NEWS RELEASE

PSB Holdings, Inc. Reports First Quarter 2024 Earnings of $0.39 Per Share, Tangible Net Book Value Per Share Up 8% In Past Year

2024-04-22

WAUSAU, Wis., April 22, 2024 (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, 2024 of $0.39 per common share on net income of $1.6 million, compared to $0.55 per common share on net income of $2.3 million during the fourth quarter ending December 31, 2023, and $0.67 per common share on net income of $2.9 million during the first quarter ending March 31, 2023.

PSB’s first quarter 2024 operating results reflected the following changes from the fourth quarter of 2023: (1) lower net interest income as deposit and FHLB borrowing costs rose faster than interest income on loans; (2) lower non-interest income due primarily to the sale of investment securities at a loss with the proceeds reinvested into higher yielding investments; (3) higher non-interest expense related to annual salary increases in the first quarter and a reduction in vesting of incentives and benefits recorded in the prior quarter; (4) stronger capital ratios supported by additional earnings and slightly lower total assets; and (6) an increase in non-performing assets related to one borrower in the timber industry impacted by weather conditions and economic stress in that industry.

“We continue to focus on building shareholder value in a challenging environment, with common tangible book value increasing to $24.21 per share and stronger than expected loan growth prospects looking forward. However, rising funding costs remain a challenge. While new loan origination coupons have risen in the first quarter, the cost of new FHLB borrowings and continued rate increases in our existing deposits rose faster than asset yields as a whole,” stated Scott Cattanach, President and CEO.

March 31, 2024, Highlights:

- Net interest income declined to $9.3 million for the quarter ended March 31, 2024, from $9.6 million for the

quarter ended December 31, 2023, as increases in asset and loan yields were offset by increases in funding costs.

- Tangible book value per common share increased to $24.21 at March 31, 2024, compared to $23.84 one quarter earlier and $22.43 at March 31, 2023. During the first quarter ended March 31, 2024, tangible book value per share was positively influenced by net income, intangible asset amortization, and stock repurchase activity.

- Loans increased $2.9 million in the first quarter ended March 31, 2024, to $1.08 billion. Allowance for credit losses increased to 1.14% of gross loans.

- Return on tangible common equity was 6.57% for the quarter ended March 31, 2024, compared to 9.64% the prior quarter and 12.63% one year earlier.

- Noninterest income was $1.0 million for the quarter ended March 31, 2024, compared to $1.1 million the prior quarter. The current quarter reflected a slightly larger loss on the sale of investment securities as the Company continues to reposition the investment portfolio into higher yielding investments.

- Noninterest expenses increased $967,000 in the first quarter of 2024, to $8.3 million from $7.4 million the prior quarter. The increase reflected scheduled salary increases and costs associated with vesting of other benefits. December 2023 quarterly salary costs were lowered by adjustments to post retirement and incentive accruals. March 2024 quarterly salaries and employee benefits expense was 2.3% greater than March 2023 quarterly salaries and employee benefits.

Balance Sheet and Asset Quality Review

Total assets decreased $5.5 million to $1.42 billion at March 31, 2024. Cash and cash equivalents decreased $11.9 million, to $15.9 million at March 31, 2024, compared to $27.8 million the previous quarter. The lower cash and cash equivalent level primarily reflects proceeds used to fund higher yielding loans and investments. Investment securities available for sale increased $1.5 million to $165.6 million at March 31, 2024, from $164.0 million one quarter earlier. During the first quarter, $6.3 million available for sale securities were sold with the proceeds reinvested into higher yielding investments. Total collateralized liquidity available to meet cash demands was approximately $396 million at March 31, 2024, with an additional $317 million that could be raised in a short time frame from the brokered CDs market.

