

PIONEER BANCORP INC.

652 Albany Shaker Road, Albany, NY 12211

News Release

FOR IMMEDIATE RELEASE:

Pioneer Bancorp, Inc. Reports Second Quarter 2025 Results Net Income of \$6.5 Million

Albany, N.Y. – July 30, 2025 – Pioneer Bancorp, Inc. (“Pioneer”) (NASDAQ: PBFS), a leading financial institution in New York’s Capital Region, today reported the results for the three and six months ended June 30, 2025.

Net income for the three months ended June 30, 2025 was \$6.5 million, or \$0.26 per basic and diluted share, as compared to \$3.9 million, or \$0.16 per basic and diluted share for the three months ended June 30, 2024. Net income for the six months ended June 30, 2025 was \$12.2 million, or \$0.49 per basic and diluted share, as compared to \$8.6 million, or \$0.34 per basic and diluted share for the six months ended June 30, 2024.

Highlights

- Net loans receivable of \$1.54 billion at June 30, 2025 was up \$108.3 million, or 7.5%, from December 31, 2024.
- Deposits of \$1.74 billion at June 30, 2025 were up \$155.7 million, or 9.8%, from December 31, 2024.
- Net interest income of \$19.6 million for the three months ended June 30, 2025 was up \$2.4 million, or 14.0%, from the three months ended June 30, 2024.
- Net interest margin of 4.13% for the three months ended June 30, 2025 was up 20 basis points from the three months ended June 30, 2024.

Thomas Amell, President and CEO, said, “We are excited to report strong quarterly results, highlighted by record net income of \$6.5 million for the second quarter of 2025. These results reflect Pioneer’s consistent focus on our relationship-based model of creating client advocacy through highly engaged employees. We experienced continued positive momentum for the quarter with growth in net interest income and margin, reflecting expansion of the loan portfolio, growth in our diversified deposit base, and prudently managed funding costs. At the same time, we continued to make progress in diversifying products and services, with 15% of revenue generated by noninterest income sources for the quarter, further executing on our strategy of being ‘More Than a Bank’. As we move forward, our strategic focus remains on delivering long-term value for our stockholders while serving the varied needs of our clients, employees, and communities.”

Total assets were \$2.10 billion at June 30, 2025, primarily consisting of \$1.54 billion of net loans receivable, \$288.2 million of securities available for sale and \$122.1 million of cash and cash equivalents. Deposits totaled \$1.74 billion at June 30, 2025, and the deposit base was well diversified across customer segments, consisting of approximately 53% retail, 20% commercial and 27% municipal customer relationships. Estimated uninsured deposits, net of affiliate deposits and collateralized deposits, represented 15.2% of total deposits at June 30, 2025. Total shareholders’ equity was \$314.3 million at June 30, 2025.

Selected highlights at and for the three and six months ended June 30, 2025 are as follows:

Net Interest Income and Margin

Net interest income increased \$2.4 million, or 14.0%, to \$19.6 million for the three months ended June 30, 2025 from \$17.2 million for the three months ended June 30, 2024, and increased \$4.2 million, or 12.1%, to \$38.7 million for the six months ended June 30, 2025 from \$34.5 million for the six months ended June 30, 2024. The increase in net interest income for the three months ended June 30, 2025 was primarily due to an increase in the average yield on interest-earning assets of 31 basis points and an increase in the average balance of interest-earning assets of \$144.9 million, partially offset by an increase in the average cost of interest-bearing liabilities of 14 basis points and an increase in the average balance of interest-bearing liabilities of \$105.4 million. The increase in net interest income for the six months ended June 30, 2025 was primarily due to an increase in the average yield on interest-earning assets of 32 basis points and an increase in the average balance of interest-earning assets of \$126.5 million, partially offset by an increase in the average cost of interest-bearing liabilities of 17 basis points and an increase in the average balance of interest-bearing liabilities of \$96.4 million.

