



NEWS RELEASE

PSB Holdings, Inc. Reports Quarterly Earnings of \$0.86 Per Share; Net Interest Margin and Tangible Net Book Value Expansion Continues

2025-10-27

WAUSAU, Wis., Oct. 27, 2025 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. ("PSB") (OTCQX: PSBQ), the holding company for Peoples State Bank ("Peoples") serving Northcentral and Southeastern Wisconsin reported third quarter earnings ending September 30, 2025 of \$0.86 per diluted common share on net income of \$3.5 million, compared to \$0.89 per diluted common share on net income of \$3.6 million during the second quarter ending June 30, 2025, and \$0.69 per diluted common share on net income of \$2.9 million during the third quarter ending September 30, 2024.

PSB's third quarter of 2025 operating results reflected the following changes from the second quarter of 2025: (1) a stronger net interest margin as asset yields rose and funding costs declined; (2) slightly lower non-interest income from lower mortgage banking income and debit card interchange incentives; and (3) higher non-interest expenses due to higher health insurance costs.

"Our third quarter results reflect a return of our net interest margin to historical levels, while our operations remain efficient. Additionally, we have gained traction in our expansion into the Milwaukee region as this area has provided good lending opportunities," stated Scott Cattnach, President and CEO. "Over the past year, we have increased our tangible capital by \$9.0 million after payment of dividends and stock repurchases. With earnings totaling \$7.1 million over the past two quarters and expectations of earnings to continue near this level, we should be able to expand capital in 2026 which will push us closer to minimal capitalization thresholds to enter various stock indices in years to come. Additionally, we are hopeful our strong EPS levels support stock price earnings multiples consistent to our peers."

September 30, 2025, Highlights:

- Net interest income increased \$617,000 to \$11.3 million for the quarter ended September 30, 2025, from \$10.7 million for the quarter ended June 30, 2025, due in part to higher yields on loans, lower deposit and borrowing costs and one additional day during the quarter.
- Noninterest income decreased \$171,000 to \$1.9 million for the quarter ended September 30, 2025, compared to \$2.1 million the prior quarter due to slightly lower mortgage banking income and lower SBA gains. The second quarter was also elevated due to receipt of debit incentive revenues.
- Noninterest expenses increased \$613,000 to \$8.8 million during the quarter ended September 30, 2025 from \$8.2 million for the quarter ended June 30, 2025, reflecting higher salary and benefit expenses primarily related to health insurance benefit plan claims.
- Net loans increased \$5.8 million, or 1% in the third quarter ended September 30, 2025, to \$1.12 billion compared to June 30, 2025. Allowance for credit losses remained at 1.12% of gross loans.
- Non-performing assets increased \$1.3 million to \$17.0 million, or 1.13% of total assets at September 30, 2025 compared to 1.04% the previous quarter. The increase relates to a \$1.3 million loan secured by a non-owner occupied commercial retail building that matures in the fourth quarter with debt service insufficient to renew. Specific reserves of \$418,000 at September 30, 2025 are maintained for estimated loss.
- Total deposits increased \$11.6 million to \$1.19 billion at September 30, 2025 from \$1.18 billion at June 30, 2025. Core deposits increased \$7.3 million while brokered deposits and time deposits greater than \$250,000 increased \$4.3 million.
- Return on average tangible common equity was 12.14% for the quarter ended September 30, 2025, compared to 13.11% the prior quarter and 10.96% in the year ago quarter.
- Tangible book value per common share was up 10.00% over the past year to \$29.05 at September 30, 2025, compared to \$26.41 at September 30, 2024. Additionally, PSB paid dividends totaling \$0.66 per share during the past year.

Balance Sheet and Asset Quality Review

Total assets decreased \$9.9 million during the third quarter to \$1.50 billion at September 30, 2025, compared to \$1.51 billion at June 30, 2025. Cash and cash equivalents decreased \$20.0 million to \$37.4 million at September 30, 2025 from \$57.5 million at June 30, 2025, as liquid funds were redeployed into new loans and investment securities.

Investment securities available for sale increased \$6.4 million to \$190.7 million at September 30, 2025, from \$184.3 million one quarter earlier.

Gross loans receivable increased \$8.7 million to \$1.16 billion at September 30, 2025, compared to one quarter earlier. Commercial real estate loans increased \$2.8 million to \$569.4 million at September 30, 2025, compared to three months earlier while commercial & industrial loans increased \$1.9 million to \$137.2 million over the same time period. Commercial construction and development loans increased \$3.4 million to \$81.3 million at September 30, 2025, while residential real estate loans increased \$5.9 million from the prior quarter to \$342.9 million. Agricultural loans decreased \$0.8 million to \$12.4 million at September 30, 2025 compared to three months earlier and municipal loans declined \$4.4 million over the same time period. The loan portfolio remains well diversified with commercial real estate and construction loans totaling 56.3% of gross loans, followed by residential real estate loans at 29.7% of gross loans, commercial non-real estate loans at 13.6% and consumer loans at 0.4%. Our lending pipeline remains strong heading into the fourth quarter.