Total loans receivable increased $2.9 million to $1.08 billion at March 31, 2024 due primarily to draw downs of prior

quarter loans in process, although gross loans outstanding declined $7.4 million. Commercial real estate loans decreased $8.2 million to $609.6 million at March 31, 2024, from $617.9 million the prior quarter. Commercial non-real estate loans decreased $1.3 million to $159.7 million at March 31, 2024, from $161.0 million one quarter earlier. Residential real estate loans increased $1.6 million from the prior quarter to $339.8 million from $338.2 million. The loan portfolio remains well diversified with commercial real estate loans totaling 54.7% of gross loans followed by residential real estate loans at 30.5% of gross loans, commercial non-real estate loans at 14.3% and consumer loans at 0.4%.

The allowance for credit losses increased slightly to 1.14% of gross loans at March 31, 2024, from 1.13% the prior quarter. Annualized net charge-offs to average loans were zero for the last three quarters ending March 31, 2024, compared to net recoveries of 0.02% one year earlier. Non-performing assets increased to 0.83% of total assets at March 31, 2024, due primarily to the addition of a $5.1 million loan to a borrower in the timber industry. Specific reserves have been established on the loan relationship for potential losses. For the fifth consecutive quarter, the Bank did not own any foreclosed real estate.

Total deposits decreased $28.5 million to $1.11 billion at March 31, 2024, from $1.14 billion at December 31, 2023. The decline in deposits reflects a pay down of $9.5 million in maturing brokered deposits and national CDs and a $22.2 million decline in uninsured deposits. Insured core and time deposits increased $3.2 million during the first quarter.

The composition of deposits continued to change during the first quarter of 2024 as customers seek higher deposit rates. At March 31, 2024, money market deposits and retail time deposits increased to 41.6% of deposits, compared to 40.6% at December 31, 2023. Uninsured and uncollateralized deposits declined to 19.3% of total deposits at March 31, 2024, from 20.9% of total deposits at December 31, 2023.
FHLB advances increased to $158.3 million at March 31, 2024, compared to $134.0 million at December 31, 2023. FHLB advances were used to fund repayment of certain brokered deposit maturities and supplement local deposit changes.

Tangible stockholder equity as a percent of total tangible assets was 7.60% at March 31, 2024, compared to 7.49% at December 31, 2023, and 7.54% at March 31, 2023.

Tangible net book value per common share increased $1.78, to $24.21, at March 31, 2024, compared to $22.43 one year earlier, an increase of 7.9%. Relative to the prior quarter, tangible net book value per common share increased $0.37 due to continued earnings. New security purchases with higher yields helped offset an increase in national market interest rates that lowered the value of the securities portfolio during the first quarter. The accumulated other comprehensive loss on the investment portfolio was $20.8 million at March 31, 2024, compared to $20.7 million one quarter earlier.

Operations Review

Net interest income declined to $9.3 million (on a net margin of 2.80%) for the first quarter of 2024 from $9.6 million (on a net margin of 2.88%) for the fourth quarter of 2023, and $9.9 million (on a net margin of 3.21%) for the first quarter of 2023. Earning asset yields increased 13 basis points to 5.12% during the first quarter of 2024 from 4.99% during the fourth quarter of 2023, while interest bearing deposit and borrowing costs increased 21 basis points to 3.00% compared to 2.79% during the fourth quarter of 2023.

The increase in earning asset yields was primarily due to higher yields on loan originations and renewals during the quarter. Partially offsetting the increased yield on earning assets during the quarter was the loss of interest income of approximately $114,000 on a newly classified non-performing loan. Taxable security yields were 2.80% for the quarter ended March 31, 2024, compared to 2.72% for the quarter ended December 31, 2023, up 8 basis points. Loan yields increased during the first quarter to 5.59% from 5.43% for the fourth quarter of 2023, up 16 basis points as loans repriced to higher market rates and increased credit spreads.

