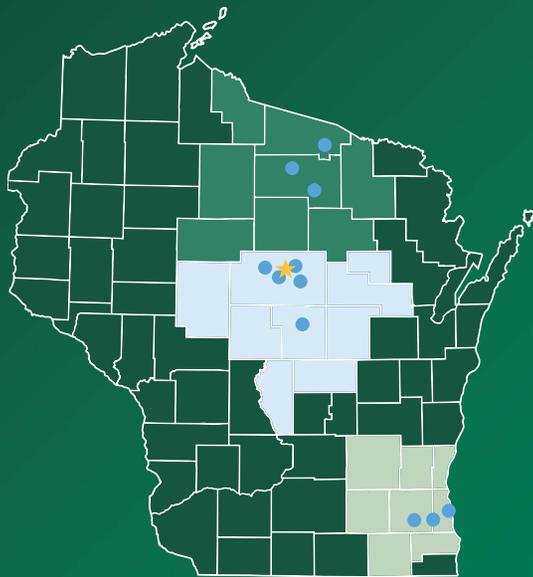




2025 ANNUAL REPORT
PUTTING PEOPLES FIRST

Our foundation is built on relationships that go beyond geography. Whether serving rural customers in long-established branch locations or with new branches in fast-growing urban markets, we bring the same commitment to personal service, local insight, and long-term partnership. Our bankers make decisions close to our customers, combining deep community knowledge with the scale and resources to support evolving needs. Our relationship-driven approach allows us to honor our central Wisconsin legacy while continuing to grow and thrive in dynamic markets across the state.

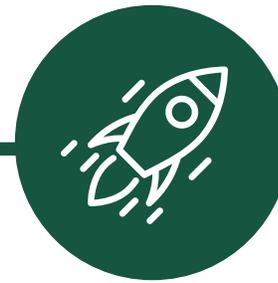


- NORTHERN REGION
- CENTRAL REGION
- SOUTHEASTERN REGION
- HEADQUARTERS
- LOCATIONS



OUR VISION

To be a catalyst for growth with our customers.



OUR MISSION

Deliver exceptional service.
Build partnerships.
Create value.



BRAND PROMISE

Our customers' financial success is what drives us every day.

Peoples State Bank's history is defined by a commitment to our customers, our communities, and our shareholders. Since 1962, our employees have earned trust by serving as true financial partners, supported by sound strategy and responsible growth. As we look ahead, we continue to invest in technology, products, and talent to enhance customer experience that support strong, productive and vibrant communities.

Scan to learn more!



PROUDLY SERVING WISCONSIN WITH 12 FULL-SERVICE BANK LOCATIONS

A MESSAGE FROM THE PRESIDENT

In 2025, Peoples State Bank consistently delivered on customer growth within our strategic plan to improve bank earnings and build our capital base. Despite market volatility and continued shifts in customer expectations, our team remained focused on delivering personalized financial solutions and exceptional service across both branch and digital channels. This commitment is reflected in favorable customer service survey results, higher net interest margins on new loan originations, and increased net income.

FINANCIAL PERFORMANCE

The bank continues to demonstrate strong financial performance and our balance sheet reflects the fiscal responsibility our customers and shareholders have come to expect. We earned \$13.5 million in net income available to common shareholders during 2025, or \$3.31 earnings per share, compared to \$9.8 million of net income and \$2.37 earnings per share in 2024 — a 40% increase. Total assets remained similar to the prior year at nearly \$1.5 billion,

while total deposits increased \$29.7 million, reaching \$1.18 billion.

Our Milwaukee area market continues to be a strong growth driver, generating \$52 million in net loan growth during 2025 and reaching \$334 million in total loans. Throughout the year, we strategically deployed available deposits and funding to local business owners with the capacity to grow their relationship with Peoples over time. In addition, some maturing loans with out-of-area borrowers were not renewed, with those funds directed to local borrower opportunities. This strategic reallocation contributed to our increased net interest margin. Our conservative credit culture and proactive portfolio management allow us to effectively navigate market volatility while maintaining strong asset quality and capital levels that position us well for the future. Reflecting this disciplined approach, 2025 net loan charge-offs were just 0.05% of average loans.

