

# PIONEER BANCORP INC.



2025 Annual Letter to Stockholders

## FINANCIAL HIGHLIGHTS (Unaudited)

(In thousands, except per share amounts)

	2025	Change	2024	2023	2022	2021
<b>AT YEAR-END</b>						
Assets	\$ 1,128,915	+ 15%	\$ 982,833	\$ 990,187	\$ 999,957	\$ 990,606
Loans	656,846	+ 21%	544,238	532,703	560,949	486,364
Securities	348,544	+ 2%	341,915	339,582	363,488	358,066
Deposits	841,721	+ 10%	762,050	773,002	793,267	801,483
Borrowings	153,387	+ 34%	114,309	119,784	126,620	80,606
Unimpaired equity	130,260	+ 9%	119,244	109,126	100,011	92,291
Stockholders' equity	113,018	+ 29%	87,803	76,373	59,809	89,779
<b>FOR THE YEAR</b>						
Interest and dividend income	58,505	+ 6%	55,051	50,185	36,641	28,792
Interest expense	8,932	- 4%	9,272	8,000	1,905	638
Net interest income	49,573	+ 8%	45,779	42,185	34,736	28,154
Credit loss expense	4,745	- 33%	7,110	2,966	1,261	643
Noninterest income	11,078	+ 5%	10,502	11,193	10,546	9,865
Noninterest expense	32,605	+ 8%	30,290	28,743	25,582	23,646
Income before state income taxes	23,301	+ 23%	18,881	21,669	18,439	13,730
State income tax	-		-	1,280	-	-
Net income after state income taxes	23,301	+ 23%	18,881	20,389	18,439	13,730
<b>CAPITAL RATIO</b>						
Unimpaired equity to assets	11.5%		12.1%	11.0%	10.0%	9.3%
Stockholder's equity to assets	10.0%		8.9%	7.7%	6.0%	9.1%
<b>PER SHARE</b>						
Year-end unimpaired book value	131.76	+ 9%	120.98	111.47	102.79	95.29
Year-end book value	114.36	+ 28%	89.08	78.01	61.47	92.70
Earnings <sup>(1)</sup>	23.62	+ 23%	19.23	22.17	18.97	14.18
Distributions <sup>(2)</sup>	13.11	+ 31%	10.03	13.21	11.46	9.08
Distribution payout ratio <sup>(1)</sup>	55.5%		52.2%	59.6%	60.4%	64.0%
<b>PERFORMANCE RATIOS</b>						
Return on average stockholders' equity <sup>(1)</sup>	23.21%		23.00%	31.82%	24.65%	15.37%
Return on average assets <sup>(1)</sup>	2.21%		1.91%	2.18%	1.85%	1.48%
Net interest margin	4.92%		4.71%	4.40%	3.61%	3.19%
Efficiency ratio	53.76%		53.82%	53.85%	56.49%	62.20%
<b>SELECTED INFORMATION</b>						
Average common shares (in thousands)	986		982	978	972	968
Full-time equivalent employees	159		164	159	147	147
Customer service facilities:						
Full-service facilities	6		6	6	6	6
Banking branches	5		5	5	5	6
ATMs	20		19	20	21	21

<sup>(1)</sup> 2023 figures are based on Income before state income taxes

<sup>(2)</sup> 2023 to 2025 Distributions per share include state income taxes paid on behalf of the Company's shareholders.

Dear Fellow Stockholders,

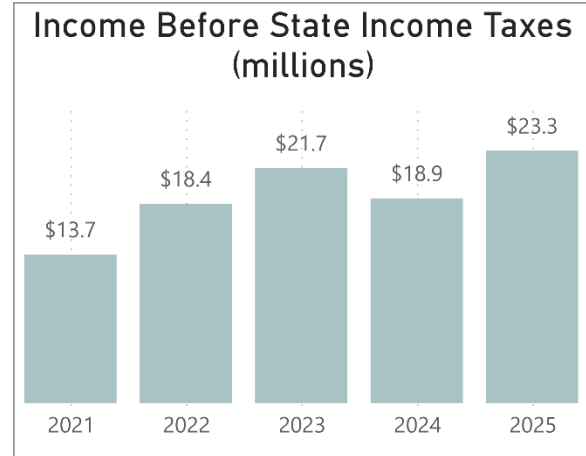
Looking back on 2025, Pioneer Bank remained focused on disciplined execution, intentional investment, and long-term stability in a complex operating environment.

Rather than reacting to every external signal, we concentrated on the fundamentals of maintaining strong asset quality, prudent liquidity and capital management, and consistent operating performance. Throughout the year, our Board and leadership team regularly reviewed results against defined objectives, holding ourselves accountable not just for outcomes, but for how those outcomes were achieved.

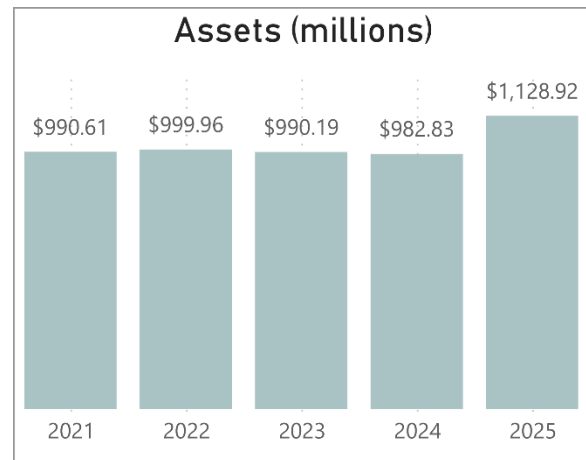
A key strategic choice in 2025 was continued investment in our people. We enhanced compensation and incentive structures, expanded role-based training, and aligned performance expectations with operational quality and risk discipline. These decisions were made deliberately, recognizing that strong culture and capable teams are essential to sustainable performance and effective risk management.

We also continued to modernize systems and workflows to improve customer experience, efficiency, and security, while maintaining a steady, measured approach to change. Across the organization, our focus remained clear: do the right things, do them well, and do them consistently.

