



NEWS RELEASE

PSB Holdings, Inc. Reports Record Quarterly Earnings of \$0.89 Per Diluted Share; Net Interest Margin Improves For Fifth Consecutive Quarter

2025-07-22

WAUSAU, Wis., July 22, 2025 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. ("PSB") (OTCQX: PSBQ), the holding company for Peoples State Bank ("Peoples") serving Northcentral and Southeastern Wisconsin reported second quarter earnings ending June 30, 2025 up 48% relative to the prior quarter to \$0.89 per diluted common share on net income of \$3.8 million, compared to \$0.60 per diluted common share on net income of \$2.6 million during the first quarter ending March 31, 2025, and \$0.56 per diluted common share on net income of \$2.4 million during the second quarter ending June 30, 2024.

PSB's second quarter 2025 operating results reflected the following changes from the first quarter of 2025: (1) a stronger net interest margin as asset yields rose; (2) higher non-interest income from higher mortgage banking income; and (3) lower non-interest expenses due to lower salaries and employee benefit expenses.

"We are proud to report record earnings for the second quarter, highlighted by an improving net interest margin and cost controls that have lowered our non-interest expenses and improved our efficiency ratio to 63%. Over the past year, we increased tangible book value per share by 13.1% while paying \$0.64 per share in dividends to our shareholders. As loans continue to reprice at higher rates and new loans are originated at higher levels than current yields, we expect our net interest margin to continue to expand from current levels. While non-performing assets have grown, they represent a small number with special circumstances, and we expect favorable resolutions for certain significant non-performing assets by the end of the calendar year," stated Scott Cattnach, President and CEO.

June 30, 2025, Highlights:

- Net interest income increased \$470,000 to \$10.7 million for the quarter ended June 30, 2025, from \$10.3

million for the quarter ended March 31, 2025, due in part to higher yields on loans and one additional day during the quarter.

- Noninterest income increased \$230,000 to \$2.1 million for the quarter ended June 30, 2025, compared to \$1.9 million the prior quarter due primarily to higher mortgage banking revenues.
- Noninterest expenses decreased \$776,000 to \$8.2 million during the quarter ended June 30, 2025 from \$9.0 million for the quarter ended March 31, 2025, reflecting lower salary and benefit expenses.
- Net loans increased \$12.9 million, or 1% in the second quarter ended June 30, 2025, to \$1.11 billion compared to March 31, 2025, largely due to increased commercial line usage. Allowance for credit losses remained at 1.12% of gross loans.
- Non-performing assets increased \$2.6 million to \$15.6 million, or 1.04% of total assets at June 30, 2025 compared to the previous quarter. One existing non-performing loan relationship increased during the quarter as an additional loan in this relationship was moved to non-performing status. The underlying security of these loans is undergoing a sales process by the owner. Additionally, an unrelated new loan relationship was added to non-performing status.
- Total deposits increased \$47.5 million to \$1.18 billion at June 30, 2025 from \$1.13 billion at March 31, 2025, with the increase largely consisting of non-interest bearing demand deposits and time deposits with balances greater than \$250,000. Core deposits increased \$32.3 million while brokered deposits decreased \$13.7 million. A portion of the overall deposit increase relates to an established customer making a large time deposit near the end of the quarter.
- Return on average tangible common equity was 13.11% for the quarter ended June 30, 2025, compared to 9.21% the prior quarter and 9.34% in the year ago quarter.
- Tangible book value per common share was up 13.1% over the past year to \$27.77 at June 30, 2025, compared to \$24.55 at June 30, 2024. Additionally, PSB paid dividends totaling \$0.64 per share during the past year.

Balance Sheet and Asset Quality Review

Total assets increased \$46.8 million during the second quarter to \$1.51 billion at June 30, 2025, compared to \$1.46 billion at March 31, 2025. Cash and cash equivalents increased \$34.9 million to \$57.5 million at June 30, 2025 from \$22.7 million at March 31, 2025 as new deposits replenished reserves used to fund new loans. Investment securities available for sale increased \$1.7 million to \$184.3 million at June 30, 2025, from \$182.6 million one quarter earlier.

