



NEWS RELEASE

PSB Holdings, Inc. Announces Agreement to Merge with Waukesha Bankshares, Inc. and Sunset Bank & Savings

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WAUSAU, Wis., Dec. 16, 2020 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. (OTCQX: PSBQ) ("PSB Holdings"), parent company of Peoples State Bank ("Peoples"), Wausau, Wisconsin, and Waukesha Bankshares, Inc. ("WBI"), parent company of Sunset Bank & Savings ("Sunset"), today jointly announced the execution of an Agreement and Plan to Merge in a cash transaction whereby PSB will acquire WBI and Sunset.

Under the terms of the merger agreement, WBI (as the sole shareholder of Sunset) will receive approximately \$9.6 million in cash, subject to adjustment as set forth in the merger agreement, for all outstanding common stock.

Located in Waukesha and founded in 1999, Sunset is a private community bank, with one full-service location, and total assets of \$141 million as of September 30, 2020. Sunset has loans of \$102 million and deposits of \$124 million, both as of September 30, 2020. The combined company is expected to have over \$1.24 billion in total assets with 10 full-service banking locations in central, northern, and southeastern Wisconsin.

"We're excited to grow our community banking efforts in southeastern Wisconsin, and feel this merger is a perfect complement to our newly opened bank location in West Allis," said Peoples' President & CEO Scott Cattanach. "This merger is another example of our growth strategy into southeastern Wisconsin. We are confident in the benefits to Sunset's customers through our robust lending capabilities and treasury management services while creating value for our shareholders."

Sunset President and CEO Bob Eastman will join the PSB Holdings and Peoples board of directors upon completion of the sale, expected sometime in the second quarter of 2021.

"Having a cabin in Wisconsin's Northwoods, I've been aware of Peoples' reputation as a great community bank for

some time. Likewise, I've been impressed by their efforts to establish and grow in the Milwaukee area," said Eastman. "Peoples' mission of being a community bank that is committed to the communities they serve, with local lending decisions, and a focus on building relationships with customers and helping local businesses thrive is well aligned with Sunset's values, and the combined franchise will be well positioned for continued growth and success."

Following completion of the merger, Sunset customers will see a conversion to the Peoples brand in June 2021. Completion of the merger is subject to customary closing conditions, including the receipt of required regulatory approvals and WBI's shareholders.

The merger will strengthen the combined franchise in southeastern Wisconsin and will offer customers expanded and enhanced products and services, increased lending capacity for Waukesha and Milwaukee counties, and increased community support.

For more information on PSB Holdings operations and performance, visit the investor relations website at www.psbholdingsinc.com.

Raymond James acted as financial advisor to PSB Holdings in the transaction, and Boardman & Clark LLP served as outside legal counsel to PSB Holdings. Godfrey & Kahn, S.C., served as legal counsel to WBI.

PSB Holdings, Inc. is the parent company of Peoples State Bank. Peoples is a community bank headquartered in Wausau, Wisconsin, serving Wisconsin from nine full-service banking locations in Marathon, Oneida, Vilas, and Milwaukee Counties, as well as commercial loan production offices in Stevens Point, WI. Peoples provides financial services to business owners and individuals, as well as investments and retirement planning services through Peoples Wealth Management, a division of Peoples. Peoples was founded in 1962 and has total assets in excess of \$1 billion. PSB Holdings, Inc. common stock is traded under stock symbol PSBQ on the OTCQX Market. Peoples is an Equal Housing Lender and Member FDIC. More information about PSB, its management, and its financial performance may be found at www.psbholdingsinc.com.

Sunset Bank & Savings is a community bank headquartered in Waukesha, Wisconsin, serving the Waukesha area. Sunset Bank & Savings was founded in 1999 and has total assets of \$141 million. Waukesha Bankshares, Inc. is the parent company of Sunset. Sunset Bank & Savings is an Equal Housing Lender and Member FDIC. More information about Sunset can be found at sunsetbankandsavings.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 Holdings' business based, in part, on assumptions made by management and include, without limitation,

statements with respect to the potential benefits of PSB Holdings acquisition of WBI and the potential growth of PSB Holdings, its future profits, expected stock repurchase levels, future dividend rates, and future interest rates. The forward-looking statements in this press release are necessarily based on assumptions, including, without limitation, assumptions with respect to PSB Holdings' ability to execute its business plan as currently contemplated, the approval of WBI's shareholders and PSB Holdings' ability to obtain and maintain all necessary regulatory approvals for the acquisition of WBI and its subsidiary Sunset, including approval of the Federal Reserve and FDIC, and other assumptions. 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, and risks associated with global economic instability relating to the COVID-19 pandemic and its effect on PSB Holdings and WBI, and Peoples and Sunset and their customers, and other risks. The forwardlooking statements in this press release speak only as of the date on which they are made and PSB Holdings does not undertake any obligation to update any forwardlooking statement to reflect events or circumstances after the date of this release.

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