During 2025, we completed our acquisition of Larson Financial Group, LLC and investment



SCOTT M. CATTANACH
PRESIDENT & CHIEF EXECUTIVE OFFICER
PSB HOLDINGS, INC. & PEOPLES STATE BANK

sales commissions grew 91% over the prior year, reaching \$1.5 million. Our wealth management team continues to grow assets under management, which reached \$370 million at year-end.

2025 marked a year of significant milestones, including record earnings per share, record tangible net book value per share — up 15% to \$29.99 — and a significantly higher net interest margin which improved throughout the year. We remain confident in our ability to deliver continued strong financial results into 2026.

Reflecting this confidence and our commitment to enhancing shareholder value, we will begin to pay a quarterly cash dividend to shareholders instead of the current semi-annual dividend.

DIGITAL BANKING & NEW PRODUCTS

We continue to make investments in digital banking tools to improve accessibility, strengthen cybersecurity, and support evolving customer preferences. These tools enhance convenience without sacrificing the personal service that differentiates us from our competitors. At the same time, we continue to modernize internal processes to remove friction in customer channels while ensuring full compliance with the industry's complex regulatory environment.

During 2025, we introduced Peoples Money Market Plus — a higher yielding tiered money market account for customers with significant temporary savings, as well as a new student checking account, designed to help young customers build financial skills and manage their money with no overdraft or monthly service fees. These improvements ensure that our customers in all life stages can manage their finances seamlessly — anytime, anywhere —

while still enjoying the trusted support of their local Peoples banker.

Recently launched in 2026, our new Peoples Loyalty Program is already delivering positive results with ability to earn higher yields on greater savings balances. Designed to reward customers who make Peoples their primary financial provider with their active checking account, the program offers valuable incentives including enhanced rates, fee waivers, and exclusive offers across a range of accounts. Our team is thrilled with this early momentum and customer interest.

EXCELLENCE, AWARDED

Thanks to our team's dedication, we continue to be recognized by stakeholders for delivering exceptional service, earning awards as the Best Bank of Marathon County for the 14th year and a Top Choice in Milwaukee County. New in 2025, Peoples entered the competition in Portage County and was named the Best Bank and Best Mortgage Lending Company. In addition, American Banker named Peoples one of the nation's Best Banks to Work For, for the seventh consecutive year, acknowledging the bank's commitment to fostering a culture of respect, collaboration, and continuous growth.

We are honored to be recognized by the communities we serve. Being named Best Bank in Marathon and Portage Counties, along with earning Top Honors in Milwaukee County, is a powerful endorsement of our team's commitment to building strong relationships and delivering exceptional community banking.

- SCOTT CATTANACH

BANK AWARDS



BEST BANKS TO WORK FOR

American Banker magazine named Peoples one of the nation's Best Banks to Work For in 2025. It's the seventh year in a row Peoples has earned this recognition.



BEST OF MARATHON COUNTY

Peoples State Bank is once again the "Best Bank" of Marathon County, for the 14th year in a row. Wausau Daily Herald readers also voted Peoples the "Best Mortgage Lending Company" and a top choice for "Best Financial Planning Services" and "Best Place to Work" in 2025.



BEST OF PORTAGE COUNTY

Peoples was named the "Best Bank" of Portage County in 2025! Stevens Point Journal readers also voted Peoples the "Best Mortgage Lending Company" and a top choice for "Best Financial Planning Services."



TOP THREE FINALIST OF MILWAUKEE COUNTY

Milwaukee Journal Sentinel readers voted Peoples a Top Choice for "Best Financial Planning Services" and "Best Mortgage Lending Company" in 2025.

Last year, 2,201 customers participated in our customer experience surveys, with 91% reporting that they were extremely satisfied. Customers who were randomly selected for a survey reported that they were more likely to recommend Peoples State Bank to a friend than other financial institutions.

