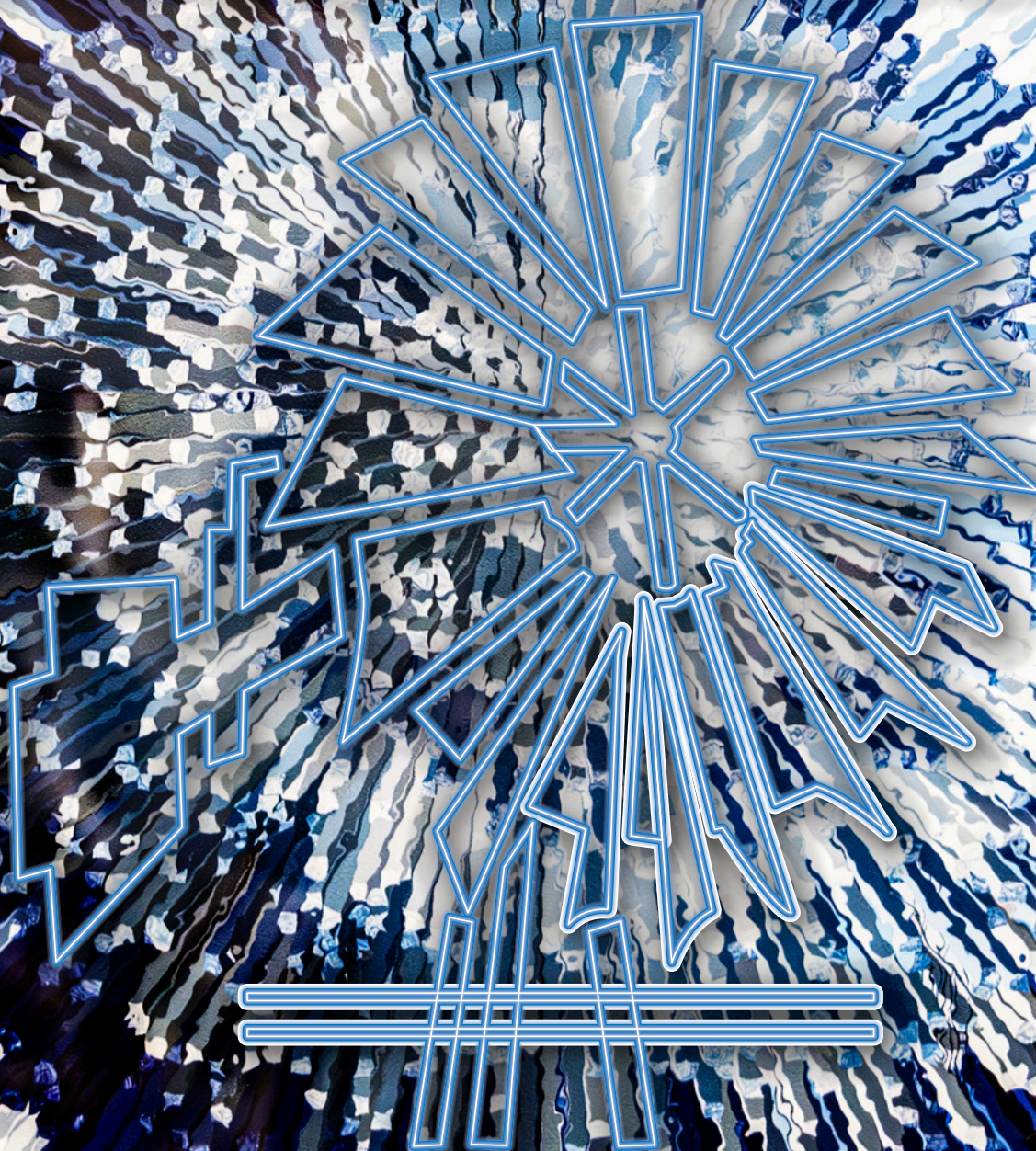


PIONEER BANCORP, INC.



2024 ANNUAL LETTER
TO STOCKHOLDERS

FINANCIAL HIGHLIGHTS (Unaudited)

(In thousands, except per share amounts)

	2024	Change	2023	2022	2021	2020
AT YEAR-END						
Assets	\$ 982,833	- 1%	\$ 990,187	\$ 999,957	\$ 990,606	\$ 862,357
Loans	544,238	+ 2%	532,703	560,949	486,364	445,610
Securities	341,915	+ 1%	339,582	363,488	358,066	235,559
Deposits	762,050	- 1%	773,002	793,267	801,483	666,969
Borrowings	114,309	- 5%	119,784	126,620	80,606	91,363
Unimpaired equity	119,244	+ 9%	109,126	100,011	92,291	87,328
Stockholders' equity	87,803	+ 15%	76,373	59,809	89,779	89,231
FOR THE YEAR						
Interest and dividend income	55,051	+ 10%	50,185	36,641	28,792	24,639
Interest expense	9,272	+ 16%	8,000	1,905	638	1,715
Net interest income	45,779	+ 9%	42,185	34,736	28,154	22,924
Credit loss expense	7,110	+ 140%	2,966	1,261	643	1,856
Noninterest income	10,502	- 6%	11,193	10,546	9,865	9,659
Noninterest expense	30,290	+ 5%	28,743	25,582	23,646	23,064
Income before state income taxes	18,881	- 13%	21,669	18,439	13,730	7,663
State income tax	-		1,280	-	-	-
Net income after state income taxes	18,881	- 7%	20,389	18,439	13,730	7,663
CAPITAL RATIO						
Unimpaired equity to assets	12.1%		11.0%	10.0%	9.3%	10.1%
Stockholder's equity to assets	8.9%		7.7%	6.0%	9.1%	10.3%
PER SHARE						
Year-end unimpaired book value	120.98	+ 9%	111.47	102.79	95.29	90.21
Year-end book value	89.08	+ 14%	78.01	61.47	92.70	92.17
Earnings ⁽¹⁾	19.23	- 13%	22.17	18.97	14.18	7.92
Distributions ⁽²⁾	10.03	- 24%	13.21	11.46	9.08	3.16
Distribution payout ratio ⁽¹⁾	52.2%		59.6%	60.4%	64.0%	39.9%
PERFORMANCE RATIOS						
Return on average stockholders' equity ⁽¹⁾	23.00%		29.94%	24.65%	15.37%	9.00%
Return on average assets ⁽¹⁾	1.91%		2.18%	1.85%	1.48%	0.91%
Net interest margin	4.71%		4.40%	3.61%	3.19%	3.00%
Efficiency ratio	53.82%		53.85%	56.49%	62.20%	70.79%
SELECTED INFORMATION						
Average common shares (in thousands)	982		978	972	968	967
Full-time equivalent employees	164		159	147	147	144
Customer service facilities:						
Full-service facilities	6		6	6	6	6
Banking branches	5		5	5	6	6
ATMs	19		20	21	21	22