Gross loans receivable increased \$10.7 million to \$1.15 billion at June 30, 2025, compared to one quarter earlier, due primarily to increased commercial & industrial lending. Commercial & industrial loans increased \$11.2 million to \$135.3 million at June 30, 2025, and commercial real estate loans increased \$3.6 million to \$566.5 million at June 30, 2025, compared to three months earlier. Commercial real estate construction and development loans decreased \$9.2 million to \$77.9 million at June 30, 2025, while residential real estate loans increased \$3.3 million from the prior quarter to \$337.1 million. Agricultural loans increased \$1.6 million to \$13.2 million at June 30, 2025 compared to three months earlier. The loan portfolio remains well diversified with commercial real estate and construction loans totaling 56.1% of gross loans, followed by residential real estate loans at 29.4% of gross loans, commercial non-real estate loans at 14.1% and consumer loans at 0.4%.

The allowance for credit losses remained at 1.12% of gross loans at June 30, 2025 while annualized net charge-offs to average loans were zero for the quarter ended June 30, 2025. Non-performing assets increased \$2.6 million to \$15.6 million, or 1.04% of total assets at June 30, 2025 up from 0.89% at March 31, 2025. The increase reflects a loan relationship that was non-performing in the prior quarter having an additional loan move to non-performing status in the second quarter and a separate loan relationship within the timber industry where the customer has experienced irregular cashflows. Approximately 80% of the non-performing assets consisted of five loan relationships.

Total deposits increased 4% quarter over quarter, with 23% of the deposit portfolio being uninsured at June 30th. Overall, core deposits increased \$32.3 million during the quarter while brokered deposits decreased \$13.7 million.

At June 30, 2025, non-interest bearing demand deposits increased to 23.6% of total deposits from 21.7% the prior quarter, while interest-bearing demand and savings deposits decreased to 27.4% at June 30, 2025 from 29.4% one quarter earlier. The additional deposit inflow helped to decrease FHLB advances during the quarter by \$4.3 million and brokered deposits by \$13.7 million.

Tangible stockholder equity as a percentage of total tangible assets decreased to 7.95% at June 30, 2025, compared to 8.05% at March 31, 2025, and 7.32% at June 30, 2024.

Tangible net book value per common share increased \$3.22 during the quarter to \$27.77, at June 30, 2025 compared to \$24.55 one year earlier, an increase of 13.1% after dividends of \$0.64 were paid to shareholders. Relative to the prior quarter's tangible book value per common share of \$26.94, tangible net book value per common share increased primarily due to earnings and an increase in the fair market value of the investment portfolios. The accumulated other comprehensive loss on the investment portfolio was \$15.8 million at June 30, 2025, compared to \$16.7 million one quarter earlier.

Net interest income increased to \$10.7 million (on a net margin of 3.09%) for the second quarter of 2025, from \$10.3 million (on a net margin of 3.03%) for the first quarter of 2025, and increased from \$9.4 million (on a net margin of 2.84%) for the second quarter of 2024. The higher net interest income in the current period primarily relates to higher loan yields during the quarter. Earning asset yields increased to 5.40% during the second quarter of 2025 from 5.35% the prior period and cost of funds increased four basis points to 3.06% compared to 3.02% during the first quarter of 2025. Relative to one year earlier, earning asset yields were up 19 basis points while the overall cost of funds was flat.

The increase in earning asset yields was due to higher yields on loan originations, loan renewals and security repricing. Loan yields increased during the second quarter of 2025 to 5.91% from 5.82% for the first quarter of 2025. Taxable security yields on a smaller average balance relative to the prior quarter were 3.24% for the quarter ended June 30, 2025, compared to 3.35% for the quarter ended March 31, 2025, while tax-exempt security yields remained at 3.35% for the quarter ended June 30, 2025.

Total noninterest income increased \$230,000 during the second quarter of 2025 to \$2.1 million. An increase of \$161,000 in mortgage banking income during the quarter accounted for the majority of the change.

Noninterest expenses decreased \$776,000 to \$8.2 million for the second quarter of 2025, compared to \$9.0 million for the first quarter of 2025, and decreased \$202,000 from \$8.4 million for the second quarter of 2024. On a linked quarter basis, salary and benefits expense decreased \$474,000 as the first quarter results reflected an increase in variable commercial sales incentive expense. Occupancy and facilities costs decreased \$67,000, data processing and other office operation expenses decreased \$12,000, a gain on the sale of foreclosed real estate was \$58,000 and various other noninterest expenses decreased \$225,000 during the second quarter ended June 30, 2025. Partially offsetting the expense reductions was an increase in advertising and promotion expenses of \$60,000.