The allowance for credit losses remained at 1.12% of gross loans at September 30, 2025 while annualized net charge-offs to average loans were zero for the quarter ended September 30, 2025. Non-performing assets increased \$1.3 million to \$17.0 million, or 1.13% of total assets at September 30, 2025, up from 1.04% at June 30, 2025. The increase in non-performing assets reflects the addition of a non-owner occupied commercial building loan that matures in the fourth quarter of 2025. The tenant lease terms do not provide sufficient income to support the debt service and there is a collateral shortfall. If satisfactory refinance terms are not reached, a liquidation process will begin. Specific reserves have already been established on this loan. Approximately 78% of all non-performing assets consisted of six lending relationships. New ownership and capitalization with collection of all past due payments is expected in the December 2025 quarter from the largest non-performing borrower with \$4.2 million of principal.

Total deposits increased \$11.6 million over the prior quarter to \$1.19 billion. Overall, core deposits increased \$7.3 million during the quarter while brokered deposits and time deposits greater than \$250,000 increased \$4.3 million.

At September 30, 2025, non-interest bearing demand deposits decreased to 23.4% of total deposits from 23.6% the prior quarter, while money market deposits increased to 23.2% at September 30, 2025 from 23.0% one quarter earlier. The additional deposit inflow and existing liquidity helped to reduce high costing FHLB advances during the quarter by \$25.0 million to \$141.0 million at September 30, 2025.

Tangible stockholder equity as a percentage of total tangible assets increased to 8.34% at September 30, 2025, compared to 7.95% at June 30, 2025, and 7.85% at September 30, 2024.

Tangible net book value per common share increased \$2.64 during the quarter to \$29.05, at September 30, 2025

compared to \$26.41 one year earlier, an increase of 10.0% after dividends of \$0.66 were paid to shareholders. Relative to the prior quarter's tangible book value per common share of \$27.77, tangible net book value per common share increased primarily due to earnings and an increase in the fair market value of available for sale investment securities. The accumulated other comprehensive loss on the investment portfolio was \$14.2 million at September 30, 2025, compared to \$15.8 million one quarter earlier.

Operations Review

Net interest income increased to \$11.3 million (on a net margin of 3.16%) for the third quarter of 2025, from \$10.7 million (on a net margin of 3.09%) for the second quarter of 2025, and increased from \$9.9 million (on a net margin of 2.90%) for the third quarter of 2024. The higher net interest income in the current period primarily relates to an increase in loan and investments yields during the quarter and a decrease in the cost of funds. Earning asset yields increased to 5.43% during the third quarter of 2025 from 5.40% the prior period and cost of funds decreased five basis points to 3.01% compared to 3.06% during the second quarter of 2025. Relative to one year earlier, interest-earning asset yields were up 14 basis points while the overall cost of funds declined 12 basis points.

The increase in earning asset yields was due to higher yields on loan originations, loan renewals and security repricing. Loan yields increased during the third quarter of 2025 to 5.93% from 5.91% during the second quarter of 2025. Taxable security yields were 3.38% for the quarter ended September 30, 2025, compared to 3.24% for the quarter ended June 30, 2025, while a smaller balance of tax-exempt security yields declined to 3.33% for the quarter ended September 30, 2025 from 3.35% one quarter earlier.

The decrease in funding costs was due to lower deposit costs, and costs related to FHLB advances and junior subordinated debentures. Deposits costs declined 1 basis point to 2.07% for the quarter ended September 30, 2025 from 2.08% the prior quarter. Similarly, FHLB advance costs declined 1 basis point to 4.39% for the third quarter from 4.40% the prior quarter. The cost of junior subordinated debentures declined 19 basis points to 7.49% for the quarter ended September 30, 2025 from 7.68% for the quarter ended June 30, 2025.

Total noninterest income decreased \$171,000 during the third quarter of 2025 to \$1.9 million. A decrease in SBA gains and mortgage banking income during the quarter accounted for the majority of the change while the second quarter reflected the receipt of debit card interchange incentive revenue.

Noninterest expenses increased \$613,000 to \$8.8 million for the third quarter of 2025, compared to \$8.2 million for the second quarter of 2025, and increased \$655,000 from \$8.2 million for the third quarter of 2024. On a linked quarter basis, salary and benefits expense increased \$618,000 as health insurance claims increased \$284,000 during the quarter and a change in the timing of incentive payments resulted in elevated salary and FICA expenses during the third quarter. Occupancy and facilities costs decreased \$7,000, data processing and other office

operation expenses decreased \$67,000, foreclosed real estate was sold for a \$1,000 loss for the third quarter compared to a gain of \$58,000 the previous quarter and advertising and promotion expenses declined \$51,000.