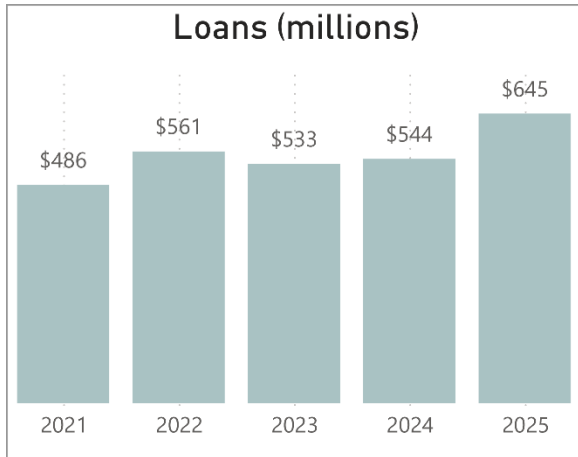
Pioneer Bancorp, Inc. had a record \$23.3 million in income before state income taxes in 2025; surpassing 2023's previous record income of \$21.7 million.



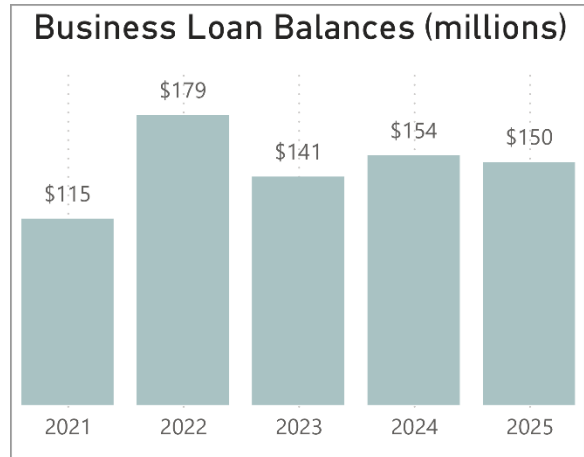
Total assets were \$1,129 million at December 31, 2025, compared to \$983 million at December 31, 2024. This was the first year we decided to push past the \$1 billion threshold.



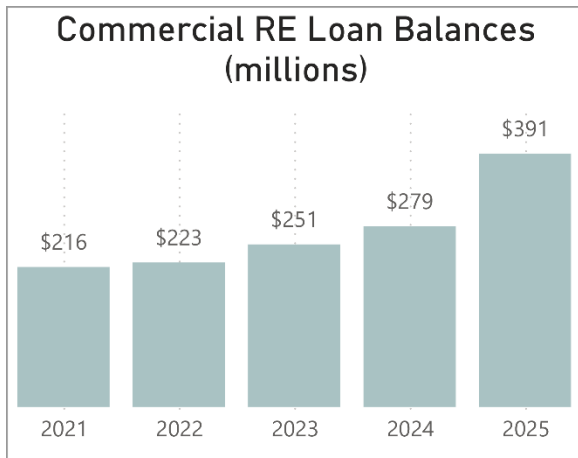
Total loans were \$645 million, up \$101 million, or 18.6%, at year-end 2025.



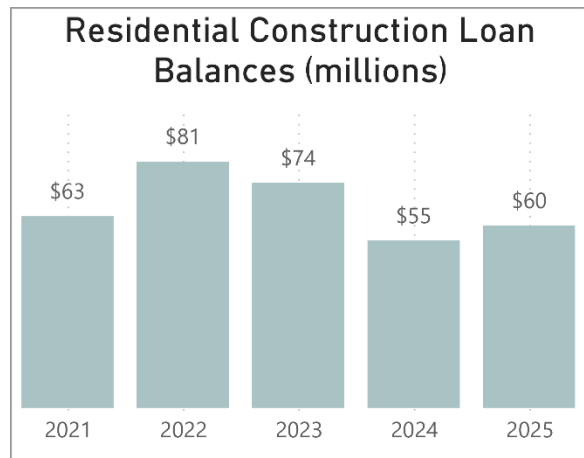
Business loan balances decreased \$4 million, or 2.6%, to \$150 million in 2025.



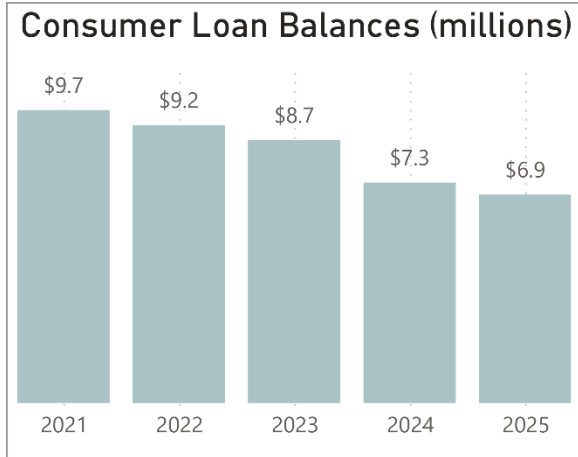
On loan production of \$186 million, commercial real estate loan balances increased \$112 million, or 40%, in 2025.



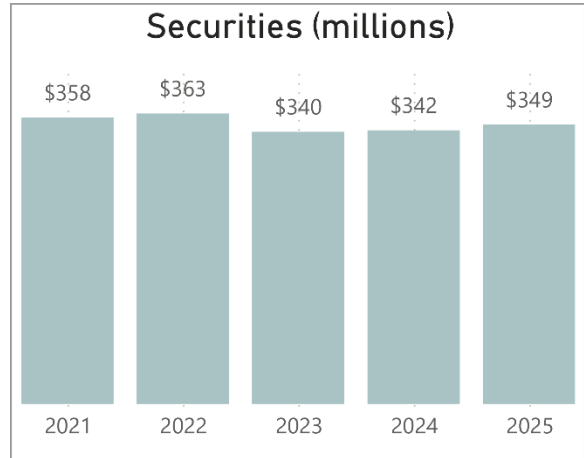
On loan production of \$68 million, residential construction balances increased \$5 million, or 9.1%, to \$60 million in 2025.