Interest income increased \$3.4 million, or 14.6%, to \$27.0 million for the three months ended June 30, 2025, from \$23.6 million for the three months ended June 30, 2024. Interest income increased \$6.2 million, or 13.2%, to \$52.9 million for the six months ended June 30, 2025, from \$46.7 million for the six months ended June 30, 2024. The increase in interest income for the three and six months ended June 30, 2025 was driven by market-related increases in interest rates on new loans and on investment securities purchased. The average yield on interest-earning assets increased by 31 basis points to 5.72% for the three months ended June 30, 2025, compared to 5.41% for the three months ended June 30, 2024. The average yield on interest-earning assets increased by 32 basis points to 5.63% for the six months ended June 30, 2025, compared to 5.31% for the six months ended June 30, 2024.

Interest expense increased \$1.0 million, or 16.3%, to \$7.4 million for the three months ended June 30, 2025 from \$6.4 million for the three months ended June 30, 2024. Interest expense increased \$2.1 million, or 16.6%, to \$14.2 million for the six months ended June 30, 2025 from \$12.1 million for the six months ended June 30, 2024. The average cost of interest-bearing liabilities increased by 14 basis points to 2.41% for the three months ended June 30, 2025, compared to 2.27% for the three months ended June 30, 2024. The average cost of interest-bearing liabilities increased by 17 basis points to 2.35% for the six months ended June 30, 2025, compared to 2.18% for the six months ended June 30, 2024. The average cost of interest-bearing liabilities increased for the three and six months ended June 30, 2025 primarily due to the repricing of certain interest-bearing deposit accounts in response to changes in market interest rates and the higher interest rate environment, as well as a shift in the mix of deposits towards higher cost interest-bearing accounts.

Net interest margin increased 20 basis points to 4.13% for the three months ended June 30, 2025, compared to 3.93% for the three months ended June 30, 2024. Net interest margin increased 21 basis points to 4.12% for the six months ended June 30, 2025, compared to 3.91% for the six months ended June 30, 2024.

Asset Quality and Provision for Credit Losses

Non-performing assets were \$11.5 million, or 0.55% of total assets, at June 30, 2025, compared to \$5.2 million, or 0.27% of total assets, at December 31, 2024. The increase in non-performing assets at June 30, 2025 was primarily due to a \$4.7 million commercial real estate loan relationship consisting of four loans secured by multiple office, warehouse and industrial properties being placed on non-accrual status during the six months ended June 30, 2025.

The allowance for credit losses on loans was \$23.8 million at June 30, 2025, compared to \$21.8 million at December 31, 2024, representing 1.52% and 1.49% of total loans outstanding, respectively.

Net charge-offs were \$70,000 and \$85,000 for the three and six months ended June 30, 2025, respectively, compared to net charge-offs of \$129,000 and \$149,000 for the three and six months ended June 30, 2024, respectively. Annualized net charge-offs were 0.02% and 0.01% of average loans for the three and six months ended June 30, 2025, respectively, compared to annualized net charge-offs of 0.04% and 0.02% of average loans for the three and six months ended June 30, 2024, respectively.

The provision for credit losses was \$1.6 million and \$2.4 million for the three and six months ended June 30, 2025, respectively, as compared to a provision for credit losses of \$750,000 and \$830,000 for the three and six months ended June 30, 2024, respectively. The increase in the provision for credit losses for the three and six months ended June 30, 2025 was primarily due to growth in the loan portfolio and changes in current economic conditions.

Noninterest Income and Noninterest Expense

Noninterest income of \$4.8 million for the three months ended June 30, 2025 increased \$1.1 million, or 30.3%, as compared to \$3.7 million for the three months ended June 30, 2024. Noninterest income of \$8.5 million for the six months ended June 30, 2025 increased \$609,000, or 7.7%, as compared to \$7.9 million for the six months ended June 30, 2024. The increase in noninterest income for the three months ended June 30, 2025 was primarily due to a \$706,000 increase in other noninterest income and a \$235,000 increase in insurance and wealth management services income. The increase in noninterest income for the six months ended June 30, 2025 was primarily due to a \$692,000 increase in other noninterest income and a \$263,000 increase in insurance and wealth management services income, offset in part by \$386,000 of net gain on equity securities during the six months ended June 30, 2024 as compared to no such gain for the six months ended June 30, 2025. The increase in other noninterest income for the three and the six months ended June 30, 2025 was primarily due to \$550,000 of bank-owned life insurance income as a result of a death benefit. The increase in insurance and wealth management services income for the three and the six months ended June 30, 2025 was primarily as a result of organic growth and positive market performance related to our wealth management services.