Income taxes decreased \$32,000 during the third quarter to \$720,000, from \$752,000 one quarter earlier on slightly lower pre-tax income levels. The effective tax rate for the quarter ended September 30, 2025, was 16.7% compared to 16.6% for the second quarter ended June 30, 2025.

About PSB Holdings, Inc.

PSB Holdings, Inc. is the parent company of Peoples State Bank. Peoples is a community bank headquartered in Wausau, Wisconsin, serving northcentral and southeastern Wisconsin from twelve full-service banking locations in Marathon, Oneida, Vilas, Portage, Milwaukee and Waukesha counties. Peoples also provides investment and insurance products, along with retirement planning services, through Peoples Wealth Management, a division of Peoples. PSB Holdings, Inc. is traded under the stock symbol PSBQ on the OTCQX Market. More information about PSB, its management, and its financial performance may be found at www.psbholdingsinc.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are based on current expectations, estimates and projections about PSB's business based, in part, on assumptions made by management and include, without limitation, statements with respect to the potential growth of PSB, its future profits, expected stock repurchase levels, future dividend rates, future interest rates, and the adequacy of its capital position. Forward-looking statements can be affected by known and unknown risks, uncertainties, and other factors, including, but not limited to, strength of the economy, the effects of government policies, including interest rate policies, risks associated with the execution of PSB's vision and growth strategy, including with respect to current and future M&A activity, and risks associated with global economic instability. The forward-looking statements in this press release speak only as of the date on which they are made and PSB does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

