2662
(Registrant's telephone number including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by the Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter periods that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No .

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as the latest practical date.

Common Stock, $10.00 Par Value--1,390,420 common shares as of March 31, 1995.

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PART II. OTHER INFORMATION

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PIONEER AMERICAN HOLDING COMPANY, CORP.
Consolidated Balance Sheets (Unaudited)

(Dollars in thousands)

Assets	March 31, 1995	December 31, 1994	March 31, 1994
<S>	<C>	<C>	<C>
Cash and due from banks	$ 10,888	11,489	9,577
Federal funds sold	5,750	--	3,000
Mortgage loans held for sale	--	--	3,055
Securities available for sale (cost of securities of $50,500 on March 31, 1995, $53,186 on December 31, 1994 and $57,265 on March 31, 1994)			
U.S. Treasury securities	3,602	3,532	3,735
Federal agency mortgage based obligations	16,278	17,012	22,349
Other obligations of Federal agencies	27,266	28,199	31,539
Other securities	1,959	1,724	296
Total securities available for sale	49,105	50,467	57,919
Investment securities (approximate market value of $51,199 on March 31, 1995, $50,479 on Dec. 31, 1994 and $23,734 on March 31, 1994)			
U.S. Treasury securities	--	415	--
Other obligations of Federal agencies	39,750	39,767	13,806
Obligations of states and political subdivisions	12,078	12,424	11,371
Corporate notes	199	299	299
Other securities	10	10	10
Total investment securities	52,037	52,915	25,486
Loans, net of unearned discount and deferred loan fees	184,481	179,872	160,254
Allowance for possible loan losses	(2,756)	(2,699)	(2,728)
Net loans	181,725	177,173	157,526
Accrued interest receivable	2,573	3,023	2,094
Premises and equipment	3,564	3,462	3,095
Other real estate owned	869	824	1,037
Other assets	2,608	2,310	1,992
Cost in excess of fair value of net assets acquired (net of accumulated amortization of $807 March 31, 1995, $798 December 31, 1994 and $769 March 31, 1994)	736	745	774
Total assets	$309,855	302,408	265,555

</TABLE>

<TABLE>
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PIONEER AMERICAN HOLDING COMPANY, CORP.
Consolidated Balance Sheets, Continued (Unaudited)

(Dollars in thousands)

Liabilities and Stockholders' Equity	March 31, 1995	December 31, 1994	March 31, 1994

<S> <C> <C> <C>

Deposits			
Demand -- noninterest bearing	$ 29,622	29,157	24,186
NOW and Super NOW	15,653	16,526	16,611
Savings	55,594	55,333	57,110
Money Market	22,854	24,824	26,643
Time	155,552	144,878	112,722
Total deposits	279,275	270,718	237,272
Accrued interest payable	2,220	1,716	1,140
Dividends payable	417	416	389
Short term borrowings	--	3,150	--
Note payable	275	275	--
Other liabilities	1,427	1,155	952
Total liabilities	283,614	277,430	239,753
Stockholders' equity:			
Common stock, $10 par value per share, 25,000,000 shares authorized; 1,390,420 shares on March 31, 1995, 1,387,445 on Dec. 31, 1994 and 1,387,445 on March 31, 1994 issued and outstanding	13,904	13,875	13,874
Additional paid-in capital	62	92	92
Undivided profits	13,196	12,806	11,404
Net unrealized holding gains (losses) on available for sale securities	(921)	(1,795)	432
Total stockholders' equity	26,241	24,978	25,802
Total liabilities and stockholders' equity	$309,855	302,408	265,555

</TABLE>

<TABLE>
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PIONEER AMERICAN HOLDING COMPANY, CORP.
Consolidated Statements of Income (Unaudited)

