NEWS RELEASE

PSB Holdings, Inc. Reports First Quarter 2022 Earnings Increase of 5.8% Over Prior Quarter, to $3.3 Million, or $0.75 Per Share

2022-04-25

WAUSAU, Wis., April 25, 2022 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. (“PSB”) (OTCQX: PSBQ), the holding company for Peoples State Bank (“Peoples”) serving Northcentral and Southeastern Wisconsin reported first quarter earnings ending March 31, 2022 of $0.75 per share on net income of $3.3 million, compared to earnings of $0.71 per share on net income of $3.1 million during the fourth quarter ending December 31, 2021, and $0.87 per share on net income of $3.9 million during the first quarter ending March 31, 2021.

The Company’s first quarter 2022 operating results reflected the following changes from the fourth quarter of 2021: (1) higher net interest income due to higher yields on loans and investment securities; (2) lower salary and employee benefit expenses due to lower performance-based incentive payouts; and (3) lower noninterest income primarily due to lower gains on the sale of mortgage loans. Prior year March 2021 quarterly earnings were elevated by recognition of SBA PPP lending program origination fees which increased net income by $227,000, $208,000, and $1,128,000 in the March 2022, December 2021, and March 2021 quarters, respectively.

“We are beginning to see the impact of the pandemic on our operations fade as the stimulus provided through PPP lending is largely repaid, further deposit growth supported by PPP loan deposits and government checks are no longer being received, and higher long-term interest rates have suppressed mortgage loan refinance activity. We believe we have successfully managed our way through the difficult period and delivered returns on tangible equity of 12.8%, 10.9% and 12.0% for fiscal years 2019, 2020 and 2021. As we enter an environment with rising interest rates and elevated inflation, we believe we have positioned the Bank to continue to deliver above average returns as seen with the current quarter’s return on tangible equity of 12.9%,” stated Scott Cattanach, President and CEO.

March 31, 2022 Highlights:

- Net interest income increased to $9.6 million for the quarter ended March 31, 2022, compared to $9.2 million for the quarter ended December 31, 2021, and equal to the $9.6 million for the quarter ended March 31, 2021. The most recent quarter reflected slightly higher PPP related fee income of $313,000 compared to $287,000 for the quarter ended December 31, 2021, and $1.55 million for the quarter ended March 31, 2021.
- As was the case for the quarter ended December 31, 2021, loan loss provisions remained at zero for the quarter ended March 31, 2022, compared to $1.0 million for the quarter ended March 31, 2021.
- Noninterest expense decreased $165,000 for the first quarter of 2022, to $7.2 million from $7.4 million the prior quarter. The decrease primarily related to decreased salary and benefit costs associated with lower incentive compensation plan expense.
- Loans receivable remained at $876 million at March 31, 2022, despite a $11.6 million decline in PPP related loans during the most recent quarter, with $3.2 million of PPP related loans remaining at March 31, 2022.
- Tangible book value declined to $21.82 per share at March 31, 2022, due primarily to the recording of unrealized losses on the securities portfolio which were impacted by actions taken by the Federal Reserve to increase short-term interest rates and market expectations of future rate increases.

As shown in the table below during the first quarter of 2022, “impaired loans” decreased $9.3 million. The primary decrease in “impaired loans” relates to improvements seen in several large loans that resulted in the risk rating on these loans being upgraded.

Commercial, Commercial Real Estate, Construction & Development, Agricultural and Government Loans ($000s)

Risk Rating		12/2020	03/2021	06/2021	09/2021	12/2021	03/2022
Rating 1	"High Quality"	$ -	$ -	$ -	$ 77	$ -	$ 55
Rating 2	"Minimal Risk"	61,223	62,626	60,155	71,304	70,886	85,074
Rating 3	"Average Risk"	390,191	348,102	345,929	347,735	383,951	379,966
Rating 4	"Acceptable Risk"	175,400	209,407	209,728	226,501	222,641	227,759
Rating 5	"Watch Risk"	36,379	30,891	39,577	33,284	37,194	37,063
Rating 6	"Substandard Risk"	7,617	18,134	6,377	10,148	4,182	4,135
Rating 7	"Impaired Loans"	13,153	16,162	15,522	16,790	21,322	12,061
Totals		$ 683,963	$ 685,322	$ 677,288	$ 705,839	$ 740,176	$ 746,113

Includes undisbursed Construction & Development lines of credit. PPP loan balances are assigned a risk-weighting of "3".