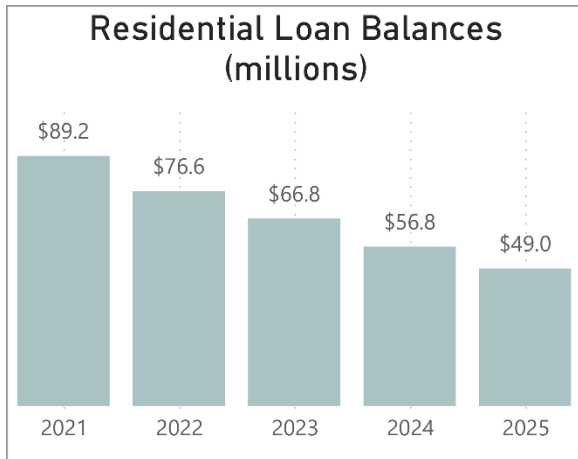
Consumer loan balances decreased \$0.4 million, or 5.5%, in 2025.



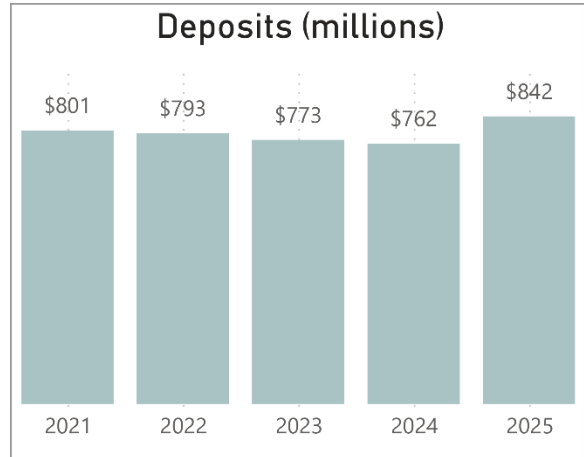
Securities were \$349 million at December 31, 2025, compared to \$342 million at December 31, 2024, an increase of \$7 million, or 2%.



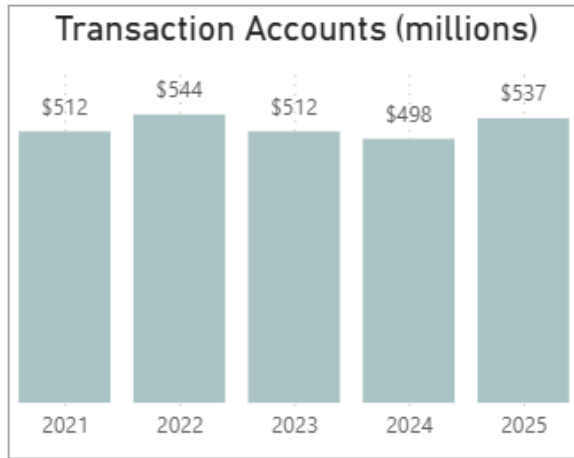
Residential real estate loans decreased \$7.8 million, or 13.7%, to \$49 million at year-end 2025.



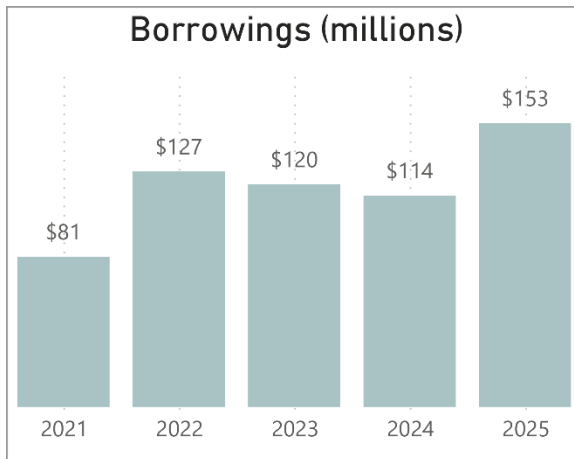
Total deposits were \$842 million at year-end 2025, compared to \$762 million at year-end 2024, an increase of \$80 million, or 10.5%.



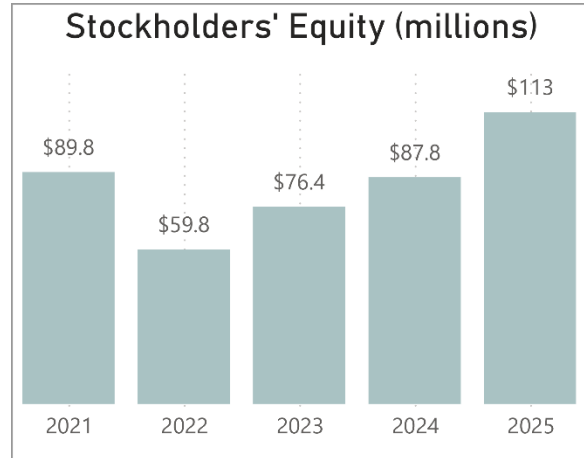
Transaction accounts increased \$39 million, or 7.8%, to \$537 million at December 31, 2025.



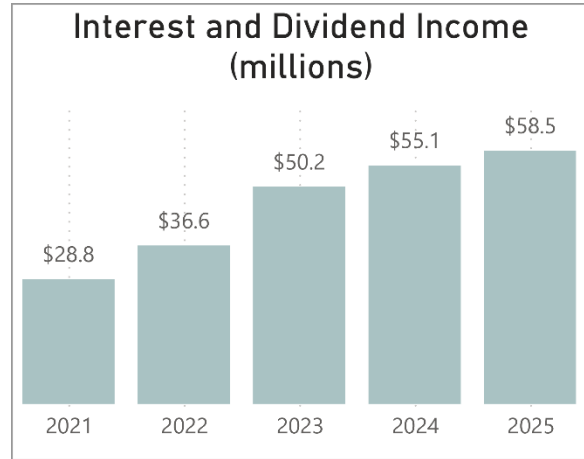
Borrowings consisted of customer repurchase sweep accounts of \$123 million and Federal Reserve Bank & Federal Home Loan Bank borrowings of \$30 million, reflecting a borrowings-to-assets ratio of 13.6%.



