SHAREHOLDERS' CELEBRATION & RECEPTION

September 14, 2021

PSB Holdings, Inc.



PSB Holdings, Inc.

Welcome



Scott M. Cattanach

President & CEO

PSB Holdings, Inc.

Peoples State Bank

PSB Holdings, Inc.

Agenda

President's Message

- Customers & Growth
- Community
- Shareholder Impact

Financial Presentation

Questions & Answers

Reception



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Cautionary Note Regarding Forward-Looking Statements

Certain matters discussed in this presentation, including those relating to the growth of PSB, its profits, and future interest rates, are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause results to differ materially from those set forth during the meeting. Among other things, these risks and uncertainties include the strength of the economy, the effects of government policies, including interest rate policies, the benefits and risks associated with acquisition activities, and other risks and assumptions. PSB assumes no obligation to update or supplement forward-looking statements that become untrue because of subsequent events.

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Who is Today's Peoples State Bank?

10 full-service locations in north central and southeastern Wisconsin with $1.25 billion in assets. In north central Wisconsin, Peoples State Bank (Peoples) has the leading community bank market share in deposits.

PSB Holdings, Inc. is the parent of Peoples and is traded under the stock symbol "PSBQ" on the OTCQX – Best Market Exchange.

On April 16, 2021, PSB Holdings, Inc. acquired Waukesha Bankshares, Inc., adding $138 million in assets and a traditionally strong banking market in Waukesha.

Peoples is a leader in residential long-term fixed rate mortgage lending, generating $6.7 million in sale gains over the last 12 months.

Peoples Wealth Management also provides investment, retirement planning, and insurance products with gross commissions over $1.7 million over the last 12 months.

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Who is Today's Peoples State Bank?

AWARD WINNING SERVICE

- Shareholder focused – American Banker Magazine "Top 200 Community Banks" list in 2021 for 12 consecutive years
- Customer focused – Peoples State Bank voted "Best Bank in Marathon County" by readers of the Wausau Daily Herald for the past 10 years
- Employee focused – American Banker Magazine voted "Best Bank to Work For" by its staff for the past 3 years







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Who is Today's Peoples State Bank?

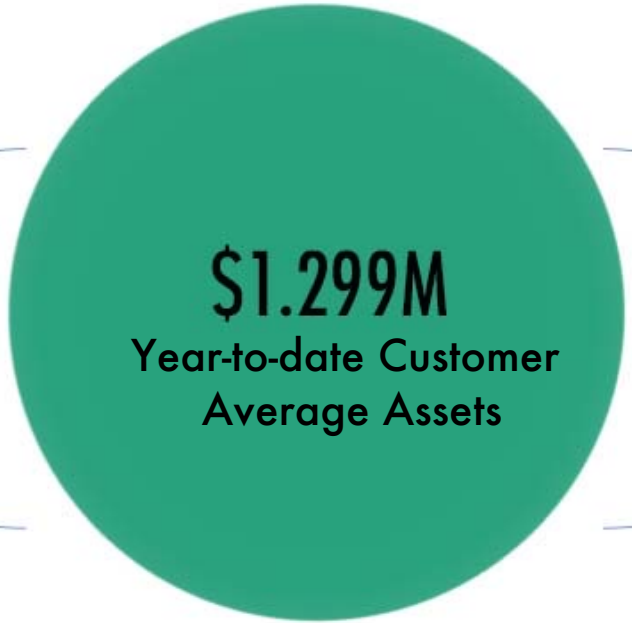
Region

Central: $677,000

Northern: $363,000

Southeastern: $259,000

Total: $1,299,000



Division

Commercial: $676,000

Mortgage: $594,000

Retail: $29,000

Total: $1,299,000

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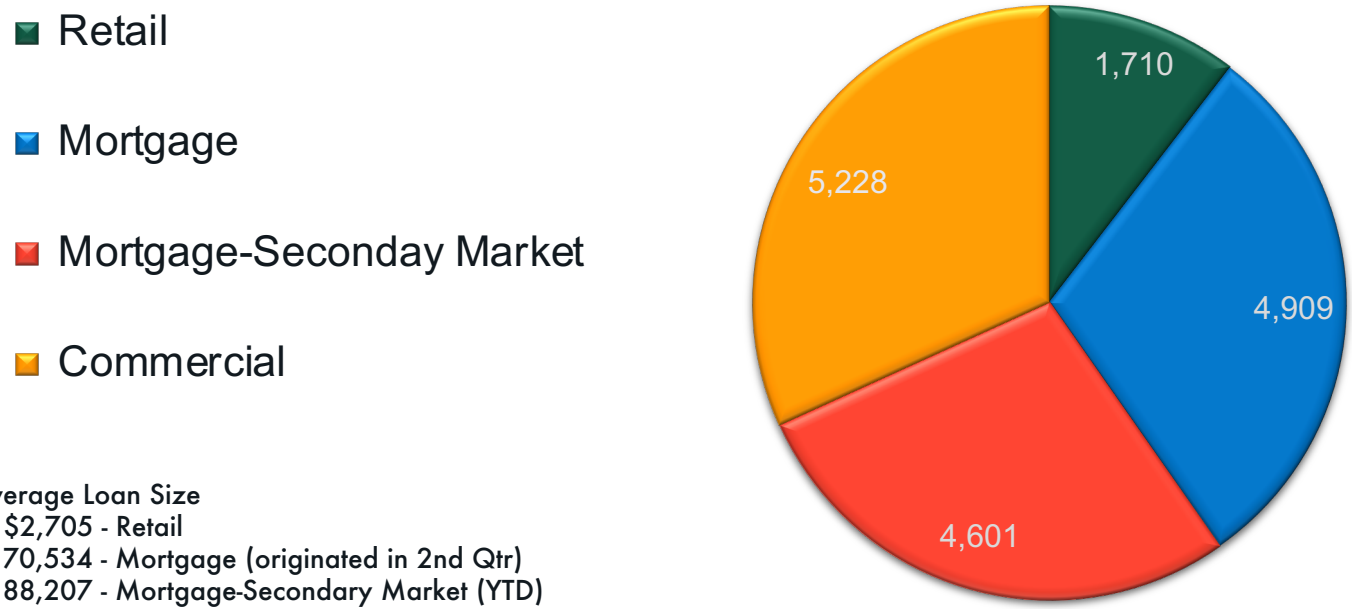
Who is Today's Peoples State Bank?

of Loan Accounts June 30, 2021



Average Loan Size
$2,705 - Retail
$170,534 - Mortgage (originated in 2nd Qtr)
$188,207 - Mortgage-Secondary Market (YTD)
$337,975 - Commercial (originated in 2nd Qtr)

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Peoples Management



Scott Cattanach
President & CEO



Mark Oldenberg
CFO & Investor Relations



Tim Dively
Chief Technology
& Operating Officer



Pat Heier
Commercial Banking
Group Leader



Jeff Saxton
Retail Group Leader



Robert McPherson
Risk Management



Jeff Musa
SE Wisconsin
President



Craig Lau
Northern Wisconsin
President

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New Market Growth



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Milwaukee Growth - West Allis

- Original loan production office opened April 2016 when local banker Jeff Musa was hired
- An existing vacant bank branch was purchased in 2019 and remodeled
- Opened the full-service location in March 2020, at 10725 W. National Ave, West Allis
- During 2020 grew deposits by $16.9 million and loan portfolio reached $105 million at year-end