(dollars in thousands, except per share data)	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024
Assets					
Cash and due from banks	\$ 14,221	\$ 23,022	\$ 19,628	\$ 21,414	\$ 23,554
Interest-bearing deposits	3,630	2,890	702	3,724	5,126
Federal funds sold	19,641	31,624	2,351	15,360	58,434
Cash and cash equivalents	37,492	57,536	22,681	40,498	87,114
Securities available for sale (at fair value)	190,709	184,320	182,594	189,086	174,911
Securities held to maturity (fair values of \$76,104, \$75,016, \$77,375, \$79,654 and \$82,389 respectively)	82,195	83,123	85,373	86,748	86,847
Equity securities	2,885	2,885	2,847	2,782	1,752
Loans held for sale	145	349	734	217	-
Loans receivable, net (allowance for credit losses of \$12,686, \$12,553, \$12,392, \$12,342 and \$12,598 respectively)	1,115,137	1,109,296	1,096,422	1,078,204	1,057,974
Accrued interest receivable	5,023	5,006	5,184	5,042	4,837
Foreclosed assets	-	-	300	-	-
Premises and equipment, net	13,355	13,397	13,522	13,805	14,065
Mortgage servicing rights, net	1,685	1,684	1,717	1,742	1,727
Federal Home Loan Bank stock (at cost)	8,641	9,297	8,825	8,825	8,825
Cash surrender value of bank-owned life insurance	25,242	25,067	24,897	24,732	24,565
Core deposit intangible	309	330	353	195	212
Goodwill	3,495	3,495	3,495	2,541	2,541
Other assets	10,420	10,832	10,828	11,539	10,598
TOTAL ASSETS	\$ 1,496,733	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968
Liabilities					
Non-interest-bearing deposits	\$ 278,615	\$ 277,239	\$ 245,672	\$ 259,515	\$ 265,078
Interest-bearing deposits	910,571	900,303	884,364	887,834	874,035
Total deposits	1,189,186	1,177,542	1,130,036	1,147,349	1,139,113
Federal Home Loan Bank advances	140,950	165,950	170,250	162,250	181,250
Other borrowings	6,062	6,250	6,343	6,872	6,128
Senior subordinated notes	4,786	4,784	4,783	4,781	4,779
Junior subordinated debentures	13,100	13,075	13,049	13,023	12,998
Allowance for credit losses on unfunded commitments	622	622	672	672	477
Accrued expenses and other liabilities	13,651	15,118	13,554	14,723	12,850
Total liabilities	1,368,357	1,383,341	1,338,687	1,349,670	1,357,595
Stockholders' equity					
Preferred stock - no par value:					
Authorized - 30,000 shares; Issued - 7,200 shares					
Outstanding - 7,200 shares, respectively	7,200	7,200	7,200	7,200	7,200
Common stock - no par value with a stated value of \$1.00 per share:					
Authorized - 18,000,000 shares; Issued - 5,490,798 shares					
Outstanding - 4,040,538, 4,041,573, 4,084,708, 4,092,977 and 4,105,594 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,707	8,659	8,608	8,610	8,567
Retained earnings	148,029	144,548	142,277	139,838	138,142
Accumulated other comprehensive income (loss), net of tax	(14,166)	(15,764)	(16,692)	(19,314)	(15,814)
Treasury stock, at cost - 1,450,260, 1,449,225, 1,406,090, 1,397,821 and 1,385,204 shares, respectively	(23,224)	(23,197)	(22,138)	(21,878)	(21,552)
Total stockholders' equity	128,376	123,276	121,085	116,286	118,373
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,496,733	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Sep. 30, 2025	Quarter Ended				Nine Months Ended	
		Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	September 2025	September 2024
Interest and dividend income:							
Loans, including fees	\$ 16,745	\$ 16,510	\$ 15,782	\$ 15,646	\$ 15,634	\$ 49,037	\$ 46,176
Securities:							
Taxable	1,645	1,566	1,641	1,545	1,345	4,852	3,837
Tax-exempt	500	506	517	522	522	1,523	1,569
Other interest and dividends	717	332	345	948	699	1,394	1,307
Total interest and dividend income	19,607	18,914	18,285	18,661	18,200	56,806	52,889
Interest expense:							
Deposits	6,207	5,934	5,884	6,027	5,905	18,025	17,825
FHLB advances	1,707	1,899	1,792	1,890	2,038	5,398	5,348
Other borrowings	45	48	47	57	57	140	175
Senior subordinated notes	59	58	59	59	59	176	176
Junior subordinated debentures	247	250	248	252	252	745	758
Total interest expense	8,265	8,189	8,030	8,285	8,311	24,484	24,282
Net interest income	11,342	10,725	10,255	10,376	9,889	32,322	28,607
Provision for credit losses	138	110	117	-	-	365	195
Net interest income after provision for credit losses	11,204	10,615	10,138	10,376	9,889	31,957	28,412
Noninterest income:							
Service fees	363	366	358	362	367	1,087	1,053
Mortgage banking income	363	411	250	414	433	1,024	1,174
Investment and insurance sales commissions	345	335	326	226	230	1,006	573
Net loss on sale of securities	-	-	(1)	(511)	-	(1)	(495)
Increase in cash surrender value of life insurance	176	170	163	166	165	509	481
Other noninterest income	678	814	770	620	648	2,262	2,007
Total noninterest income	1,925	2,096	1,866	1,277	1,843	5,887	4,793
Noninterest expense:							
Salaries and employee benefits	5,446	4,828	5,302	4,691	4,771	15,576	15,061
Occupancy and facilities	712	719	786	691	757	2,217	2,211
Loss (gain) on foreclosed assets	1	(58)	-	-	1	(57)	1
Data processing and other office operations	1,122	1,189	1,201	1,111	1,104	3,512	3,173
Advertising and promotion	138	189	129	141	164	456	464
Core deposit intangible amortization	22	23	23	17	17	68	61
Other noninterest expenses	1,365	1,303	1,528	1,351	1,337	4,196	3,900
Total noninterest expense	8,806	8,193	8,969	8,002	8,151	25,968	24,871
Income before provision for income taxes	4,323	4,518	3,035	3,651	3,581	11,876	8,334
Provision for income taxes	720	752	473	524	593	1,945	1,172
Net income	\$ 3,603	\$ 3,766	\$ 2,562	\$ 3,127	\$ 2,988	\$ 9,931	\$ 7,162
Preferred stock dividends declared	\$ 122	\$ 122	\$ 122	\$ 122	\$ 122	\$ 366	\$ 366
Net income available to common shareholders	\$ 3,481	\$ 3,644	\$ 2,440	\$ 3,005	\$ 2,866	\$ 9,565	\$ 6,796
Basic earnings per common share	\$ 0.86	\$ 0.90	\$ 0.60	\$ 0.73	\$ 0.69	\$ 2.35	\$ 1.64
Diluted earnings per common share	\$ 0.86	\$ 0.89	\$ 0.60	\$ 0.73	\$ 0.69	\$ 2.35	\$ 1.64

PSB Holdings, Inc.
Quarterly Financial Summary
(dollars in thousands, except per share data)