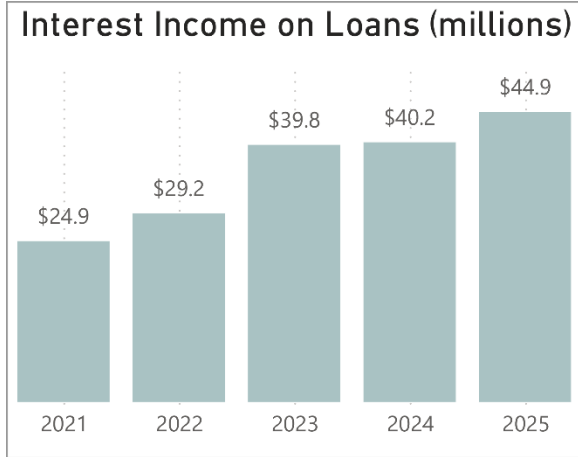
Stockholders' equity increased \$25.2 million or 28.7% at year-end 2025. This was a result of \$23.3 million in income less \$12.9 million in distributions, plus other comprehensive income of \$14.2 million (improvement of unrealized losses on securities held available-for-sale).



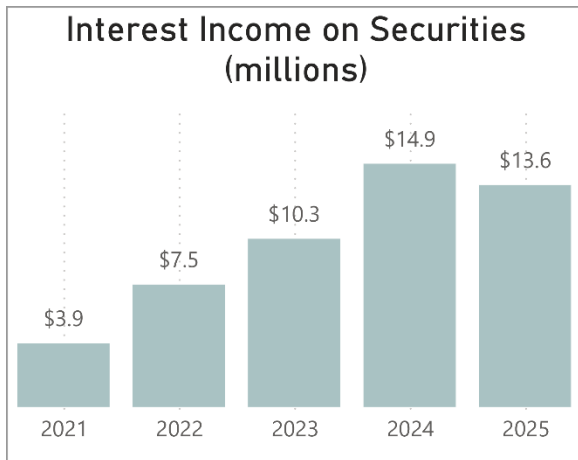
Interest and dividend income increased \$3.4 million, or 6.2%, to \$58.5 million for 2025.



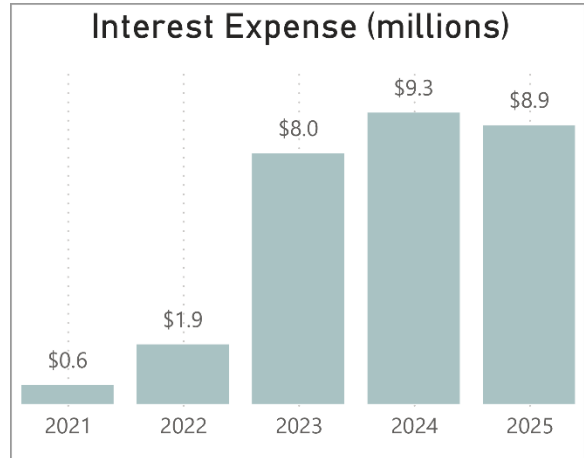
Interest income on loans increased \$4.7 million to \$44.9 million. There was a \$69.3 million increase in the average balance of loans, while the average yield on our loan portfolio decreased nine basis points to 7.41%.



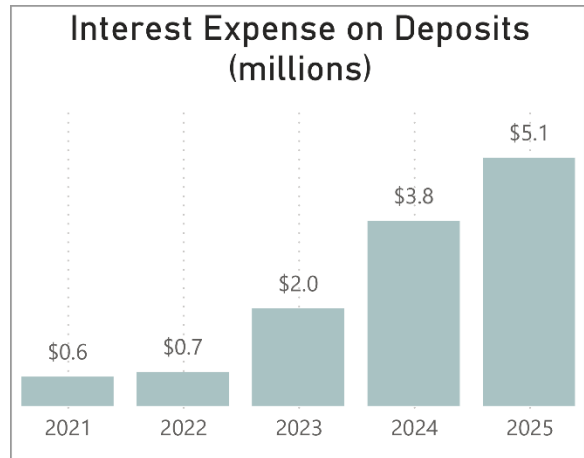
Interest income on securities decreased 1.3 million, or 8.7% to \$13.6 million. There was a \$34 million decrease in the average balance of securities, while the average yield on our securities portfolio decreased one basis point to 3.40%.



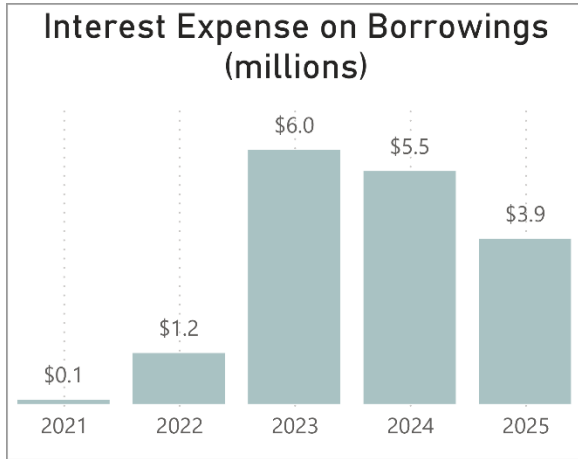
Interest expense decreased \$0.4 million, or 4.3%, to \$8.9 million in 2025, with three Fed Funds decreases totaling 75 basis points.