Rising deposit costs for savings and demand deposits, money market deposits, time deposits and FHLB advances were responsible for the rise in the Bank's cost of funds. Additionally, the Company accepted an increase in $26.0 million of additional seasonal high yield municipal average deposits during the first quarter, which accelerated the overall rising cost of deposits during the quarter. The municipal deposits are expected to be drawn down during the second quarter. The overall cost of all deposits was 2.14% for the quarter ended March 31, 2024, compared to 1.91% the prior quarter, up 23 basis points. FHLB advance costs rose to 4.08% during the first quarter ended March 31, 2024, from 4.01% the prior quarter, and greater use of FHLB advance funding lowered net interest margin.

Total noninterest income decreased slightly for the first quarter of 2024 to $1.04 million, from $1.10 million for the fourth quarter of 2023, due primarily to investment restructuring activity with a loss on the sale of investment securities during the first quarter of $495,000 compared to a loss of $297,000 in the fourth quarter of 2023. Mortgage banking income increased by $61,000, or 24.6%, to $308,000 in the March 2024 quarter. At March 31, 2024, the Bank serviced $366.6 million in secondary market residential mortgage loans for others which provides fee income.

Noninterest expenses increased to $8.3 million for the first quarter of 2024, compared to $7.4 million for the fourth quarter of 2023. The fourth quarter of 2023 included lower salary and benefit expenses due to a recovery of post-retirement benefits and incentive accruals. The first quarter ended March 31, 2024, also reflected higher salary and benefit expenses due to annual salary increases and costs associated with various benefits.

Taxes decreased $709,000 during the first quarter to $169,000 from $878,000 one quarter earlier. The decrease

reflects lower pre-tax income, the relative value of tax exempt income assets, and the benefit related to a Wisconsin state tax change that exempts certain loan interest income effectively eliminating Wisconsin tax expense.

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 eleven full-service banking locations in Marathon, Oneida, Vilas, Portage, Milwaukee and Waukesha counties and a loan production office in Dane County. 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
March 31, 2024, September 30, June 30, and March 31, 2023, unaudited, December 31, 2023 derived from audited financial statements

(dollars in thousands, except per share data)	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Assets					

Cash and due from banks	$ 13,340	$ 20,887	$ 12,881	$ 27,409	$ 13,336
Interest-bearing deposits	105	1,431	668	892	538
Federal funds sold	2,439	5,462	7,764	16,138	25,766
Cash and cash equivalents	15,884	27,780	21,313	44,439	39,640
Securities available for sale (at fair value)	165,566	164,024	160,883	167,382	190,738
Securities held to maturity (fair values of $81,234, $82,514, $75,236, $81,489 and $82,610, respectively	87,104	87,081	86,908	87,335	87,889
Equity securities	1,474	1,474	2,273	2,178	2,070
Loans held for sale	865	230	971	151	-
Loans receivable, net (allowance for credit losses of $12,494, $12,302, $12,267, $11,922 and $11,593, respectively	1,081,394	1,078,475	1,098,019	1,048,322	973,270
Accrued interest receivable	5,467	5,136	4,716	4,274	4,062
Foreclosed assets	-	-	-	-	-
Premises and equipment, net	13,427	13,098	13,242	13,256	13,406
Mortgage servicing rights, net	1,657	1,664	1,684	1,666	1,682
Federal Home Loan Bank stock (at cost)	7,006	6,373	6,373	6,359	4,620
Cash surrender value of bank-owned life insurance	24,242	24,085	23,931	23,776	25,078
Core deposit intangible	249	273	297	321	348
Goodwill	2,541	2,541	2,541	2,541	2,541
Other assets	11,682	11,866	14,094	14,933	14,444
TOTAL ASSETS	$ 1,418,558	$ 1,424,100	$ 1,437,245	$ 1,416,933	$ 1,359,788
Liabilities					
Non-interest-bearing deposits	$ 247,608	$ 266,829	$ 288,765	$ 282,153	$ 267,836
Interest-bearing deposits	865,744	874,973	883,474	860,981	839,757
Total deposits	1,113,352	1,141,802	1,172,239	1,143,134	1,107,593
Federal Home Loan Bank advances	158,250	134,000	128,000	133,000	113,000
Other borrowings	8,096	8,058	5,660	5,730	5,033
Senior subordinated notes	4,776	4,774	4,772	4,771	4,769
Junior subordinated debentures	12,947	12,921	12,896	12,870	12,844
Allowance for credit losses on unfunded commitments	477	577	512	712	762
Accrued expenses and other liabilities	10,247	12,681	10,258	11,783	10,576
Total liabilities	1,308,145	1,314,813	1,334,337	1,312,000	1,254,577
Stockholders' equity					
Preferred stock - no par value: Authorized - 30,000 shares; no shares issued or outstanding 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 - 4,147,649, 4,164,735, 4,174,197, 4,190,252 and 4,241,501 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,466	8,460	8,421	8,382	8,311
Retained earnings	134,271	132,666	131,624	130,396	128,968
Accumulated other comprehensive income (loss), net of tax	(20,775)	(20,689)	(26,190)	(23,240)	(22,515)
Treasury stock, at cost - 1,343,149, 1,326,063, 1,316,601, 1,300,546 and 1,249,297 shares, respectively	(20,579)	(20,180)	(19,977)	(19,635)	(18,583)
Total stockholders' equity	110,413	109,287	102,908	104,933	105,211
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,418,558	$ 1,424,100	$ 1,437,245	$ 1,416,933	$ 1,359,788