Balance Sheet and Asset Quality Review

Total assets declined slightly to $1.27 billion at March 31, 2022, from $1.3 billion at December 31, 2021. Cash and cash equivalents have continued to trend down, post-acquisition of Waukesha Bankshares, Inc. in April 2021, declining $15.7 million to $37.8 million from $53.5 million one quarter earlier. Similarly, securities available for sale decreased $19.0 million to $289.7 million at March 31, 2022, from $308.7 million one quarter earlier. The decreased balance of investment securities largely reflects their lower fair value in today’s rising rate market.

Total loans receivable decreased slightly to $875.6 million at March 31, 2022, from $876.4 million at December 31, 2021. PPP loans declined from $14.8 million at December 31, 2021, to $3.2 million at March 31, 2022, while non-PPP loans increased from $861.6 million at December 31, 2021, to $872.4 million at March 31, 2022.

The allowance for loan losses increased to 1.39% of gross loans at March 31, 2022, from 1.38% the prior quarter and decreased from 1.40% of gross loans one year earlier. Annualized net charge-offs to average loans reflected a net recovery at 0.05% for the quarter ended March 31, 2022. Non-performing assets were 1.03% of total assets at March 31, 2022, compared to 1.06% at December 31, 2021, and 1.13% at March 31, 2021. At March 31, 2022, non-performing assets consisted of $6.5 million in non-accrual loans, $170,000 in non-accrual restructured loans, $5.2 million in restructured loans not on non-accrual and $1.1 million in foreclosed assets.

Total deposits decreased $15.8 million to $1.09 billion at March 31, 2022, compared to $1.11 billion at December 31, 2021, led by commercial related and seasonal municipal customer withdrawals. At March 31, 2022, interest-bearing demand and savings deposits accounted for 35.1% of total deposits, followed by noninterest-bearing demand deposits at 25.0%, money market deposits at 20.4%, and retail and local time deposits at 15.4%. Broker and national time deposits accounted for 4.1% of total deposits at March 31, 2022, versus 1.7% at December 31, 2021.

FHLB advances remained at $47.0 million at March 31, 2022, while other borrowings decreased $2.4 million to $4.3 million compared to $6.7 million the prior period and $18.6 million at March 31, 2021.

Operations Review

Net interest income increased to $9.6 million (on a net margin of 3.24%) for the first quarter of 2022, compared to $9.2 million (on a net margin of 3.01%) for the fourth quarter of 2021, and $9.6 million (on a net margin of 3.62%) for the first quarter of 2021. Earning asset yields increased 23 basis points to 3.51% during the first quarter of 2022, from 3.28% during the fourth quarter of 2021, while deposit and borrowing costs decreased 2 basis points on a smaller average balance to 0.37% from 0.39% over the same period. The increase in earning asset yields was due to higher yields on both loans and investment securities during the quarter ended March 31, 2022. Loan yields improved to 4.12% for the first quarter of 2022, from 4.02% for the fourth quarter of 2021. Taxable security yields increased to 1.42% for the quarter ended March 31, 2022, from 1.17% in the quarter ended December 31, 2021.

The cost of interest-bearing liabilities decreased during the quarter, largely reflecting the decline in the cost of time deposits. The overall cost of deposits was 0.16% for the quarter ended March 31, 2022, compared to 0.17% the prior quarter. Along with a further increase in asset yields, cost of deposits is expected to increase during 2022 as market interest rates move higher.