Income taxes increased \$279,000 during the second quarter to \$752,000, from \$473,000 one quarter earlier on higher income levels. The effective tax rate for the quarter ended June 30, 2025, was 16.6% compared to 15.6% for the first quarter ended March 31, 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.

PSB Holdings, Inc.
Consolidated Balance Sheets
June 30, and March 31, 2025, September 30, and June 30, 2024, unaudited, December 31, 2024 derived from audited financial statements

(dollars in thousands, except per share data)	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Assets					
Cash and due from banks	\$ 23,022	\$ 19,628	\$ 21,414	\$ 23,554	\$ 16,475
Interest-bearing deposits	2,890	702	3,724	5,126	251
Federal funds sold	31,624	2,351	15,360	58,434	69,249
Cash and cash equivalents	57,536	22,681	40,498	87,114	85,975
Securities available for sale (at fair value)	184,320	182,594	189,086	174,911	165,177
Securities held to maturity (fair values of \$75,016, \$77,375, \$79,654, \$82,389 and \$79,993 respectively)	83,123	85,373	86,748	86,847	86,825
Equity securities	2,885	2,847	2,782	1,752	1,661
Loans held for sale	349	734	217	-	2,268
Loans receivable, net (allowance for credit losses of \$12,553, \$12,392, \$12,342, \$12,598 and \$12,597 respectively)	1,109,296	1,096,422	1,078,204	1,057,974	1,074,844
Accrued interest receivable	5,006	5,184	5,042	4,837	5,046
Foreclosed assets	-	300	-	-	-
Premises and equipment, net	13,397	13,522	13,805	14,065	14,048
Mortgage servicing rights, net	1,684	1,717	1,742	1,727	1,688
Federal Home Loan Bank stock (at cost)	9,297	8,825	8,825	8,825	8,825
Cash surrender value of bank-owned life insurance	25,067	24,897	24,732	24,565	24,401
Core deposit intangible	330	353	195	212	229
Goodwill	3,495	3,495	2,541	2,541	2,541
Other assets	10,832	10,828	11,539	10,598	12,111
TOTAL ASSETS	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968	\$ 1,485,639
Liabilities					
Non-interest-bearing deposits	\$ 277,239	\$ 245,672	\$ 259,515	\$ 265,078	\$ 250,435
Interest-bearing deposits	900,303	884,364	887,834	874,035	901,886
Total deposits	1,177,542	1,130,036	1,147,349	1,139,113	1,152,321

Federal Home Loan Bank advances	165,950	170,250	162,250	181,250	184,900
Other borrowings	6,250	6,343	6,872	6,128	5,775
Senior subordinated notes	4,784	4,783	4,781	4,779	4,778
Junior subordinated debentures	13,075	13,049	13,023	12,998	12,972
Allowance for credit losses on unfunded commitments	622	672	672	477	477
Accrued expenses and other liabilities	15,118	13,554	14,723	12,850	13,069
Total liabilities	1,383,341	1,338,687	1,349,670	1,357,595	1,374,292
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 - 4,041,573, 4,084,708, 4,092,977, 4,105,594 and 4,128,382 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,659	8,608	8,610	8,567	8,527
Retained earnings	144,548	142,277	139,838	138,142	135,276
Accumulated other comprehensive income (loss), net of tax	(15,764)	(16,692)	(19,314)	(15,814)	(20,503)
Treasury stock, at cost - 1,449,225, 1,406,090, 1,397,821, 1,385,204 and 1,362,416 shares, respectively	(23,197)	(22,138)	(21,878)	(21,552)	(20,983)
Total stockholders' equity	123,276	121,085	116,286	118,373	111,347
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968	\$ 1,485,639