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Quarter Ended Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Interest and dividend income:					
Loans, including fees	$ 15,109	$ 14,888	$ 14,263	$ 12,709	$ 11,773

Securities:					
Taxable	1,197	1,147	1,114	1,327	1,331
Tax-exempt	526	532	533	535	537
Other interest and dividends	343	320	238	145	148
Total interest and dividend income	17,175	16,887	16,148	14,716	13,789
Interest expense:					
Deposits	6,082	5,526	4,817	3,661	2,989
FHLB advances	1,450	1,349	1,321	1,200	547
Other borrowings	60	54	51	48	62
Senior subordinated notes	59	59	59	58	62
Junior subordinated debentures	251	254	255	242	234
Total interest expense	7,902	7,242	6,503	5,209	3,894
Net interest income	9,273	9,645	9,645	9,507	9,895
Provision for credit losses	95	100	150	100	100
Net interest income after provision for credit losses	9,178	9,545	9,495	9,407	9,795
Noninterest income:					
Service fees	336	360	349	378	361
Mortgage banking income	308	247	345	311	325
Investment and insurance sales commissions	121	100	158	287	365
Net loss on sale of securities	(495)	(297)	-	(279)	-
Increase in cash surrender value of life insurance	157	154	155	149	157
Life insurance death benefit	-	-	-	533	-
Other noninterest income	617	540	675	605	742
Total noninterest income	1,044	1,104	1,682	1,984	1,950
Noninterest expense:					
Salaries and employee benefits	5,123	4,244	4,514	4,884	5,006
Occupancy and facilities	721	675	689	698	699
Loss (gain) on foreclosed assets	-	1	-	4	(50)
Data processing and other office operations	1,022	1,001	953	951	880
Advertising and promotion	129	244	161	166	162
Core deposit intangible amortization	24	24	24	27	34
Other noninterest expenses	1,306	1,169	1,113	1,202	1,073
Total noninterest expense	8,325	7,358	7,454	7,932	7,804
Income before provision for income taxes	1,897	3,291	3,723	3,459	3,941
Provision for income taxes	169	878	2,374	652	941
Net income	$ 1,728	$ 2,413	$ 1,349	$ 2,807	$ 3,000
Preferred stock dividends declared	$ 122	$ 122	$ 122	$ 122	$ 122
Net income available to common shareholders	$ 1,606	$ 2,291	$ 1,227	$ 2,685	$ 2,878
Basic earnings per common share	$ 0.39	$ 0.55	$ 0.29	$ 0.64	$ 0.67
Diluted earnings per common share	$ 0.39	$ 0.55	$ 0.29	$ 0.64	$ 0.67