<S> <C> <C>

	Three Months Ended (Dollars in thousands)	
	March 31, 1995	March 31, 1994
Interest income:		
Interest and fees on loans	$ 4,050	3,518
Interest on Federal funds sold	22	48
Interest on investments:		
Taxable	1,421	997
Non-taxable	177	167
Total interest income	5,670	4,730
Interest expense:		
Interest on other borrowed money & note payable	21	--
Interest on deposits	2,531	1,733
Total interest expense	2,552	1,733
Net interest income	3,118	2,997
Provision for possible loan losses	120	130
Net interest income after provision for loan losses	2,998	2,867
Other operating income:		
Service charges on deposit accounts	201	177
Gains on sales of securities available for sale	7	7
Other income	187	132
Total other operating income	395	316
Other operating expenses:		
Salaries and employee benefits	1,159	1,052
Net occupancy expense of bank premises	194	183
Furniture and equipment expenses	131	134
Data processing expense	91	81
FDIC Insurance	154	134

Other expenses	587	455
Total other operating expenses	2,316	2,039
Income before income taxes and cumulative effect of change in accounting principle	1,077	1,144
Income tax expense	270	320
Income before cumulative effect of change in accounting principle	807	824
Cumulative effect of change in accounting for income taxes	--	--
Net income	$ 807	824
Per Share Data:		
Income before cumulative effect of change in accounting principle	0.56	0.58
Cumulative effect of change in accounting for income taxes	--	--
Net income per common share equivalent	$ 0.56	0.58
Weighted average common share and share equivalents	1,448,444	1,421,098

</TABLE>

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PIONEER AMERICAN HOLDING COMPANY, CORP.
Consolidated Statements of Cash Flows (Unaudited)

	(Dollars in thousands)	
	March 31, 1995	March 31, 1994
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	$ 807	824
Adjustments to reconcile net income to net cash from operating activities:		
Net gain on sales of securities available for sale	(7)	(7)
Accretion of discount on securities and money market investments	(15)	(15)
Amortization of premium on investment securities	43	31
Provision for possible loan losses	120	130
Increase (decrease) in deferred loan fees	8	(49)
Decrease (increase) in accrued interest receivable	449	(28)
Depreciation and amortization of premises and equipment	199	172
Loss (gain) on sales of premises and equipment	--	(1)
Loss on sale of other real estate	24	2
Gain on sale of mortgage and PHEAA loans	(2)	(7)
Increase in other assets	(748)	(1,117)
Amortization of goodwill	10	10
Increase in accrued interest payable	504	89
Increase (decrease) in other liabilities	272	59
Total adjustments to reconcile net income to net cash from operating activities	857	(731)
Net cash from operating activities	1,664	93
Cash flows from investing activities:		
Proceeds from maturities of investment securities and securities available for sale	1,255	2,070
Proceeds from sales of securities available for sale	3,017	2,619
Purchases of investment securities and securities available for sale	(729)	(7,187)
Proceeds from the sale of mortgage and PHEAA loans	145	3,465
Net (increase) decrease in loans made to customers, excluding provision for loan losses and change in deferred loan fees	(5,055)	(2,968)
Acquisition of premises and equipment	(301)	(70)

Proceeds from sales of premises and equipment	--	17
Proceeds from sale of other real estate	162	241
Net cash used in investing activities	(1,506)	(1,813)

</TABLE>

<TABLE>
<CAPTION>
PIONEER AMERICAN HOLDING COMPANY, CORP.
Consolidated Statements of Cash Flows, Continued (Unaudited)

	(Dollars in thousands)	
	March 31, 1995	March 31, 1994
<S>	<C>	<C>
Cash flows from financing activities:		
Net increase in demand, NOW and Super NOW, savings, money market and time deposits.	$ 8,557	(283)
Dividends paid	(416)	(379)
Other borrowed money	(3,150)	--
Exercise of stock options	--	149
Net cash from financing activities	4,991	(513)
Net increase (decrease) in cash and cash equivalents	5,149	(2,233)
Cash and cash equivalents at beginning of year	11,489	14,810
Cash and cash equivalents at end of year	$16,638	12,577
Supplemental Disclosure:		
Cash payments for interest	2,048	1,644
Cash payments for income taxes	400	475
Transfer of assets from loans to other real estate	232	--
Net unrealized loss (gain) on securities available for sale	1,395	(654)
Tax effect on unrealized loss (gain) on securities available for sale	474	(222)