Noninterest expense of \$14.7 million for the three months ended June 30, 2025 decreased \$379,000, or 2.5%, as compared to \$15.1 million for the three months ended June 30, 2024. Noninterest expense of \$29.3 million for the six months ended June 30, 2025 decreased \$1.2 million, or 4.0%, as compared to \$30.5 million for the six months ended June 30, 2024. The decrease in noninterest expense for the three months ended June 30, 2025 was primarily due to a decrease in professional fees of \$693,000 and a decrease in other expenses of \$718,000, offset in part by an increase in salaries and employee benefits of \$1.0 million. The decrease in noninterest expense for the six months ended June 30, 2025 was primarily due to a decrease in professional fees of \$1.9 million and a decrease in other expenses of \$1.2 million, offset in part by an increase in salaries and employee benefits of \$2.0 million. Professional fees decreased due to lower legal fees and expenses as compared to the prior-year periods. Other expenses decreased due to a benefit for the other cost components of the net periodic pension and post-retirement benefits cost during the three and six months ended June 30, 2025. Salaries and employee benefits increased due to compensation expense from annual merit increases as well as due to share-based compensation costs recognized during the three and six months ended June 30, 2025 for the stock awards granted during the three months ended June 30, 2024.

Income Taxes

Income tax expense increased \$586,000 to \$1.7 million for the three months ended June 30, 2025 as compared to \$1.1 million for the three months ended June 30, 2024 primarily due to an increase in income before income taxes. Income tax expense increased \$903,000 to \$3.3 million for the six months ended June 30, 2025 as compared to \$2.4 million for the six months ended June 30, 2024 primarily due to an increase in income before income taxes. Our effective tax rate was 20.7% and 21.5% for the three and six months ended June 30, 2025, respectively, compared to 21.9% and 22.0% for the three and six months ended June 30, 2024, respectively. The decrease in the effective tax rate for the three and the six months ended June 30, 2025 was due to bank-owned life insurance income which is exempt from income tax expense as a result of a death benefit recognized during the three and six months ended June 30, 2025.

Balance Sheet Summary

Total assets of \$2.10 billion at June 30, 2025 increased \$116.7 million, or 5.9%, from \$1.98 billion at December 31, 2024.

Net loans receivable of \$1.54 billion at June 30, 2025 increased \$108.3 million, or 7.5%, from \$1.43 billion at December 31, 2024. The increase in net loans receivable was primarily a result of growth in the residential mortgage loan portfolio which increased by \$52.6 million. Commercial construction loans increased by \$32.3 million, commercial real estate loans increased by \$17.6 million, commercial and industrial loans increased by \$5.6 million, consumer loans increased by \$1.9 million, and home equity loans and lines of credit increased by \$176,000.

Securities available for sale of \$288.2 million at June 30, 2025 decreased \$33.3 million, or 10.4%, from \$321.5 million at December 31, 2024. The decrease was primarily due to maturities, paydowns and calls of \$131.5 million, offset in part by purchases of \$93.4 million of securities during the six months ended June 30, 2025.

Deposits of \$1.74 billion at June 30, 2025 increased \$155.7 million, or 9.8%, from \$1.59 billion at December 31, 2024. By deposit category, certificates of deposit increased by \$92.6 million, money market accounts increased by \$53.4 million, non-interest-bearing demand accounts increased by \$16.6 million, and savings accounts increased by \$1.2 million, offset in part by a decrease in demand accounts of \$8.1 million. The increase in certificates of deposit was primarily due to an increase in brokered deposits, and by a migration of funds from non-interest bearing demand, savings and other lower rate interest-bearing accounts. The increase in money market accounts was primarily due to a migration of funds from non-interest bearing demand, savings and other lower rate interest-bearing accounts. The increase in non-interest-bearing demand accounts was primarily related to growth in commercial deposits. The decrease in demand accounts was primarily related to migration of funds to higher interest-bearing accounts.