⁽¹⁾ 2023 figures are based on Income before state income taxes

⁽²⁾ 2023 and 2024 Distributions per share include state income taxes paid on behalf of the Company's shareholders.

Dear Fellow Stockholders,

Looking back on 2024, I'm proud of how Pioneer Bank navigated economic realities with purpose and perseverance.

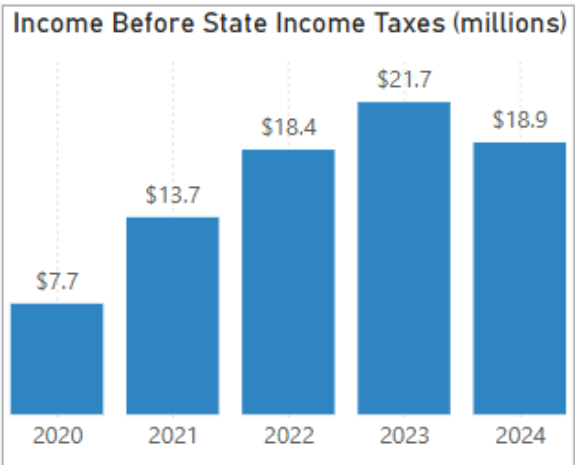
Our mission — to make a positive difference in the lives of those who work, bank, invest at Pioneer — remains at the center of everything we do. This past year brought challenges along with meaningful development and innovation.

In our continuing efforts to enhance our customer's experience, we modernized operations and strengthened our digital tools. One key advancement was the June rollout of **CardHub**, which replaced CardValet. CardHub gives customers more control and peace of mind, allowing them to set spending limits, receive real-time alerts, toggle their debit card on or off, and manage travel notices — all within our mobile app.

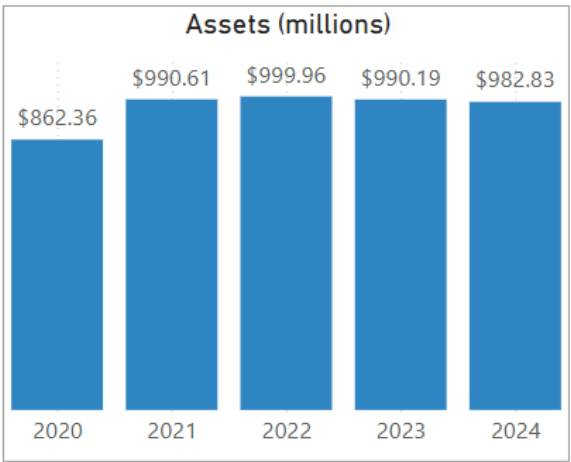
To further protect our customers, we implemented a cutting-edge AI-driven fraud detection system. This technology enables faster, more accurate check verification, detects suspicious activity in real time, and adds a vital layer of security to our operations.

On the lending side, our commercial credit team made significant improvements to workflow efficiency by automating key processes and refining document management. These changes are already increasing productivity, with additional enhancements on the horizon.

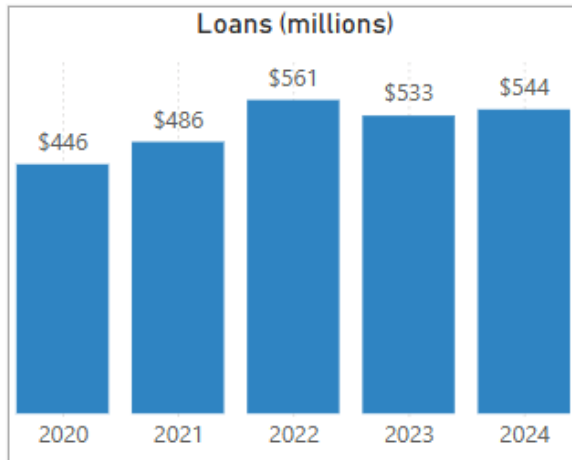
Pioneer Bancorp, Inc. had \$18.9 million in income before state income taxes in 2024. While a decline from 2023's record income of \$21.7 million, 2024 was Pioneer's second-best year.



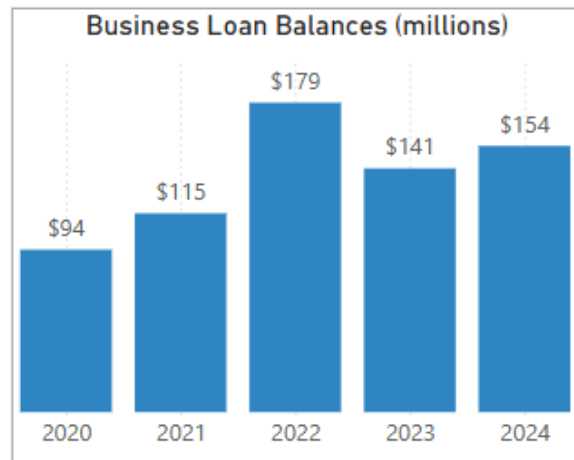
Total assets were \$983 million at December 31, 2024, compared to \$990 million at December 31, 2023. We continue to manage our last day of the year assets to remain under \$1 billion and avoid all that threshold entails.



