NEWS RELEASE

PSB Holdings, Inc. Reports Fourth Quarter 2022 Earnings of $0.80 Per Share and Record Fiscal 2022 Earnings of $3.07 Per Share

2023-01-25

WAUSAU, Wis., Jan. 25, 2023 (GLOBE NEWSWIRE) -- PSB Holdings, Inc. (“PSB”) (OTCQX: PSBQ), the holding company for Peoples State Bank (“Peoples”) serving Northcentral and Southeastern Wisconsin reported fourth quarter earnings ending December 31, 2022 of $0.80 per share on net income of $3.5 million, compared to $0.80 per share on net income of $3.5 million during the third quarter ending September 30, 2022, and $0.71 per share on net income of $3.1 million during the fourth quarter ending December 31, 2021. Fiscal 2022 earnings increased to a record $3.07 per share from $2.88 per share for fiscal 2021.

PSB’s fourth quarter 2022 operating results reflected the following changes from the third quarter of 2022: (1) higher net interest income due to increased allocation to higher yielding loans and investments; (2) higher noninterest income primarily due to an increase in investment sales commissions; and (3) higher salary and employee benefit expenses due to inflationary pressures and funding of year-end benefit plans. Loans grew 2.7% during the quarter ending December 31, 2022, reflecting primarily growth in adjustable-rate residential mortgage loans and increased commercial and industrial loans and lines of credit.

“Our record fiscal 2022 earnings reflect the benefits of increased net interest income and improved efficiency over 2021 which included costs related to the acquisition of Sunset Bank. Improvements in already strong credit quality required no provision for loan losses which offset a significant reduction in residential mortgage banking income. Despite ongoing challenges in 2023 as the Federal Reserve combats inflation, we are well positioned to take advantage of new opportunities. During the fourth quarter, we increased our capital and liquidity positions to facilitate additional growth and manage capital,” stated Scott Cattanach, President and CEO.

December 31, 2022 Highlights:

- Net interest income increased to $10.6 million for the quarter ended December 31, 2022, compared to $10.1 million for the quarter ended September 30, 2022, and $9.2 million for the quarter ended December 31, 2021.

- Noninterest income increased to $1.8 million for the quarter ended December 31, 2022, from $1.7 million the previous quarter. The increase largely reflected additional investment sales commissions.

- Noninterest expense increased $499,000 for the fourth quarter of 2022, to $7.7 million from $7.2 million the prior quarter. The increase was primarily related to higher salary and benefit costs.

- Loans receivable increased $25 million, or 2.7%, to $962 million at December 31, 2022 from $937 million one quarter earlier. For the fiscal year ended December 31, 2022, loans increased $85.5 million, or 9.8%.

- Asset quality improved and continued to remain strong. At December 31, 2022, non-performing assets declined $4.8 million to 0.48% of total assets from 1.06% one year earlier. No loan loss provisions were recorded during 2022 due to strong credit quality.

- Tangible book value per common share increased to $21.37 at December 31, 2022 from $20.83 one quarter earlier. Return on tangible common equity was 15.12% for the quarter ended December 31, 2022, compared to 14.58% the prior quarter.

- On December 19, 2022, PSB announced that it has adopted a program to repurchase up to 5% of outstanding shares of its common stock. Through the end of the fourth quarter of 2022, PSB repurchased 55,113 shares as part of this plan.

Balance Sheet and Asset Quality Review

Total assets increased slightly to $1.34 billion at December 31, 2022, from $1.32 billion at September 30, 2022. Cash and cash equivalents decreased $11.3 million to $29.4 million from $40.7 million during the quarter, while investment securities increased $3.6 million to $280.0 million at December 31, 2022, from $276.4 million one quarter earlier.

Total loans receivable increased $25.2 million to $961.9 million at December 31, 2022, from $936.7 million at September 30, 2022. New one-to-four family loans were added to the portfolio as well as commercial loans which reflected strong origination activity. Management believes loan originations could slow in coming quarters in response to lower customer demand as a result of cumulative short-term interest rate increases by the Federal Reserve to slow inflation.