Total noninterest income decreased for the first quarter of 2022 to $2.0 million from $2.2 million for the fourth quarter of 2021, due primarily to a decrease from gains on sale of mortgage loans. While mortgage loan originations have been negatively influenced by the rise in interest rates with less mortgage refinancing activities, mortgage loan servicing income has increased due in part to greater aggregate income association with the longer than previously expected servicing life. At March 31, 2022, the bank was servicing $393 million in secondary market mortgage loans for others.

Noninterest expense decreased to $7.2 million for the first quarter of 2022, compared to $7.4 million for the fourth quarter of 2021. The fourth quarter of 2021 included increased salaries and employee benefit expenses related to severance expense and higher 2021 calendar year performance-based incentive expenses. Salary and employee benefit expenses were $4.4 million for the first quarter of 2022, compared to $4.7 million for the fourth quarter of 2021.

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 ten full-service banking locations in Marathon, Oneida, Vilas, Milwaukee and Waukesha counties and a loan production office in Stevens Point, Wisconsin. 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 relating to the COVID-19 pandemic and its effect on PSB and Peoples, and their customers, and other risks. 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
March 31, 2022, September 30, June 30, and March 31, 2021, unaudited, December 31, 2021 derived from audited financial statements

(dollars in thousands, except per share data)	Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Assets					
Cash and due from banks	$ 18,322	$ 16,896	$ 20,813	$ 18,589	$ 12,921
Interest-bearing deposits	5,158	6,579	1,044	906	985
Federal funds sold	14,356	30,068	43,637	52,643	16,027
Cash and cash equivalents	37,836	53,543	65,494	72,138	29,933
Securities available for sale (at fair value)	289,704	308,744	300,192	260,062	226,239
Equity securities	1,720	1,701	1,661	1,623	1,585
Bank certificates of deposit (at cost)	245	245	245	245	1,231
Loans held for sale	-	3,061	214	1,756	622
Loans receivable, net	875,588	876,337	874,524	863,254	829,964
Accrued interest receivable	3,219	3,256	3,273	3,299	3,335
Foreclosed assets	1,103	1,103	2,398	1,984	1,105
Premises and equipment, net	12,906	12,695	12,725	13,241	11,077
Mortgage servicing rights, net	1,770	1,714	1,702	1,696	1,732
Federal Home Loan Bank stock (at cost)	2,646	2,646	2,646	2,646	2,283
Cash surrender value of bank-owned life insurance	24,455	24,305	24,154	24,001	17,902
Core deposit intangible	487	534	581	629	-
Goodwill	2,541	2,541	2,541	2,541	113
Other assets	11,725	6,286	5,313	5,523	5,102
TOTAL ASSETS	$ 1,265,945	$ 1,298,711	$ 1,297,663	$ 1,254,638	$ 1,132,223
Liabilities					
Non-interest-bearing deposits	$ 272,611	$ 284,477	$ 291,440	$ 273,181	$ 242,974
Interest-bearing deposits	816,794	820,763	791,601	758,445	682,877
Total deposits	1,089,405	1,105,240	1,083,041	1,031,626	925,851
Federal Home Loan Bank advances	47,000	47,000	62,000	67,000	62,000
Other borrowings	4,304	6,677	17,129	21,757	18,582
Senior subordinated notes	2,500	2,500	2,500	2,500	2,500
Junior subordinated debentures	12,742	12,717	12,691	12,666	7,732
Accrued expenses and other liabilities	10,208	13,315	10,143	11,103	9,918
Total liabilities	1,166,159	1,187,449	1,187,504	1,146,652	1,026,583
Stockholders' equity					
Preferred stock - no par value: Authorized - 30,000 shares; no shares issued or outstanding	-	-	-	-	-
Common stock - no par value with a stated value of $1.00 per share: Authorized - 6,000,000 shares; Issued - 5,490,798 shares Outstanding - 4,434,840, 4,440,329, 4,447,026, 4,454,922 and 4,454,922 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,183	8,059	8,003	7,946	7,890
Retained earnings	117,957	114,627	112,502	108,863	107,751
Accumulated other comprehensive income (loss), net of tax	(14,097)	628	1,530	2,869	1,691
Treasury stock, at cost - 1,055,958, 1,050,469, 1,043,772, 1,035,876 and 1,035,876 shares, respectively	(14,087)	(13,882)	(13,706)	(13,522)	(13,522)
Total stockholders' equity	99,786	111,262	110,159	107,986	105,640
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,265,945	$ 1,298,711	$ 1,297,663	$ 1,254,638	$ 1,132,223