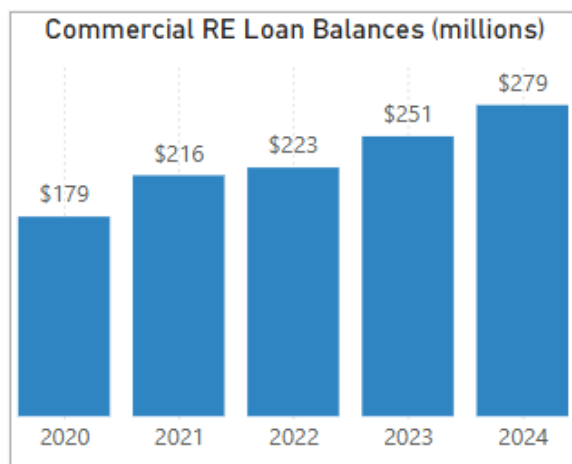
Total loans were \$544 million, up \$11.5 million, or 2.2%, at year-end 2024.



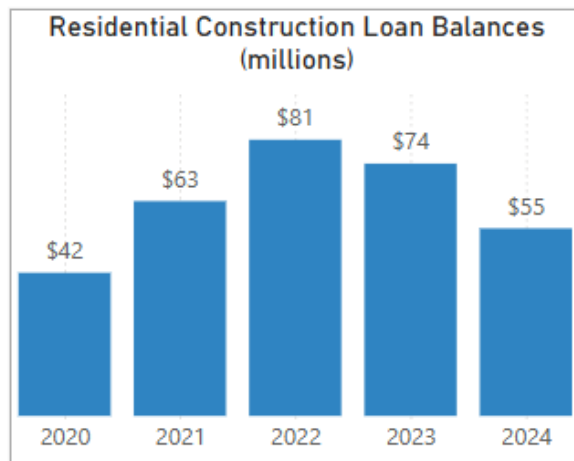
On loan production of \$155 million, business loan balances increased \$13 million, or 9.7%, to \$154 million in 2024.



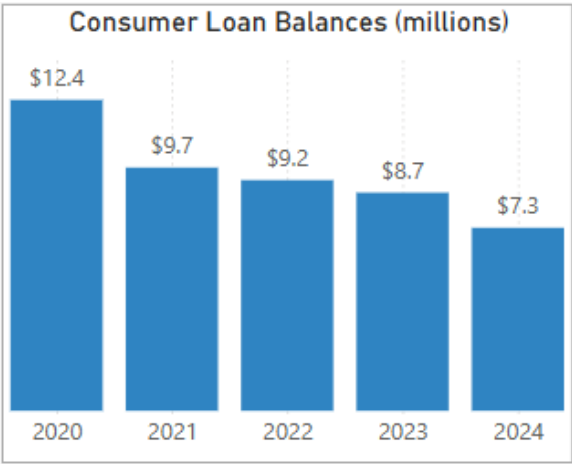
On loan production of \$176 million, commercial real estate loan balances increased \$28 million, or 11%, in 2024.



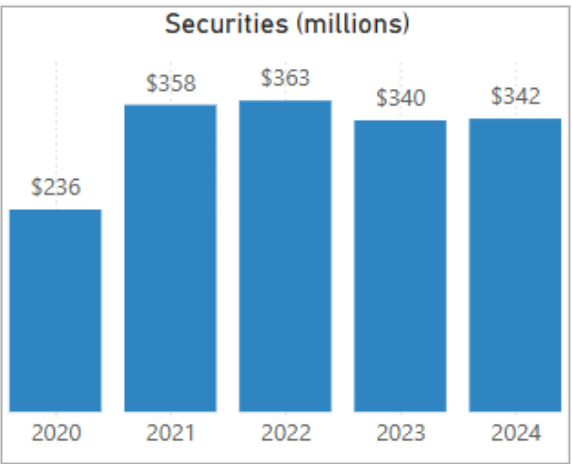
On loan production of \$92 million, residential construction balances decreased \$19 million, or 25.7%, to \$55 million in 2024.



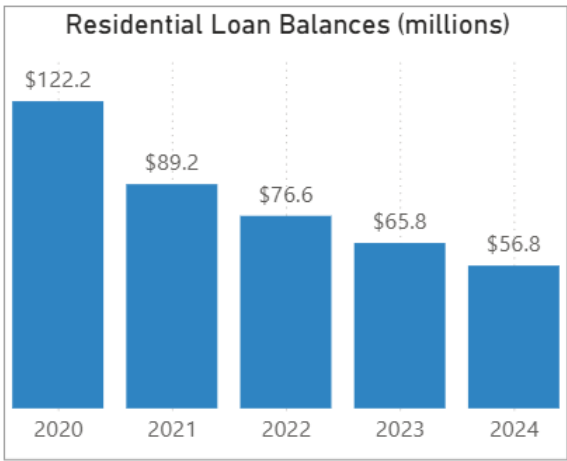
On loan production of \$3.4 million, consumer balances decreased \$1.4 million, or 16%, in 2024.