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

	Quarter ended				
Earnings and dividends:	Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Interest income	$ 17,175	$ 16,887	$ 16,148	$ 14,716	$ 13,789
Interest expense	$ 7,902	$ 7,242	$ 6,503	$ 5,209	$ 3,894
Net interest income	$ 9,273	$ 9,645	$ 9,645	$ 9,507	$ 9,895
Provision for credit losses	$ 95	$ 100	$ 150	$ 100	$ 100
Other noninterest income	$ 1,044	$ 1,104	$ 1,682	$ 1,984	$ 1,950
Other noninterest expense	$ 8,325	$ 7,358	$ 7,454	$ 7,932	$ 7,804
Net income available to common shareholders	$ 1,606	$ 2,291	$ 1,227	$ 2,685	$ 2,878

Basic earnings per common share (3)	$ 0.39	$ 0.55	$ 0.29	$ 0.64	$ 0.67
Diluted earnings per common share (3)	$ 0.39	$ 0.55	$ 0.29	$ 0.64	$ 0.67
Dividends declared per common share (3)	$ -	$ 0.30	$ -	$ 0.30	$ -
Tangible net book value per common share (4)	$ 24.21	$ 23.84	$ 22.25	$ 22.64	$ 22.43
Semi-annual dividend payout ratio	n/a	38.14%	n/a	27.38%	n/a
Average common shares outstanding	4,154,702	4,168,924	4,186,940	4,218,226	4,275,160
Balance sheet - average balances:					
Loans receivable, net of allowances for credit loss	$ 1,081,936	$ 1,081,851	$ 1,076,158	$ 1,000,349	$ 964,029
Assets	$ 1,429,437	$ 1,424,240	$ 1,425,522	$ 1,367,363	$ 1,336,511
Deposits	$ 1,138,010	$ 1,148,399	$ 1,149,624	$ 1,098,039	$ 1,124,091
Stockholders' equity	$ 109,473	$ 105,060	$ 105,745	$ 106,762	$ 103,406
Performance ratios:					
Return on average assets (1)	0.49%	0.67%	0.38%	0.82%	0.91%
Return on average common stockholders' equity (1)	6.32%	9.29%	4.94%	10.82%	12.13%
Return on average tangible common stockholders' equity (1)(4)	6.57%	9.64%	5.17%	11.23%	12.63%
Net loan charge-offs to average loans (1)	0.00%	0.00%	0.00%	-0.07%	-0.02%
Nonperforming loans to gross loans	1.08%	0.54%	0.55%	0.60%	0.62%
Nonperforming assets to total assets	0.83%	0.42%	0.42%	0.45%	0.45%
Allowance for credit losses to gross loans	1.14%	1.13%	1.10%	1.12%	1.18%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	10.59%	5.38%	5.87%	5.96%	5.76%
Net interest rate margin (1)(2)	2.80%	2.88%	2.88%	2.98%	3.21%
Net interest rate spread (1)(2)	2.12%	2.20%	2.27%	2.46%	2.77%
Service fee revenue as a percent of average demand deposits (1)	0.54%	0.52%	0.50%	0.58%	0.52%
Noninterest income as a percent of gross revenue	5.73%	6.14%	9.43%	11.88%	12.39%
Efficiency ratio (2)	78.93%	67.04%	64.58%	68.09%	65.02%
Noninterest expenses to average assets (1)	2.34%	2.05%	2.07%	2.33%	2.37%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	8.98%	8.88%	9.00%	9.33%	9.32%
Tangible equity to tangible assets (4)	7.60%	7.49%	6.98%	7.22%	7.54%
Stock price information:					
High	$ 22.50	$ 22.30	$ 22.50	$ 21.38	$ 25.75
Low	$ 20.05	$ 20.10	$ 20.35	$ 19.75	$ 20.00
Last trade value at quarter-end	$ 21.25	$ 22.11	$ 21.15	$ 20.35	$ 21.15

