2010 – A Year of Overcoming Challenges

Despite the lingering economic challenges facing the nation at large, Pioneer Federal posted net income in excess of $1,060,000 in 2010. Despite the challenges presented by the economy, the credit union was able to increase our Net Worth above $20.7 million while also increasing our Net Worth Ratio. The Net Worth Ratio is a key indicator of safety and soundness for a financial institution.

At a time when many financial institutions were reluctant to extend credit, Pioneer Federal extended credit in excess of $53.2 million to our membership. Despite continued uncertainty in the housing market, Pioneer Federal was committed to funding more than $18.7 million in real estate secured loans to our membership. The credit union ended 2010 at 31,540 members strong, $169,751,893 in outstanding loans, $284,837,855 on deposit and assets totaling $305,252,910.

While Idaho continued to work through difficult economic conditions, the credit union delinquencies and loan losses improved from the previous year. The credit union ended 2010 with more than 15,000 outstanding loans to our membership, and less than 200 of those loans in reportable delinquency. Due to the uncertain economy, the credit union continued to prudently build up our loan loss reserves by setting an additional $3 million aside in reserves. The $3 million was high by historical standards for the credit union, as would be expected in our current economy, but was $1.7 million less than the previous year.

Our membership continued to benefit from our extensive and convenient branch network. Our branch network consists of 13 of our own branch locations, plus an additional 4,300 shared branching locations available through CU Service Centers (CUSN). In addition to a branch network consisting of 4,300 nationwide locations, our membership also benefits from 28,000 surcharge free ATM's through our nationwide CO-OP ATM network.

Pioneer has continued to persevere through this economic down time, remaining a safe and secure place for our members' hard earned savings. The economy continues to provide challenges, but we have continued to hold fast to our mission "to enhance the financial future of our members." We have worked diligently to help our members weather the storm while offering the best possible products and services, convenience and world class service. Pioneer Federal is a trusted, dependable financial institution that continues to stand strong during economic uncertainty.

We extend our thanks to the members of Pioneer Federal Credit Union for their continued business and support. We also thank our volunteers, management personnel and staff for their loyalty and commitment to our ongoing success. Our management team and staff are second to none. Pioneer Federal continues to give back to the communities we serve through numerous charitable events, donating time and resources for many worthwhile causes.

Looking ahead, we face the future with confidence that Pioneer Federal and its members will continue to thrive, and that together, we can build a strong financial future for the credit union and its members.

Sincerely,
Paul Remaley,
Chairman of the Board

Curt Perry,
President/CEO

Member Services

Checking Accounts
Debit & Visa Cards with Rewards!
Direct Deposit
Overdraft Protection/LOC

Savings Accounts
Money Market Accounts
Term Certificates
IRA's

ATM Access
E-Statements
Telephone Teller
Pioneer@Home
Online Bill Pay
Notary & Fax Services

Personal Loans
RV Loans
Home Equity Lines of Credit
VISA Credit Cards
Home Improvement Loans
New/Used Vehicle Loans
Real Estate Loans
Payday Alternative Loans
Construction Loans
Credit Builder Loans

Student Loans
Credit Life & Disability Insurance
Mechanical Breakdown Protection
Guaranteed Asset Protection

Shared Branching Network
Money Orders & Gift Cards

Pioneer Financial Services, LLC:

Insurance – Life/Property/Business/Other

Board of Directors

Paul Remaley, Chairperson
Nathan Price, Vice Chair
Stuart Friedman, Sec/Treasurer
Rob Christensen, Director
Calvin Miller, Director
Diana Monasterio, Director
Tom Rodney, Director

Supervisory Committee

Robert Yalch, Chairperson
Stuart Friedman, Member

Management Staff

Curt Perry, President/CEO
Mikell Hite, VP Finance/CFO
Sharon Fletcher, VP Member Services
Robert Lee, VP Information Technology

Locations

Mary Morin, Regional Manager
Main Office/Mountain Home
250 W 3rd South
3197 E 8th North
Mountain Home AFB
605 Gunfighter
Glenns Ferry –70 Commercial

Ivy Sherburne, Regional Manager
Twin Falls – 1439 N College Rd East
Gooding –1624 Main
Jerome –1865 S Lincoln
Hailey – 841 N Main

Cherie Angell, Regional Manager
Meridian -- 850 E Fairview
Nampa – 3000 12th Ave Road
315 Stampede Dr
Eagle – 1580 E State Street #101
Middleton – 551 S Middleton Road

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency

Pioneer Federal Credit Union

2010 Annual Report

Pioneer Federal™
CREDIT UNION

Supervisory Committee Report

Supervisory Committee Report

The Board of Directors appoints qualified volunteers to the Pioneer Federal Supervisory Committee to provide oversight for the safety and security of the credit union. The committee routinely meets with Management to monitor adherence to sound practices and procedures.