</TABLE>

Notes to Condensed Consolidated Financial Statements

(1) Summary of Significant Accounting Policies:

Business--Pioneer American Holding Company Corp. (the "Company") and its wholly owned subsidiary, Pioneer American Bank, National Association ("Pioneer") provide a wide range of banking services to individual and corporate customers through its branch banks in Lackawanna, Luzerne and Wayne counties in Pennsylvania. Pioneer is subject to competition from other financial institutions and other financial services companies. Pioneer is subject to the regulations of certain federal agencies and undergoes periodic examinations by those regulatory authorities.

Basis of Financial Statement Presentation--The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles and include the accounts of the Company and its wholly-owned subsidiary, Pioneer. All material intercompany balances and transactions between the Company and its subsidiary have been eliminated. In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of date of the balance sheet and revenues and expenses for the period. Actual results could differ significantly from those estimates.

Material estimates that are particularly susceptible to significant change in the near-term relate to the determination of the allowance for possible loan losses and the valuation of real estate acquired in connection with foreclosures or in satisfaction of loans. In connection with the determination of the allowances for possible loan losses and real estate owned, management obtains independent appraisals for significant properties to the extent considered practical.

Mortgage Loans Held for Sale--The Company has identified certain loans as held for sale. These loans consist primarily of fixed rate residential mortgages and are recorded at the lower of cost or estimated market value.

Securities Available for Sale--Securities available for sale are accounted for at fair value and the unrealized gains and losses are accounted for as a separate component of stockholders equity, net of tax.

Investment Securities Held to Maturity--Investment securities held to maturity are carried at cost, adjusted for the amortization of the related premiums or the accretion of the related discounts into interest income using a method which approximates level-yield over the estimated remaining period until maturity. The Company believes it has the intent and ability to hold to maturity its portfolio of investment securities as part of its portfolio of long-term interest earning assets.

Interest Revenue and Expenses--Interest revenue and expenses are accrued on various methods which approximate a level or cost when related to principal amounts outstanding. Unearned discount on loans is amortized to income by a method which also approximates a level yield on the principal amounts outstanding.

Loan Fees--Loan origination fees and direct loan origination costs are recognized over the life of the related loan as an adjustment of the loan's yield.

Non-accrual Loans--The accrual of interest on loans is discontinued when payment of principal or interest is considered doubtful of collection. Loans on which payments are ninety days or more past due are considered non-accrual unless the loan is both well secured and in the process of collection. When interest accrual is discontinued, the interest receivable which was previously credited to income is reversed.

(1) Summary of Significant Accounting Policies, continued:

Allowance for Possible Loan Losses--The Provision for possible loan losses charged to operating expenses reflects the amount deemed appropriate by management to produce a reserve adequate to meet the present risk characteristics of Pioneer's loan portfolio. Management's judgment is based on the evaluation of individual loans and their overall risk characteristics, past experiences with respect to the relationship of its loan losses to the loan portfolio, the assessment of current economic conditions and other relevant factors.

Management believes that the allowance for possible loan losses is adequate. While management uses available information to make its evaluations, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluations. In addition, various regulatory agencies, as an integral part of their examination process, periodically review Pioneer's allowance for possible loan losses. Such agencies may require Pioneer to recognize additions to the allowances based on their judgments about information available to them at the time of their examination.

Premises and Equipment--Premises and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed on a straight-line basis over the estimated lives of the related assets as follows: building 20-33 years; building and land improvements 5-10 years; equipment 3-12 years; and leasehold improvements over 10-15 years. No depreciation is taken on capital projects-in-progress until such projects are completed and placed in service. Maintenance and repairs are charged to operations as incurred.

Other Real Estate Owned--Other real estate owned consists of real estate acquired through foreclosure and is stated at the lower of estimated fair value, less estimated disposal costs, or cost. Allowances for declines in value subsequent to acquisition were not necessary at both March 31, 1995 and 1994. While management uses the best information available to make its evaluations, future adjustments to the valuation of other real estate may be necessary if economic conditions differ significantly from the assumption used in making the evaluation.