(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)	Quarter Ended Mar. 31, 2024	Dec. 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
Net income	$ 1,728	$ 2,413	$ 1,349	$ 2,807	$ 3,000
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	(615)	5,278	(3,085)	(1,186)	1,601
Reclassification adjustment for security loss included in net income	391	280	-	220	-
Accretion of unrealized loss included in net income on securties available for sale					

deferred tax adjustment for Wisconsin Act 19	(35)	-	-	-	-
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	91	91	91	107	129
Unrealized gain (loss) on interest rate swap	123	(109)	79	172	(1)
Reclassification adjustment of interest rate swap settlements included in earnings	(41)	(39)	(35)	(38)	(24)
Other comprehensive income (loss)	(86)	5,501	(2,950)	(725)	1,705
Comprehensive income (loss)	$ 1,642	$ 7,914	$ (1,601)	$ 2,082	$ 4,705

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Nonaccrual loans (excluding restructured loans)	$ 11,498	$ 5,596	$ 5,807	$ 6,000	$ 5,773
Nonaccrual restructured loans	30	34	42	50	57
Restructured loans not on nonaccrual	304	310	256	261	265
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	11,832	5,940	6,105	6,311	6,095
Other real estate owned	-	-	-	-	-
Total nonperforming assets	$ 11,832	$ 5,940	$ 6,105	$ 6,311	$ 6,095
Nonperforming loans as a % of gross loans receivable	1.08%	0.54%	0.55%	0.60%	0.62%
Total nonperforming assets as a % of total assets	0.83%	0.42%	0.42%	0.45%	0.45%
Allowance for credit losses as a % of nonperforming loans	105.59%	207.10%	200.93%	188.91%	190.21%

PSB Holdings, Inc.
Nonperforming Assets >= $500,000 net book value before specific reserves
At March 31, 2024
(dollars in thousands)

Collateral Description	Asset Type	Gross Principal
Real estate - Buffet Style Restaurant	Nonaccrual	$ 2,611
Real estate - Independent Auto Repair	Nonaccrual	611
Real estate - Dealership	Nonaccrual	5,053
Total listed nonperforming assets		$ 8,275
Total bank wide nonperforming assets		$ 11,832

Listed assets as a % of total nonperforming assets	70%

PSB Holding, Inc.
Loan Composition by Collateral Type

Quarter-ended (dollars in thousands)	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Commercial:					
Commercial and instrustrial	$ 118,821	$ 117,207	$ 138,299	$ 145,434	$ 133,427
Agriculture	12,081	12,304	12,464	13,326	12,434
Municipal	28,842	31,530	27,186	25,222	6,430
Total Commercial	159,744	161,041	177,949	183,982	152,291
Commercial Real Estate:					
Commercial real estate	546,257	536,209	539,488	490,657	469,395
Construction and development	63,375	81,701	86,456	99,769	103,108
Total Commercial Real Estate	609,632	617,910	625,944	590,426	572,503
Residential real estate:					
Residential	274,300	274,453	274,632	274,692	261,415
Construction and development	34,158	33,960	33,141	41,485	26,480
HELOC	31,357	29,766	29,044	26,220	25,001
Total Residential Real Estate	339,815	338,179	336,817	342,397	312,896
Consumer installment	4,867	4,357	4,350	4,142	4,079
Subtotals - Gross loans	1,114,058	1,121,487	1,145,060	1,120,947	1,041,769
Loans in process of disbursement	(20,839)	(31,359)	(35,404)	(61,308)	(57,448)
Subtotals - Disbursed loans	1,093,219	1,090,128	1,109,656	1,059,639	984,321
Net deferred loan costs	669	649	630	605	542
Allowance for credit losses	(12,494)	(12,302)	(12,267)	(11,922)	(11,593)
Total loans receivable	$ 1,081,394	$ 1,078,475	$ 1,098,019	$ 1,048,322	$ 973,270