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Waukesha Acquisition



- Gain entry into adjacent, higher growth market to our new West Allis branch for commercial customer growth
- Jump start our retail banking operation with a set of long-time retail and mortgage customers
- Manageable size and purchase premium with expanded products for customers and potential for many efficiencies to reduce cost

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Peoples - Waukesha



- Hired Chadd Frank, to lead Waukesha market



- Sunset Bank CEO, Robert Eastman, Jr., joined Peoples Board of Directors



- Now have ~$250 million in Milwaukee area total assets, about 20% of total Peoples assets

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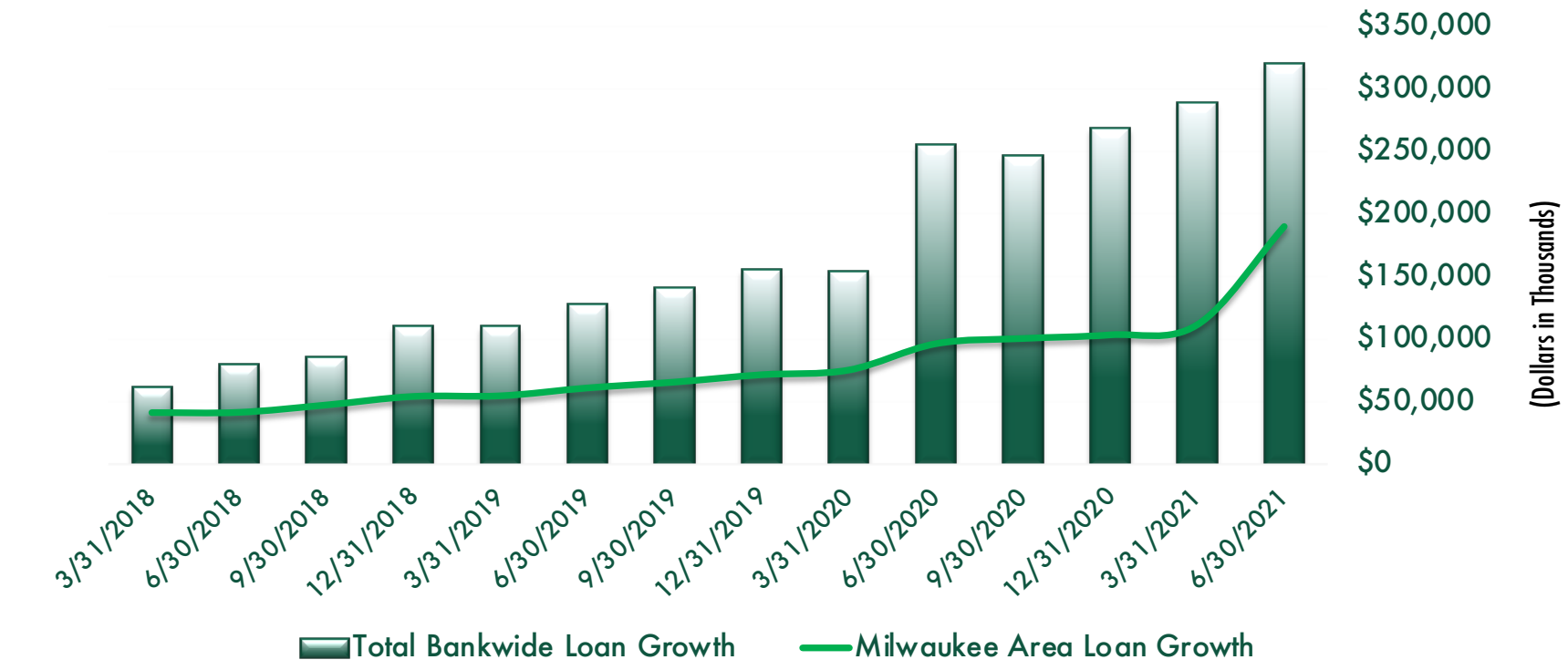
Milwaukee area Market Growth since April 2016



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Facility Updates

Peoples State Bank - Marathon





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Peoples - Waukesha



- Expand from 7 offices to 15 offices within same footprint
- Consolidates staff from 2 other locations to this remodeled site, gaining efficiencies
- Provide staff and customers the newest technology for a great experience
- Late fall/early winter start

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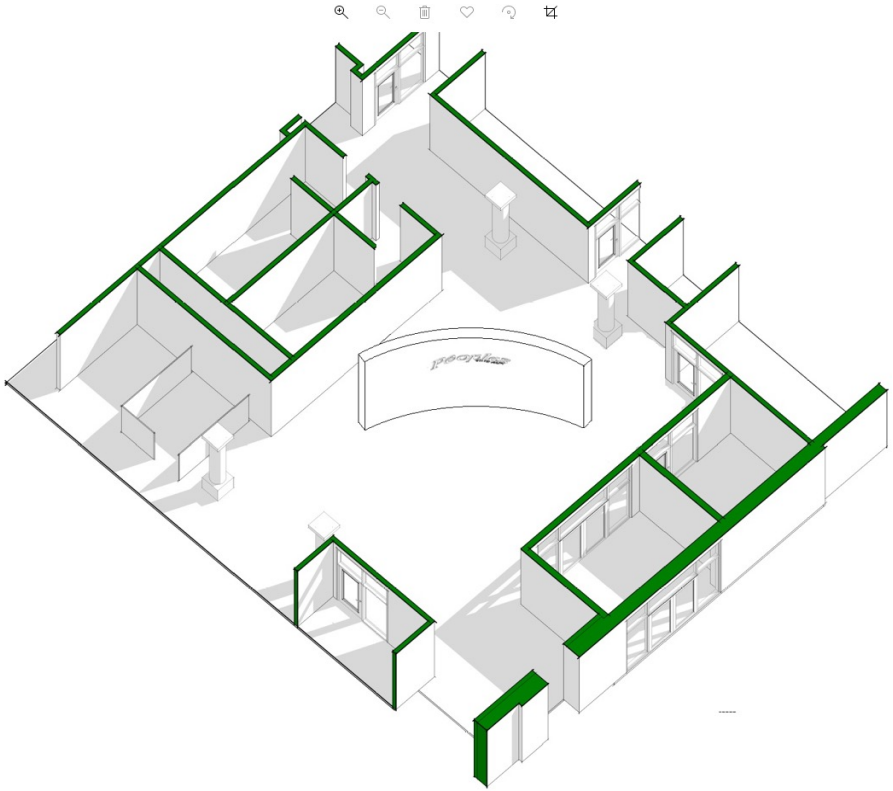
Stewart Ave. Lobby Remodel



- Transition to new customer experience
- Customer still receive personal service on entry
- On the spot options for self-service at kiosk, help by our personal banker, and transaction at existing teller line
- Work expected to begin in November

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Commercial Banking



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PPP Lending

Dollar Amounts in ($00)	Round 1	Round 2	June 30, 2021 Balance
PPP Loans Approved:	736	268	1,004
Total Dollars Deployed:	$116,900	$34,500	$151,400
Current Balance:	$7,500	$33,800	$43,500
Remaining Net Deferred Fees:	$132	$1,074	$1,206
Acquired PPP Loans from Sunset:		$2,200	
Gross Income from PPP:			$5,462

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PPP Success



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Community Proud



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Peoples Sports Complex



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Rhinelander Hodag Dome

One of the largest domed athletic complexes in the Upper Midwest





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Shareholder Impact



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Board of Directors



Scott M. Cattanach



Robert F. Eastman



William J. Fish



Lee A. Guenther



Patricia M. Hanz



Karla M. Kieffer



Kevin J. Kraft



Peter W. Knitt



Corey B. Vanderpoel

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Retiring Directors



Charles A. Ghidorzi
(since 1997)