Cost in Excess of Fair Value of Net Assets Acquired--Cost in excess of fair value of net assets acquired arose from an acquisition in 1976 and is being amortized on a straight-line basis over a period of 40 years.

Income Taxes-- Effective January 1, 1994 the Company adopted Financial Accounting Standards Board (FASB) Statement No. 109, Accounting for Income Taxes, (SFAS No. 109) which changes the method by which the Company accounts for deferred income taxes. Under SFAS No. 109, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled.

Prior to 1994, the Company accounted for income taxes in accordance with Accounting Principles Board Opinion No. 11. Accordingly, certain income and expense items were recognized differently for financial reporting purposes than for income tax purposes. Provisions for deferred taxes were made to recognize those timing differences.

Cash and Cash Equivalents-- For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and Federal funds sold. Generally, Federal funds are sold for one-day periods.

(1) Summary of Significant Accounting Policies, continued:

Recently Issued Accounting Standards--In December 1990, the FASB adopted Statement of Financial Accounting Standards (SFAS) No. 106, Employers' Accounting for Postretirement Benefits Other than Pensions. Since the Company provided no such benefits, implementation of SFAS No. 106 has had no effect on its financial statements.

In November 1992, the FASB issued Statement of Financial Accounting Standards 112, Employers' Accounting for Postemployment Benefits. This statement is effective for fiscal years beginning after December 15, 1994. Generally, the Company does not offer postemployment benefits as defined in this Statement. The Company believes implementation of this Statement will not have a material effect on its financial statements.

In 1994, the FASB issued Statement of Financial Accounting standards (SFAS) No. 114, Accounting by Creditors for Impairment of Loans. SFAS No. 114 requires certain impaired loans to be measured based on the present value of expected future cash flows discounted at the loan's effective interest rate, the loan's market price or the fair value of the collateral if the loan is collateral dependent. This statement is effective for fiscal years beginning after December 15, 1994 and will be reflected on a prospective basis. The Company believes implementation of this statement will not have a material effect on its financial condition.

(2) Investment Securities

During the quarter ended March 31, 1995, the Company adopted Financial Accounting Standards Board Statement No. 115, Accounting for Certain Investments in Debt and Equity Securities (SFAS No. 115) which changes the accounting and reporting for investments in equity securities that have readily determinable fair values and for all investments in debt securities.

The Company prospectively adopted SFAS No. 115 on January 1, 1994. The effect of this change was the classification of applicable investments in three categories consisting of held-to-maturity, trading and available for sale. Trading securities are bought and held principally for the purpose of selling them in the near term. Trading securities are accounted for at their fair value with the unrealized gains and losses included in current earnings. The Company has not classified any of it's investments as trading during the first three months ended March 31, 1995. All other securities not included in trading or held to maturity are classified as available for sale.

Securities available for sale are accounted for at fair value. Unrealized gains and losses on securities available for sale are accounted for as a separate component of stockholders' equity, net of tax.

(2) Continued:

Securities available for sale at March 31, 1995, December 31, 1994 and March 31, 1994 are summarized as follows:

<TABLE>
<CAPTION>

	March 31, 1995	December 31, 1994	March 31, 1994

<S>	Cost <C>	Market Value <C>	Cost <C>	Market Value <C>	Cost <C>	Market Value <C>
U.S. Treasury Securities	$ 3,504	3,602	3,506	3,532	3,513	3,735
Federal agency mortgage based obligations	17,109	16,278	18,513	17,012	22,424	22,349
Other obligations of Federal agencies	27,928	27,266	29,443	28,199	31,032	31,539
Other Securities	1,959	1,959	1,724	1,724	296	296
Securities available for sale:	$50,500	49,105	53,186	50,467	57,265	57,919

</TABLE>

The adjustment in stockholders' equity for the unrealized loss of the securities available for sale at March 31, 1995, net of tax, was $921,000. Included in net deferred tax assets is $474,000 for this same unrealized loss.