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

(dollars in thousands)	Mar 31, 2024		Dec 31, 2023		Sept 30, 2023		June 30, 2023		Mar 31, 2023	
	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	$ 142,001	14.4%	$ 132,386	13.2%	$ 133,466	13.3%	$ 119,573	12.4%	$ 121,559	13.0%
Industrial and Warehousing	85,409	8.6	83,817	8.3	88,906	8.9	84,049	8.7	78,934	8.5
Retail	33,177	3.4	35,419	3.5	35,281	3.5	34,004	3.5	34,427	3.7
Hotels	35,105	3.6	36,100	3.6	31,819	3.2	33,329	3.5	31,069	3.3
Office	6,655	0.7	6,701	0.7	6,746	0.7	8,395	0.9	8,544	0.9

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

PSB Holdings, Inc.
Deposit Composition

Insured and Collateralized Deposits (dollars in thousands)	March 31, 2024		December 31, 2023		September 30, 2023		June 30, 2023		March 31, 2023	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$ 199,077	17.8%	$ 197,571	17.3%	$ 209,133	17.8%	$ 201,351	17.6%	$ 205,350	18.6%
Interest-bearing demand and savings	318,672	28.7%	317,984	27.8%	307,620	26.3%	310,006	27.1%	329,364	29.7%
Money market deposits	143,167	12.9%	142,887	12.5%	135,910	11.6%	126,851	11.1%	128,576	11.6%
Retail and local time deposits <= $250	148,404	13.3%	149,145	13.1%	144,733	12.3%	140,572	12.3%	136,090	12.3%
Total core deposits	809,320	72.7%	807,587	70.7%	797,396	68.0%	778,780	68.1%	799,380	72.2%
Retail and local time deposits > $250	24,508	2.3%	23,000	2.0%	22,750	1.9%	20,250	1.8%	17,000	1.5%
Broker & national time deposits <= $250	2,229	0.2%	3,470	0.3%	3,222	0.3%	3,965	0.3%	5,953	0.5%
Broker & national time deposits > $250	61,752	5.5%	70,020	6.1%	88,614	7.6%	93,956	8.2%	74,485	6.8%
Totals	$ 897,809	80.7%	$ 904,077	79.1%	$ 911,982	77.8%	$ 896,951	78.4%	$ 896,818	81.0%

PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits (dollars in thousands)	March 31, 2024		December 31, 2023		September 30, 2023		June 30, 2023		March 31, 2023	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$ 48,532	4.4%	$ 69,258	6.1%	$ 79,632	6.8%	$ 80,802	7.1%	$ 62,486	5.6%
Interest-bearing demand and savings	20,535	1.8%	20,316	1.8%	22,847	1.9%	22,604	2.0%	24,854	2.2%
Money market deposits	124,766	11.2%	124,518	10.9%	133,653	11.4%	127,871	11.2%	109,894	10.0%
Retail and local time deposits <= $250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	193,833	17.4%	214,092	18.8%	236,132	20.1%	231,277	20.3%	197,234	17.8%
Retail and local time deposits > $250	21,710	1.9%	23,633	2.1%	24,120	2.1%	14,906	1.3%	13,541	1.2%
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	$ 215,543	19.3%	$ 237,725	20.9%	$ 260,252	22.2%	$ 246,183	21.6%	$ 210,775	19.0%