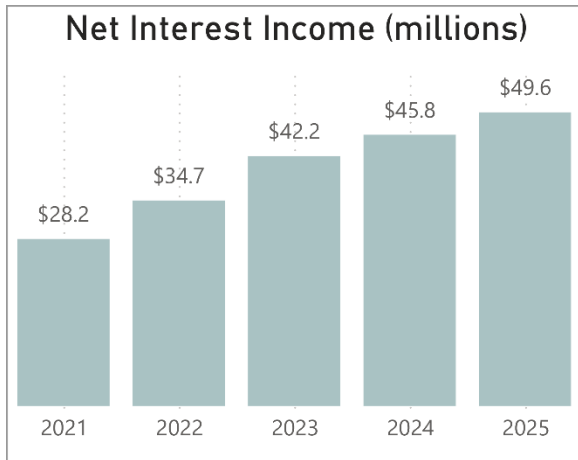
Interest expense on deposits increased \$1.3 million, or 34.2%, to \$5.1 million. The average rate paid on deposits increased 13 basis points to 0.61%. The average balance of deposits increased \$35 million to \$828 million.



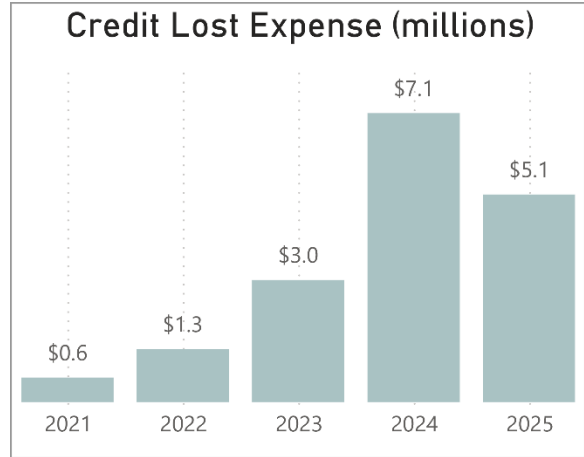
Interest expense on borrowings decreased \$1.6 million, or 29% in 2025. The average balance of borrowings decreased \$13 million to \$131 million, and the average borrowing rate decreased 85 basis points to 2.97%.



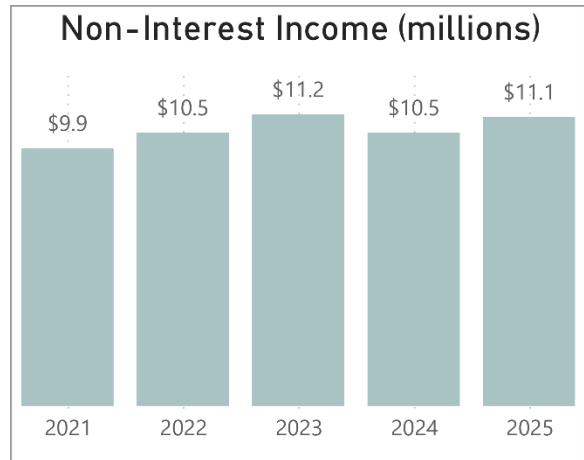
Net interest income increased \$3.8 million, or 8.3%, to \$49.6 million for the year.



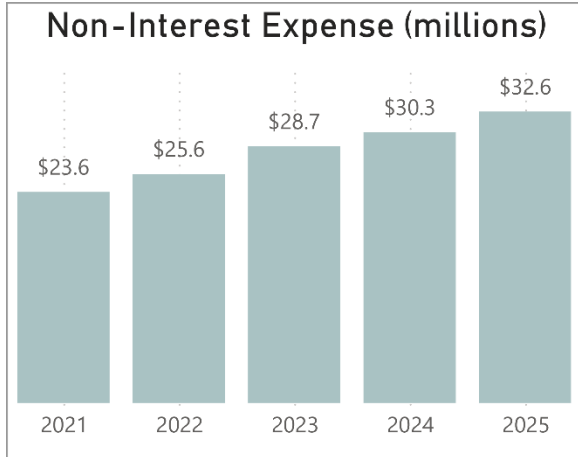
Credit loss expense for 2025 was \$5.1 million compared to \$7.1 million in 2024. Net charge-offs were \$1.6 million in 2025 compared to \$6 million in 2024. The allowance for credit losses was \$11.7 million, or 1.79% of total loans, at December 31, 2025.



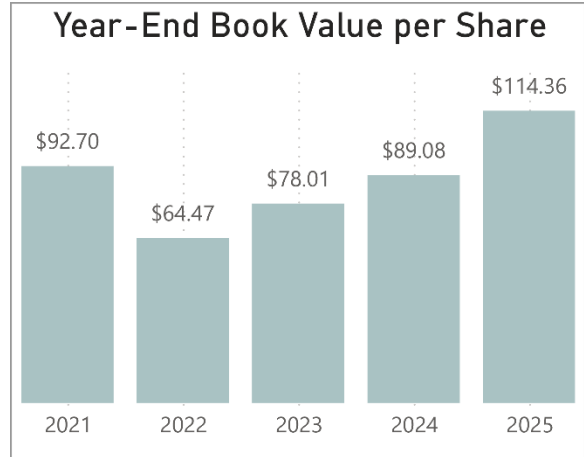
Noninterest income increased \$0.6 million, or 5.7%, to \$11.1 million for the year.



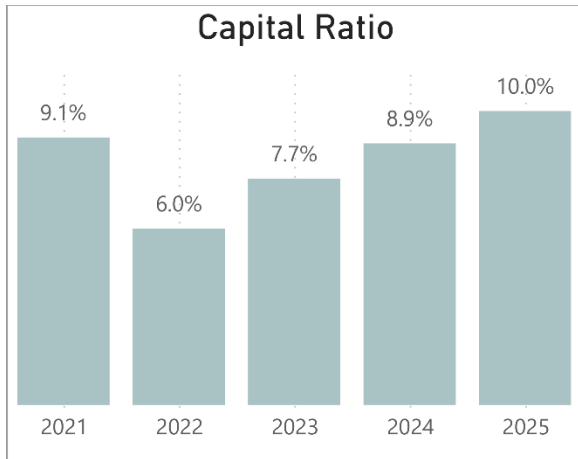
Noninterest expense increased \$2.3 million, or 7.6%, to \$32.6 million for the year.