	Quarter ended				
	Sep. 30,	Jun. 30,	Mar. 31,	Dec. 31,	Sep. 30,

Earnings and dividends:	2025	2025	2025	2024	2024
Interest income	\$ 19,607	\$ 18,914	\$ 18,285	\$ 18,661	\$ 18,200
Interest expense	\$ 8,265	\$ 8,189	\$ 8,030	\$ 8,285	\$ 8,311
Net interest income	\$ 11,342	\$ 10,725	\$ 10,255	\$ 10,376	\$ 9,889
Provision for credit losses	\$ 138	\$ 110	\$ 117	\$ -	\$ -
Other noninterest income	\$ 1,925	\$ 2,096	\$ 1,866	\$ 1,277	\$ 1,843
Other noninterest expense	\$ 8,806	\$ 8,193	\$ 8,969	\$ 8,002	\$ 8,151
Net income available to common shareholders	\$ 3,481	\$ 3,644	\$ 2,440	\$ 3,005	\$ 2,866
Basic earnings per common share (3)	\$ 0.86	\$ 0.90	\$ 0.60	\$ 0.73	\$ 0.69
Diluted earnings per common share (3)	\$ 0.86	\$ 0.89	\$ 0.60	\$ 0.73	\$ 0.69
Dividends declared per common share (3)	\$ -	\$ 0.34	\$ -	\$ 0.32	\$ -
Tangible net book value per common share (4)	\$ 29.05	\$ 27.77	\$ 26.94	\$ 25.98	\$ 26.41
Semi-annual dividend payout ratio	n/a	22.58%	n/a	23.27%	n/a
Average common shares outstanding	4,041,393	4,070,721	4,088,824	4,094,360	4,132,218
Balance sheet - average balances:					
Loans receivable, net of allowances for credit loss	\$ 1,111,055	\$ 1,111,004	\$ 1,091,533	\$ 1,064,619	\$ 1,066,795
Assets	\$ 1,510,272	\$ 1,480,851	\$ 1,462,862	\$ 1,479,812	\$ 1,445,613
Deposits	\$ 1,191,002	\$ 1,142,279	\$ 1,140,397	\$ 1,151,450	\$ 1,110,854
Stockholders' equity	\$ 125,342	\$ 123,077	\$ 118,576	\$ 118,396	\$ 114,458
Performance ratios:					
Return on average assets (1)	0.95%	1.02%	0.71%	0.84%	0.82%
Return on average common stockholders' equity (1)	11.69%	12.61%	8.88%	10.75%	10.63%
Return on average tangible common stockholders' equity (1)(4)	12.14%	13.11%	9.21%	11.07%	10.96%
Net loan charge-offs to average loans (1)	0.00%	0.00%	0.02%	0.02%	0.00%
Nonperforming loans to gross loans	1.51%	1.39%	1.15%	0.95%	0.97%
Nonperforming assets to total assets	1.13%	1.04%	0.89%	0.71%	0.71%
Allowance for credit losses to gross loans	1.12%	1.12%	1.12%	1.13%	1.18%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	13.17%	12.64%	10.71%	8.85%	8.71%
Net interest rate margin (1)(2)	3.16%	3.09%	3.03%	2.96%	2.90%
Net interest rate spread (1)(2)	2.42%	2.34%	2.33%	2.23%	2.16%
Service fee revenue as a percent of average demand deposits (1)	0.52%	0.54%	0.58%	0.53%	0.56%
Noninterest income as a percent of gross revenue	8.94%	9.98%	9.26%	6.40%	9.20%
Efficiency ratio (2)	65.47%	63.00%	72.88%	67.59%	68.43%
Noninterest expenses to average assets (1)	2.31%	2.22%	2.49%	2.15%	2.24%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	9.20%	9.31%	9.22%	9.08%	9.06%
Tangible equity to tangible assets (4)	8.34%	7.95%	8.05%	7.76%	7.85%
Stock price information:					
High	\$ 26.00	\$ 25.70	\$ 26.50	\$ 27.90	\$ 25.00
Low	\$ 23.30	\$ 23.65	\$ 25.60	\$ 25.00	\$ 20.30
Last trade value at quarter-end	\$ 25.50	\$ 23.89	\$ 25.70	\$ 26.50	\$ 25.00

(1) Annualized

(2) The yield on federally tax-exempt loans and securities is computed on a tax-equivalent basis using a federal tax rate of 21%.

(3) Due to rounding, cumulative quarterly per share performance may not equal annual per share totals.

(4) Tangible stockholders' equity excludes goodwill and core deposit intangibles.