Thomas R. Polzer
(since 1992)



William M. Reif
(since 1997)

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Capital Position for Growth



At June 30, 2021, Peoples State Bank had existing equity that would support $104M of asset growth

At June 30, 2021, Peoples State Bank had $63M in overnight cash available for investment

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Long-term Shareholder Value

…Customer and community focused for shared success

…Relationship based collaborative model

…Diversified customer base, markets, and fee-based income sources

…Ongoing and past investments in technology and regulation compliance

…Have a combination of people, markets, and funding capacity for growth to $1.5 billion assets

…Long term shareholder value metrics have proven strong historically



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5-Year Look Back

Shareholder Value (5 year lookback at June 30, 2021)

Regular book value growth	Price increases tied to NBV growth	Growing dividend	Liquidate when desired
5 yr ROE 11.84% avg (9.88% min.)	5 yr CAGR Stock price +11.84% TNBV/shr +10.12%	5 yr CAGR Cash div +8.70% Avg div yield 1.60% Current div yield 1.83%*	Past 5 years: 1,695 shares/day $42,500/day*

Investment Near Net Book Value

*based on August 30, 2021 share price

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10-Year Look Back

Shareholder Value (10 year lookback at June 30, 2021)

Regular book value growth	Price increases tied to NBV growth	Growing dividend	Liquidate when desired
10 yr ROE	10 yr CAGR	10 yr CAGR	Past 10 years:
11.31% avg	Stock price +13.05%	Cash div +6.62%	1,635 shares/day
(7.64% min.)	TNBV/shr +9.13%	Avg div yield 2.02%	$41,000/day*
		Current div yield 1.83%*	

Investment Near Net Book Value

*based on August 30, 2021 share price

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29 Consecutive Years of Increased Dividends

Assuming an 8.70% annual cash dividend increase and purchase at $25.15/share:

Year one – $0.46 / $25.15 original cost = 1.83% dividend yield

Year two - $0.50 / $25.15 = 1.99%

Year three - $0.54 / $25.15 = 2.15%

Year four - $0.59 / $25.15 = 2.35%

Year five - $0.64 / $25.15 = 2.54% dividend yield

Note: cash dividends are discretionary and subject to reduction or suspension for regulatory or business reasons

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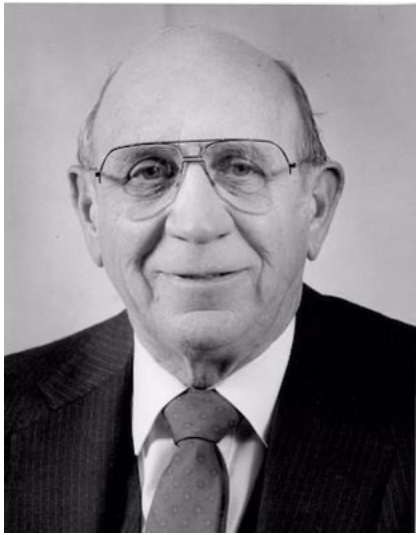
In Memoriam



Larry Hanz
1924 - 2021

- Among group of Wausau businessmen who founded Peoples State Bank in 1962
- Served the board of directors from 1981 to 2002

PSB Holdings, Inc.



Mark Oldenberg

Senior Vice President

Chief Financial Officer

PSB Holdings, Inc.

Peoples State Bank

PSB Holdings, Inc.

Business Model Strengths

Consistent History of Strong Earnings and Asset Growth
Supported by low efficiency ratios and low-costing funds

Well Diversified Loan Portfolio
Industry sectors are not concentrated and represent “a little of a lot” of business types

Recent and Expected Growth in Milwaukee Market
LPO office converted into branch in 2020 and Waukesha Bankshares acquisition in 2021

Diversified Non-Interest Income > 25% of Net Interest Income
Mortgage banking, investment advisory and service fees have supported consistent revenues

Asset Quality Has Remained Strong
Conservative underwriting standards have consistently delivered minimal charge-offs.
Long term performance, including during 2008 financial crisis, was better than industry averages.

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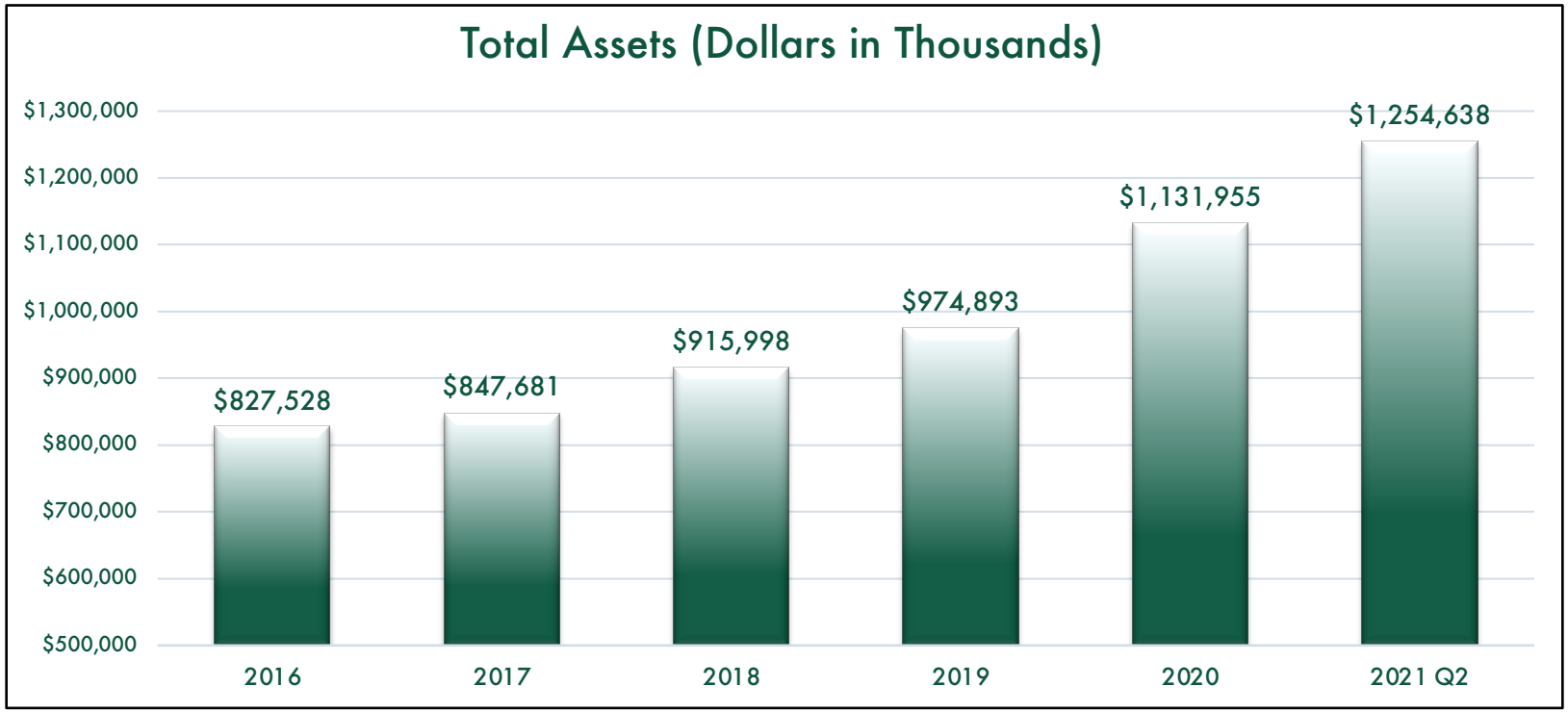
Balance Sheet Trends



