



NEWS RELEASE

PSB Holdings, Inc. Reports Record Quarterly Earnings of \$0.97 Per Share and Record Annual Earnings of \$3.31 Per Share; Tangible Book Value Increases to \$29.99 Per Share

2026-01-26

WAUSAU, Wisc., Jan. 26, 2026 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. ("PSB") (OTCQX: PSBQ), the holding company for Peoples State Bank ("Peoples") serving Northcentral and Southeastern Wisconsin reported record fourth quarter earnings ending December 31, 2025 of \$0.97 per diluted common share on net income of \$3.9 million, compared to \$0.86 per diluted common share on net income of \$3.5 million during the third quarter ending September 30, 2025, and \$0.73 per diluted common share on net income of \$3.0 million during the fourth quarter ending December 31, 2024. Record calendar 2025 earnings were \$13.5 million, or \$3.31 per diluted share compared to 2024 earnings of \$9.8 million, or \$2.37 per diluted share, up 40% per share.

PSB's fourth quarter of 2025 operating results reflected the following changes from the third quarter of 2025: (1) a stronger net interest margin as funding costs declined; (2) slightly higher non-interest income from higher mortgage banking income and higher investment and insurance sales commissions; and (3) lower non-interest expenses due to lower benefit plan expenses.

"Our operations continue to benefit from the current interest rate environment, as many of our seasoned loans continue to reprice from historically low yields to higher yields while funding cost pressure has declined with the Federal Reserve's reductions to the Federal Funds rate. As a result, our net interest margin has returned towards the lower end of our historical range," stated Scott Cattanach, President and CEO. "We remain optimistic as we look to 2026 and anticipate credit improvement will add more earning assets and enhance interest income in the first half of the year. The Board's confidence in our ability to consistently generate strong profitability led to their decision to institute quarterly dividend payments going forward, rather than a semi-annual dividend. While our record earnings in fiscal 2025 mark a significant milestone, we remain committed to surpassing these achievements

in the periods ahead.”

December 31, 2025, Highlights:

- Net interest income increased \$387,000 to \$11.7 million for the quarter ended December 31, 2025, from \$11.3 million for the quarter ended September 30, 2025, due in part to lower deposit and borrowing costs.
- Noninterest income increased \$156,000 to \$2.1 million for the quarter ended December 31, 2025, compared to \$1.9 million the prior quarter due to higher mortgage banking income and higher investment and insurance sales commissions.
- Noninterest expenses decreased \$170,000 to \$8.6 million during the quarter ended December 31, 2025 from \$8.8 million for the quarter ended September 30, 2025, reflecting lower salary and benefit plan expenses.
- Net loans decreased \$19.1 million in the fourth quarter ended December 31, 2025, to \$1.10 billion compared to September 30, 2025 due to a large borrower (\$13.8 million) who sold their business and an expected loan payoff from another borrower for \$6.4 million. The loan pipeline continues to remain strong. Allowance for credit losses increased to 1.14% of gross loans.
- Non-performing assets increased slightly to \$17.3 million, or 1.18% of total assets at December 31, 2025, compared to \$17.0 million, or 1.13% the previous quarter. The increase primarily relates to the addition of a restructured residential mortgage loan.
- Total deposits decreased \$12.1 million to \$1.18 billion at December 31, 2025, from \$1.19 billion at September 30, 2025. Core deposits decreased \$7.3 million due to business outflows for taxes while brokered deposits and time deposits greater than \$250,000 decreased \$4.8 million.
- Return on average tangible common equity was 12.86% for the quarter ended December 31, 2025, compared to 12.14% the prior quarter and 11.07% in the year ago quarter.
- Tangible book value per common share was up 15.43% over the past year to \$29.99 at December 31, 2025, compared to \$25.98 at December 31, 2024. Additionally, PSB paid dividends totaling \$0.68 per share during the past year reflecting an earnings payout ratio of 20.37%.

Balance Sheet and Asset Quality Review

Total assets decreased \$35.3 million during the fourth quarter to \$1.46 billion at December 31, 2025, compared to \$1.50 billion at September 30, 2025. Cash and cash equivalents decreased \$7.6 million to \$29.9 million at December 31, 2025, from \$37.5 million at September 30, 2025, as liquid funds were used to pay-off Federal Home Loan Advances and brokered deposits. Investment securities available for sale decreased \$6.4 million to \$184.3 million at December 31, 2025, from \$190.7 million one quarter earlier.