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Jun. 30, 2025	Mar. 31, 2025	Quarter Ended			Six Months Ended	
			Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	June 2025	2024
Interest and dividend income:							
Loans, including fees	\$ 16,510	\$ 15,782	\$ 15,646	\$ 15,634	\$ 15,433	\$ 32,292	\$ 30,542
Securities:							
Taxable	1,566	1,641	1,545	1,345	1,295	3,207	2,492
Tax-exempt	506	517	522	522	521	1,023	1,047
Other interest and dividends	332	345	948	699	265	677	608
Total interest and dividend income	18,914	18,285	18,661	18,200	17,514	37,199	34,689
Interest expense:							
Deposits	5,934	5,884	6,027	5,905	5,838	11,818	11,920
FHLB advances	1,899	1,792	1,890	2,038	1,860	3,691	3,310
Other borrowings	48	47	57	57	58	95	118
Senior subordinated notes	58	59	59	59	58	117	117
Junior subordinated debentures	250	248	252	252	255	498	506
Total interest expense	8,189	8,030	8,285	8,311	8,069	16,219	15,971
Net interest income	10,725	10,255	10,376	9,889	9,445	20,980	18,718
Provision for credit losses	110	117	-	-	100	227	195
Net interest income after provision for credit losses	10,615	10,138	10,376	9,889	9,345	20,753	18,523
Noninterest income:							
Service fees	366	358	362	367	350	724	686
Mortgage banking income	411	250	414	433	433	661	741
Investment and insurance sales commissions	335	326	226	230	222	799	343
Net loss on sale of securities	-	(1)	(511)	-	-	661	(495)
Increase in cash surrender value of life insurance	170	163	166	165	159	(1)	316
Other noninterest income	814	770	620	648	742	1,584	1,359

Total noninterest income	2,096	1,866	1,277	1,843	1,906	3,962	2,950
Noninterest expense:							
Salaries and employee benefits	4,828	5,302	4,691	4,771	5,167	10,130	10,290
Occupancy and facilities	719	786	691	757	733	1,505	1,454
Loss (gain) on foreclosed assets	(58)	-	-	1	-	(58)	-
Data processing and other office operations	1,189	1,201	1,111	1,104	1,047	2,390	2,069
Advertising and promotion	189	129	141	164	171	318	300
Core deposit intangible amortization	23	23	17	17	20	46	44
Other noninterest expenses	1,303	1,528	1,351	1,337	1,257	2,831	2,563
Total noninterest expense	8,193	8,969	8,002	8,151	8,395	17,162	16,720
Income before provision for income taxes	4,518	3,035	3,651	3,581	2,856	7,553	4,753
Provision for income taxes	752	473	524	593	410	1,225	579
Net income	\$ 3,766	\$ 2,562	\$ 3,127	\$ 2,988	\$ 2,446	\$ 6,328	\$ 4,174
Preferred stock dividends declared	\$ 122	\$ 122	\$ 122	\$ 122	\$ 122	\$ 244	\$ 244
Net income available to common shareholders	\$ 3,644	\$ 2,440	\$ 3,005	\$ 2,866	\$ 2,324	\$ 6,084	\$ 3,930
Basic earnings per common share	\$ 0.90	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 1.49	\$ 0.95
Diluted earnings per common share	\$ 0.89	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 1.49	\$ 0.95

PSB Holdings, Inc.
Quarterly Financial Summary

(dollars in thousands, except per share data)