PSB Holdings, Inc.
Consolidated Statements of Comprehensive Income

(dollars in thousands - unaudited)	Sep. 30, 2025	Jun. 30, 2025	Quarter Ended Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024
Net income	\$ 3,603	\$ 3,766	\$ 2,562	\$ 3,127	\$ 2,988

Other comprehensive income, net of tax:

Unrealized gain (loss) on securities available for sale	1,550	972	2,551	(3,955)	4,738
Reclassification adjustment for security loss included in net income	-	-	1	404	-
Accretion of unrealized loss included in net income on securities available for sale deferred tax adjustment for Wisconsin Act 19	(26)	(35)	-	(76)	-
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	90	91	89	90	90
Unrealized gain (loss) on interest rate swap	(2)	(87)	(6)	65	(101)
Reclassification adjustment of interest rate swap settlements included in earnings	(15)	(13)	(13)	(27)	(38)
Other comprehensive income (loss)	1,597	928	2,622	(3,499)	4,689
Comprehensive income (loss)	\$ 5,200	\$ 4,694	\$ 5,184	\$ (372)	\$ 7,677

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Nonaccrual loans (excluding restructured loans)	\$ 16,560	\$ 15,333	\$ 12,404	\$ 10,109	\$ 10,116
Nonaccrual restructured loans	10	13	17	18	25
Restructured loans not on nonaccrual	415	295	280	286	292
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	16,985	15,641	12,701	10,413	10,433
Other real estate owned	-	-	300	-	-
Total nonperforming assets	\$ 16,985	\$ 15,641	\$ 13,001	\$ 10,413	\$ 10,433
Nonperforming loans as a % of gross loans receivable	1.51%	1.39%	1.15%	0.95%	0.97%
Total nonperforming assets as a % of total assets	1.13%	1.04%	0.89%	0.71%	0.71%
Allowance for credit losses as a % of nonperforming loans	74.69%	80.26%	97.57%	118.52%	120.75%

PSB Holdings, Inc.
Nonperforming Assets >= \$500,000 net book value before specific reserves
At September 30, 2025
(dollars in thousands)

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Non-Owner Occupied Rental Properties	Nonaccrual	4,227	0
Real estate - Recreational Facility	Nonaccrual	3,821	140
Real estate - Equipment Dealership	Nonaccrual	2,295	558
Real estate - Wood Products	Nonaccrual	1,698	262
Real estate - Non-Owner Occupied Commercial Building	Nonaccrual	1,269	418
Total listed nonperforming assets		\$ 13,310	\$ 1,378
Total bank wide nonperforming assets		\$ 16,985	\$ 1,778
Listed assets as a % of total nonperforming assets		78%	78%

PSB Holdings, Inc.
Loan Composition by Collateral Type
Quarter-ended (dollars in thousands)

	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024
Commercial:					
Commercial and industrial	\$ 137,199	\$ 135,313	\$ 124,074	\$ 116,864	\$ 115,234
Agriculture	12,443	13,219	11,632	11,568	11,203
Municipal	8,361	12,805	12,878	15,733	12,596
Total Commercial	158,003	161,337	148,584	144,165	139,033
Commercial Real Estate:					
Commercial real estate	569,382	566,526	562,901	551,641	541,577
Construction and development	81,278	77,905	87,080	79,377	60,952
Total Commercial Real Estate	650,660	644,431	649,981	631,018	602,529
Residential real estate:					
Residential	263,791	266,203	268,490	271,643	269,954
Construction and development	37,475	31,439	26,884	28,959	34,655
HELOC	41,661	39,425	38,364	36,887	36,734
Total Residential Real Estate	342,927	337,067	333,738	337,489	341,343
Consumer installment	4,801	4,886	4,683	5,060	4,770
Subtotals - Gross loans	1,156,391	1,147,721	1,136,986	1,117,732	1,087,675
Loans in process of disbursement	(29,170)	(26,496)	(28,752)	(27,791)	(17,836)
Subtotals - Disbursed loans	1,127,221	1,121,225	1,108,234	1,089,941	1,069,839
Net deferred loan costs	602	624	580	605	733
Allowance for credit losses	(12,686)	(12,553)	(12,392)	(12,342)	(12,598)
Total loans receivable	\$ 1,115,137	\$ 1,109,296	\$ 1,096,422	\$ 1,078,204	\$ 1,057,974

PSB Holdings, Inc.

Selected Commercial Real Estate Loans by Purpose

(dollars in thousands)	Sept 30,		Jun 30,		Mar 31,		Dec 31,		Sept 30,	
	2025		2025		2025		2024		2024	
	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)
Multi Family	\$ 141,896	13.5%	\$ 145,523	14.0%	\$ 143,674	13.9%	\$ 140,087	14.0%	\$ 140,307	14.7%
Industrial and Warehousing	100,712	9.6	105,256	10.2	109,366	10.6	103,794	10.4	96,995	10.2
Retail	27,889	2.7	29,407	2.8	29,285	2.8	23,438	2.3	25,263	2.7
Hotels	25,677	2.4	25,299	2.4	25,719	2.5	25,892	2.6	26,057	2.7
Office	7,176	0.7	7,131	0.7	7,254	0.7	6,234	0.6	6,378	0.7

(1) Percentage of commercial and commercial real estate portfolio and commitments.