Gross loans receivable decreased \$26.2 million to \$1.13 billion at December 31, 2025, compared to one quarter earlier. Commercial real estate loans decreased \$17.5 million to \$551.9 million at December 31, 2025, compared to three months earlier while commercial & industrial loans increased \$2.3 million to \$139.5 million over the same time period. Commercial construction and development loans decreased \$10.7 million to \$70.6 million at December 31, 2025, while residential real estate loans decreased \$2.5 million from the prior quarter to \$340.4 million. Agricultural loans decreased \$1.0 million to \$11.5 million at December 31, 2025, compared to three months earlier and municipal loans increased \$3.0 million over the same time period. The loan portfolio remains well diversified with commercial real estate and construction loans totaling 55.1% of gross loans, followed by residential real estate loans at 30.1% of gross loans, commercial non-real estate loans at 14.4% and consumer loans at 0.4%. The lending pipeline remains strong heading into 2026.

The allowance for credit losses increased to 1.14% of gross loans at December 31, 2025 while annualized net charge-offs to average loans were 0.16% for the quarter ended December 31, 2025. Non-performing assets increased \$323,000 to \$17.3 million, or 1.18% of total assets at December 31, 2025, up from 1.13% at September 30, 2025. The increase in non-performing assets primarily reflects the addition of a \$721,000 restructured residential mortgage loan. Approximately 67% of all non-performing assets consisted of four lending relationships. The largest of these four relationships had a \$1.2 million loan payoff occur subsequent to year-end.

Total deposits decreased \$12.2 million from the prior quarter to \$1.18 billion. The largest decrease in deposits was a decline in money market deposits, which declined \$22.2 million during the fourth quarter, partially offset by an increase of \$15.3 million in interest-bearing demand and savings deposits. Additionally, brokered deposits decreased \$5.0 million during the quarter ended December 31, 2025.

Existing liquidity helped to reduce high costing FHLB advances during the quarter by \$28.0 million to \$113.0 million at December 31, 2025. Brokered deposits of \$5.0 million were also repaid.

Tangible stockholder equity as a percentage of total tangible assets increased to 8.77% at December 31, 2025, compared to 8.34% at September 30, 2025, and 7.76% at December 31, 2024.

Tangible net book value per common share increased \$4.01 to \$29.99, at December 31, 2025, compared to \$25.98 one year earlier, an increase of 15.43% after dividends of \$0.68 were paid to shareholders. Relative to the prior

quarter's tangible book value per common share of \$29.05, 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 decreased to \$13.0 million at December 31, 2025, compared to \$14.2 million one quarter earlier and \$19.3 million at December 31, 2024.

Operations Review

Net interest income increased to \$11.7 million (on a net margin of 3.28%) for the fourth quarter of 2025, from \$11.3 million (on a net margin of 3.16%) for the third quarter of 2025, and increased from \$10.4 million (on a net margin of 2.96%) for the fourth quarter of 2024. The higher net interest income in the current period primarily relates to a slight increase in loan yields during the quarter and a decrease in the cost of funds. Overall earning asset yields decreased 1 basis point to 5.42% during the fourth quarter of 2025 from 5.43% the prior period and cost of funds decreased 12 basis points to 2.89% compared to 3.01% during the third quarter of 2025. Relative to one year earlier, interest-earning asset yields were up 13 basis points while the overall cost of funds declined 17 basis points.

The decrease in earning asset yields was due to lower yields on investment securities. Taxable security yields were 3.32% for the quarter ended December 31, 2025, compared to 3.38% for the quarter ended September 30, 2025, while a smaller balance of tax-exempt security yields remained at 3.33% for the quarter ended December 31, 2025. Loan yields increased during the fourth quarter of 2025 to 5.94% from 5.93% during the third quarter of 2025.

The decrease in funding costs was due to lower deposit costs, and costs related to FHLB advances. Deposits costs declined 9 basis points to 1.98% for the quarter ended December 31, 2025, from 2.07% the prior quarter. Similarly, FHLB advance costs declined 3 basis points to 4.36% for the fourth quarter from 4.39% the prior quarter.