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Quarter Ended Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Interest and dividend income:					
Loans, including fees	$ 9,054	$ 8,918	$ 9,323	$ 9,972	$ 9,442
Securities:					
Taxable	762	631	581	553	507
Tax-exempt	533	505	500	505	502
Other interest and dividends	42	31	45	40	31
Total interest and dividend income	10,391	10,085	10,449	11,070	10,482
Interest expense:					
Deposits	443	476	404	485	547
FHLB advances	169	192	220	221	215
Other borrowings	2	4	9	8	7
Senior subordinated notes	28	29	28	28	28
Junior subordinated debentures	166	165	165	165	89
Total interest expense	808	866	826	907	886
Net interest income	9,583	9,219	9,623	10,163	9,596
Provision for loan losses	-	-	-	-	1,000
Net interest income after provision for loan losses	9,583	9,219	9,623	10,163	8,596
Noninterest income:					
Service fees	388	382	379	347	332
Gain on sale of mortgage loans	277	451	494	663	1,152
Mortgage loan servicing, net	176	114	111	9	79
Investment and insurance sales commissions	456	500	426	465	595
Net gain on sale of securities	-	-	-	113	21
Increase in cash surrender value of life insurance	150	151	153	148	108
Other noninterest income	531	646	563	554	462
Total noninterest income	1,978	2,244	2,126	2,299	2,749
Noninterest expense:					
Salaries and employee benefits	4,390	4,669	4,099	3,915	3,460
Occupancy and facilities	665	596	614	647	569
Loss (gain) on foreclosed assets	(6)	(347)	28	23	130
Data processing and other office operations	861	855	828	1,499	694
Advertising and promotion	152	155	199	322	79
Core deposit intangible amortization	47	47	47	31	2
Other noninterest expenses	1,083	1,382	1,131	3,170	1,266
Total noninterest expense	7,192	7,357	6,946	9,607	6,200
Income before provision for income taxes	4,369	4,106	4,803	2,855	5,145
Provision for income taxes	1,039	960	1,165	718	1,249
Net income	$ 3,330	$ 3,146	$ 3,638	$ 2,137	$ 3,896
Basic earnings per share	$ 0.75	$ 0.71	$ 0.82	$ 0.48	$ 0.88
Diluted earnings per share	$ 0.75	$ 0.71	$ 0.82	$ 0.48	$ 0.87

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

Earnings and dividends:	Quarter ended Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Interest income	$ 10,391	$ 10,085	$ 10,449	$ 11,070	$ 10,482
Interest expense	$ 808	$ 866	$ 826	$ 907	$ 886