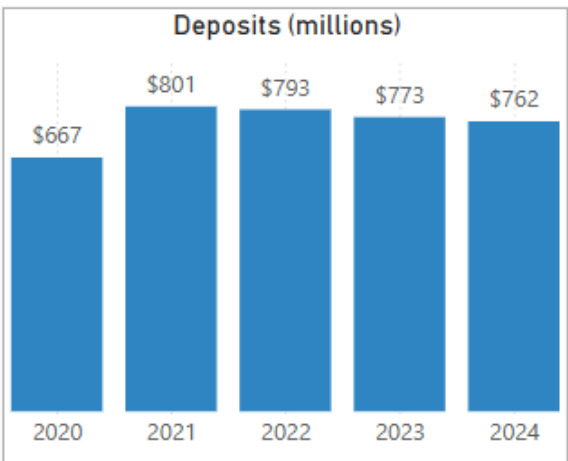
Securities were \$342 million at December 31, 2024, compared to \$340 million at December 31, 2023, an increase of \$2 million, or 0.7%.



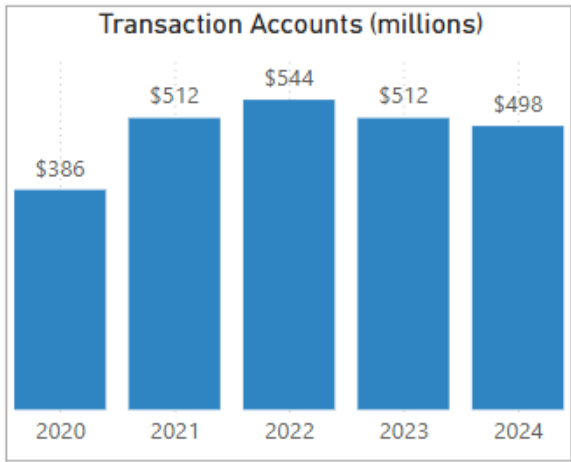
Residential real estate loans decreased \$9 million, or 17%, to \$56.8 million at year-end 2024.



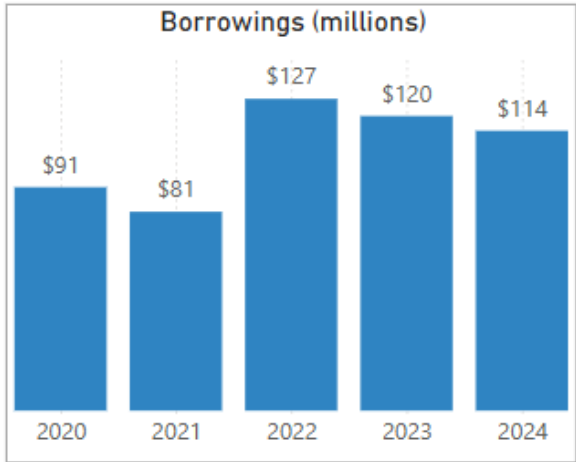
Total deposits were \$762 million at year-end 2024, compared to \$773 million at year-end 2023, a decrease of \$11 million, or 1.4%.



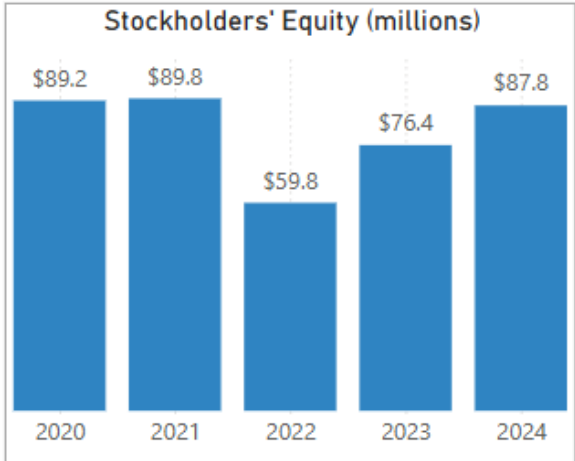
Transaction accounts decreased \$14 million, or 2.8%, to \$498 million at December 31, 2024.



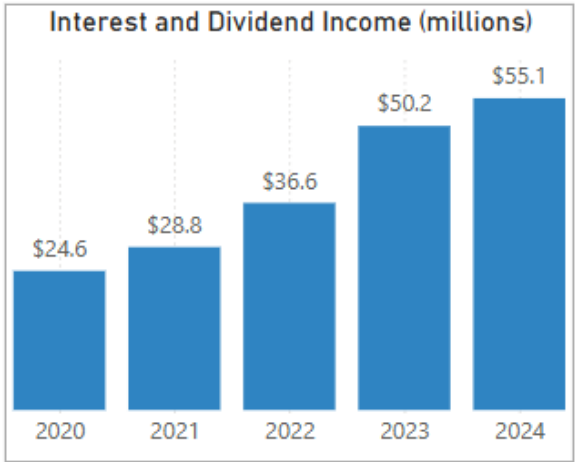
Borrowings consisted of customer repurchase sweep accounts of \$114 million. There were no Federal Reserve Bank or Federal Home Loan Bank borrowings as of December 31, 2024, reflecting a borrowings-to-assets ratio of 11.6%.



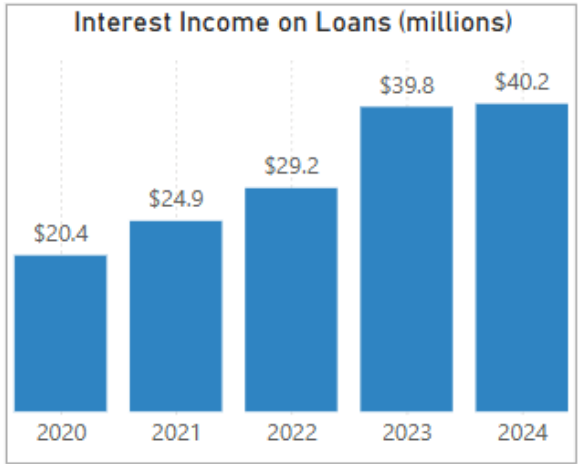
Stockholders' equity increased \$11.4 million or 15% at year-end 2024. This was a result of \$18.9 million in income less \$9.9 million in distributions, plus other comprehensive income of \$1.3 million (improvement of unrealized losses on securities held available-for-sale).