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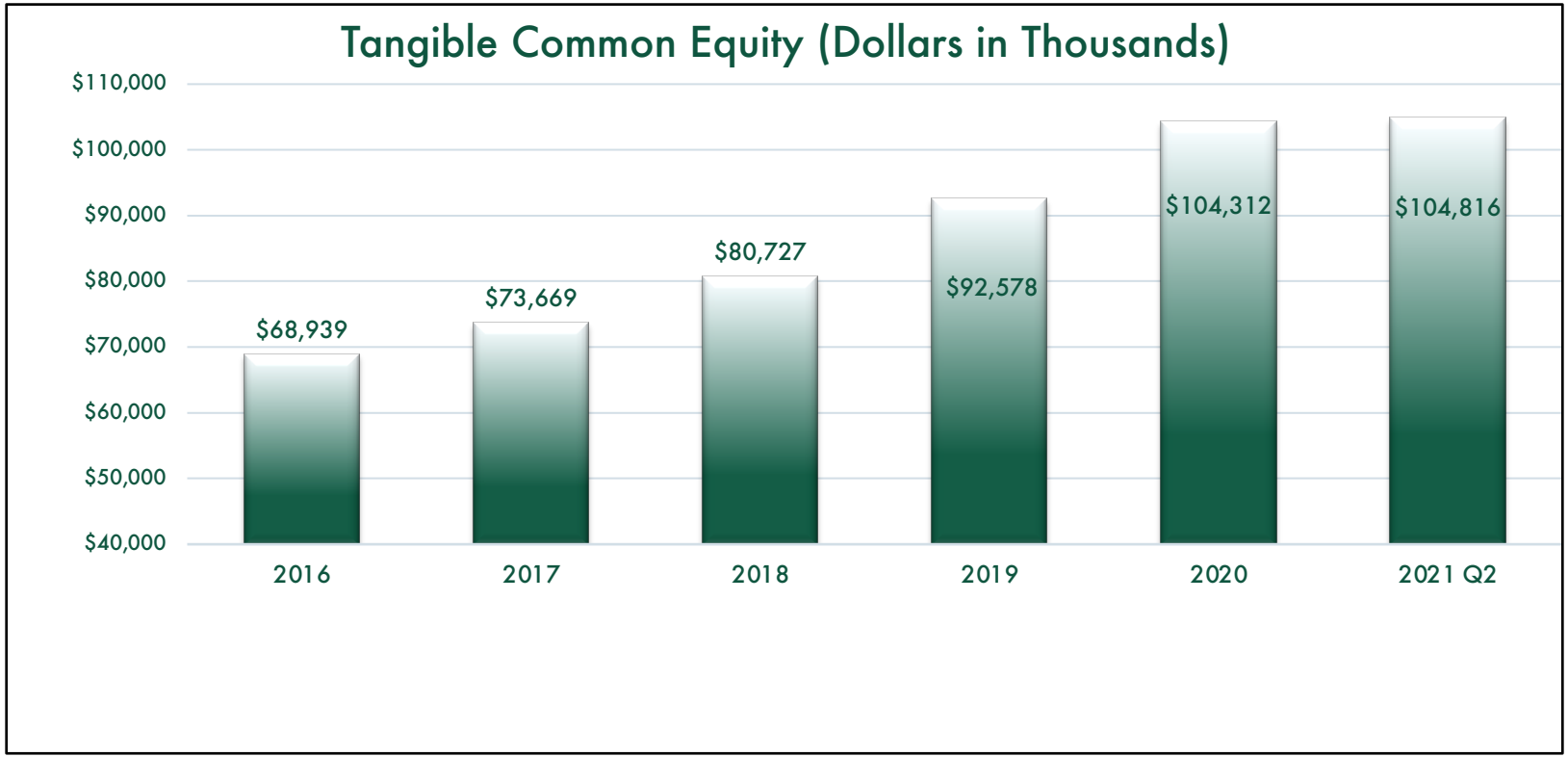
Balance Sheet Trends



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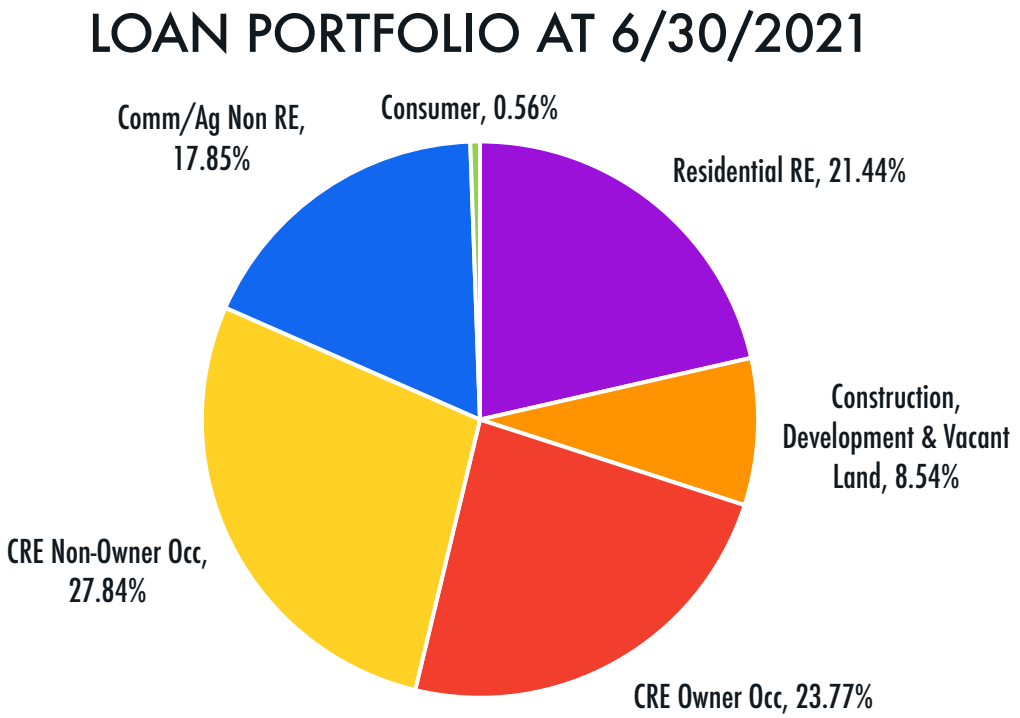
Loan Portfolio