Shareholders' equity of \$314.3 million at June 30, 2025 increased \$9.7 million, or 3.2%, from \$304.6 million at December 31, 2024 primarily as a result of net income of \$12.2 million and an increase in accumulated other comprehensive income of \$1.5 million, partially offset by the repurchase of common stock of \$5.0 million. Pioneer Bank, National Association has consistently maintained regulatory capital ratios measurably above the federal "well capitalized" standard, including a Tier 1 (leverage) capital to average assets ratio of 11.93 % at June 30, 2025.

Stock Repurchase

On May 21, 2024, Pioneer announced that it had adopted a stock repurchase program for up to approximately 5% of its then outstanding common stock, or 1,298,883 shares of its common stock. This is Pioneer's first stock repurchase program since completing its mutual holding company reorganization and related stock offering. Pioneer repurchased 282,836 shares of its common stock during the three months ended June 30, 2025 at an average price of \$11.59 per share under this stock repurchase program. As of June 30, 2025, there were 491,459 shares available for repurchase under this program.

About Pioneer

Pioneer is a bank holding company with more than \$2 billion in assets. Pioneer provides diversified financial services through its subsidiary, Pioneer Bank, National Association and its subsidiaries, with 22 offices in the Capital Region of New York State, and offers a broad array of banking, insurance, employee benefit and wealth management services to individuals, businesses, and municipalities. For more information on Pioneer, please visit www.pioneer ny.com.

Cautionary Statement Concerning Forward-Looking Statements

Certain of the matters discussed in this communication constitute forward-looking statements within the meaning of the Securities Act of 1933 and the Securities Exchange Act of 1934, both as amended by the Private Securities Litigation Reform Act of 1995. These forward-looking statements are generally identified by use of the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “project” or similar expressions, or future or conditional verbs, such as “will,” “would,” “should,” “could,” or “may.” These forward-looking statements include, but are not limited to, statements made by Mr. Thomas Amell. Pioneer’s ability to predict results or the actual effect of future plans or strategies is inherently uncertain. No assurance can be given that the future results covered by forward-looking statements will be achieved. These statements are based on the current expectations of our management, and it is important to note that our actual results could be materially different from those projected in such forward-looking statements. There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements, including those discussed in our transition report on Form 10-KT for the six months ended December 31, 2024, under the heading “Risk Factors” and other filings made with the Securities and Exchange Commission (the “SEC”), including our quarterly reports on Form 10-Q. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this communication, unless noted otherwise. Except as required under the federal securities laws and the rules and regulations of the SEC, Pioneer does not undertake any obligation to release publicly any revisions to the forward-looking statements to reflect events or circumstances after the date of this communication or to reflect the occurrence of unanticipated events.

For additional information contact:

Patrick J. Hughes
Executive Vice President and Chief Financial Officer
(518) 730-3025
InvestorRelations@pioneerne.com

Pioneer Bancorp, Inc.
Selected Financial Data (unaudited)

| | June 30, 2025 | December 31, 2024 |
|------------------------------------|------------------|----------------------|
| | (In thousands) | |
| Selected Financial Condition Data: | | |
| Total assets | \$ 2,096,425 | \$ 1,979,730 |
| Cash and cash equivalents | 122,068 | 96,521 |
| Securities available for sale | 288,220 | 321,537 |
| Securities held to maturity | 42,406 | 25,400 |
| Net loans receivable | 1,542,860 | 1,434,575 |
| Bank-owned life insurance | 15,328 | 15,956 |
| Premises and equipment, net | 35,725 | 35,480 |
| Deposits | 1,741,860 | 1,586,183 |
| Shareholders' equity | 314,249 | 304,553 |