Total noninterest income increased \$156,000 during the fourth quarter of 2025 to \$2.1 million. An increase in investment and insurances sales commissions accounted for the majority of the change. The government shutdown delayed the recognition of gains on the sale of SBA 7A loans, reducing other noninterest income during the quarter ended December 31, 2025 compared to the prior quarter.

Noninterest expenses decreased \$170,000 to \$8.6 million for the fourth quarter of 2025, compared to \$8.8 million for the third quarter of 2025, and increased \$634,000 from \$8.0 million for the fourth quarter of 2024. On a linked quarter basis, salary and benefits expense decreased \$287,000 due to lower benefit plan expenses. Occupancy and facilities costs remained at \$712,000, data processing and other office operation expenses increased \$66,000, foreclosed real estate was sold for a gain of \$23,000 during the fourth quarter compared to a loss of \$1,000 the previous quarter and advertising and promotion expenses increased \$39,000.

Income taxes increased \$163,000 during the fourth quarter to \$883,000, from \$720,000 one quarter earlier on

higher pre-tax income levels. The effective tax rate for the quarter ended December 31, 2025, was 18.0% compared to 16.7% for the third quarter ended September 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.

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

(dollars in thousands, except per share data)	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024
Assets					
Cash and due from banks	\$ 19,697	\$ 14,221	\$ 23,022	\$ 19,628	\$ 21,414
Interest-bearing deposits	2,262	3,630	2,890	702	3,724
Federal funds sold	7,916	19,641	31,624	2,351	15,360
Cash and cash equivalents	29,875	37,492	57,536	22,681	40,498
Securities available for sale (at fair value)	184,265	190,709	184,320	182,594	189,086
Securities held to maturity (fair values of \$76,671, \$76,104, \$75,016, \$77,375, and \$79,654 respectively)	81,511	82,195	83,123	85,373	86,748
Equity securities	2,892	2,885	2,885	2,847	2,782
Loans held for sale	180	145	349	734	217

Loans receivable, net (allowance for credit losses of \$12,605, \$12,686, \$12,553, \$12,392 and \$12,342 respectively)	1,096,035	1,115,137	1,109,296	1,096,422	1,078,204
Accrued interest receivable	5,035	5,023	5,006	5,184	5,042
Foreclosed assets	-	-	-	300	-
Premises and equipment, net	12,972	13,355	13,397	13,522	13,805
Mortgage servicing rights, net	1,689	1,685	1,684	1,717	1,742
Federal Home Loan Bank stock (at cost)	8,090	8,641	9,297	8,825	8,825
Cash surrender value of bank-owned life insurance	25,425	25,242	25,067	24,897	24,732
Core deposit intangible	287	309	330	353	195
Goodwill	3,495	3,495	3,495	3,495	2,541
Other assets	9,721	10,420	10,832	10,828	11,539
TOTAL ASSETS	\$ 1,461,472	\$ 1,496,733	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956
Liabilities					
Non-interest-bearing deposits	\$ 278,302	\$ 278,615	\$ 277,239	\$ 245,672	\$ 259,515
Interest-bearing deposits	898,729	910,571	900,303	884,364	887,834
Total deposits	1,177,031	1,189,186	1,177,542	1,130,036	1,147,349
Federal Home Loan Bank advances	112,950	140,950	165,950	170,250	162,250
Other borrowings	5,397	6,062	6,250	6,343	6,872
Senior subordinated notes	4,788	4,786	4,784	4,783	4,781
Junior subordinated debentures	13,126	13,100	13,075	13,049	13,023
Allowance for credit losses on unfunded commitments	542	622	622	672	672
Accrued expenses and other liabilities	15,967	13,651	15,118	13,554	14,723
Total liabilities	1,329,801	1,368,357	1,383,341	1,338,687	1,349,670
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 - 4,023,874, 4,040,538, 4,041,573, 4,084,708, and 4,092,977 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,727	8,707	8,659	8,608	8,610
Retained earnings	150,556	148,029	144,548	142,277	139,838
Accumulated other comprehensive income (loss), net of tax	(13,000)	(14,166)	(15,764)	(16,692)	(19,314)
Treasury stock, at cost - 1,466,924, 1,450,260, 1,449,225, 1,406,090, and 1,397,821 shares, respectively	(23,642)	(23,224)	(23,197)	(22,138)	(21,878)
Total stockholders' equity	131,671	128,376	123,276	121,085	116,286
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,461,472	\$ 1,496,733	\$ 1,506,617	\$ 1,459,772	\$ 1,465,956