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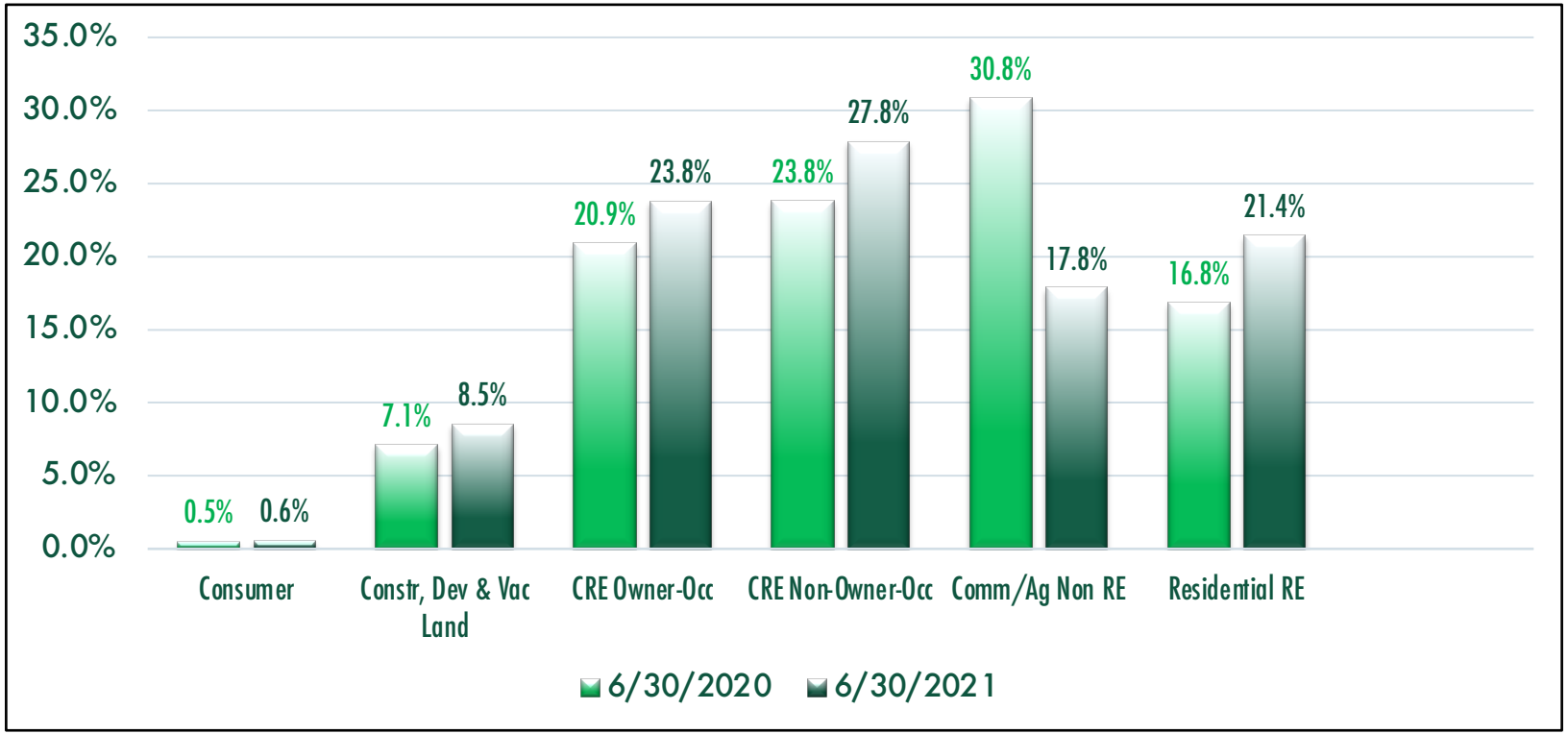
Loan Portfolio



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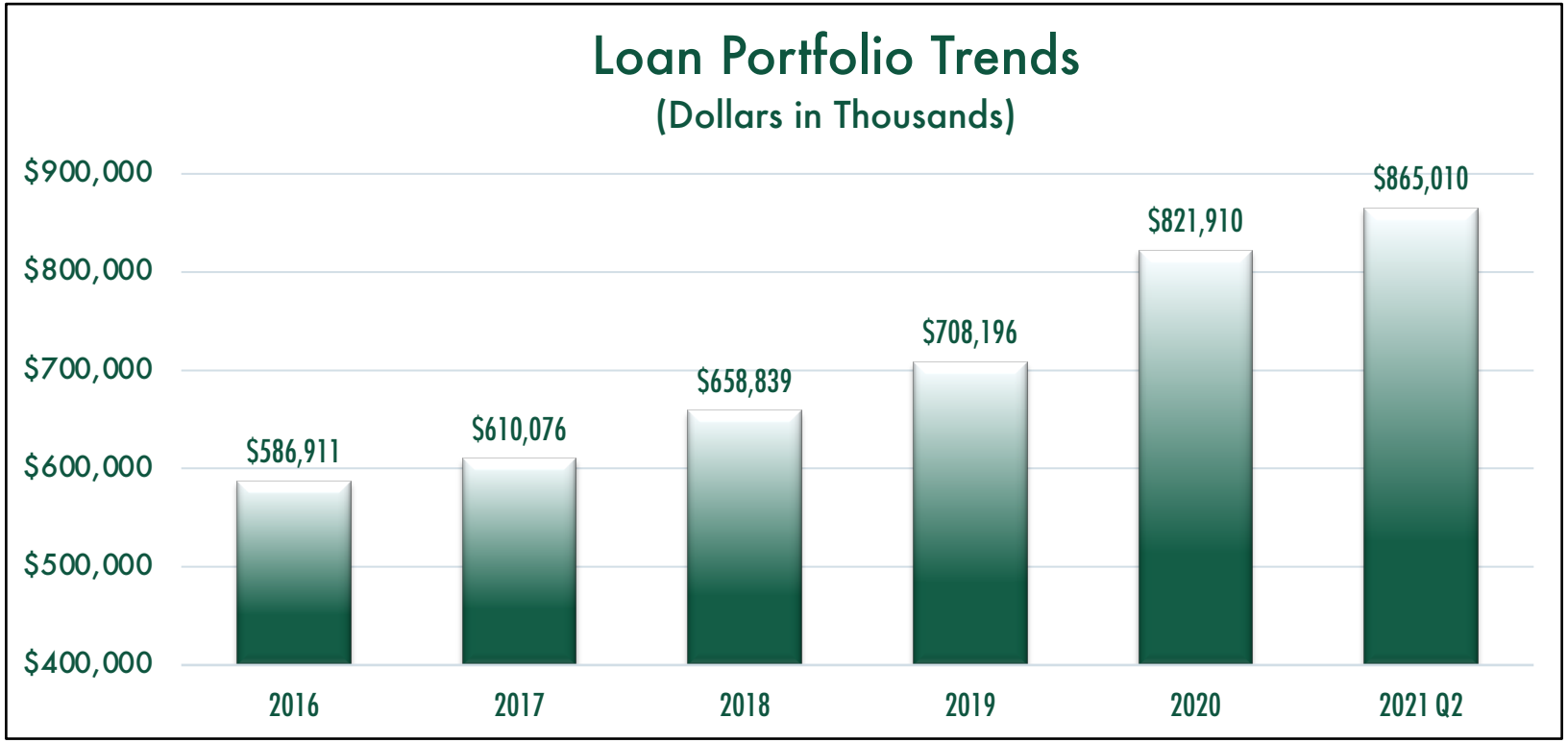
Loan Portfolio