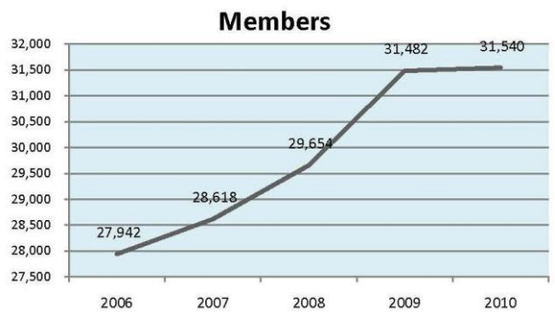
Duties of the Supervisory Committee include monitoring internal controls to protect the members and the credit union and ensuring the credit union is run in a fiscally sound manner. For this purpose, the committee oversees an independent annual audit of the credit union to verify compliance in accordance with the federal regulations and standards set by the National Credit Union Administration (NCUA).

In 2010, the committee engaged the services of Eide Bailly, LLP, an independent certified public accounting firm, to assist them in conducting a comprehensive audit of the credit union's financial statements.

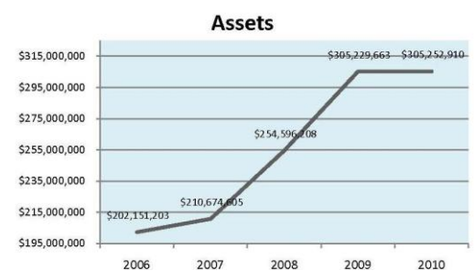
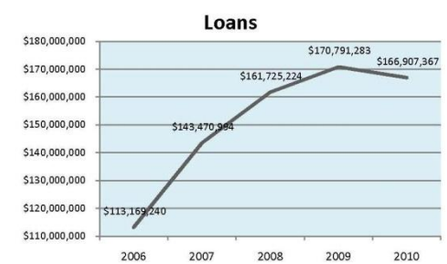
The Supervisory Committee is pleased to report that the assets held by Pioneer Federal Credit Union are safe and secure. Furthermore, our review concludes that Pioneer Federal is in compliance with federal regulations and standards provided by the National Credit Union Administration.

The Supervisory Committee works for the best interests of you – the members of the credit union. We appreciate your continued confidence in our oversight role while serving as a member advocate. The committee greatly appreciates the support and cooperation of the Board of Directors, Management and employees of the credit union.

Robert Yalch
Chairperson
Supervisory Committee



Statement of Financial Condition	2010	2009	2008
Net Loans Outstanding	$166,907,367	$170,791,283	$161,725,224
Cash	$2,198,815	$3,855,428	$6,055,990
Investments	$120,818,665	$113,592,119	$72,708,003
Fixed Assets	$11,174,284	$10,638,628	$10,018,216
Other Assets	$4,153,779	$6,352,205	$4,088,775
Total Assets	$305,252,910	$305,229,663	$254,596,208
Liabilities	$1,673,681	$5,368,252	$8,904,489
Member Deposits	$284,837,855	$280,376,413	$223,867,694
Reserves	$18,741,374	$19,484,998	$21,824,025
Total Liabilities and Equity	$305,252,910	$305,229,663	$254,596,208

Statement of Earnings	2010	2009	2008
Interest on Loans	$10,401,016	$10,485,936	$10,218,985
Interest on Investments	$3,461,805	$3,543,261	$3,307,547
Total Interest Income	$13,862,821	$14,029,197	$13,526,532
Dividends/Interest Expense	-$5,838,347	-$6,730,054	-$6,649,519
Net Interest Income	$8,024,474	$7,299,143	$6,877,013
Provision for Loan Loss (PLL)	-$3,047,772	-$4,751,133	-$764,721
Net Interest Income After PLL	$4,976,702	$2,548,010	$6,112,292
Pioneer Financial Services	-$209,656	$11,030	$86,280
Operating Expenses	-$8,317,998	-$8,184,294	-$7,256,840
Non Interest Income	$4,013,112	$3,368,667	$3,471,107
Non-Operating Income/Expenses	$598,383	-$51,516	$113,886
Net Income	$1,060,543	-$2,308,103	$2,526,725

Annual Summary	2010	% Change	2009	% Change	2008
Loans (Net)	$166,907,367	-2.27%	$170,791,283	5.61%	$161,725,224
Member Deposits	$284,837,855	1.59%	$280,376,413	25.24%	$223,867,694
Cash & Investments	$123,017,480	4.74%	$117,447,547	49.11%	$78,763,993
Total Assets	$305,252,910	0.01%	$305,229,663	19.89%	$254,596,208
Net Worth	$20,754,117	5.39%	$19,693,572	-10.49%	$22,001,677
Gross Income	$17,666,277	1.48%	$17,408,894	1.90%	$17,083,919
Net Income	$1,060,543	145.95%	-$2,308,103	-191.35%	$2,526,725
Dividends Paid	$5,838,347	-13.25%	$6,730,054	1.21%	$6,649,519
Number of Members	31,540	0.18%	31,482	6.16%	29,654