COMMUNITY IMPACT

With heart and passion, our staff demonstrated our support for the communities we serve. Through volunteerism, charitable giving, and partnerships with local organizations, our employees contributed 5,735 work hours, and the bank contributed over a quarter of a million dollars to causes that strengthen our neighborhoods. From supporting small businesses to promoting financial literacy and sponsoring youth programs, Peoples State Bank continues to live out our goal of “putting people first.”

TALENT & CULTURE

Our people are what sets us apart. In 2025, we continued attracting, developing, and retaining talented professionals in all markets who share our values of putting people first. We continued executing an Ideal Team Player strategy,

which focuses on fostering the attributes of being humble, hungry, and smart for a greater performing team. To prepare future leaders, we initiated a new management development program, to emphasize accountability and collaboration, and to build a team well prepared to lead our bank in the future.

BOARD STRENGTH

During 2025, we strengthened our governance and strategic positioning. In April 2025, the Board of Directors elected two new members — Andrea Golvach and Bob Stoehr — while a long serving director (and chairman), Bill Fish, retired after 30 years of service. These new leaders deepen our expertise in capital structure, mergers & acquisitions, and operational innovation. Our 11-member board of directors brings a wide range of experiences and perspectives, reflecting the communities we serve. Their collective leadership and shared commitment to our mission ensure alignment with shareholder interests and position the bank well to deliver shareholder value.

OUTLOOK & STRATEGY FOR THE YEAR AHEAD

Our “Let’s Grow Together” strategy seeks to grow our assets to \$2.1 billion by 2028 with the earnings and capital base to leverage the NASDAQ exchange for greater shareholder liquidity. We believe above average growth in assets and earnings supports stock pricing multiples in line with similar banks for a stock price that reflects our earnings and dividend quality. We enter 2026 expecting continued growth in earnings and book value per share.

Looking ahead, we expect increased dividends with ongoing stock buybacks as capital and earnings allow. Thank you for your continued support and investment in Peoples. We hope to see you at our April 21, 2026, annual meeting at a new venue, Rib River by Accentu, Inc. in Marathon, Wisconsin. Together, we look forward to another year of growth, partnership, and shared success.



SCOTT M. CATTANACH

PRESIDENT & CHIEF EXECUTIVE OFFICER
PSB HOLDINGS, INC. & PEOPLES STATE BANK



From Left: Timothy Kilgore, Robert Stoehr, Jeffery Wickersham, Karla Kieffer, Kevin Kraft, Corey Vanderpoel, Scott Cattanach, George Fahr, Lyn Falk



ANDREA GOLVACH



PATRICIA HANZ

THE 2025 BOARD OF DIRECTORS

SCOTT M. CATTANACH

President & CEO
PSB Holdings, Inc. & Peoples State Bank

KEVIN J. KRAFT

Chairman
PSB Holdings, Inc. & Peoples State Bank
Managing Director
Wisconsin River Partners, LLC

GEORGE E. FAHR

Retired Owner
Digicorp, Inc.

LYN M. FALK

President & Founder
Retailworks, Inc.

ANDREA L. GOLVACH

Retired Vice President & Treasurer
Briggs & Stratton

PATRICIA M. HANZ

Principal
Hanz Consulting Services, LLC

KARLA M. KIEFFER

Retired Vice President of Sales & Marketing
Sun Printing

TIMOTHY A. KILGORE

Retired President of Sales
Greenheck Fan Corporation

ROBERT D. STOEHR

Retired Chief Financial & Operating Officer
County Materials Corporation

COREY B. VANDERPOEL

Managing Director & Owner
Taureau Group, LLC

JEFFERY J. WICKERSHAM

Owner
Wickersham Jewelers

RETIREMENTS

Community banking thrives on the dedication of its people. We are proud to celebrate our colleagues who retired this past year after 20 or more years of service. Their contributions have left a lasting mark on Peoples and the communities we serve. Thank you, and we wish you all the best!