Held-to-maturity securities are those securities for which the Company has the ability and interest to hold the security until maturity. These securities are accounted for at amortized cost. Securities at March 31, 1995, December 31, 1994 and March 31, 1994 consist of held-to-maturity securities are summarized as follows:

<TABLE>
<CAPTION>

	March 31, 1995		December 31, 1994		March 31, 1994	
<S>	Cost <C>	Market Value <C>	Cost <C>	Market Value <C>	Cost <C>	Market Value <C>
U.S. Treasury Securities	$ --	--	415	415	--	--
Other obligations of Federal Agencies	39,750	38,865	39,767	37,704	13,806	11,565
Obligations of States and Political subdivisions	12,078	12,123	12,424	12,049	11,371	11,837
Corporate Notes	199	202	299	302	299	322
Other Securities	10	9	10	9	10	10
Investment Securities	$52,037	51,199	52,915	50,479	25,486	23,734

</TABLE>

(3) Restrictions on Cash and Due from Banks--Pioneer is required to maintain certain average reserve balances as established by the Federal Reserve Bank. The amount of those reserve balances for the reserve computation period which included March 31, 1995 was $1,116,000 which amount was satisfied through the restriction of vault cash.

Pioneer is also required to maintain certain balances at correspondent banks based upon activity with the correspondent. At March 31, 1995, the amount of such balances was $49,000.

(4) Stockholders' Equity and Per Share Data-- In the fourth quarter of 1993 the Company's Board of Directors declared a two for one stock split effected in the form of a stock dividend which was approved by the Company's shareholders. The split was effective on February 7, 1994. Also approved was an increase in the number authorized shares of common stock from 1,000,000 ($10 par value) to 25,000,000 ($10 par value). These financial statements have been adjusted to reflect the stock split.

At March 31, 1995 there were 25,000,000 shares of common stock at $10 par value authorized with 1,390,420 shares issued and outstanding.

Through March 31, 1995 the Company has issued and outstanding 129,154 options to purchase shares of the Company, exercisable at between $16.00 to $26.00 per share. In the first quarter Officers of the Company exercised 5,475 of previously issued options.

The market value of the common shares of the Company at March 31, 1995 was $35.50. The impact of all the options issued and outstanding on the calculation of earnings per share was additional incremental common stock equivalents of 58,024 shares.

(5) Employee Benefit Plan--The Bank has an employee stock ownership plan which includes substantially all employees who have at least one year of service. During 1989 and 1990, Pioneer American Bank, N.A. Employee Stock Ownership Plan (ESOP) obtained lines of credit from another financial institution in the amount of $650,000 of which there was no outstanding balance at March 31, 1995 and 1994, respectively.

The Bank has a savings and investment plan. Employees who have completed one year of service with 1,000 hours of employment during that year are eligible to participate.

The Company maintains employment contracts with its President, Senior Executive Vice President and Chief Operations Officer. The Company also maintains insurance contracts for its President and Executive Vice President.

Financial Review Management's Discussion and Analysis of Financial Condition and Result of Operation

Highlights

Total Assets were $309,855,000 at March 31, 1995 and $265,555,000 at March 31, 1994 which is an increase of $44,300,000 or 16.7%. Deposits increased by $42,003,000 from $237,272,000 at March 31, 1994 which is an increase of 17.7% at March 31 of 1995. The increase in deposits was the result of a special certificate of deposit that was offered during the month of July, 1994 which increased time deposits approximately 17.2%. In addition, demand deposits non-interest bearing grew approximately 22.5% through retail growth. These new monies were used to fund retail loan growth and securities purchases. Total loan volume as of March 31, 1994 stood at $160,581,000, increasing by $21,144,000 or 13.2% to $181,725,000 at March 31, 1995. At March 31, 1995, total assets increase $7,447,000 over December 31, 1994, deposits increased $8,557,000 or 3.2% and loans increased $4,552,000 or 2.6%.