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Quarter Ended					Year Ended December	
	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024	2025	2024
Interest and dividend income:							
Loans, including fees	\$ 16,744	\$ 16,745	\$ 16,510	\$ 15,782	\$ 15,646	\$ 65,781	\$ 61,822
Securities:							
Taxable	1,659	1,645	1,566	1,641	1,545	6,511	5,382
Tax-exempt	495	500	506	517	522	2,018	2,091
Other interest and dividends	582	717	332	345	948	1,976	2,255
Total interest and dividend income	19,480	19,607	18,914	18,285	18,661	76,286	71,550
Interest expense:							
Deposits	5,976	6,207	5,934	5,884	6,027	24,001	23,852
FHLB advances	1,428	1,707	1,899	1,792	1,890	6,826	7,238
Other borrowings	40	45	48	47	57	180	232
Senior subordinated notes	59	59	58	59	59	235	235

Junior subordinated debentures	248	247	250	248	252	993	1,010
Total interest expense	7,751	8,265	8,189	8,030	8,285	32,235	32,567
Net interest income	11,729	11,342	10,725	10,255	10,376	44,051	38,983
Provision for credit losses	275	138	110	117	-	640	195
Net interest income after provision for credit losses	11,454	11,204	10,615	10,138	10,376	43,411	38,788
Noninterest income:							
Service fees	401	363	366	358	362	1,488	1,415
Mortgage banking income	413	363	411	250	414	1,437	1,588
Investment and insurance sales commissions	520	345	335	326	226	1,526	799
Net loss on sale of securities	-	-	-	(1)	(511)	(1)	(1,006)
Increase in cash surrender value of life insurance	182	176	170	163	166	691	647
Other noninterest income	565	678	814	770	620	2,827	2,627
Total noninterest income	2,081	1,925	2,096	1,866	1,277	7,968	6,070
Noninterest expense:							
Salaries and employee benefits	5,159	5,446	4,828	5,302	4,691	20,735	19,752
Occupancy and facilities	712	712	719	786	691	2,929	2,902
Loss (gain) on foreclosed assets	(23)	1	(58)	-	-	(80)	1
Data processing and other office operations	1,188	1,122	1,189	1,201	1,111	4,700	4,284
Advertising and promotion	177	138	189	129	141	633	605
Core deposit intangible amortization	21	22	23	23	17	89	78
Other noninterest expenses	1,402	1,365	1,303	1,528	1,351	5,598	5,251
Total noninterest expense	8,636	8,806	8,193	8,969	8,002	34,604	32,873
Income before provision for income taxes	4,899	4,323	4,518	3,035	3,651	16,775	11,985
Provision for income taxes	883	720	752	473	524	2,828	1,696
Net income	\$ 4,016	\$ 3,603	\$ 3,766	\$ 2,562	\$ 3,127	\$ 13,947	\$ 10,289
Preferred stock dividends declared	\$ 122	\$ 122	\$ 122	\$ 122	\$ 122	\$ 486	\$ 486
Net income available to common shareholders	\$ 3,894	\$ 3,481	\$ 3,644	\$ 2,440	\$ 3,005	\$ 13,461	\$ 9,803
Basic earnings per common share	\$ 0.97	\$ 0.86	\$ 0.90	\$ 0.60	\$ 0.73	\$ 3.32	\$ 2.37
Diluted earnings per common share	\$ 0.97	\$ 0.86	\$ 0.89	\$ 0.60	\$ 0.73	\$ 3.31	\$ 2.37