PSB Holdings, Inc.
Deposit Composition

Insured and Collateralized Deposits (dollars in thousands)	September 30,		June 30,		March 31,		December 31,		September 30,	
	2025		2025		2025		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 227,448	19.1%	\$ 225,921	19.2%	\$ 206,562	18.3%	\$ 204,167	17.8%	\$ 210,534	18.5%
Interest-bearing demand and savings	307,505	25.8%	304,779	25.9%	314,957	27.9%	315,900	27.6%	305,631	26.8%
Money market deposits	158,455	13.3%	148,556	12.6%	144,496	12.7%	141,024	12.3%	138,376	12.2%
Retail and local time deposits <= \$250	163,446	13.7%	165,368	14.0%	158,066	14.0%	155,099	13.5%	155,988	13.7%
Total core deposits	856,854	71.9%	844,624	71.7%	824,081	72.9%	816,190	71.2%	810,529	71.2%
Retail and local time deposits > \$250	29,000	2.5%	28,000	2.4%	26,750	2.3%	25,500	2.2%	23,500	2.1%
Broker & national time deposits <= \$250	748	0.1%	748	0.1%	1,241	0.1%	1,241	0.1%	1,241	0.1%
Broker & national time deposits > \$250	67,493	5.7%	65,917	5.6%	79,090	7.0%	56,164	4.9%	56,164	4.9%
Totals	\$ 954,095	80.2%	\$ 939,289	79.8%	\$ 931,162	82.3%	\$ 899,095	78.4%	\$ 891,434	78.3%

PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits (dollars in thousands)	September 30,		June 30,		March 31,		December 31,		September 30,	
	2025		2025		2025		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 51,167	4.3%	\$ 51,318	4.4%	\$ 39,110	3.5%	\$ 55,348	4.8%	\$ 54,544	4.8%
Interest-bearing demand and savings	18,644	1.6%	17,983	1.5%	17,262	1.5%	20,934	1.8%	18,317	1.6%
Money market deposits	117,184	9.9%	122,603	10.4%	123,773	11.0%	153,334	13.4%	157,489	13.8%
Retail and local time deposits <= \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	186,995	15.8%	191,904	16.3%	180,145	16.0%	229,616	20.0%	230,350	20.2%
Retail and local time deposits > \$250	48,096	4.0%	46,349	3.9%	18,729	1.7%	18,638	1.6%	17,329	1.5%
Broker & national time deposits <= \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Broker & national time deposits > \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Totals	\$ 235,091	19.8%	\$ 238,253	20.2%	\$ 198,874	17.7%	\$ 248,254	21.6%	\$ 247,679	21.7%

PSB Holdings, Inc.
Deposit Composition

Total Deposits (dollars in thousands)	September 30,		June 30,		March 31,		December 31,		September 30,	
	2025		2025		2025		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 278,615	23.4%	\$ 277,239	23.6%	\$ 245,672	21.8%	\$ 259,515	22.6%	\$ 265,078	23.3%
Interest-bearing demand and savings	326,149	27.4%	322,762	27.4%	332,219	29.4%	336,834	29.4%	323,948	28.4%
Money market deposits	275,639	23.2%	271,159	23.0%	268,269	23.7%	294,358	25.7%	295,865	26.0%

Retail and local time deposits <= \$250	163,446	13.7%	165,368	14.0%	158,066	14.0%	155,099	13.5%	155,988	13.7%
Total core deposits	1,043,849	87.7%	1,036,528	88.0%	1,004,226	88.9%	1,045,806	91.2%	1,040,879	91.4%
Retail and local time deposits > \$250	77,096	6.5%	74,349	6.3%	45,479	4.0%	44,138	3.8%	40,829	3.6%
Broker & national time deposits <= \$250	748	0.1%	748	0.1%	1,241	0.1%	1,241	0.1%	1,241	0.1%
Broker & national time deposits > \$250	67,493	5.7%	65,917	5.6%	79,090	7.0%	56,164	4.9%	56,164	4.9%
Totals	\$1,189,186	100.0%	\$1,177,542	100.0%	\$1,130,036	100.0%	\$1,147,349	100.0%	\$1,139,113	100.0%

PSB Holdings, Inc.
Average Balances (\$000) and Interest Rates
(dollars in thousands)