KENNETH STENGL
Collections Officer - Wausau
28 Years



KATHY CHAVEZ
CSR Lead - Rhineland
23 Years



THE 2025 EXECUTIVE TEAM

SCOTT CATTNACH
President | Chief Executive Officer

ALEKSANDAR BJELIĆ
Executive Vice President | Retail Group Leader

JESSICA BROWN
Executive Vice President | Chief Financial Officer

ROBERT MCPHERSON
Executive Vice President | Risk Management

ERIK RAJEK
Executive Vice President | Commercial Group Leader

TINA SEIDL
Executive Vice President | Human Resources Director

KATIE TOLOKKEN
Executive Vice President | Chief Operating Officer

CUSTOMER SPOTLIGHT

Advanced Welding Institute (AWI) is an accredited, specialized trade school focused on welding education, with campuses in South Burlington, Vermont, and Eagle River, Wisconsin. It offers accelerated, hands-on programs – including structural and pipe welding courses – taught in small classes with a low student-to-teacher ratio, giving each student individualized attention. The institute is ranked third in the nation and prides itself on graduating welders who are ready to meet the rigorous demands of the welding industry.

Peoples State Bank and Erin McCormick, commercial banker in Eagle River, have been the perfect partners for the growth and expansion of the Wisconsin campus, including the finance of their state-of-the-art ventilation system and modern training facility. **Scan the QR code to watch the video**, showcasing what was made possible with Peoples!



Erin & Caleb
Advanced Welding Institute

We're truly honored and grateful to work with Peoples State Bank. They're always there to support you, especially when you're looking to grow your business. Their commitment goes beyond just their clients - they genuinely care about the entire community and we're confident we made the right choice in partnering with them!

- ADVANCED WELDING INSTITUTE

BEST-IN CLASS BUSINESS BANKING

In 2025, our bank supported business growth, job creation, and housing by providing more than \$200 million in new money to over 500 business customers across our footprint. Partnering closely with local clients, the bank approved six SBA 504 loans totaling \$19.1 million in project financing, contributing to the creation and retention of 86 jobs, and strengthening economic growth throughout our markets.

WE GIVE WHERE WE LIVE

At Peoples State Bank, we believe that a strong community is the foundation of a strong bank. With 12 locations across Wisconsin, we are proud to support the neighborhoods where our customers and employees live and work. Our commitment goes beyond financial services – we actively invest in local organizations, schools, and nonprofits that make a tangible difference in people’s lives. Whether it’s sponsoring educational programs, supporting small business initiatives, or funding local health and wellness projects, our goal is to help communities thrive economically, socially, and culturally.

Giving back is at the heart of our mission. We encourage our employees to volunteer their time and expertise, partnering with local charities and civic groups to address the unique needs of each community we serve. By leveraging our resources, relationships, and financial knowledge, we aim to create sustainable impact and long-term growth for the communities across Wisconsin. Every contribution – whether financial, volunteer-driven, or through advocacy – is an investment in the people and places that make our state vibrant and resilient.



\$270,000+
ANNUAL
CONTRIBUTIONS



5,700+
WORK HOURS
VOLUNTEERED

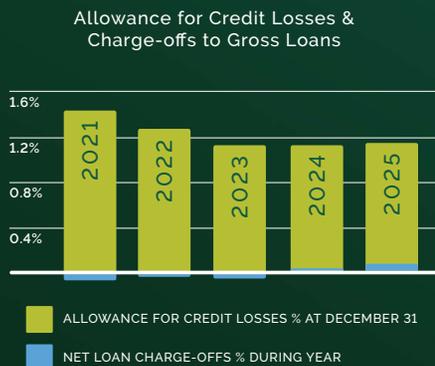
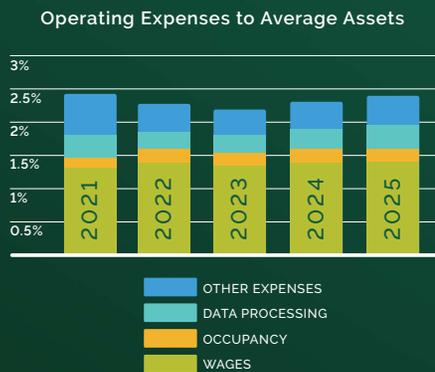