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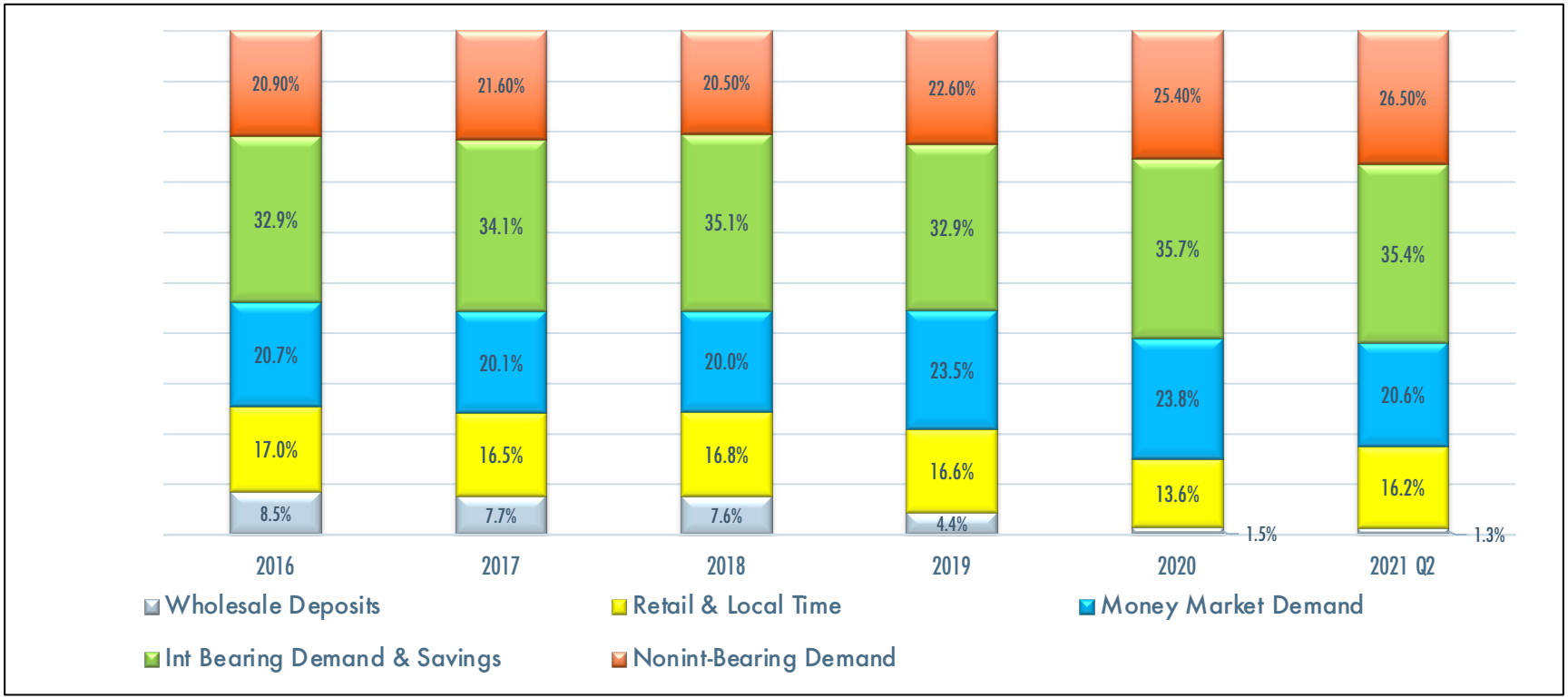
Deposit Portfolio



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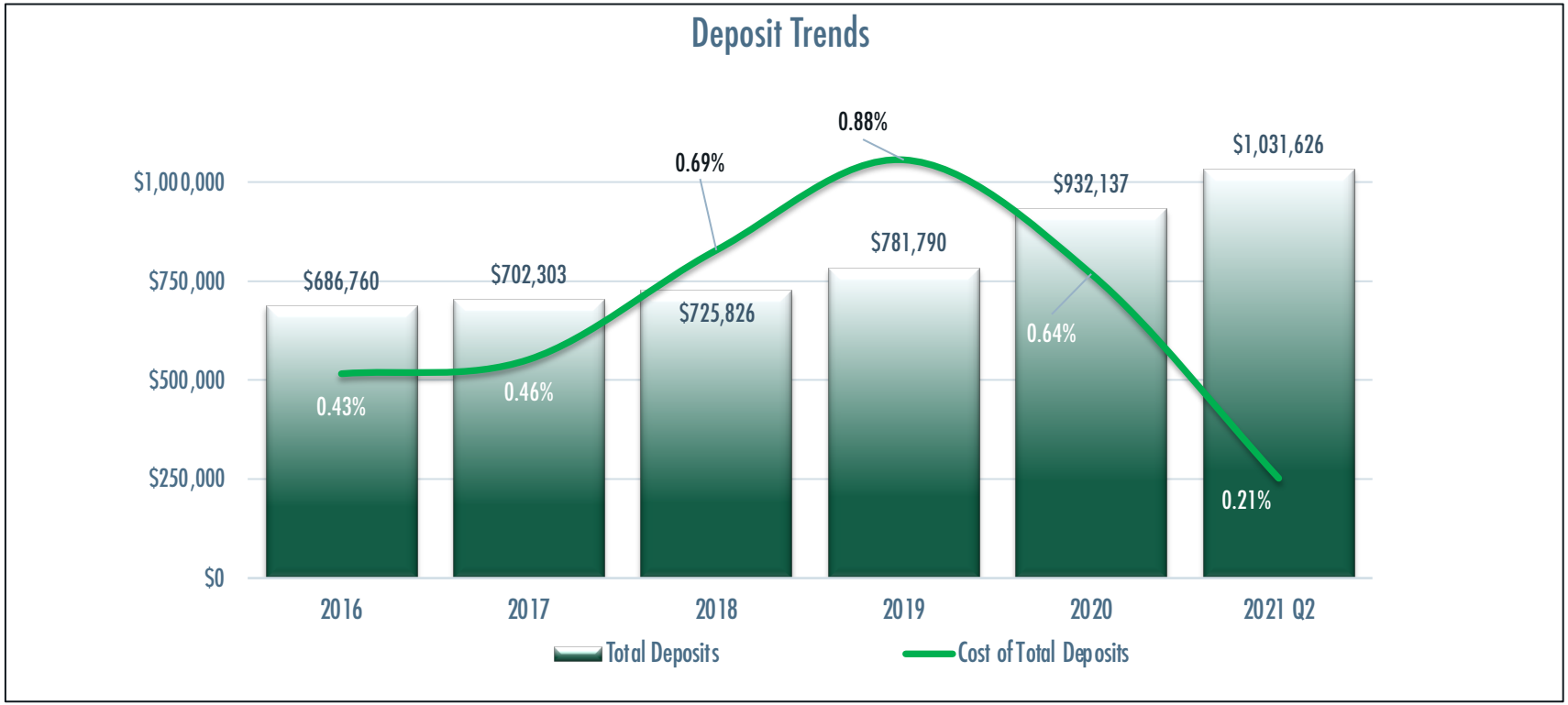
Deposit Portfolio