	Quarter ended				
	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Earnings and dividends:					
Interest income	\$ 18,914	\$ 18,285	\$ 18,661	\$ 18,200	\$ 17,514
Interest expense	\$ 8,189	\$ 8,030	\$ 8,285	\$ 8,311	\$ 8,069
Net interest income	\$ 10,725	\$ 10,255	\$ 10,376	\$ 9,889	\$ 9,445
Provision for credit losses	\$ 110	\$ 117	\$ -	\$ -	\$ 100
Other noninterest income	\$ 2,096	\$ 1,866	\$ 1,277	\$ 1,843	\$ 1,906
Other noninterest expense	\$ 8,193	\$ 8,969	\$ 8,002	\$ 8,151	\$ 8,395
Net income available to common shareholders	\$ 3,644	\$ 2,440	\$ 3,005	\$ 2,866	\$ 2,324
Basic earnings per common share (3)	\$ 0.90	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56
Diluted earnings per common share (3)	\$ 0.89	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56
Dividends declared per common share (3)	\$ 0.34	\$ -	\$ 0.32	\$ -	\$ 0.32
Tangible net book value per common share (4)	\$ 27.77	\$ 26.94	\$ 25.98	\$ 26.41	\$ 24.55
Semi-annual dividend payout ratio	22.58%	n/a	23.27%	n/a	33.61%
Average common shares outstanding	4,070,721	4,088,824	4,094,360	4,132,218	4,139,456
Balance sheet - average balances:					
Loans receivable, net of allowances for credit loss	\$ 1,111,004	\$ 1,091,533	\$ 1,064,619	\$ 1,066,795	\$ 1,088,013
Assets	\$ 1,480,851	\$ 1,462,862	\$ 1,479,812	\$ 1,445,613	\$ 1,433,749
Deposits	\$ 1,142,279	\$ 1,140,397	\$ 1,151,450	\$ 1,110,854	\$ 1,111,240
Stockholders' equity	\$ 123,077	\$ 118,576	\$ 118,396	\$ 114,458	\$ 110,726
Performance ratios:					
Return on average assets (1)	1.02%	0.71%	0.84%	0.82%	0.69%
Return on average common stockholders' equity (1)	12.61%	8.88%	10.75%	10.63%	9.03%
Return on average tangible common stockholders' equity (1)(4)	13.11%	9.21%	11.07%	10.96%	9.34%
Net loan charge-offs to average loans (1)	0.00%	0.02%	0.02%	0.00%	0.00%
Nonperforming loans to gross loans	1.39%	1.15%	0.95%	0.97%	1.15%
Nonperforming assets to total assets	1.04%	0.89%	0.71%	0.71%	0.84%
Allowance for credit losses to gross loans	1.12%	1.12%	1.13%	1.18%	1.16%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	12.64%	10.71%	8.85%	8.71%	11.09%
Net interest rate margin (1)(2)	3.09%	3.03%	2.96%	2.90%	2.84%
Net interest rate spread (1)(2)	2.34%	2.33%	2.23%	2.16%	2.15%

Service fee revenue as a percent of average demand deposits (1)	0.54%	0.58%	0.53%	0.56%	0.56%
Noninterest income as a percent of gross revenue	9.98%	9.26%	6.40%	9.20%	9.81%
Efficiency ratio (2)	63.00%	72.88%	67.59%	68.43%	72.52%
Noninterest expenses to average assets (1)	2.22%	2.49%	2.15%	2.24%	2.35%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	9.31%	9.22%	9.08%	9.06%	9.03%
Tangible equity to tangible assets (4)	7.95%	8.05%	7.76%	7.85%	7.32%

Stock price information:

High	\$	25.70	\$	26.50	\$	27.90	\$	25.00	\$	21.40
Low	\$	23.65	\$	25.60	\$	25.00	\$	20.30	\$	19.75
Last trade value at quarter-end	\$	23.89	\$	25.70	\$	26.50	\$	25.00	\$	20.40

(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)	Jun. 30, 2025	Mar. 31, 2025	Quarter Ended Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024
Net income	\$ 3,766	\$ 2,562	\$ 3,127	\$ 2,988	\$ 2,446
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	972	2,551	(3,955)	4,738	184
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	(35)	-	(76)	-	-
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	91	89	90	90	89
Unrealized gain (loss) on interest rate swap	(87)	(6)	65	(101)	39
Reclassification adjustment of interest rate swap settlements included in earnings	(13)	(13)	(27)	(38)	(40)
Other comprehensive income (loss)	928	2,622	(3,499)	4,689	272
Comprehensive income (loss)	\$ 4,694	\$ 5,184	\$ (372)	\$ 7,677	\$ 2,718

PSB Holdings, Inc.
Nonperforming Assets as of:

	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,
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(dollars in thousands)	2025	2025	2024	2024	2024
Nonaccrual loans (excluding restructured loans)	\$ 15,333	\$ 12,404	\$ 10,109	\$ 10,116	\$ 12,184
Nonaccrual restructured loans	13	17	18	25	28
Restructured loans not on nonaccrual	295	280	286	292	299
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	15,641	12,701	10,413	10,433	12,511
Other real estate owned	-	300	-	-	-
Total nonperforming assets	\$ 15,641	\$ 13,001	\$ 10,413	\$ 10,433	\$ 12,511
Nonperforming loans as a % of gross loans receivable	1.39%	1.15%	0.95%	0.97%	1.15%
Total nonperforming assets as a % of total assets	1.04%	0.89%	0.71%	0.71%	0.84%
Allowance for credit losses as a % of nonperforming loans	80.26%	97.57%	118.52%	120.75%	100.69%