300+
LOCAL ORGANIZATIONS
& CAUSES SUPPORTED



SUMMARY OF STATEMENTS OF INCOME

Years ended December 31 (dollars in thousands, except per share data)



	2025	2024	2023	2022	2021
Net interest income	\$44,051	\$38,983	\$38,692	\$40,003	\$38,601
Provision for credit losses	640	195	450	-	1,000
Net interest income after provision for credit loss	43,411	38,788	38,242	40,003	37,601
Noninterest income	7,968	6,070	6,720	7,444	9,418
Operating expenses	34,604	32,873	30,548	29,516	30,110
Net income before income taxes	16,775	11,985	14,414	17,931	16,909
Provision for income taxes	2,828	1,696	4,845	4,294	4,092
NET INCOME	\$13,947	\$10,289	\$9,569	\$13,637	\$12,817
Preferred stock dividends declared	\$486	\$486	\$486	\$81	-
Net income available to common shareholders	\$13,461	\$9,803	\$9,083	\$13,556	\$12,817
Diluted earnings per share	\$3.31	\$2.37	\$2.16	\$3.07	\$2.88
Cash dividends per share	\$0.68	\$0.64	\$0.60	\$0.50	\$0.46
Return on average assets	0.94%	0.71%	0.69%	1.05%	1.03%
Return on average tangible common equity	11.94%	9.57%	9.65%	14.08%	11.94%

SUMMARY OF BALANCE SHEETS

As of December 31 (dollars in thousands, except per share data)

ASSETS	2025	2024	2023	2022	2021
Cash and cash equivalents	\$29,875	\$40,498	\$27,780	\$29,409	\$53,543
Securities and certificates of deposit	268,668	278,616	252,579	282,045	310,690
Loans receivable, net	1,096,215	1,078,421	1,078,705	961,865	876,337
Premises and equipment	12,972	13,805	13,098	13,164	12,695
Other assets	53,742	54,616	51,938	51,206	45,446
TOTAL ASSETS	\$1,461,472	\$1,465,956	\$1,424,100	\$1,337,689	\$1,298,711

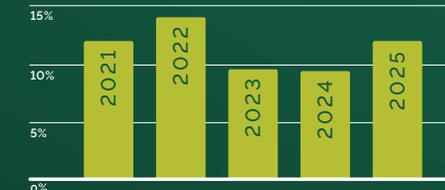
LIABILITIES	2025	2024	2023	2022	2021
Deposits	\$1,177,031	\$1,147,349	\$1,141,802	\$1,148,755	\$1,105,240
Federal Home Loan Bank advances	112,950	162,250	134,000	43,000	47,000
Other borrowings	5,397	6,872	8,058	12,985	6,677
Senior subordinated notes	4,788	4,781	4,774	5,549	2,500
Junior subordinated debentures	13,126	13,023	12,921	12,819	12,717
Other liabilities	16,509	15,395	13,258	12,639	13,315
Stockholders' equity	131,671	116,286	109,287	101,942	111,262

TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	2025	2024	2023	2022	2021
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	\$1,461,472	\$1,465,956	\$1,424,100	\$1,337,689	\$1,298,711
Common shares outstanding at year end	4,023,874	4,092,977	4,164,735	4,297,279	4,440,329
Tangible net book value per share	\$29.99	\$25.98	\$23.84	\$21.37	\$24.36

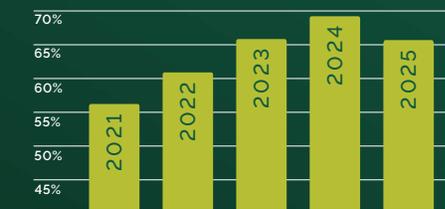
Total Assets, Loans, and Deposits - December 31



Return on Average Tangible Common Equity



Efficiency Ratio*



*Operating expenses as a % of revenue



Peoples
STATE BANK

PSBHOLDINGSINC.COM | BANKPEOPLES.COM