Net interest income	$ 9,583	$ 9,219	$ 9,623	$ 10,163	$ 9,596
Provision for loan losses	$ -	$ -	$ -	$ -	$ 1,000
Other noninterest income	$ 1,978	$ 2,244	$ 2,126	$ 2,299	$ 2,749
Other noninterest expense	$ 7,192	$ 7,357	$ 6,946	$ 9,607	$ 6,200
Net income	$ 3,330	$ 3,146	$ 3,638	$ 2,137	$ 3,896
Basic earnings per share (3)	$ 0.75	$ 0.71	$ 0.82	$ 0.48	$ 0.88
Diluted earnings per share (3)	$ 0.75	$ 0.71	$ 0.82	$ 0.48	$ 0.87
Dividends declared per share (3)	$ -	$ 0.23	$ -	$ 0.23	$ -
Tangible net book value per share (4)	$ 21.82	$ 24.36	$ 24.07	$ 23.53	$ 23.69
Semi-annual dividend payout ratio	n/a	15.05%	n/a	17.04%	n/a
Average common shares outstanding	4,433,375	4,445,465	4,450,755	4,454,922	4,454,334
Balance sheet - average balances:					
Loans receivable, net of allowances for loss	$ 878,979	$ 870,151	$ 862,555	$ 891,886	$ 827,595
Assets	$ 1,278,565	$ 1,295,780	$ 1,292,369	$ 1,251,738	$ 1,132,905
Deposits	$ 1,084,814	$ 1,092,872	$ 1,064,553	$ 1,023,229	$ 925,689
Stockholders' equity	$ 108,803	$ 112,089	$ 110,388	$ 105,932	$ 105,868
Performance ratios:					
Return on average assets (1)	1.06%	0.96%	1.12%	0.68%	1.39%
Return on average stockholders' equity (1)	12.41%	11.14%	13.08%	8.09%	14.92%
Return on average tangible stockholders' equity (1)(4)	12.90%	11.58%	13.59%	8.39%	14.95%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	8.99%	8.57%	8.39%	8.27%	9.10%
Net loan charge-offs to average loans (1)	-0.05%	-0.10%	-0.08%	0.00%	0.01%
Nonperforming loans to gross loans	1.34%	1.42%	1.43%	1.31%	1.39%
Nonperforming assets to total assets	1.03%	1.06%	1.16%	1.07%	1.13%
Allowance for loan losses to gross loans	1.39%	1.38%	1.35%	1.35%	1.40%
Nonperforming assets to tangible equity plus the allowance for loan losses (4)	12.10%	11.58%	12.87%	11.71%	11.06%
Net interest rate margin (1)(2)	3.24%	3.01%	3.15%	3.48%	3.62%
Net interest rate spread (1)(2)	3.14%	2.89%	3.04%	3.37%	3.49%
Service fee revenue as a percent of average demand deposits (1)	0.58%	0.52%	0.53%	0.51%	0.57%
Noninterest income as a percent of gross revenue	15.99%	18.20%	16.91%	17.20%	20.78%
Efficiency ratio (2)	61.40%	63.37%	58.40%	76.20%	49.64%
Noninterest expenses to average assets (1)	2.28%	2.25%	2.13%	3.08%	2.22%
Tangible equity to tangible assets	7.66%	8.35%	8.27%	8.38%	9.32%
Stock price information:					
High	$ 26.45	$ 27.00	$ 26.50	$ 26.50	$ 25.94
Low	$ 25.80	$ 24.60	$ 24.52	$ 25.00	$ 20.45
Last trade value at quarter-end	$ 26.00	$ 26.05	$ 24.95	$ 26.25	$ 25.25

(1) Annualized
(2) The yield on 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 intangible assets.

PSB Holdings, Inc.
Consolidated Statements of Comprehensive Income

(dollars in thousands - unaudited)	Quarter Ended Mar. 31, 2022	Dec. 31, 2021	Sep. 30, 2021	Jun. 30, 2021	Mar. 31, 2021
Net income	$ 3,330	$ 3,146	$ 3,638	$ 2,137	$ 3,896
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	(14,847)	(973)	(1,374)	1,224	(2,803)
Reclassification adjustment for security gain included in net income	-	-	-	(83)	(15)
Unrealized gain (loss) on interest rate swap	85	31	(5)	(4)	13

Reclassification adjustment of interest rate swap settlements included in earnings	37	40	40	39	38
Other comprehensive income (loss)	(14,725)	(902)	(1,339)	1,176	(2,767)
Comprehensive income (loss)	$ (11,395)	$ 2,244	$ 2,299	$ 3,313	$ 1,129