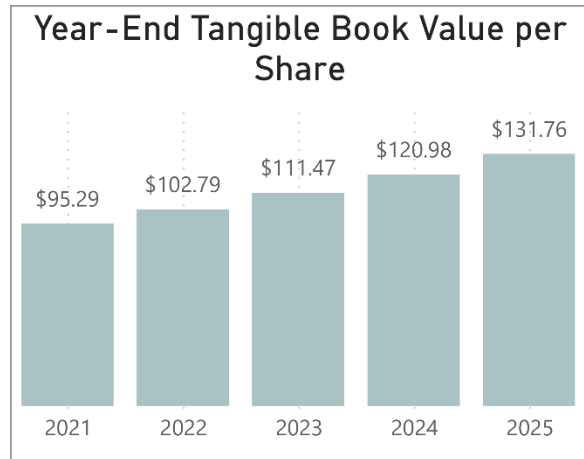
Book value per share increased 28% to \$114.36 as of December 31, 2025.



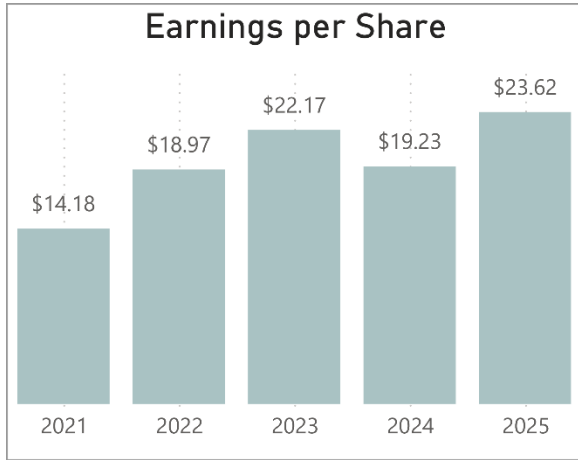
The Capital Ratio increased from 8.9% to 10% at year-end 2025.



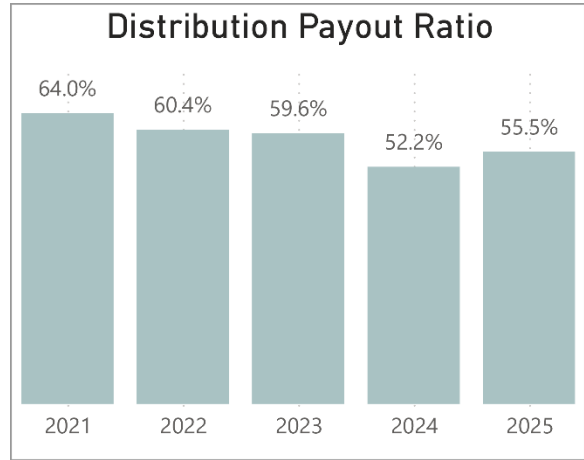
Excluding accumulated other comprehensive loss, tangible book value per share was \$131.76, an increase of \$10.78 per share over 2024.



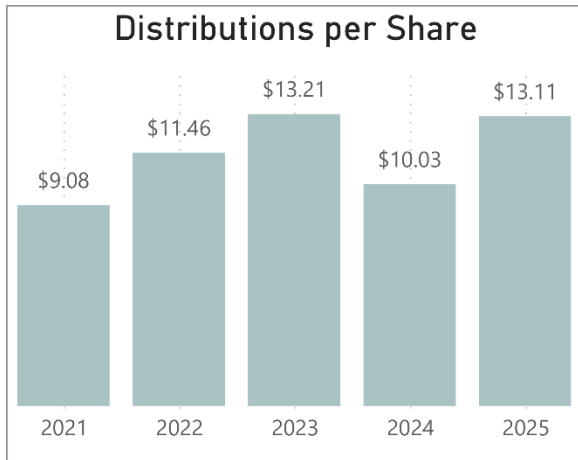
Earnings per share based on income before state income taxes increased \$4.39 to \$23.62 in 2025.



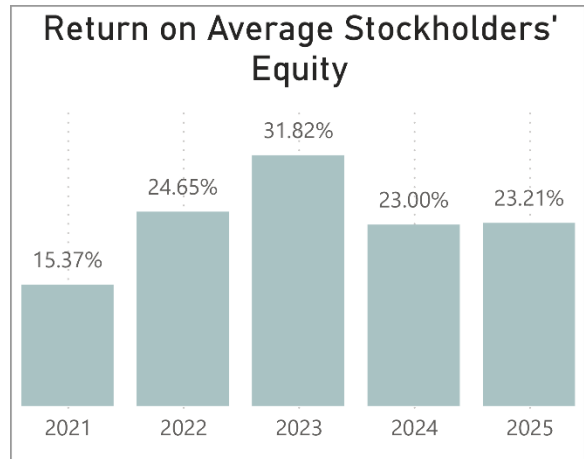
The distribution amount of \$13.11 per share represented a payout ratio of 55.5% based on income before state income taxes.



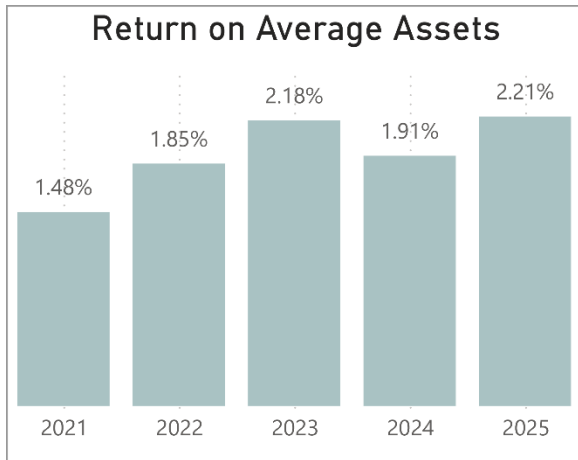
Distributions per share increased \$3.08 to \$13.11 for 2025. Distributions per share include state income taxes paid on behalf of the Company's shareholders.