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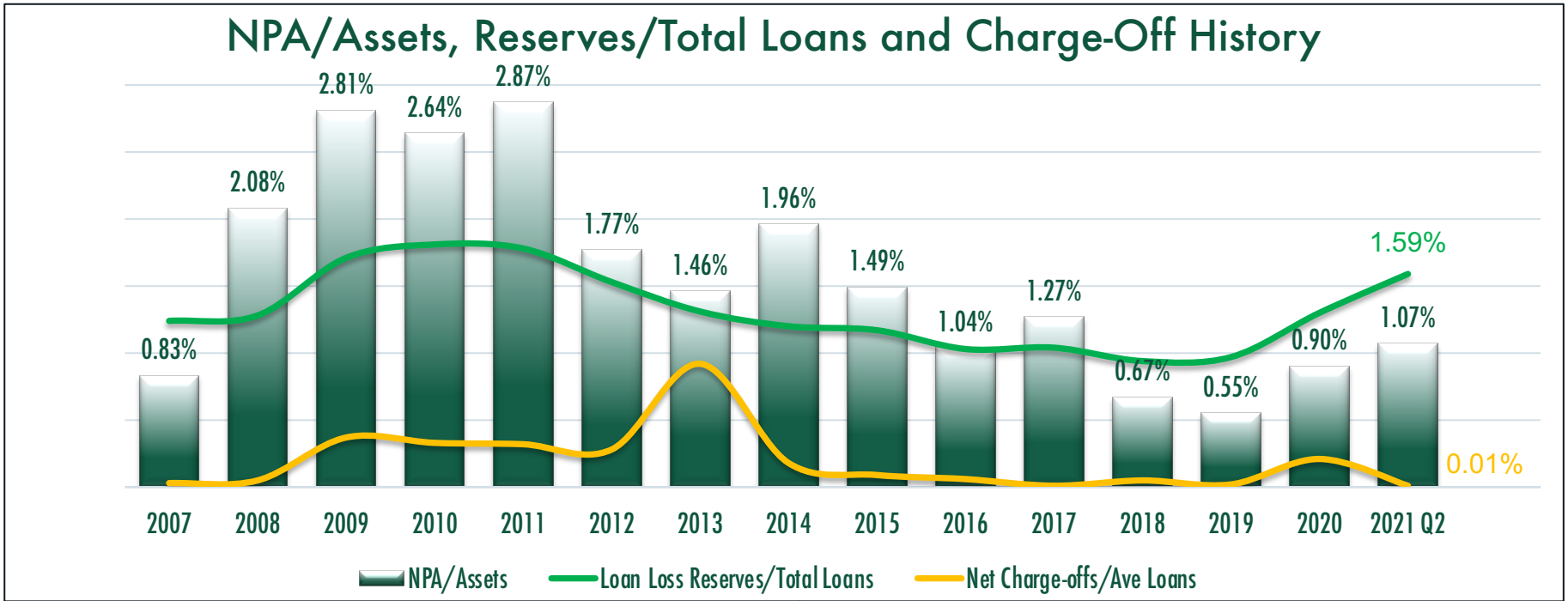
Asset Quality Trends



At June 30, 2021 reserves/total loans were 1.44% excluding PPP loans and USDA guaranteed loans.

* Excludes guaranteed USDA, PPP loans and purchased loans which were marked-to-market at acquisition.

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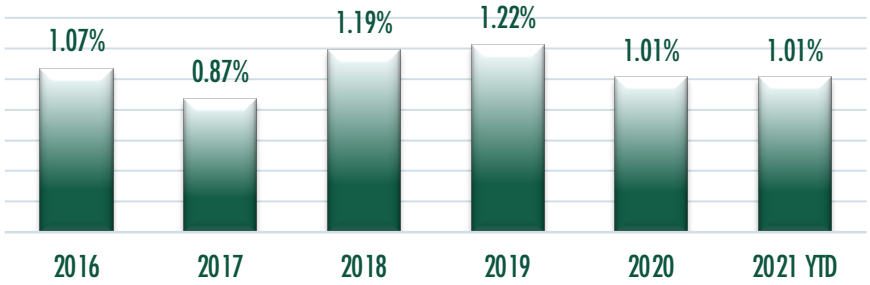
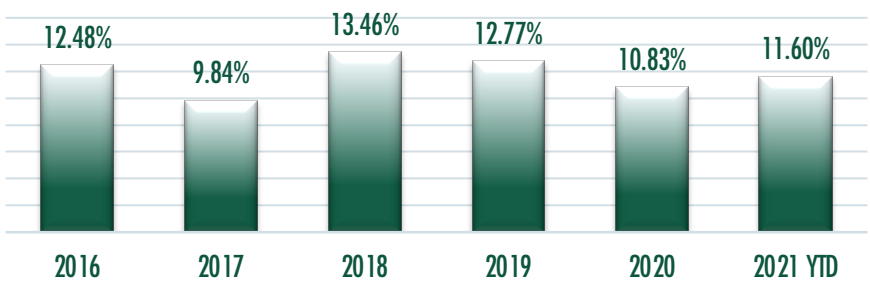
Earnings Trends