The average earning assets were $283,257,000 during the three months ended March 31, 1995 and $246,871,000 during the three months ended March 31, 1994. This is an increase of $36,386,000 or 14.7%.

Average total assets during the three months ended March 31, 1995 were $304,521,000 and $264,331,000 for the three months ended March 31, 1994. The return on average total assets was 1.1% for the three months ended March 31, 1995 and 1.2% for the same period of 1994. Return on average equity for the first three months of 1995 and 1994 were 12.8% and 13.2% respectively. Average equity for both periods was $25,136,000 for the first three months of 1994 and $24,991,000 for the first three months of 1994.

Net Interest Revenue

Net interest income for the first three months of 1995 increased $121,000 or 4.0% compared with the same period of 1994. While total interest revenue increased $940,000 or 19.9%, interest paid increased by $819,000 or 47.3% resulting in a net effect of a increase of $121,000 or 4.0% in net interest income. The increase in interest income from the change in the volume of assets was primarily a result of an increase in the securitues portfolio. This increase was offset by an increase in the volume interest bearing deposits which increased interest expense. Net income per share was $.56 for the first three months of 1995 compared to $.58 for the first three months of 1994. Earnings per share data is based on share equivalent of 1,448,444 March 31, 1995 and 1,421,098 shares March 31, 1994. Net income decreased $17,000 or 2.1% comparing the first three months of 1995 to the first three months of 1994, and is attributed to an increase in other expenses of 29.% in 1995. The increase in 1995 is do to fees incurred for the partial outsourcing of the internal audit function and normal increases in other miscellaneous expense.

Provision and Reserve for Possible Loan Losses

	Three Months Ended March 31, 1995	1994
Balance at beginning of period	$2,699,000	2,604,000
Recoveries	15,000	36,000
Less: Charge Offs	78,000	42,000
Provision for Loan Losses	120,000	130,000
Balance at end of period	$2,756,000	2,728,000

The provision for possible loan losses for the first three months of 1995 amounted to $120,000. It was $130,000 for the first three months of 1994. Net charges offs for the first three months of 1995 totaled $63,000 while net charge offs for the same period of 1994 were $6,000. The ratio of net charge offs during the first three months of 1995 to average loans outstanding during the same period was .04% and for the first three months of 1994 was .004%.

The reserve for possible loan losses at March 31, 1995 totaled $2,756,000, increasing $28,000, 1.0% from $2,728,000 at March 31, 1994. These additions have brought the Company ratio of reserve for possible loan losses to total loans outstanding to 1.5% at March 31, 1995, and the same ratio as of March 31, 1994 was 1.7%.

Other Operating Revenue

Other operating revenue for the first three months of 1994 was $316,000 increasing 25.0% to $395,000 reported for the first three months of 1995. Included in other income in 1995 was $70,000 from life insurance proceeds due to the death of a bank director. This represented the largest increase in total other operating revenue, comparing the first three months of 1995 to the first three months of 1994. Service charge income on deposit accounts increased in 1995 due to an increase in the fees collected for returned items.

Other Operating Expenses

Total other operating expenses were $2,039,000 in the first three months of 1994 while other operating expenses were $2,316,000 in the first three months of 1995; reflecting a increase of $277,000 or 13.6% for the first three months of 1995. Other expenses increased $132,000 or 29.0% comparing the first three months of 1995 to the first three months of 1994. Salaries and employee benefits which represent the most significant portion of non-interest expenses, increased by 10.2%. The 1995 increase is attributed to normal salary and benefit increases and an increase in full time equivalents which included the addition of staff for three new branches opened in 1994.

Income Taxes

The provision for income taxes for the first three months of 1995 was $270,000 and $320,000 for the first three months of 1994. This reflects the current tax rates and the level of income for both periods. This is the estimated provision for income tax for the period as determined by operations of the corporation.