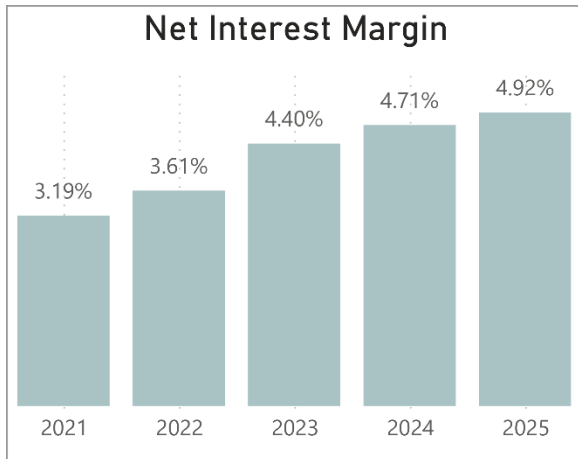
Return on average stockholders' equity based on income before state income taxes was 23.21% in 2025.



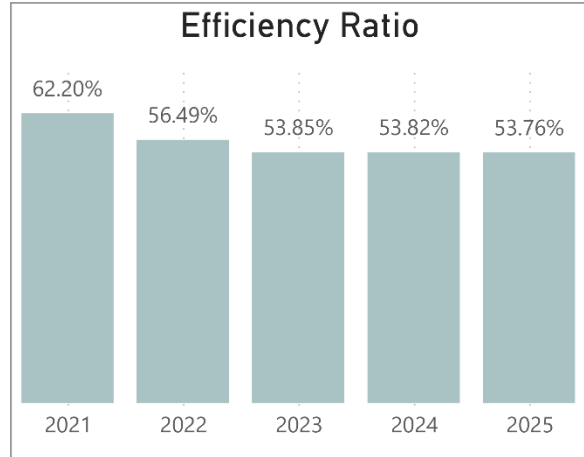
Return on average assets based on income before state income taxes increased from 1.91% in 2024 to 2.21% in 2025.



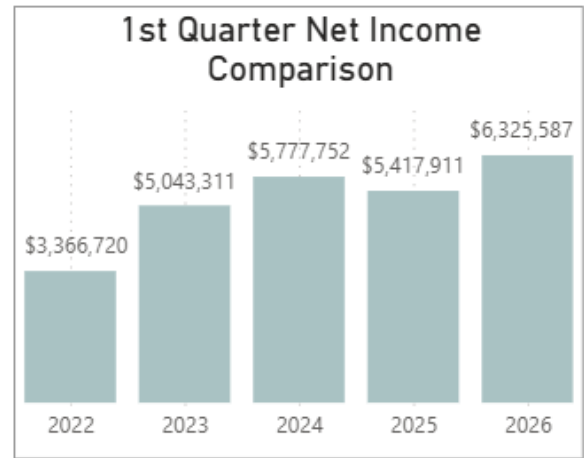
Net interest margin increased 21 basis points to 4.92% in 2025.



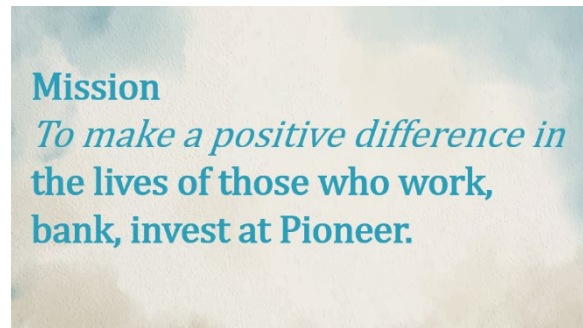
The Bank's efficiency ratio continued to improve in 2025 to 53.76%.



Net income for the first three months of 2026 was \$6.326 million compared to \$5.418 million for the first three months of 2025, an increase of \$908 thousand, or 16.8%.



For the ninth 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 Engage for the fifth time. Finally, for the third consecutive year, Pioneer was named by Forbes as one of the best banks in the state of New Mexico. 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 2026, we celebrated 125 years of *Building Community*. As featured in our 2025 Community Impact Report video, Team Pioneer had 144 volunteers who contributed 5,882 hours, benefiting 219 organizations. For 2025, 25 Team Pioneer members qualified for the Presidential Service Award. Juliana Halvorson received the Gold Award.



Leigh Humble received the Silver Award.



Adriann Ragsdale, Annalicia Maynes, Arianna Arroyo, August Brown, Brandi Candelaria, Clarissa Lamer, Elizabeth Harrigan, Ericka Laney, Jasmyne Espinoza, Kate Davenport, Manaury Guzman, Melody Parra, Nathan Brandt, Nicole Austin, Pam Boyd, Robert Smoot, Rose Dick, Ryan Blanchard, Savannah Montoya, Suzanna Lujan, Teresa Ramirez, and Veronica Garcia each received the Bronze Award.





One of Pioneer’s core principles is “We are Leaders creating Leaders.” I am honored to recognize Kate Davenport, who graduated from Leadership New Mexico CORE, Brandi Candelaria, who graduated from the Leadership New Mexico Connect, Janis Leeth, who graduated from Leadership Las Cruces, and Ryan Blanchard, August Brown, Elizabeth Herrera, and Faviola Vasquez who graduated from Leadership Roswell. I am

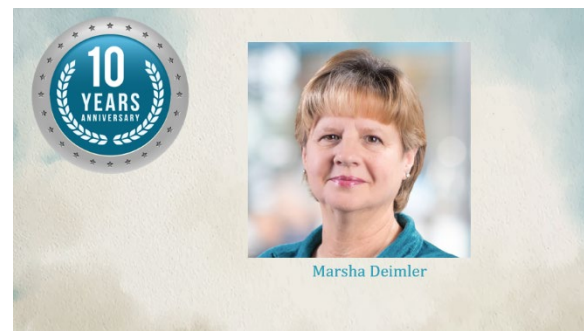
also proud to recognize Melissa Juarez and Will Lisak for graduating from the Texas Tech School of Banking in August 2025.

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

Next, I would like to make special mention of Team Members who reached years of service milestones in 2025. Those who celebrated five years with Pioneer include Annalicia Maynes, Manaury Guzman, and Bianca Velasquez.



Celebrating 10 years of service was Marsha Deimler.



Richard Hernandez and Teresa Ramirez each celebrated 20 years with Pioneer.