PSB Holdings, Inc.
Nonperforming Assets >= \$500,000 net book value before specific reserves
At June 30, 2025

(dollars in thousands)	Asset Type	Gross Principal	Specific Reserves
Collateral Description			
Real estate - Recreational facility	Nonaccrual	3,940	145
Real estate - Equipment dealership	Nonaccrual	2,708	560
Real estate - Non owner occupied rental properties	Nonaccrual	4,227	0
Real estate - Wood products	Nonaccrual	1,707	271
Total listed nonperforming assets		\$ 12,582	\$ 976
Total bank wide nonperforming assets		\$ 15,641	\$ 1,180
Listed assets as a % of total nonperforming assets		80%	83%

PSB Holdings, Inc.
Loan Composition by Collateral Type

Quarter-ended (dollars in thousands)	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024
Commercial:					
Commercial and industrial	\$ 135,313	\$ 124,074	\$ 116,864	\$ 115,234	\$ 125,508
Agriculture	13,219	11,632	11,568	11,203	11,480
Municipal	12,805	12,878	15,733	12,596	11,190
Total Commercial	161,337	148,584	144,165	139,033	148,178
Commercial Real Estate:					
Commercial real estate	566,526	562,901	551,641	541,577	544,171
Construction and development	77,905	87,080	79,377	60,952	70,540
Total Commercial Real Estate	644,431	649,981	631,018	602,529	614,711
Residential real estate:					
Residential	266,203	268,490	271,643	269,954	270,944

Construction and development	31,439	26,884	28,959	34,655	36,129
HELOC	39,425	38,364	36,887	36,734	33,838
Total Residential Real Estate	337,067	333,738	337,489	341,343	340,911
Consumer installment	4,886	4,683	5,060	4,770	4,423
Subtotals - Gross loans	1,147,721	1,136,986	1,117,732	1,087,675	1,108,223
Loans in process of disbursement	(26,496)	(28,752)	(27,791)	(17,836)	(21,484)
Subtotals - Disbursed loans	1,121,225	1,108,234	1,089,941	1,069,839	1,086,739
Net deferred loan costs	624	580	605	733	702
Allowance for credit losses	(12,553)	(12,392)	(12,342)	(12,598)	(12,597)
Total loans receivable	\$ 1,109,296	\$ 1,096,422	\$ 1,078,204	\$ 1,057,974	\$ 1,074,844

PSB Holdings, Inc.
Selected Commercial Real Estate Loans by Purpose

(dollars in thousands)	Jun 30,		Mar 31,		Dec 31,		Sept 30,		June 30,	
	2025		2025		2024		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	\$ 145,523	14.0%	\$ 143,674	13.9%	\$ 140,087	14.0%	\$ 140,307	14.7%	\$ 146,873	15.2%
Industrial and Warehousing	105,256	10.2	109,366	10.6	103,794	10.4	96,995	10.2	96,286	9.6
Retail	29,407	2.8	29,285	2.8	23,438	2.3	25,263	2.7	26,154	2.7
Hotels	25,299	2.4	25,719	2.5	25,892	2.6	26,057	2.7	29,035	3.0
Office	7,131	0.7	7,254	0.7	6,234	0.6	6,378	0.7	6,518	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)	June 30,		March 31,		December 31,		September 30,		June 30,	
	2025		2025		2024		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 225,916	19.2%	\$ 206,562	18.3%	\$ 204,167	17.8%	\$ 210,534	18.5%	\$ 202,343	17.5%
Interest-bearing demand and savings	304,779	25.9%	314,957	27.9%	315,900	27.6%	305,631	26.8%	304,392	26.5%
Money market deposits	113,161	9.6%	118,047	10.4%	141,024	12.3%	138,376	12.2%	137,637	12.0%
Retail and local time deposits <= \$250	165,368	14.0%	158,066	14.0%	155,099	13.5%	155,988	13.7%	149,298	13.0%
Total core deposits	809,224	68.7%	797,632	70.6%	816,190	71.2%	810,529	71.2%	793,670	69.0%
Retail and local time deposits > \$250	28,000	2.4%	26,750	2.3%	25,500	2.2%	23,500	2.1%	22,500	2.0%
Broker & national time deposits <= \$250	748	0.1%	1,241	0.1%	1,241	0.1%	1,241	0.1%	1,490	0.1%
Broker & national time deposits > \$250	65,917	5.6%	79,090	7.0%	56,164	4.9%	56,164	4.9%	56,328	4.9%