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | | | | | |
|---|--|------------|--------------------------------------|------------|----|------------|----|------------|
| | 2025 | 2024 | 2025 | 2024 | | | | |
| (In thousands, except share and per share amounts) | | | | | | | | |
| Selected Operating Data: | | | | | | | | |
| Interest income | \$ | 27,006 | \$ | 23,558 | \$ | 52,854 | \$ | 46,673 |
| Interest expense | | 7,398 | | 6,360 | | 14,163 | | 12,144 |
| Net interest income | | 19,608 | | 17,198 | | 38,691 | | 34,529 |
| Provision for credit losses | | 1,550 | | 750 | | 2,350 | | 830 |
| Net interest income after provision for credit losses | | 18,058 | | 16,448 | | 36,341 | | 33,699 |
| Noninterest income | | 4,806 | | 3,688 | | 8,531 | | 7,922 |
| Noninterest expense | | 14,727 | | 15,106 | | 29,318 | | 30,535 |
| Income before taxes | | 8,137 | | 5,030 | | 15,554 | | 11,086 |
| Income tax expense | | 1,686 | | 1,100 | | 3,340 | | 2,437 |
| Net income | \$ | 6,451 | \$ | 3,930 | \$ | 12,214 | \$ | 8,649 |
| | | | | | | | | |
| Earnings per share - basic | \$ | 0.26 | \$ | 0.16 | \$ | 0.49 | \$ | 0.34 |
| Earnings per share - diluted | | 0.26 | | 0.16 | | 0.49 | | 0.34 |
| | | | | | | | | |
| Weighted average shares outstanding - basic | | 24,510,936 | | 25,179,835 | | 24,724,696 | | 25,191,330 |
| Weighted average shares outstanding - diluted | | 24,567,328 | | 25,209,101 | | 24,777,301 | | 25,220,596 |

| | At or For the Three Months Ended June 30, | | At or For the Six Months Ended June 30, | |
|---|--|----------|--|----------|
| | 2025 | 2024 | 2025 | 2024 |
| Performance Ratios: | | | | |
| Return on average assets | 1.26 % | 0.82 % | 1.20 % | 0.90 % |
| Return on average equity | 8.23 % | 5.42 % | 7.91 % | 6.01 % |
| Interest rate spread (1) | 3.31 % | 3.13 % | 3.28 % | 3.12 % |
| Net interest margin (2) | 4.13 % | 3.93 % | 4.12 % | 3.91 % |
| Non-interest expenses to average assets | 2.87 % | 3.15 % | 2.88 % | 3.17 % |
| Efficiency ratio (3) | 60.32 % | 72.33 % | 62.09 % | 71.93 % |
| Average interest-earning assets to average interest-bearing liabilities | 155.88 % | 157.59 % | 157.21 % | 159.43 % |
| Capital Ratios (4): | | | | |
| Average equity to average assets | | | 15.19 % | 14.97 % |
| Total capital to risk weighted assets | | | 18.54 % | 19.66 % |
| Tier 1 capital to risk weighted assets | | | 17.28 % | 18.40 % |
| Common equity tier 1 capital to risk weighted assets | | | 17.28 % | 18.40 % |
| Tier 1 capital to average assets | | | 11.93 % | 11.65 % |
| Asset Quality Ratios: | | | | |
| Allowance for credit losses as a percentage of total loans | | | 1.52 % | 1.60 % |
| Allowance for credit losses as a percentage of non-performing loans | | | 218.63 % | 240.92 % |
| Net charge-offs to average outstanding loans during the period | | | 0.01 % | 0.02 % |
| Non-performing loans as a percentage of total loans | | | 0.69 % | 0.66 % |
| Non-performing loans as a percentage of total assets | | | 0.52 % | 0.48 % |
| Total non-performing assets as a percentage of total assets | | | 0.55 % | 0.49 % |
| Other: | | | | |
| Number of offices | | | 22 | 23 |
| Number of full-time equivalent employees | | | 273 | 270 |

- (1) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities for the periods presented.
- (2) Represents net interest income as a percentage of average interest-earning assets.
- (3) Represents non-interest expenses divided by the sum of net interest income and non-interest income.
- (4) Capital Ratios are for Pioneer Bank, National Association.

The above information is preliminary and based on Pioneer's data available at the time of presentation.