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Nonaccrual loans (excluding restructured loans)	$ 6,537	$ 6,425	$ 6,018	$ 5,208	$ 5,346
Nonaccrual restructured loans	170	1,000	1,526	1,062	1,090
Restructured loans not on nonaccrual	5,172	5,213	5,159	5,205	5,242
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	11,879	12,638	12,703	11,475	11,678
Other real estate owned	1,103	1,103	2,398	1,984	1,105
Total nonperforming assets	$ 12,982	$ 13,741	$ 15,101	$ 13,459	$ 12,783
Nonperforming loans as a % of gross loans receivable	1.34%	1.42%	1.43%	1.31%	1.39%
Total nonperforming assets as a % of total assets	1.03%	1.06%	1.16%	1.07%	1.13%
Allowance for loan losses as a % of nonperforming loans	103.89%	96.71%	94.51%	103.06%	101.23%

PSB Holdings, Inc.
Nonperforming Assets >= $500,000 net book value before specific reserves
At March 31, 2022
(dollars in thousands)

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Hotel	Restructured	$ 4,706	$ 38
Real estate - Buffet Style Restaurant	Nonaccrual	3,134	1,393
Real estate - Independent Auto Repair	Nonaccrual	905	136
Total listed nonperforming assets		$ 8,745	$ 1,567
Total bank wide nonperforming assets		$ 12,982	$ 1,870
Listed assets as a % of total nonperforming assets		67%	84%

PSB Holding, Inc.
Loan Composition by Purpose

Quarter-ended (dollars in thousands)	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Residential real estate:					
One to four family	$ 168,083	$ 168,584	$ 166,728	$ 169,456	$ 136,242
HELOC loans	16,709	17,198	18,011	18,263	16,908
Residential construction & development	21,590	23,093	25,162	24,385	25,628
Residential vacant land	1,697	1,763	6,629	2,172	2,524
Total Residential real estate	208,079	210,638	216,530	214,276	181,302
Commercial/Agricultural real estate:					
Owner occupied					
Commercial real estate	208,271	202,416	203,509	202,767	194,514
SBA commercial real estate	2,530	1,568	1,140	1,164	1,445
Agriculture real estate	3,651	3,716	4,046	4,188	4,787
Construction and land development	26,111	22,380	17,705	6,460	4,121
Commercial vacant land	5,194	3,529	3,572	6,490	2,998
Total Owner occupied	245,757	233,609	229,972	221,069	207,865
Non-owner occupied					
Commercial real estate	212,407	211,688	212,868	196,011	183,365
One to four family residential rental	56,305	52,437	49,542	47,097	31,914
SBA commercial real estate	-	1,010	682	703	718
Agricultural real estate	-	-	-	-	-
Construction and land development	23,080	25,899	29,618	30,057	31,362
Commercial vacant land	4,191	4,534	4,851	5,203	7,970
Total Non-owner occupied	295,983	295,568	297,561	279,071	255,329
Commercial/Agricultural non-real estate:					
Municipal non-real estate	6,403	11,858	7,623	7,014	7,165
Commercial line	54,626	52,151	47,646	45,386	46,833
Other commercial non-real estate	64,260	61,115	54,481	55,002	49,246
SBA commercial non-real estate	6,068	17,527	25,933	47,245	89,603
Agricultural non-real estate	1,340	1,130	1,325	1,656	1,730
Total Commercial/Agr. non-real estate	132,697	143,781	137,008	156,303	194,577
Consumer non-real estate:					
Consumer installment	4,201	4,054	4,369	4,399	3,191
Consumer line	486	480	477	436	498
Other consumer	118	117	125	130	123
Total Consumer non-real estate	4,805	4,651	4,971	4,965	3,812
Gross loans	887,321	888,247	886,042	875,684	842,885
Net deferred loan costs (fees)	423	107	(167)	(738)	(1,627)
Overdrafts	185	205	654	134	528
Allowance for loan losses	(12,341)	(12,222)	(12,005)	(11,826)	(11,822)
Total loans receivable	$ 875,588	$ 876,337	$ 874,524	$ 863,254	$ 829,964