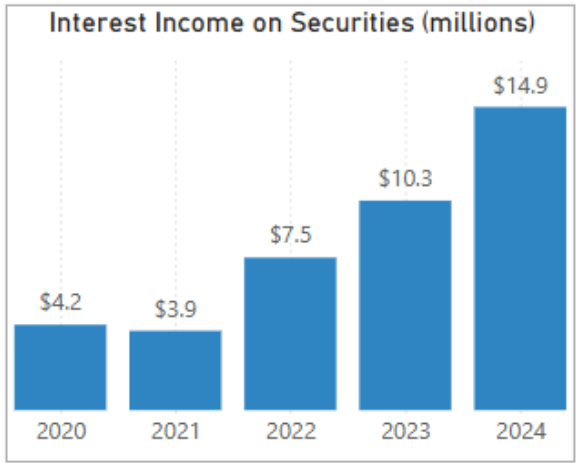
Interest and dividend income increased \$4.9 million, or 9.7%, to \$55.1 million for 2024.



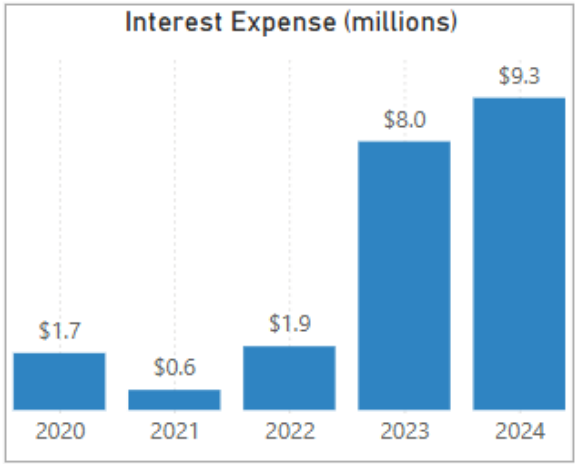
Interest income on loans increased \$332 thousand to \$40.2 million. There was a \$38.4 million decrease in the average balance of loans, while the average yield on our loan portfolio increased 56 basis points to 7.50%.



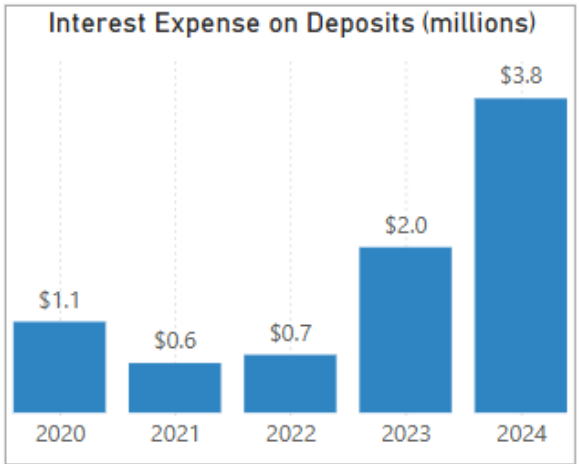
Interest income on securities increased \$4.5 million, or 43.9% to \$14.9 million. There was a \$54.6 million increase in the average balance of securities, while the average yield on our securities portfolio increased 73 basis points to 3.41%.



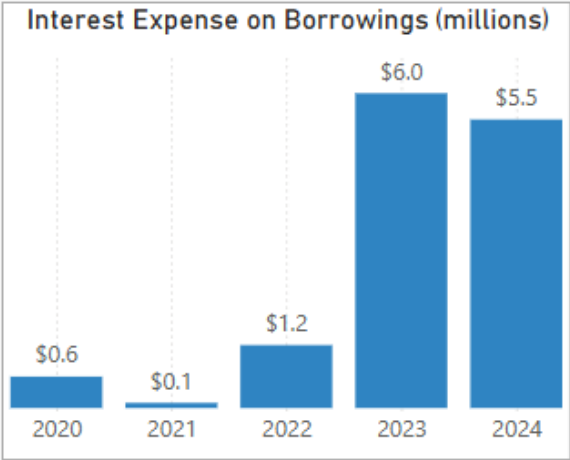
Interest expense increased \$1.3 million, or 15.9%, to \$9.3 million in 2024, with three Fed Funds decreases totaling 100 basis points.



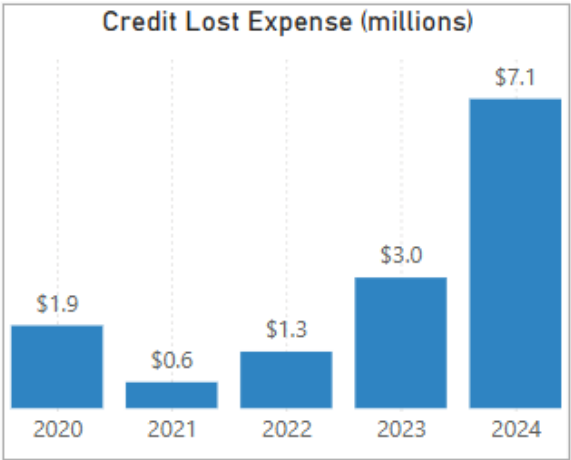
Interest expense on deposits increased \$1.8 million, or 88.6%, to \$3.8 million. The average rate paid on deposits increased 22 basis points to 0.48%. The average balance of deposits increased \$8.8 million to \$791.8 million.