PSB Holdings, Inc.
Deposit Composition

Total Deposits (dollars in thousands)	March 31, 2024		December 31, 2023		September 30, 2023		June 30, 2023		March 31, 2023	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$ 247,609	22.2%	$ 266,829	23.4%	$ 288,765	24.7%	$ 282,153	24.7%	$ 267,836	24.2%
Interest-bearing demand and savings	339,207	30.5%	338,300	29.6%	330,467	28.2%	332,610	29.1%	354,218	32.0%
Money market deposits	267,933	24.1%	267,405	23.4%	269,563	22.8%	254,722	22.3%	238,470	21.5%
Retail and local time deposits <= $250	148,404	13.3%	149,145	13.1%	144,738	12.4%	140,572	12.3%	136,090	12.3%
Total core deposits	1,003,153	90.1%	1,021,679	89.5%	1,033,533	88.1%	1,010,057	88.4%	996,614	90.0%
Retail and local time deposits > $250	46,218	4.2%	46,633	4.1%	46,870	4.0%	35,156	3.1%	30,541	2.8%
Broker & national time deposits <= $250	2,229	0.2%	3,470	0.3%	3,222	0.3%	3,965	0.3%	5,953	0.5%
Broker & national time deposits > $250	61,752	5.5%	70,020	6.1%	88,614	7.6%	93,956	8.2%	74,485	6.7%
Totals	$ 1,113,352	100.0%	$ 1,141,802	100.0%	$ 1,172,239	100.0%	$ 1,143,134	100.0%	$ 1,107,593	100.0%

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

	Quarter ended March 31, 2024			Quarter ended December 31, 2023			Quarter ended March 31, 2023		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	$ 1,094,321	$ 15,199	5.59%	$ 1,094,152	$ 14,974	5.43%	$ 976,395	$ 11,788	4.90%
Taxable securities	171,788	1,197	2.80%	167,366	1,147	2.72%	199,705	1,331	2.70%
Tax-exempt securities (2)	80,434	666	3.33%	80,922	673	3.30%	81,932	680	3.37%
FHLB stock	6,499	165	10.21%	6,373	158	9.84%	3,059	50	6.63%
Other	12,885	178	5.56%	11,846	162	5.43%	9,024	98	4.40%
Total (2)	1,365,927	17,405	5.12%	1,360,659	17,114	4.99%	1,270,115	13,947	4.45%
Non-interest-earning assets:									
Cash and due from banks	17,367			16,243			17,255		
Premises and equipment, net	13,183			13,243			13,332		
Cash surrender value ins	24,144			23,990			24,982		
Other assets	21,201			22,406			23,193		
Allowance for credit losses	(12,385)			(12,301)			(12,366)		
Total	$ 1,429,437			$ 1,424,240			$ 1,336,511		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits	$ 350,497	$ 1,672	1.92%	$ 327,036	$ 1,296	1.57%	$ 373,557	$ 1,053	1.14%
Money market deposits	274,186	1,897	2.78%	272,087	1,820	2.65%	225,624	830	1.49%
Time deposits	264,657	2,513	3.82%	273,332	2,410	3.50%	245,562	1,106	1.83%
FHLB borrowings	142,926	1,450	4.08%	133,560	1,349	4.01%	68,833	547	3.22%
Other borrowings	8,554	60	2.82%	6,999	54	3.06%	10,025	62	2.51%
Senior sub. notes	4,775	59	4.97%	4,773	59	4.90%	5,159	62	4.87%
Junior sub. debentures	12,934	251	7.81%	12,909	254	7.81%	12,832	234	7.40%
Total	1,058,529	7,902	3.00%	1,030,696	7,242	2.79%	941,592	3,894	1.68%
Non-interest-bearing liabilities:									
Demand deposits	248,670			275,944			279,348		
Other liabilities	12,765			12,540			12,208		
Stockholders' equity	109,473			105,060			103,363		
Total	$ 1,429,437			$ 1,424,240			$ 1,336,511		
Net interest income		$ 9,503			$ 9,872			$ 10,053	
Rate spread			2.12%			2.20%			2.77%
Net yield on interest-earning assets			2.80%			2.88%			3.21%

(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.