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

	Quarter ended				
	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024
Earnings and dividends:					
Interest income	\$ 19,480	\$ 19,607	\$ 18,914	\$ 18,285	\$ 18,661
Interest expense	\$ 7,751	\$ 8,265	\$ 8,189	\$ 8,030	\$ 8,285
Net interest income	\$ 11,729	\$ 11,342	\$ 10,725	\$ 10,255	\$ 10,376
Provision for credit losses	\$ 275	\$ 138	\$ 110	\$ 117	\$ -
Other noninterest income	\$ 2,081	\$ 1,925	\$ 2,096	\$ 1,866	\$ 1,277
Other noninterest expense	\$ 8,636	\$ 8,806	\$ 8,193	\$ 8,969	\$ 8,002
Net income available to common shareholders	\$ 3,894	\$ 3,481	\$ 3,644	\$ 2,440	\$ 3,005
Basic earnings per common share (3)	\$ 0.97	\$ 0.86	\$ 0.90	\$ 0.60	\$ 0.73
Diluted earnings per common share (3)	\$ 0.97	\$ 0.86	\$ 0.89	\$ 0.60	\$ 0.73
Dividends declared per common share (3)	\$ 0.34	\$ -	\$ 0.34	\$ -	\$ 0.32
Tangible net book value per common share (4)	\$ 29.99	\$ 29.05	\$ 27.77	\$ 26.94	\$ 25.98
Semi-annual dividend payout ratio	19.18%	n/a	22.58%	n/a	23.27%
Average common shares outstanding	4,028,368	4,041,393	4,070,721	4,088,824	4,094,360
Balance sheet - average balances:					
Loans receivable, net of allowances for credit loss	\$ 1,107,114	\$ 1,111,055	\$ 1,111,004	\$ 1,091,533	\$ 1,064,619
Assets	\$ 1,501,135	\$ 1,510,272	\$ 1,480,851	\$ 1,462,862	\$ 1,479,812
Deposits	\$ 1,199,363	\$ 1,191,002	\$ 1,142,279	\$ 1,140,397	\$ 1,151,450
Stockholders' equity	\$ 131,606	\$ 125,342	\$ 123,077	\$ 118,576	\$ 118,396

Performance ratios:					
Return on average assets (1)	1.06%	0.95%	1.02%	0.71%	0.84%
Return on average common stockholders' equity (1)	12.42%	11.69%	12.61%	8.88%	10.75%
Return on average tangible common stockholders' equity (1)(4)	12.86%	12.14%	13.11%	9.21%	11.07%
Net loan charge-offs to average loans (1)	0.16%	0.00%	0.00%	0.02%	0.02%
Nonperforming loans to gross loans	1.56%	1.51%	1.39%	1.15%	0.95%
Nonperforming assets to total assets	1.18%	1.13%	1.04%	0.89%	0.71%
Allowance for credit losses to gross loans	1.14%	1.12%	1.12%	1.12%	1.13%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	13.10%	13.17%	12.64%	10.71%	8.85%
Net interest rate margin (1)(2)	3.28%	3.16%	3.09%	3.03%	2.96%
Net interest rate spread (1)(2)	2.53%	2.42%	2.34%	2.33%	2.23%
Service fee revenue as a percent of average demand deposits (1)	0.55%	0.52%	0.54%	0.58%	0.53%
Noninterest income as a percent of gross revenue	9.65%	8.94%	9.98%	9.26%	6.40%
Efficiency ratio (2)	61.82%	65.47%	63.00%	72.88%	67.59%
Noninterest expenses to average assets (1)	2.28%	2.31%	2.22%	2.49%	2.15%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	9.59%	9.20%	9.31%	9.22%	9.08%
Tangible equity to tangible assets (4)	8.77%	8.34%	7.95%	8.05%	7.76%

Stock price information:

High	\$	26.30	\$	26.00	\$	25.70	\$	26.50	\$	27.90
Low	\$	24.34	\$	23.30	\$	23.65	\$	25.60	\$	25.00
Last trade value at quarter-end	\$	26.10	\$	25.50	\$	23.89	\$	25.70	\$	26.50

(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)	Dec. 31, 2025	Sep. 30, 2025	Quarter Ended Jun. 30, 2025	Mar. 31, 2025	Dec. 31, 2024
Net income	\$ 4,016	\$ 3,603	\$ 3,766	\$ 2,562	\$ 3,127
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	1,065	1,550	972	2,551	(3,955)
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	90	91	89	90
Unrealized gain (loss) on interest rate swap	18	(2)	(87)	(6)	65
Reclassification adjustment of interest rate swap settlements included in earnings	(7)	(15)	(13)	(13)	(27)
Other comprehensive income (loss)	1,166	1,597	928	2,622	(3,499)
Comprehensive income (loss)	\$ 5,182	\$ 5,200	\$ 4,694	\$ 5,184	\$ (372)