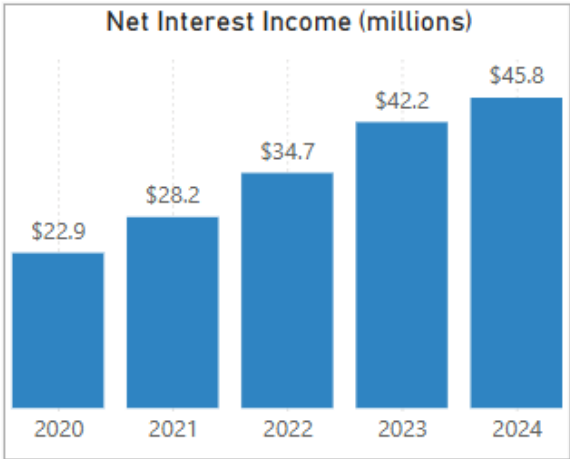
Interest expense on borrowings decreased \$500 thousand, or 8.4% in 2024. The average balance of borrowings decreased \$13.1 million to \$143.9 million, and the average borrowing rate remained unchanged at 3.82%.



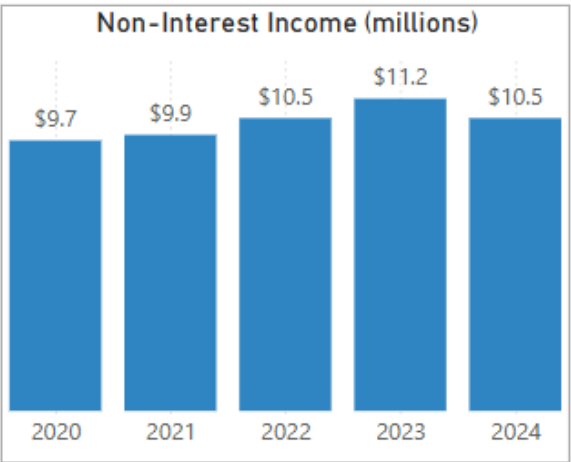
Credit loss expense for 2024 was \$7.1 million compared to \$3.0 million in 2023. Net charge-offs were \$6.0 million in 2024 compared to \$2.4 million in 2023. The allowance for credit losses was \$8.2 million, or 1.48% of total loans, at December 31, 2024.



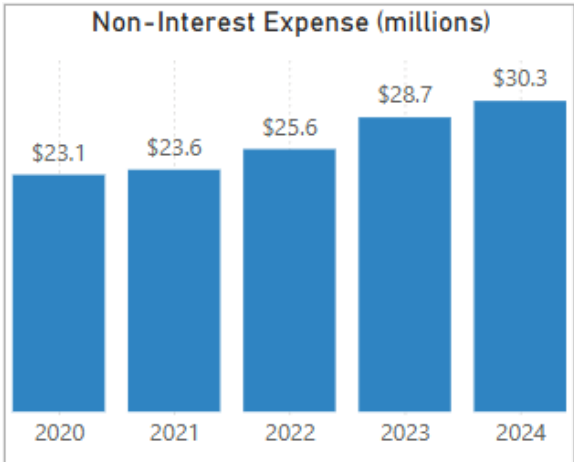
Net interest income increased \$3.6 million, or 8.5%, to \$45.8 million for the year.



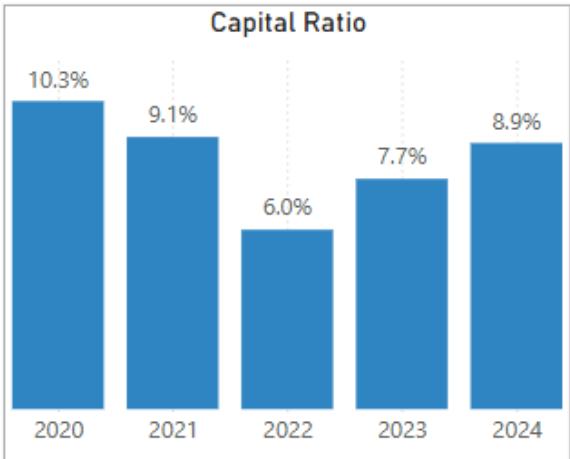
Noninterest income decreased \$691 thousand, or 6.2%, to \$10.5 million for the year.



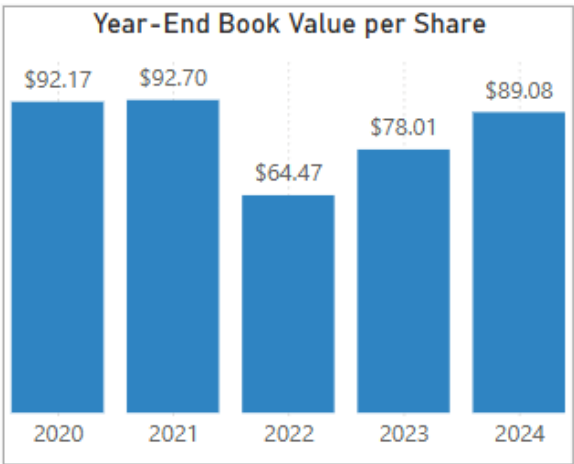
Noninterest expense increased \$1.5 million, or 5.4%, to \$30.3 million for the year.



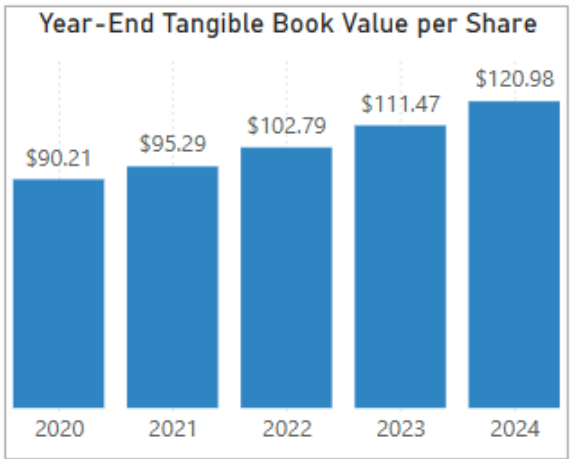
The Capital Ratio increased from 7.7% to 8.9% at year-end 2024.