Totals	\$ 903,889	76.8%	\$ 904,713	80.0%	\$ 899,095	78.4%	\$ 891,434	78.3%	\$ 873,988	76.0%
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PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits (dollars in thousands)	June 30, 2025		March 31, 2025		December 31, 2024		September 30, 2024		June 30, 2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 51,323	4.4%	\$ 39,110	3.5%	\$ 55,348	4.8%	\$ 54,544	4.8%	\$ 48,092	4.1%
Interest-bearing demand and savings	17,983	1.5%	17,262	1.5%	20,934	1.8%	18,317	1.6%	32,674	2.8%
Money market deposits	157,998	13.4%	150,222	13.3%	153,334	13.4%	157,489	13.8%	177,954	15.4%
Retail and local time deposits <= \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	227,304	19.3%	206,594	18.3%	229,616	20.0%	230,350	20.2%	258,720	22.3%
Retail and local time deposits > \$250	46,349	3.9%	18,729	1.7%	18,638	1.6%	17,329	1.5%	19,613	1.7%
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	\$ 273,653	23.2%	\$ 225,323	20.0%	\$ 248,254	21.6%	\$ 247,679	21.7%	\$ 278,333	24.0%

PSB Holdings, Inc.
Deposit Composition

Total Deposits (dollars in thousands)	June 30, 2025		March 31, 2025		December 31, 2024		September 30, 2024		June 30, 2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 277,239	23.6%	\$ 245,672	21.7%	\$ 259,515	22.6%	\$ 265,078	23.3%	\$ 250,435	21.6%
Interest-bearing demand and savings	322,762	27.4%	332,219	29.4%	336,834	29.4%	323,948	28.4%	337,066	29.3%
Money market deposits	271,159	23.0%	268,269	23.7%	294,358	25.7%	295,865	26.0%	315,591	27.4%
Retail and local time deposits <= \$250	165,368	14.0%	158,066	14.1%	155,099	13.5%	155,988	13.7%	149,298	13.0%
Total core deposits	1,036,528	88.0%	1,004,226	88.9%	1,045,806	91.2%	1,040,879	91.4%	1,052,390	91.3%
Retail and local time deposits > \$250	74,349	6.3%	45,479	4.0%	44,138	3.8%	40,829	3.6%	42,113	3.7%
Broker & national time deposits <= \$250	748	0.1%	1,241	0.1%	1,241	0.1%	1,241	0.1%	1,490	0.1%
Broker & national time deposits > \$250	65,917	5.6%	79,090	7.0%	56,164	4.9%	56,164	4.9%	56,328	4.9%
Totals	\$ 1,177,542	100.0%	\$ 1,130,036	100.0%	\$ 1,147,349	100.0%	\$ 1,139,113	100.0%	\$ 1,152,321	100.0%

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

Assets	Quarter ended June 30, 2025			Quarter ended March 31, 2025			Quarter ended June 30, 2024		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Interest-earning assets:									
Loans (1)(2)	\$ 1,123,460	\$ 16,558	5.91%	\$ 1,103,895	\$ 15,830	5.82%	\$ 1,100,518	\$ 15,520	5.67%
Taxable securities	193,926	1,566	3.24%	198,426	1,641	3.35%	172,563	1,295	3.02%
Tax-exempt securities (2)	76,774	641	3.35%	79,282	654	3.35%	79,564	659	3.33%
FHLB stock	9,189	166	7.25%	8,825	241	11.08%	7,931	182	9.23%
Other	14,571	166	4.57%	8,960	104	4.71%	8,241	83	4.05%
Total (2)	1,417,920	19,097	5.40%	1,399,388	18,470	5.35%	1,368,817	17,739	5.21%