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Nonaccrual loans (excluding restructured loans)	\$ 16,436	\$ 16,560	\$ 15,333	\$ 12,404	\$ 10,109
Nonaccrual restructured loans	7	10	13	17	18
Restructured loans not on nonaccrual	865	415	295	280	286
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	17,308	16,985	15,641	12,701	10,413
Other real estate owned	-	-	-	300	-
Total nonperforming assets	\$ 17,308	\$ 16,985	\$ 15,641	\$ 13,001	\$ 10,413
Nonperforming loans as a % of gross loans receivable	1.56%	1.51%	1.39%	1.15%	0.95%
Total nonperforming assets as a % of total assets	1.18%	1.13%	1.04%	0.89%	0.71%
Allowance for credit losses as a % of nonperforming loans	72.83%	74.69%	80.26%	97.57%	118.52%

PSB Holdings, Inc.
Nonperforming Assets >= \$1,000,000 net book value before specific reserves
At December 31, 2025
(dollars in thousands)

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Non-Owner Occupied Rental Properties	Nonaccrual	3,863	0
Real estate - Recreational Facility	Nonaccrual	3,785	127
Real estate - Equipment Dealership	Nonaccrual	2,295	558
Real estate - Wood Products	Nonaccrual	1,683	375
Total listed nonperforming assets		\$ 11,626	\$ 1,060
Total bank wide nonperforming assets		\$ 17,308	\$ 1,595
Listed assets as a % of total nonperforming assets		67%	66%

PSB Holdings, Inc.
Loan Composition by Collateral Type

Quarter-ended (dollars in thousands)	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Commercial:					
Commercial and industrial	\$ 139,479	\$ 137,199	\$ 135,313	\$ 124,074	\$ 116,865
Agriculture	11,463	12,443	13,219	11,632	11,568
Municipal	11,317	8,361	12,805	12,878	15,733
Total Commercial	162,259	158,003	161,337	148,584	144,166
Commercial Real Estate:					
Commercial real estate	551,899	569,382	566,526	562,901	551,641
Construction and development	70,574	81,278	77,905	87,080	79,377
Total Commercial Real Estate	622,473	650,660	644,431	649,981	631,018
Residential real estate:					
Residential	259,573	263,791	266,203	268,490	271,643
Construction and development	36,596	37,475	31,439	26,884	28,959
HELOC	44,219	41,661	39,425	38,364	36,887
Total Residential Real Estate	340,388	342,927	337,067	333,738	337,489
Consumer installment	5,053	4,801	4,886	4,683	5,060
Subtotals - Gross loans	1,130,173	1,156,391	1,147,721	1,136,986	1,117,733
Loans in process of disbursement	(22,178)	(29,170)	(26,496)	(28,752)	(27,792)
Subtotals - Disbursed loans	1,107,995	1,127,221	1,121,225	1,108,234	1,089,941
Net deferred loan costs	645	602	624	580	605
Allowance for credit losses	(12,605)	(12,686)	(12,553)	(12,392)	(12,342)
Total loans receivable	\$ 1,096,035	\$ 1,115,137	\$ 1,109,296	\$ 1,096,422	\$ 1,078,204

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

(dollars in thousands)	Dec 31, 2025		Sept 30, 2025		Jun 30, 2025		Mar 31, 2025		Dec 31, 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	\$ 145,717	14.3%	\$ 141,896	13.5%	\$ 145,523	14.0%	\$ 143,674	13.9%	\$ 140,087	14.0%
Industrial and Warehousing	101,581	9.9	100,712	9.6	105,256	10.2	109,366	10.6	103,794	10.4
Retail	27,756	2.7	27,889	2.7	29,407	2.8	29,285	2.8	23,438	2.3
Hotels	25,949	2.6	25,677	2.4	25,299	2.4	25,719	2.5	25,892	2.6
Office	7,028	0.7	7,176	0.7	7,131	0.7	7,254	0.7	6,234	0.6

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

PSB Holdings, Inc.
Deposit Composition

Insured and Collateralized Deposits (dollars in thousands)	December 31, 2025		September 30, 2025		June 30, 2025		March 31, 2025		December 31, 2024	
	\$	%	\$	%	\$	%	\$	%	\$	%