PSB Holdings, Inc.
Deposit Composition

(dollars in thousands)	March 31, 2022		December 31, 2021		September 30, 2021		June 30, 2021		March 31, 2021	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$ 272,611	25.0%	$ 284,477	25.7%	$ 291,440	26.9%	$ 273,181	26.5%	$242,974	26.2%
Interest-bearing demand and savings	382,829	35.1%	413,522	37.4%	388,725	35.9%	366,563	35.4%	329,100	35.6%
Money market deposits	221,982	20.4%	219,145	19.8%	215,772	19.9%	212,285	20.6%	215,590	23.3%
Retail and local time deposits										

<= $250	138,821	12.8%	140,443	12.8%	142,439	13.2%	140,895	13.7%	101,866	11.0%
Total core deposits	1,016,243	93.3%	1,057,587	95.7%	1,038,376	95.9%	992,924	96.2%	889,530	96.1%
Retail and local time deposits > $250	28,754	2.6%	28,659	2.6%	24,824	2.3%	25,834	2.5%	23,904	2.6%
Broker & national time deposits <= $250	7,443	0.7%	7,793	0.7%	8,640	0.8%	10,874	1.1%	10,423	1.1%
Broker & national time deposits > $250	36,965	3.4%	11,201	1.0%	11,201	1.0%	1,994	0.2%	1,994	0.2%
Totals	$1,089,405	100.0%	$1,105,240	100.0%	$1,083,041	100.0%	$1,031,626	100.0%	$925,851	100.0%

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

	Quarter ended March 31, 2022			Quarter ended December 31, 2021			Quarter ended March 31, 2021		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	$ 891,257	$ 9,065	4.12%	$ 882,157	$ 8,930	4.02%	$ 838,781	$ 9,454	4.57%
Taxable securities	216,965	762	1.42%	214,626	631	1.17%	142,539	507	1.44%
Tax-exempt securities (2)	87,719	675	3.12%	83,518	639	3.04%	84,219	635	3.06%
FHLB stock	2,646	34	5.21%	2,646	18	2.70%	2,283	21	3.73%
Other	20,448	8	0.16%	53,098	13	0.10%	22,390	10	0.18%
Total (2)	1,219,035	10,544	3.51%	1,236,045	10,231	3.28%	1,090,212	10,627	3.95%
Non-interest-earning assets:									
Cash and due from banks	17,996			19,967			14,248		
Premises and equipment, net	12,732			12,699			11,009		
Cash surrender value ins	24,361			24,216			17,840		
Other assets	16,719			14,859			10,782		
Allowance for loan losses	(12,278)			(12,006)			(11,186)		
Total	$ 1,278,565			$ 1,295,780			$ 1,132,905		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits	$ 396,261	$ 69	0.07%	$ 388,549	$ 76	0.08%	$ 333,340	$ 65	0.08%
Money market deposits	218,367	89	0.17%	222,399	93	0.17%	217,618	118	0.22%
Time deposits	198,431	285	0.58%	188,301	307	0.65%	138,773	364	1.06%
FHLB borrowings	51,200	169	1.34%	52,705	192	1.45%	62,000	215	1.41%
Other borrowings	6,452	2	0.13%	11,585	4	0.14%	18,964	7	0.15%
Senior sub. notes	2,500	28	4.54%	2,500	29	4.60%	2,500	28	4.54%
Junior sub. debentures	12,730	166	5.29%	12,704	165	5.15%	7,732	89	4.67%
Total	885,941	808	0.37%	878,743	866	0.39%	780,927	886	0.46%
Non-interest-bearing liabilities:									
Demand deposits	271,755			293,623			235,958		
Other liabilities	12,066			11,325			10,152		
Stockholders' equity	108,803			112,089			105,868		
Total	$ 1,278,565			$ 1,295,780			$ 1,132,905		
Net interest income		$ 9,736			$ 9,365			$ 9,741	
Rate spread			3.14%			2.89%			3.49%
Net yield on interest-earning assets			3.24%			3.01%			3.62%

(1) Nonaccrual loans are included in the daily average loan balances outstanding.
(2) The yield on 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.