Non-Performing Loans

Non-performing loans are listed as follows:

	03/31/95	03/31/94
Non Accrual	$ 200,000	$ 580,000
Loans 90 days or more past due	1,792,000	2,620,000
Restructured	1,071,000	756,000
	$3,063,000	$3,956,000

The loan loss reserve as of March 31, 1995 has been deemed adequate by management. The allowance for loan loss as of March 31, 1995 was $2,756,000. This amount is sufficient to cover inherent losses given the moderate past due, nonperforming and classified levels. Determination for loan loss reserve adequacy follows the guidelines in the Comptroller's Banking Circular No.201(revised), including risk loss analysis, specific allocations for problematic credits and provision for class loans.

Capital Management and Liquidity and Rate Sensitivity

The objectives of the Corporation's capital management policy places and emphasis on both current financial positioning and future capital needs based on anticipated growth. These objectives are maintained by management which monitors its liquidity requirements though its asset/liability management program. This program, with other management analysis, enables the bank to meet its cash flow requirements and adapt to the changing needs of the Corporation's customers and the requirements of regulatory agencies. The Corporation's principal source of liquidity has been short-term U.S. Government and U.S. Agency obligations, and various corporate notes. Money market investments and portfolio investments are kept liquid in order to effectively match our current deposit structure.

The Corporation is affected by changes in the level of rates of interest. Earnings will be sensitive to interest rate changes to the degree that the average yield on assets responds differently to a change in interest rates than does average cost of funds. Adequate liquidity affords the Corporation flexibility in meeting consumer loan demand and deposit fluctuations.

The Corporation actively manages the interest rate sensitivity characteristics of its assets and liabilities to control the effects of changes in the general level of interest rates upon net interest revenue. This is accomplished by the asset/liability committee which consists of senior management and the board of directors, who are responsible for management decisions as to the asset/liability maturity mix.

Effects of Inflation

The economic outlook for the remaining part of 1995 and early spring of 1996 remains unsettled and uncertain. The Federal Reserve may have the task of sustaining expansion while stemming inflationary trends, in the realm of current fiscal policy. Economic conditions are reviewed by management in a continuing effort to adjust to the changing economic environment. The effects of these changes on the banking industry as a whole in the Company's market area are reviewed by management in order to compete at a level consistent with the goals of profitability and sound management policy.

Increases in the rate of inflation can increase longer term interest rates, which can reduce the value of investment securities, mortgage loans and other fixed rate and term assets. Inflationary periods also may tend to increase the borrowing needs of consumers, leading to requests for additional funds, which can expand total loans above expected levels and therefore require increased efforts to ensure the maintenance of adequate capital.

The banking industry is affected by inflation in a different manner than other industries, although certain changes have similar effects on both banks and other business enterprises. Current economic indicators are moving in the direction of possible inflationary changes. Interest rates have been increasing in response to economic changes and which will affect the Asset/ Liability policy of the bank. Rates on Deposits and Loans are changed as necessary with consideration of economic and market conditions. Our continuing efforts to monitor all phases of the financial condition of all assets which can be affected by inflation includes the pricing of collateral on a regular basis. The coming months will reveal the effect of inflationary fluctuations on the economy.

Part II.

Item 1. Legal Proceedings

The nature of the business of Pioneer American Holding Company Corp. and its subsidiary, Pioneer American Bank, N.A., generates a certain amount of litigation involving matters arising in the ordinary course of business. However, in the opinion of management, there are no proceedings pending to which Pioneer American or its subsidiary are parties or to which their property is subject, which, if determined adversely, would be material in relation to Pioneer American's shareholders' equity or financial condition. In addition, no material proceedings are pending or are known to be threatened or contemplated against Pioneer American or its subsidiary by governmental authorities or other parties.

Item 2. Changes in Securities

None

Item 3. Default Upon Senior Executives

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

Not applicable.

Item 6. Exhibits and Reports on Form 8-K

None

SIGNATURES *

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PIONEER AMERICAN HOLDING COMPANY, CORP.

Date: April 26, 1995 By /s/ Donald A. Hoyle, Jr.

Donald A. Hoyle, Jr.
President & C.E.O.

Date: April 26, 1995 By /s/ John W. Reuther

John W. Reuther
Senior Executive Vice President &
Chief Financial Officer

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