The allowance for loan losses decreased slightly to 1.26% of gross loans at December 31, 2022, from 1.30% the prior quarter and 1.38% of gross loans one year earlier. Annualized net charge-offs to average loans were minimal for the quarter ended December 31, 2022 at 0.03%. Non-performing assets declined to 0.48% of total assets at December 31, 2022, compared to 0.85% at September 30, 2022, and 1.06% at December 31, 2021. At December 31, 2022, non-performing assets consisted of $5.9 million in non-accrual loans, $62,000 in non-accrual restructured loans, $270,000 in restructured loans not on non-accrual and $160,000 in foreclosed assets. During the fourth quarter, an accruing restructured loan totaling $4.6 million was upgraded to performing from impaired status.

Total deposits remained flat at $1.15 billion at December 31, 2022 and the composition of deposits changed slightly from the prior quarter. At December 31, 2022, interest-bearing demand and savings deposits increased to 34.5% of total deposits from 32.9% of total deposits the prior quarter, while noninterest-bearing demand deposits decreased to 25.4% from 26.0% at September 30, 2022. Money market deposits decreased to 18.8% of total deposits at December 31, 2022 from 19.9%, and retail and local time deposits increased to 13.5% from 13.4% at September 30, 2022. Broker and national time deposits remained at 7.8% of total deposits at December 31, 2022.

FHLB advances increased to $43.0 million at December 31, 2022, compared to $40.0 million at September 30, 2022, while other borrowings increased to $13.0 million at December 31, 2022 compared to $10.4 million at September 30, 2022.

Senior subordinated notes increased to $5.5 million at December 31, 2022 from $2.5 million at September 30, 2022. The increased senior subordinated notes reflect the issuance of new subordinated debt of $4.8 million on November 1, 2022, which included $1.8 million of refinanced existing notes.

Tangible stockholder equity as a percent of total tangible assets increased to 7.42% at December 31, 2022, from 6.98% at September 30, 2022. On November 1, 2022, PSB sold $7.2 million of non-cumulative 6.75% preferred stock. PSB has the option to redeem the preferred stock in whole or in part beginning November 1, 2027.

Tangible book value per common share was $21.37 at December 31, 2022, compared to $20.83 per common share one quarter earlier. Relative to the prior quarter, accumulated other comprehensive loss was unchanged with the unrealized loss on securities available for sale remaining at $24.2 million. At December 31, 2022, fair values on all securities were 12.3% less than amortized purchase cost.

Operations Review

Net interest income increased to $10.6 million (on a net margin of 3.41%) for the fourth quarter of 2022, compared to $10.1 million (on a net margin of 3.24%) for the third quarter of 2022, and $9.2 million (on a net margin of 3.01%) for the fourth quarter of 2021. Earning asset yields increased 40 basis points to 4.21% during the fourth quarter of

2022, from 3.81% during the third quarter of 2022, while deposit and borrowing costs increased 34 basis points to 1.11% compared to 0.77% during the third quarter of 2022.

The increase in earning asset yields was partially due to higher yields on investment securities during the quarter ended December 31, 2022. Taxable security yields increased to 2.45% for the quarter ended December 31, 2022, from 1.94% in the quarter ended September 30, 2022. Loan yields also increased during the fourth quarter to 4.67% from 4.30% for the third quarter of 2022 as loans repriced to higher indices from Federal Reserve and market rate increases and new loans were added to the portfolio. Along with a further increase in asset yields, funding costs are expected to increase during the Federal Reserve's increasing interest rate posture and as existing loans, securities, and deposits reprice to higher levels.

Total noninterest income increased for the fourth quarter of 2022 to $1.8 million from $1.7 million for the third quarter of 2022, due primarily to an increase in investment sales commissions. Mortgage loan servicing income also increased slightly during the fourth quarter, though the increase was mostly offset by a reduction in gains on the sale of mortgage loans. At December 31, 2022, the Bank serviced $382.4 million in secondary market residential mortgage loans for others.

Noninterest expense increased to $7.7 million for the fourth quarter of 2022, compared to $7.2 million for the third quarter of 2022. The fourth quarter of 2022 included higher salaries and employee benefit expenses. Salary and employee benefit expenses were $4.7 million for the fourth quarter of 2022, compared to $4.3 million for the third quarter of 2022.