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

And lastly, we congratulate Jessica Ponce, who celebrated 25 years with Pioneer Bank.



Roswell, New Mexico  
April 17, 2026

As we move into 2026, our priorities remain unchanged: disciplined growth, sound risk management, thoughtful investment in people, and service to the communities that place their trust in Pioneer Bank.

While the external environment continues to evolve, we believe our consistent approach, rooted in preparation, accountability, and purpose, positions us well for the year ahead. I remain deeply committed to this institution and confident in the strength of our team and our direction.

We appreciate the continued support and confidence of our shareholders and invite you to join us for our Annual Meeting of Stockholders at 11:00 a.m. on May 19, 2026, at our corporate headquarters, located at 3000 North Main Street in Roswell, New Mexico.

# PIONEER BANK®

## *Alamogordo*

Clarissa Lamer  
Amaris Montes  
Jonathon Hollister  
Vante Sisneros Naffziger  
Amber Patterson  
Leona Lopez

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## *Carlsbad*

Ericka Laney  
Delma Ellis  
Destiny Mata-Sandoval  
Emma Yanez  
Rhonica Olivias  
April Keel  
Brooke Rentner

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## *Hobbs*

Stephanie Medina  
Jasmyne Espinoza  
Mackenzie Holland  
Maritza Marquez  
Arianna Arroyo  
Hailey Pena  
Megan De La Rosa Guerrero  
Mayra Angel  
Sheree Whittaker  
Litzzy Lopez  
Roxanna Romero  
Shayla Esquivel  
Perla Cruz  
Emily Goulet

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## *Las Cruces*

Melody Parra  
Kiel Hoffman  
Rebecca Dominguez  
Savannah Montoya  
Santiago Meza  
Elizabeth Harrigan

Faviola Quinones

Annalicia Maynes

Janis Leeth

Breanne Montoya

William Lisak

Becky Battles

Samuel Hernandez

Anahi Elias

Zachary Degase

Christopher Rubio

Miranda Marquez-Rosales

Ariadna Muro Unzueta

Leslie Dick

Ruben Rodriguez

Caitlin Turnbull

Isis Chavez

Kevin Merhege

Alexandra Lujan

Matthew Matmanivong

Amy Tyree

Baylee Banks

Bryan Perpuli-Ochoa

Isaias Herrera

Jataun Peterson

Jodi Befill

Andrea Arnold

Landin Keeler

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## *Roswell*

Dee Ann Nunez

Jessica Ponce

Rose Dick

Esther Aviles

Leigh Humble

Christopher Palmer

Teresa Ramirez

Richard Hernandez

Karen Kilburn

Yvonne Aldana

Nicole Austin

Gloria Rodriguez

Susan Roe

Richard Lucero

Gloria Lovato

Veronica Garcia

Monica Ruiz

Suzanna Lujan

Brandi Candelaria

Juliana Halvorson

Robert Smoot

Melissa Cardinuto

Kate Davenport

Marsha Deimler

Adriann Ragsdale

Melinda Shaffer

Ashley Torrez

Amanda Lucero

Ryan Blanchard

M Lane Pantuso

Sabrina Palma

Aaron Emmert

Teaira Aranda

Nathan Brandt

Vanessa Bejarano

Addison Anderson

Katrinia Martinez

Terri Mason

Faviola Vasquez-Rodriguez

Kerri Hendrix

Manaury Guzman

Bianca Velasquez

Tanya Norton

Lorenzo Najar

Collin Turner

Larissa Madrid

Felipe Ibarra

Elizabeth Herrera

Eric Ebright

Peni Fitzwater

August Brown

Carlos Chairez

Whitney Serrano

Arali Montelongo Cordero

Luz Garcia

Lizet Barrientos

Melissa Juarez

Jessica Hardwick

Lourdes Torres

Donna Jenkins

Maria Cardenas

Vanesa Castro

Yamile Uribe Ortiz

Jazmine Pillado

Elizabeth Duran

Stephanie DeLaRosa

Sheila Serna

Holly Chavez

Nuvia Duran

Bethany Pilgrim

Cassandra Dutchover

Alina Valdez

Sebastian Esquivel

Elisa Caballero

Roseann Martinez

Carina Andrade

Evan Caine

Colton Wolkwitz

Wendy Deichman

Emily Wheat

Ashlyn Jordan

Gabrielle Chester

Pamela Boyd

Alexandra Bennett

Breanna Saenz

Emilio Zavala

Elizabeth Gutierrez

Michelle Sandoval

Anastasia Albarez

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## *Ruidoso*

Donna Ward

Ashley Ruiz

Sheila Williamson

Monica Terrazas

MacKenzie Hazel

# PIONEER BANK®

*www.pioneer.bank*

**3000 North Main Street, P.O. Box 130, Roswell, New Mexico 88202**

**306 North Pennsylvania Avenue, Roswell, New Mexico 88201**

**2 St. Mary's Place, Roswell, New Mexico 88203**

**(575) 624-5200**

*ATM Only*

**3301 North Main Street, Roswell, New Mexico**

**300 South Sunset Avenue, Roswell, New Mexico**

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**3831 East Lohman Avenue, P.O. Box 609, Las Cruces, New Mexico 88004**

**705 East University Avenue, Las Cruces, New Mexico 88001**

**2900 Roadrunner Parkway, Las Cruces, New Mexico 88011**

**(575) 532-7500**

*ATM Only*

**Save Mart, 495 North Valley Drive, Las Cruces, New Mexico**

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**1020 North Turner Street, P.O. Box 177, Hobbs, New Mexico 88241**

**1600 West Joe Harvey Boulevard, Hobbs, New Mexico 88240**

**(575) 391-5800**

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**1020 Tenth Street, P.O. Box 1707, Alamogordo, New Mexico 88311**

**(575) 439-6040**

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**111 North Canal Street, P.O. Box S, Carlsbad, New Mexico 88221**

**(575) 885-7474**

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**1095 Mechem Drive, P.O. Box 910, Ruidoso, New Mexico 88355**

**(575) 258-6500**

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