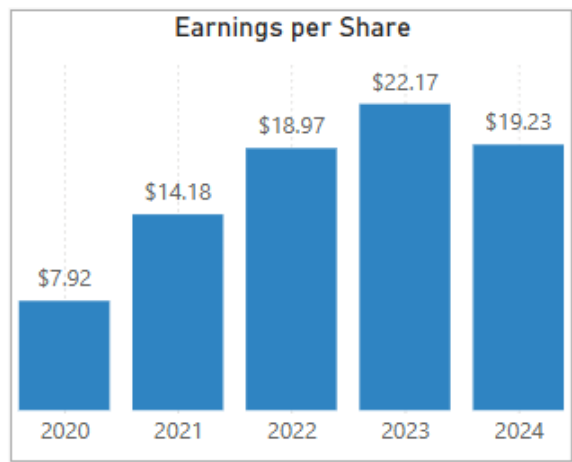
Book value per share increased to \$89.08 as of December 31, 2024, from \$78.01 as of December 31, 2023.



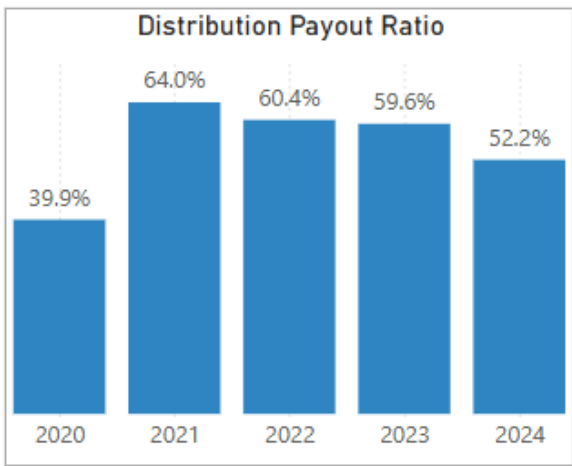
Excluding accumulated other comprehensive loss, tangible book value per share was \$120.98, an increase of \$9.51 per share over 2023.



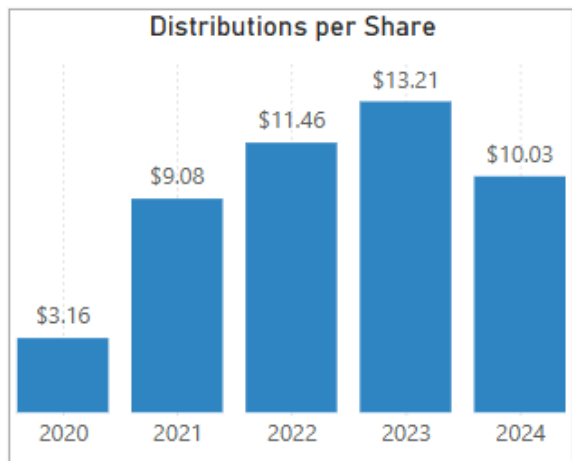
Earnings per share based on income before state income taxes decreased \$2.94 to \$19.23 in 2024.



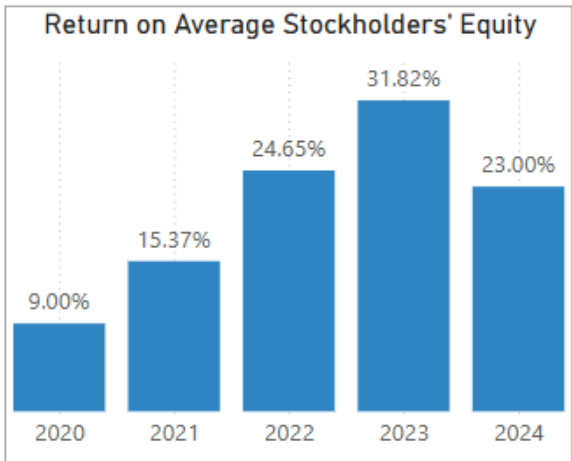
The distribution amount of \$10.03 per share represented a payout ratio of 52.2% based on income before state income taxes.



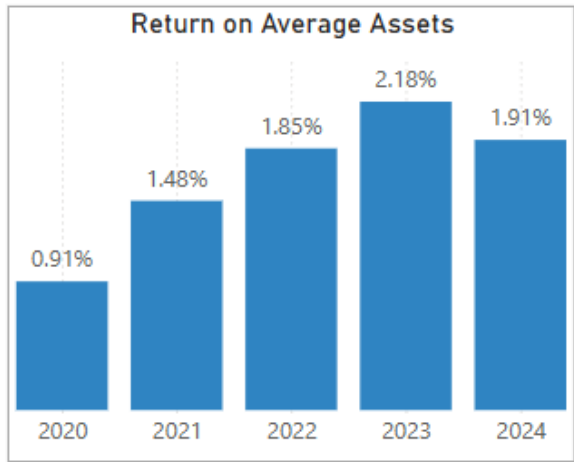
Distributions per share decreased \$3.18 to \$10.03 for 2024. 2024 distributions per share include state income taxes paid on behalf of the Company’s shareholders.



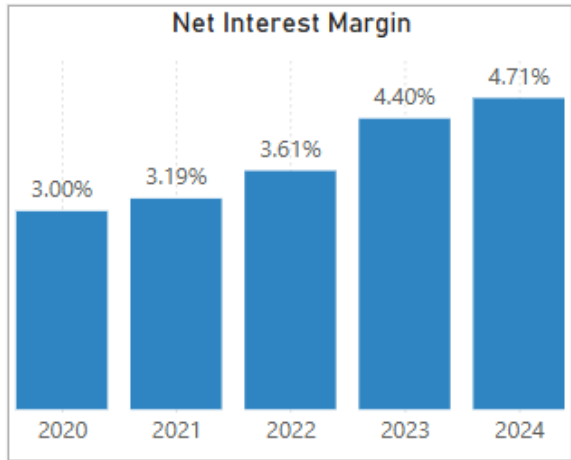
Return on average stockholders’ equity based on income before state income taxes was 23.00% in 2024.