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
December 31, September 30, June 30, and March 31, 2022, unaudited, December 31, 2021 derived from audited financial statements

(dollars in thousands, except per share data)	Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Assets					
Cash and due from banks	$ 28,561	$ 16,659	$ 19,149	$ 18,322	$ 16,896
Interest-bearing deposits	758	3,267	3,545	5,158	6,579
Federal funds sold	90	20,751	16,689	14,356	30,068
Cash and cash equivalents	29,409	40,677	39,383	37,836	53,543
Securities available for sale (at fair value)	192,197	188,425	190,478	289,704	308,744
Securities held to maturity (fair values of $80,926, $77,467, $82,567, $0 and $0 respectively)	87,816	87,993	88,216	-	-
Equity securities	2,032	1,870	1,781	1,720	1,701
Bank certificates of deposit (at cost)	-	-	245	245	245
Loans held for sale	-	-	270	-	3,061
Loans receivable, net	961,865	936,686	925,260	875,588	876,337
Accrued interest receivable	4,006	3,493	3,285	3,219	3,256
Foreclosed assets	160	160	160	1,103	1,103
Premises and equipment, net	13,164	13,129	12,981	12,906	12,695
Mortgage servicing rights, net	1,610	1,651	1,711	1,770	1,714
Federal Home Loan Bank stock (at cost)	2,516	2,516	2,646	2,646	2,646
Cash surrender value of bank-owned life insurance	24,922	24,765	24,608	24,455	24,305
Core deposit intangible	382	415	449	487	534
Goodwill	2,541	2,541	2,541	2,541	2,541
Other assets	15,069	15,248	13,550	11,725	6,286
TOTAL ASSETS	$ 1,337,689	$ 1,319,569	$ 1,307,564	$ 1,265,945	$ 1,298,711
Liabilities					
Non-interest-bearing deposits	$ 292,338	$ 298,335	$ 283,592	$ 272,611	$ 284,477
Interest-bearing deposits	856,417	850,483	829,867	816,794	820,763
Total deposits	1,148,755	1,148,818	1,113,459	1,089,405	1,105,240
Federal Home Loan Bank advances	43,000	40,000	67,000	47,000	47,000
Other borrowings	12,985	10,449	4,601	4,304	6,677
Senior subordinated notes	5,549	2,500	2,500	2,500	2,500
Junior subordinated debentures	12,819	12,793	12,768	12,742	12,717
Accrued expenses and other liabilities	12,639	10,114	10,938	10,208	13,315
Total liabilities	1,235,747	1,224,674	1,211,266	1,166,159	1,187,449
Stockholders' equity					
Preferred stock - no par value:					
Authorized - 30,000 shares					
Outstanding - 7,200, 0, 0, 0, and 0 shares, respectively	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 - 4,297,279, 4,414,651, 4,423,037, 4,434,840 and 4,440,329 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,300	8,294	8,238	8,183	8,059
Retained earnings	126,003	123,559	120,043	117,957	114,627
Accumulated other comprehensive income (loss), net of tax	(24,220)	(24,200)	(19,423)	(14,097)	628
Treasury stock, at cost - 1,193,519, 1,076,147, 1,067,761, 1,055,958 and 1,050,469 shares, respectively	(17,171)	(14,588)	(14,390)	(14,087)	(13,882)
Total stockholders' equity	101,942	94,895	96,298	99,786	111,262
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,337,689	$ 1,319,569	$ 1,307,564	$ 1,265,945	$ 1,298,711