Non-interest-earning assets:										
Cash and due from banks	15,498			16,292			17,345			
Premises and equipment, net	13,527			13,728			13,930			
Cash surrender value ins	24,960			24,795			24,297			
Other assets	21,402			21,021			21,865			
Allowance for credit losses	(12,456)			(12,362)			(12,505)			
Total	\$ 1,480,851			\$ 1,462,862			\$ 1,433,749			
Liabilities & stockholders' equity										
Interest-bearing liabilities:										
Savings and demand deposits	\$ 315,978	\$ 1,450	1.84%	\$ 339,909	\$ 1,567	1.87%	\$ 331,740	\$ 1,467	1.78%	
Money market deposits	262,015	1,572	2.41%	280,396	1,685	2.44%	271,336	1,835	2.72%	
Time deposits	294,750	2,912	3.96%	268,821	2,632	3.97%	257,006	2,536	3.97%	
FHLB borrowings	173,080	1,899	4.40%	164,968	1,792	4.41%	174,596	1,860	4.28%	
Other borrowings	8,843	48	2.18%	6,321	47	3.02%	6,870	58	3.40%	
Senior sub notes	4,784	58	4.86%	4,782	59	5.00%	4,777	58	4.88%	
Junior sub. debentures	13,062	250	7.68%	13,036	248	7.72%	12,960	255	7.91%	
Total	1,072,512	8,189	3.06%	1,078,233	8,030	3.02%	1,059,285	8,069	3.06%	
Non-interest-bearing liabilities:										
Demand deposits	269,536			251,271			251,158			
Other liabilities	15,726			14,782			12,580			
Stockholders' equity	123,077			118,576			110,726			
Total	\$ 1,480,851			\$ 1,462,862			\$ 1,433,749			
Net interest income	\$ 10,908			\$ 10,440			\$ 9,670			
Rate spread			2.34%			2.33%			2.15%	
Net yield on interest-earning assets			3.09%			3.03%			2.84%	

(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)

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Interest-earning assets:						
Loans (1)(2)	\$ 1,113,731	\$ 32,388	5.86%	\$ 1,097,419	\$ 30,719	5.63%
Taxable securities	196,162	3,207	3.30%	172,176	2,492	2.91%
Tax-exempt securities (2)	78,021	1,295	3.35%	79,999	1,325	3.33%
FHLB stock	9,008	407	9.11%	7,215	347	9.67%
Other	11,790	270	4.62%	10,562	261	4.97%
Total (2)	1,408,712	37,567	5.38%	1,367,371	35,144	5.17%
Non-interest-earning assets:						
Cash and due from banks	15,893			17,356		
Premises and equipment, net	13,627			13,557		
Cash surrender value ins	24,878			24,221		
Other assets	21,215			21,534		
Allowance for credit losses	(12,409)			(12,445)		
Total	\$ 1,471,916			\$ 1,431,594		
Liabilities & stockholders' equity Interest-bearing liabilities:						
Savings and demand deposits	\$ 327,878	\$ 3,017	1.86%	\$ 341,119	\$ 3,139	1.85%
Money market deposits	270,785	3,257	2.43%	272,591	3,732	2.75%
Time deposits	281,857	5,544	3.97%	260,832	5,049	3.89%
FHLB borrowings	169,046	3,691	4.40%	158,761	3,310	4.19%

Other borrowings	7,589	95	2.52%	7,712	118	3.08%
Senior sub. notes	4,783	117	4.93%	4,776	117	4.93%
Junior sub. debentures	13,049	498	7.70%	12,947	506	7.86%
Total	1,074,987	16,219	3.04%	1,058,738	15,971	3.03%
Non-interest-bearing liabilities:						
Demand deposits	260,522			249,909		
Other liabilities	15,492			12,881		
Stockholders' equity	120,915			110,066		
Total	\$ 1,471,916			\$ 1,431,594		
Net interest income	\$ 21,348			\$ 19,173		
Rate spread			2.34%			2.14%
Net yield on interest-earning assets			3.06%			2.82%

(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%.

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Source: PSB Holdings, Inc.