	Quarter ended September 30, 2025			Quarter ended June 30, 2025			Quarter ended September 30, 2024		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	\$ 1,123,665	\$ 16,796	5.93%	\$ 1,123,460	\$ 16,558	5.91%	\$ 1,079,393	\$ 15,674	5.78%
Taxable securities	193,277	1,645	3.38%	193,926	1,566	3.24%	177,520	1,345	3.01%
Tax-exempt securities (2)	75,419	633	3.33%	76,774	641	3.35%	79,472	661	3.31%
FHLB stock	9,182	201	8.68%	9,189	166	7.25%	8,825	176	7.93%
Other	45,649	516	4.48%	14,571	166	4.57%	36,680	523	5.67%
Total (2)	1,447,192	19,791	5.43%	1,417,920	19,097	5.40%	1,381,890	18,379	5.29%
Non-interest-earning assets:									
Cash and due from banks	16,122			15,498			17,162		
Premises and equipment, net	13,377			13,527			14,216		
Cash surrender value ins	25,130			24,960			24,458		
Other assets	21,061			21,402			20,485		
Allowance for credit losses	(12,610)			(12,456)			(12,598)		
Total	\$ 1,510,272			\$ 1,480,851			\$ 1,445,613		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits									
deposits	\$ 320,732	\$ 1,428	1.77%	\$ 315,978	\$ 1,450	1.84%	\$ 323,841	\$ 1,515	1.86%
Money market deposits	281,189	1,746	2.46%	262,015	1,572	2.41%	277,884	1,876	2.69%
Time deposits	310,441	3,033	3.88%	294,750	2,912	3.96%	247,296	2,514	4.04%
FHLB borrowings	154,211	1,707	4.39%	173,080	1,899	4.40%	182,414	2,038	4.44%
Other borrowings	6,280	45	2.84%	8,843	48	2.18%	6,702	57	3.38%
Senior sub. notes	4,785	59	4.89%	4,784	58	4.86%	4,779	59	4.91%
Junior sub. debentures	13,088	247	7.49%	13,062	250	7.68%	12,985	252	7.72%
Total	1,090,726	8,265	3.01%	1,072,512	8,189	3.06%	1,055,901	8,311	3.13%
Non-interest-bearing liabilities:									
Demand deposits	278,640			269,536			261,833		
Other liabilities	15,564			15,726			13,421		
Stockholders' equity	125,342			123,077			114,458		
Total	\$ 1,510,272			\$ 1,480,851			\$ 1,445,613		
Net interest income		\$ 11,526			\$ 10,908			\$ 10,068	
Rate spread			2.42%			2.34%			2.16%
Net yield on interest-earning assets			3.16%			3.09%			2.90%

(1) Nonaccrual loans are included in the daily average loan balances outstanding.

(2) The yield on federally tax-exempt loans and securities is computed on a tax-equivalent basis using a federal tax rate of 21%.

PSB Holdings, Inc.
Average Balances (\$000) and Interest Rates
(dollars in thousands)

	Nine months ended September 30, 2025			Nine months ended September 30, 2024		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Interest-earning assets:						
Loans (1)(2)	\$ 1,117,079	\$ 49,183	5.89%	\$ 1,091,366	\$ 46,393	5.68%
Taxable securities	195,191	4,852	3.32%	173,971	3,837	2.95%
Tax-exempt securities (2)	77,144	1,928	3.34%	79,822	1,986	3.32%
FHLB stock	9,067	608	8.97%	7,755	523	9.01%
Other	23,193	786	4.53%	18,804	784	5.57%
Total (2)	1,421,674	57,357	5.39%	1,371,718	53,523	5.21%
Non-interest-earning assets:						
Cash and due from banks	15,970			17,291		
Premises and equipment, net	13,543			13,778		
Cash surrender value ins	24,963			24,301		
Other assets	21,161			21,146		
Allowance for credit losses	(12,477)			(12,496)		
Total	\$ 1,484,834			\$ 1,435,738		
Liabilities & stockholders' equity						
Interest-bearing liabilities:						
Savings and demand deposits	\$ 325,470	\$ 4,445	1.83%	\$ 335,317	\$ 4,654	1.85%
Money market deposits	274,520	5,003	2.44%	274,405	5,608	2.73%
Time deposits	291,490	8,577	3.93%	256,287	7,563	3.94%
FHLB borrowings	164,047	5,398	4.40%	166,703	5,348	4.29%
Other borrowings	7,148	140	2.62%	7,373	175	3.17%
Senior sub. notes	4,784	176	4.92%	4,778	176	4.92%
Junior sub. debentures	13,062	745	7.63%	12,972	758	7.81%
Total	1,080,521	24,484	3.03%	1,057,835	24,282	3.07%
Non-interest-bearing liabilities:						
Demand deposits	266,566			254,134		
Other liabilities	15,358			12,720		
Stockholders' equity	122,389			111,049		
Total	\$ 1,484,834			\$ 1,435,738		
Net interest income		\$ 32,873			\$ 29,241	
Rate spread			2.36%			2.14%
Net yield on interest-earning assets			3.09%			2.85%

(1) Nonaccrual loans are included in the daily average loan balances outstanding.

(2) The yield on federally tax-exempt loans and securities is computed on a tax-equivalent basis using a federal tax rate of 21%.

Source: PSB Holdings, Inc.