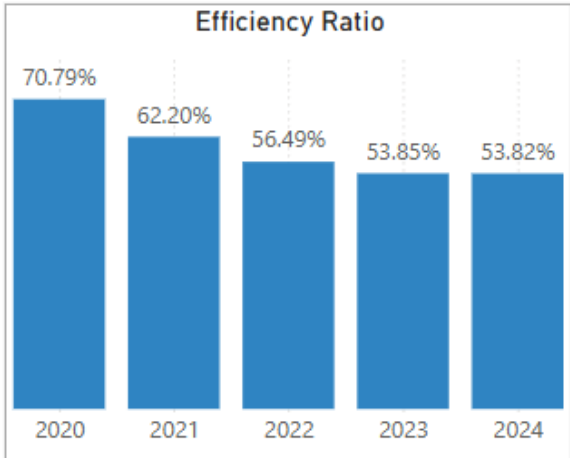
Return on average assets based on income before state income taxes decreased from 2.18% in 2023 to 1.91% in 2024.



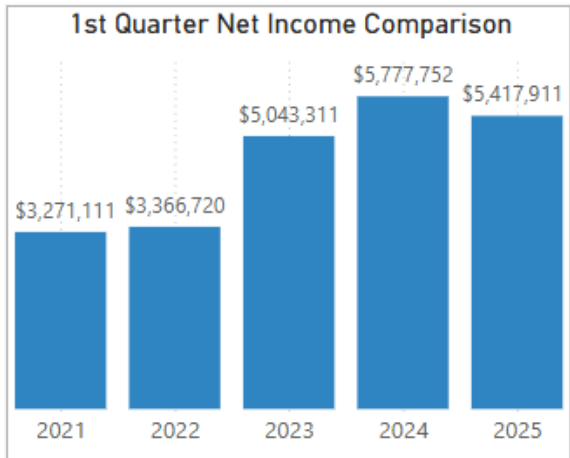
Net interest margin increased 31 basis points to 4.71% in 2024.



The Bank’s efficiency ratio continued to improve in 2024 to 53.82%.



Net income for the first three months of 2025 was \$5.418 million compared to \$5.778 million for the first three months of 2024, a decrease of \$360 thousand, or 6.2%.



For the eighth year in a row, Pioneer Bank was named one of New Mexico's Top Workplaces by the Albuquerque Journal. Additionally, Pioneer was named a Top Workplace in the USA through Energage for the fourth time. Finally, Pioneer received the 2024 Thought Leadership Bank Award for extraordinary bank practices. I continue to be proud of the work Team Pioneer is doing providing opportunities for our Team to grow both personally and professionally.



In February 2025, we celebrated 124 years of *Building Community*. As featured in our 2024 Community Impact Report video, Team Pioneer had 150 volunteers who contributed 5,927 hours, benefiting 202 organizations. For 2024, 17 Team Pioneer members received the Presidential Service Award. Leigh Humble, Juliana Halvorson, and Arianna Arroyo each received the Silver Award.



Adriann Ragsdale, Brandi Candelaria, Clarissa Lamer, Ericka Laney, Isabelle Van Doorn, Elizabeth Harrigan, Kiel Hoffman, Melody Parra, Miguel Perez, Nathan Brandt,

Ryan Blanchard, Suzanna Lujan, Teresa Ramirez, and Veronic Garcia each received the Bronze Award.



One of Pioneer's core principles is "We are Leaders creating Leaders." I am honored to recognize Miguel Perez, who graduated from Leadership New Mexico, Santiago Meza who graduated from the Leadership New Mexico Connect program, Annalicia Maynes who graduated from Leadership Las Cruces, and Manaury Guzman and Robert Smoot who graduated from Leadership Roswell. I am also proud to recognize Kate Davenport for graduating from the Texas Tech School of Banking in August 2024.

These achievements reflect our ongoing commitment to strengthening our team and developing the talent that drives our organization forward.

To support community recovery following the 2024 wildfires and flood, Pioneer Bank partnered with the Federal Home Loan Bank of Dallas to facilitate the distribution of disaster recovery grants — awarding \$574,000 to 30 small business owners and \$60,000 to four homeowners. The FHLB also made a \$250,000 donation to the Community Foundation directed to Chaves County flood relief.

In addition to the FHLB disaster recovery grants, the Team Pioneer Foundation awarded another \$75,000 to five homeowners who were unable to secure the disaster recovery grants. Pioneer also gathered \$180,564 in support from our communities after the flooding.

Next, I would like to make special mention of Team Members who reached years of service milestones in 2024. Those who celebrated five years with Pioneer include Delma Ellis, Kerri Hendrix, Dawn Mason, Miguel Perez, Faviola Quiñones, Flor Valdez, Isabelle Van Doorn, and Faviola Vasquez.



Team Members celebrating 10 years of service were Melissa Cardinuto, Kate

Davenport, Ashley Luttrell, Ashley Ruiz, and Robert Smoot.



Carolyn Bell, Gloria Moreno, and Susie Roe all celebrated 15 years with the Bank.



Leigh Humble, Kiel Hoffman, and myself each celebrated 20 years with Pioneer.



And lastly, we congratulate Dee Ann Nunez, Senior Vice President, who celebrated 30 years with Pioneer Bank.



As we move into 2025, we are doing so with a focus on data to drive smarter decisions and stronger connections.

We hope you will plan to join us for our Annual Meeting of Stockholders which will be held at 10:30 a.m. on May 20, 2025, at our corporate headquarters, 3000 North Main Street, Roswell, New Mexico.

On behalf of Team Pioneer, we thank you for trusting us with your investment in Pioneer Bancorp, Inc.

Sincerely,

Christopher G. Palmer
President and Chief Executive Officer

Roswell, New Mexico
April 18, 2025

PIONEER BANCORP, INC.

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