Non-interest bearing demand	\$ 225,025	19.1%	\$ 227,448	19.1%	\$ 225,921	19.2%	\$ 206,562	18.3%	\$ 204,167	17.8%
Interest-bearing demand and savings	323,739	27.5%	307,505	25.8%	304,779	25.9%	314,957	27.9%	315,900	27.6%
Money market deposits	142,946	12.1%	158,455	13.3%	148,556	12.6%	144,496	12.7%	141,024	12.3%
Retail and local time deposits <= \$250	163,398	13.9%	163,446	13.7%	165,368	14.0%	158,066	14.0%	155,099	13.5%
Total core deposits	855,108	72.6%	856,854	71.9%	844,624	71.7%	824,081	72.9%	816,190	71.2%
Retail and local time deposits > \$250	28,000	2.4%	29,000	2.5%	28,000	2.4%	26,750	2.3%	25,500	2.2%
Broker & national time deposits <= \$250	748	0.1%	748	0.1%	748	0.1%	1,241	0.1%	1,241	0.1%
Broker & national time deposits > \$250	62,493	5.3%	67,493	5.7%	65,917	5.6%	79,090	7.0%	56,164	4.9%
Totals	\$ 946,349	80.4%	\$ 954,095	80.2%	\$ 939,289	79.8%	\$ 931,162	82.3%	\$ 899,095	78.4%

PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits (dollars in thousands)	December 31,		September 30,		June 30,		March 31,		December 31,	
	2025		2025		2025		2025		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 53,277	4.5%	\$ 51,167	4.3%	\$ 51,318	4.4%	\$ 39,110	3.5%	\$ 55,348	4.8%
Interest-bearing demand and savings	17,683	1.5%	18,644	1.6%	17,983	1.5%	17,262	1.5%	20,934	1.8%
Money market deposits	110,501	9.4%	117,184	9.9%	122,603	10.4%	123,773	11.0%	153,334	13.4%
Retail and local time deposits <= \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	181,461	15.4%	186,995	15.8%	191,904	16.3%	180,145	16.0%	229,616	20.0%
Retail and local time deposits > \$250	49,221	4.2%	48,096	4.0%	46,349	3.9%	18,729	1.7%	18,638	1.6%
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	\$ 230,682	19.6%	\$ 235,091	19.8%	\$ 238,253	20.2%	\$ 198,874	17.7%	\$ 248,254	21.6%

PSB Holdings, Inc.
Deposit Composition

Total Deposits (dollars in thousands)	December 31,		September 30,		June 30,		March 31,		December 31,	
	2025		2025		2025		2025		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$ 278,302	23.6%	\$ 278,615	23.4%	\$ 277,239	23.6%	\$ 245,672	21.8%	\$ 259,515	22.6%
Interest-bearing demand and savings	341,422	29.0%	326,149	27.4%	322,762	27.4%	332,219	29.4%	336,834	29.4%
Money market deposits	253,447	21.5%	275,639	23.2%	271,159	23.0%	268,269	23.7%	294,358	25.7%
Retail and local time deposits <= \$250	163,398	13.9%	163,446	13.7%	165,368	14.0%	158,066	14.0%	155,099	13.5%
Total core deposits	1,036,569	88.0%	1,043,849	87.7%	1,036,528	88.0%	1,004,226	88.9%	1,045,806	91.2%
Retail and local time deposits > \$250	77,221	6.6%	77,096	6.5%	74,349	6.3%	45,479	4.0%	44,138	3.8%
Broker & national time deposits <= \$250	748	0.1%	748	0.1%	748	0.1%	1,241	0.1%	1,241	0.1%
Broker & national time deposits > \$250	62,493	5.3%	67,493	5.7%	65,917	5.6%	79,090	7.0%	56,164	4.9%
Totals	\$ 1,177,031	100.0%	\$ 1,189,186	100.0%	\$ 1,177,542	100.0%	\$ 1,130,036	100.0%	\$ 1,147,349	100.0%

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

	Quarter ended December 31, 2025			Quarter ended September 30, 2025			Quarter ended December 31, 2024		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	\$ 1,119,854	\$ 16,771	5.94%	\$ 1,123,665	\$ 16,796	5.93%	\$ 1,077,242	\$ 15,693	5.80%
Taxable securities	198,179	1,659	3.32%	193,277	1,645	3.38%	194,272	1,545	3.16%
Tax-exempt securities (2)	74,660	627	3.33%	75,419	633	3.33%	79,475	661	3.31%
FHLB stock	8,424	206	9.70%	9,182	201	8.68%	8,825	227	10.23%
Other	37,420	376	3.99%	45,649	516	4.48%	58,405	721	4.91%
Total (2)	1,438,537	19,639	5.42%	1,447,192	19,791	5.43%	1,418,219	18,847	5.29%