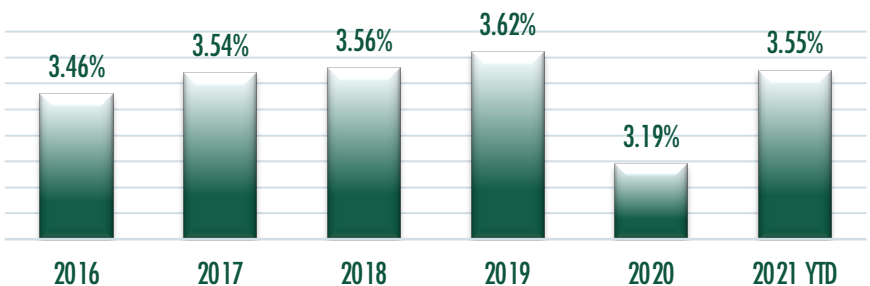
ROAA



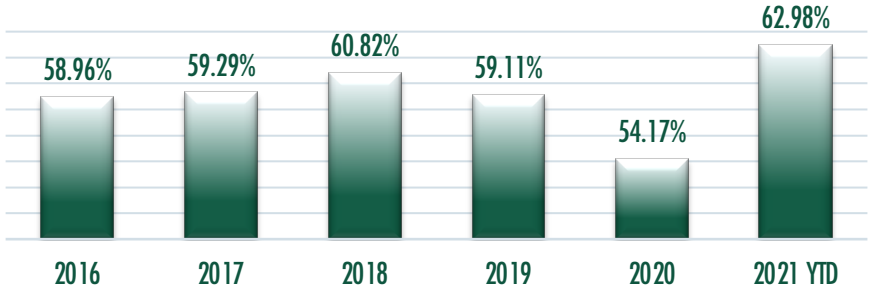
ROATC



Net Interest Margin



Efficiency Ratio



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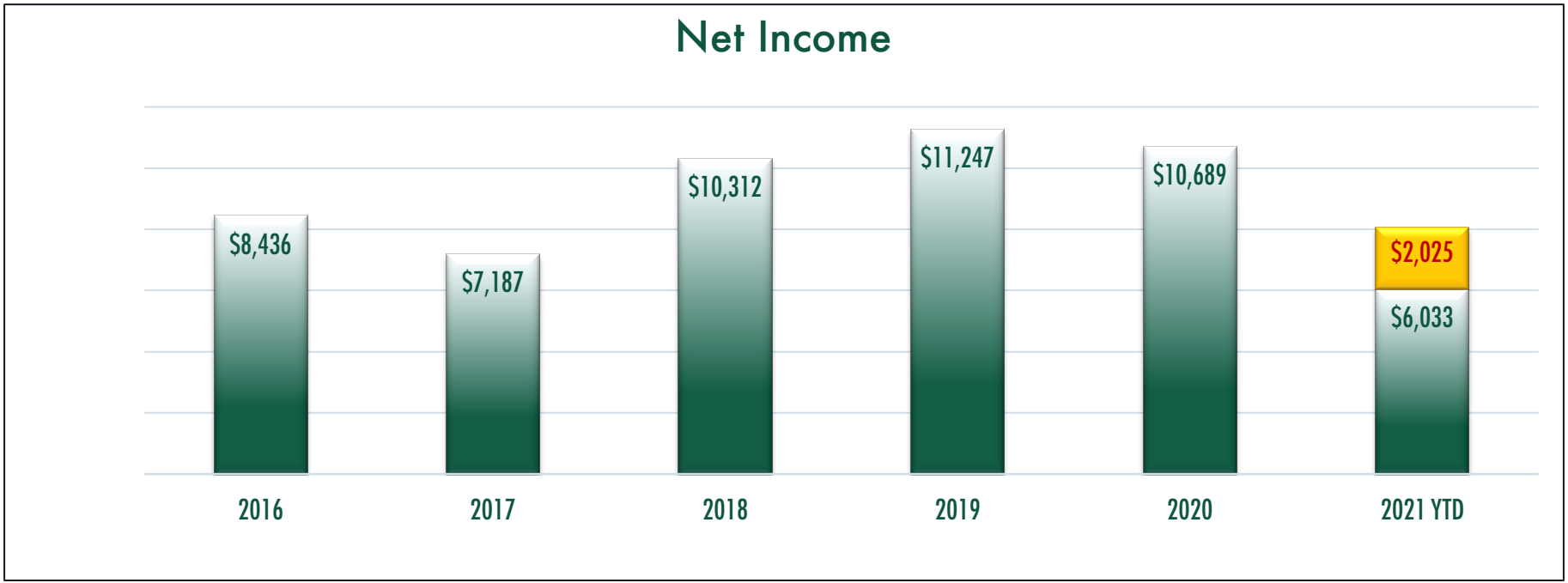
Net Income Trends



Reflects impact of after-tax merger expenses
Excluding after-tax merger expenses, YTD net income would have been $8.1 million, and YTD EPS would have been $1.80

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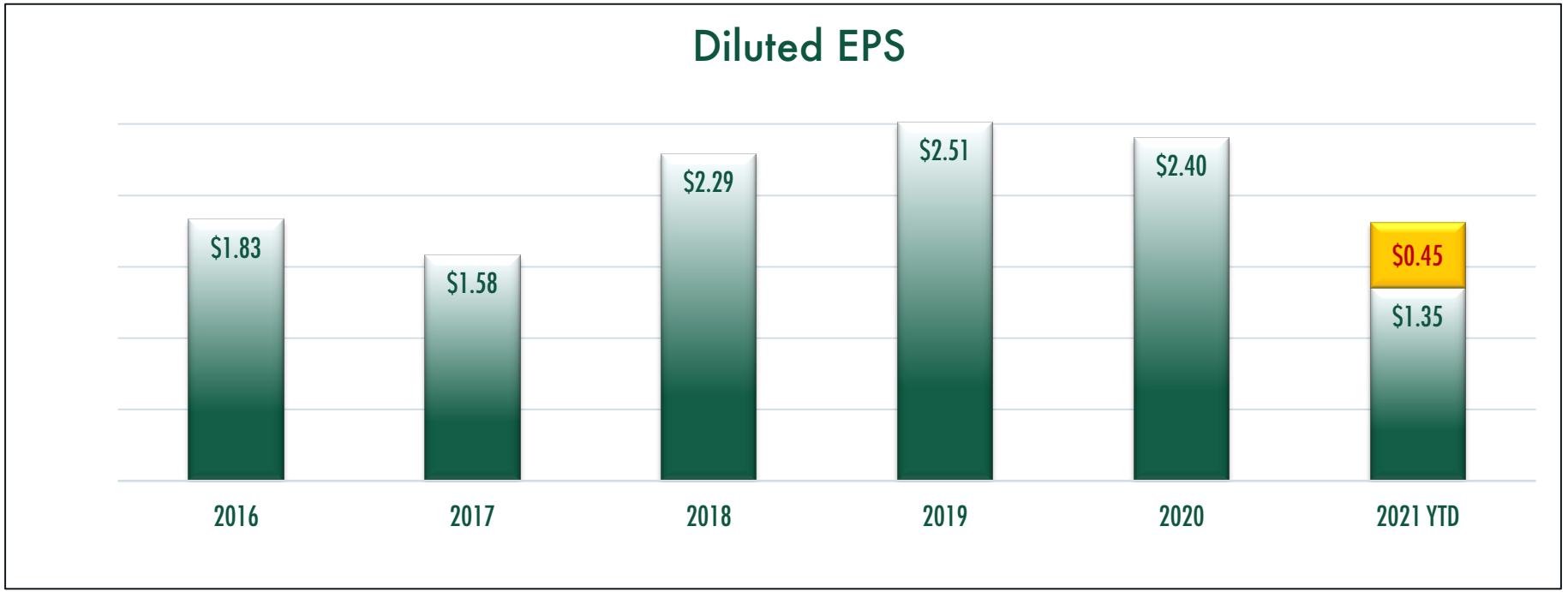
Net Income Trends



Reflects impact of after-tax merger expenses
Excluding after-tax merger expenses, YTD net income would have been $8.1 million, and YTD EPS would have been $1.80

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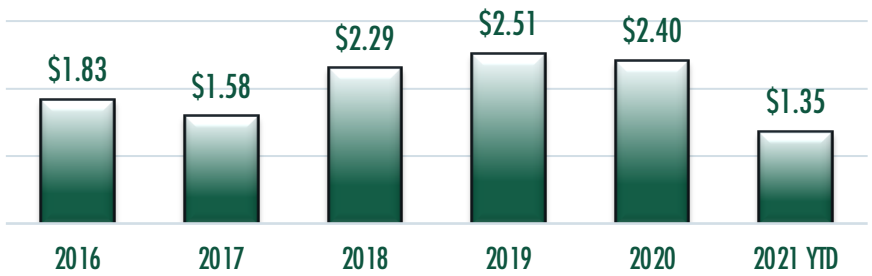
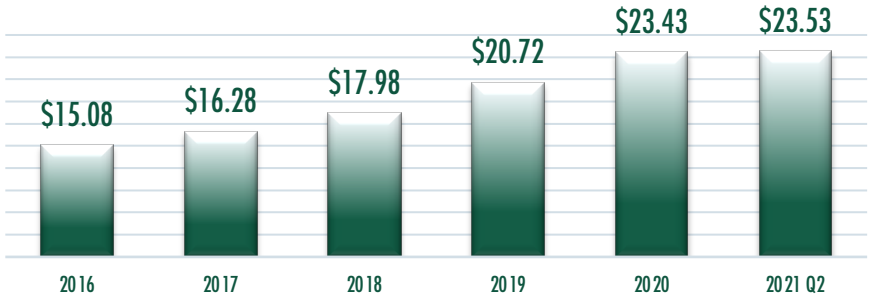
Per Share Trends

Diluted EPS



Tangible Book Value Per Share



Annualized Dividend Per Share



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Investing in Your Community



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Investment Appeal

- Value Investment With Core P/E Ratio Well Below Peers
- Extended History of Delivering Double Digit Returns on Tangible Equity, Building Tangible Book Value
- Efficient Franchise With Significant Market Presence in Each Branch Market Area
- Ample Organic Growth Opportunities and Acquisition Roll-Up Opportunities Subject to Accretive Pricing
- Management Focused on Increasing Share Liquidity

PSB Holdings, Inc.

Peoples Wealth Management



Jeff Isaacson



Dan Augustine



Bryan Nill

PSB Holdings, Inc.

Questions?



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Thank You!