Non-interest-earning assets:										
Cash and due from banks	16,397			16,122			15,500			
Premises and equipment, net	13,239			13,377			14,001			
Cash surrender value ins	25,312			25,130			24,625			
Other assets	20,390			21,061			20,090			
Allowance for credit losses	(12,740)			(12,610)			(12,623)			
Total	\$ 1,501,135			\$ 1,510,272			\$ 1,479,812			
Liabilities & stockholders' equity										
Interest-bearing liabilities:										
Savings and demand deposits										
	\$ 325,693	\$ 1,328	1.62%	\$ 320,732	\$ 1,428	1.77%	\$ 319,777	\$ 1,479	1.84%	
Money market deposits	276,259	1,704	2.45%	281,189	1,746	2.46%	304,897	1,961	2.56%	
Time deposits	306,350	2,944	3.81%	310,441	3,033	3.88%	256,201	2,587	4.02%	
FHLB borrowings	130,048	1,428	4.36%	154,211	1,707	4.39%	170,701	1,890	4.40%	
Other borrowings	6,037	40	2.63%	6,280	45	2.84%	6,848	57	3.31%	
Senior sub. notes	4,787	59	4.89%	4,785	59	4.89%	4,780	59	4.91%	
Junior sub. debentures	13,113	248	7.50%	13,088	247	7.49%	13,011	252	7.71%	
Total	1,062,287	7,751	2.89%	1,090,726	8,265	3.01%	1,076,215	8,285	3.06%	
Non-interest-bearing liabilities:										
Demand deposits	291,061			278,640			270,575			
Other liabilities	16,181			15,564			14,626			
Stockholders' equity	131,606			125,342			118,396			
Total	\$ 1,501,135			\$ 1,510,272			\$ 1,479,812			
Net interest income	\$ 11,888			\$ 11,526			\$ 10,562			
Rate spread			2.53%			2.42%			2.23%	
Net yield on interest-earning assets			3.28%			3.16%			2.96%	

(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)

	Year ended December 31, 2025			Year ended December 31, 2024		
	Average Balance	Interest	Yield/Rate	Average Balance	Interest	Yield/Rate
Assets						
Interest-earning assets:						
Loans (1)(2)	\$ 1,117,778	\$ 65,954	5.90%	\$ 1,087,816	\$ 62,085	5.71%
Taxable securities	195,944	6,511	3.32%	179,074	5,382	3.01%
Tax-exempt securities (2)	76,518	2,554	3.34%	79,735	2,647	3.32%
FHLB stock	8,905	814	9.14%	8,024	750	9.35%
Other	26,777	1,162	4.34%	29,153	1,505	5.16%
Total (2)	1,425,922	76,995	5.40%	1,383,802	72,369	5.23%
Non-interest-earning assets:						
Cash and due from banks	16,078			16,841		
Premises and equipment, net	13,466			13,834		
Cash surrender value ins	25,051			24,382		
Other assets	20,966			20,911		
Allowance for credit losses	(12,543)			(12,528)		
Total	\$ 1,488,940			\$ 1,447,242		

Liabilities & stockholders' equity
Interest-bearing liabilities:

Savings and demand deposits	\$ 325,526	\$ 5,773	1.77%	\$ 331,411	\$ 6,133	1.85%
Money market deposits	274,635	6,707	2.44%	281,828	7,569	2.69%
Time deposits	295,235	11,521	3.90%	256,265	10,150	3.96%
FHLB borrowings	155,477	6,826	4.39%	167,708	7,238	4.32%
Other borrowings	6,868	180	2.62%	7,241	232	3.20%
Senior sub. notes	4,784	235	4.91%	4,778	235	4.92%
Junior sub. debentures	13,075	993	7.59%	12,972	1,010	7.79%
Total	1,075,600	32,235	3.00%	1,062,203	32,567	3.07%
Non-interest-bearing liabilities:						
Demand deposits	272,799			258,173		
Other liabilities	15,698			13,475		
Stockholders' equity	124,843			113,391		
Total	\$ 1,488,940			\$ 1,447,242		
Net interest income	\$ 44,760			\$ 39,802		
Rate spread			2.40%			2.16%
Net yield on interest-earning assets			3.14%			2.88%

(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.