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Quarter Ended Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Interest and dividend income:					
Loans, including fees	$ 11,251	$ 10,225	$ 9,295	$ 9,054	$ 8,918
Securities:					
Taxable	1,218	978	859	762	631
Tax-exempt	539	540	537	533	505
Other interest and dividends	141	163	52	42	31
Total interest and dividend income	13,149	11,906	10,743	10,391	10,085
Interest expense:					
Deposits	2,060	1,341	595	443	476
FHLB advances	167	209	234	169	192
Other borrowings	38	14	4	2	4
Senior subordinated notes	55	28	28	28	29
Junior subordinated debentures	224	202	179	166	165
Total interest expense	2,544	1,794	1,040	808	866
Net interest income	10,605	10,112	9,703	9,583	9,219
Provision for loan losses	-	-	-	-	-
Net interest income after provision for loan losses	10,605	10,112	9,703	9,583	9,219
Noninterest income:					
Service fees	381	409	392	388	382
Gain on sale of mortgage loans	56	98	182	277	451
Mortgage loan servicing, net	179	130	117	176	114
Investment and insurance sales commissions	498	357	404	456	500
Net gain on sale of securities	-	-	-	-	-
Increase in cash surrender value of life insurance	157	157	152	150	151
Other noninterest income	553	558	686	531	646
Total noninterest income	1,824	1,709	1,933	1,978	2,244
Noninterest expense:					
Salaries and employee benefits	4,700	4,302	4,548	4,390	4,669
Occupancy and facilities	641	687	629	665	596
Loss (gain) on foreclosed assets	2	4	-	(6)	(347)
Data processing and other office operations	910	906	912	861	855
Advertising and promotion	180	185	173	152	155
Core deposit intangible amortization	34	34	38	47	47
Other noninterest expenses	1,219	1,069	1,151	1,083	1,382
Total noninterest expense	7,686	7,187	7,451	7,192	7,357
Income before provision for income taxes	4,743	4,634	4,185	4,369	4,106
Provision for income taxes	1,143	1,119	993	1,039	960
Net income	$ 3,600	$ 3,515	$ 3,192	$ 3,330	$ 3,146
Preferred stock dividends declared	$ 81	$ -	$ -	$ -	$ -

Net income available to common shareholders	$ 3,519	$ 3,515	$ 3,192	$ 3,330	$ 3,146
Basic earnings per common share	$ 0.80	$ 0.80	$ 0.72	$ 0.75	$ 0.71
Diluted earnings per common share	$ 0.80	$ 0.80	$ 0.72	$ 0.75	$ 0.71

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Three Months Ended December 2022	2021	Year Ended December 2022	2021
Interest and dividend income:				
Loans, including fees	$ 11,251	$ 8,918	$ 39,825	$ 37,655
Securities:				
Taxable	1,218	631	3,817	2,272
Tax-exempt	539	505	2,149	2,012
Other interest and dividends	141	31	398	147
Total interest and dividend income	13,149	10,085	46,189	42,086
Interest expense:				
Deposits	2,060	476	4,439	1,912
FHLB advances	167	192	779	848
Other borrowings	38	4	58	28
Senior subordinated notes	55	29	139	113
Junior subordinated debentures	224	165	771	584
Total interest expense	2,544	866	6,186	3,485
Net interest income	10,605	9,219	40,003	38,601
Provision for loan losses	-	-	-	1,000
Net interest income after provision for loan losses	10,605	9,219	40,003	37,601
Noninterest income:				
Service fees	381	382	1,570	1,440
Gain on sale of mortgage loans	56	451	613	2,760
Mortgage loan servicing, net	179	114	602	313
Investment and insurance sales commissions	498	500	1,715	1,986
Net gain on sale of securities	-	-	-	134
Increase in cash surrender value of life insurance	157	151	616	560
Other noninterest income	553	646	2,328	2,225
Total noninterest income	1,824	2,244	7,444	9,418
Noninterest expense:				
Salaries and employee benefits	4,700	4,669	17,940	16,143
Occupancy and facilities	641	596	2,622	2,426
Loss (gain) on foreclosed assets	2	(347)	-	(166)
Data processing and other office operations	910	855	3,589	3,876
Advertising and promotion	180	155	690	755
Core deposit intangible amortization	34	116	153	128
Other noninterest expenses	1,219	1,313	4,522	6,948
Total noninterest expense	7,686	7,357	29,516	30,110
Income before provision for income taxes	4,743	4,106	17,931	16,909
Provision for income taxes	1,143	960	4,294	4,092
Net income	$ 3,600	$ 3,146	$ 13,637	$ 12,817
Preferred stock dividends declared	$ 81	$ -	$ 81	$ -
Net income available to common shareholders	$ 3,519	$ 3,146	$ 13,556	$ 12,817
Basic earnings per common share	$ 0.80	$ 0.71	$ 3.07	$ 2.88
Diluted earnings per common share	$ 0.80	$ 0.71	$ 3.07	$ 2.88

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

Earnings and dividends:	Quarter ended Dec. 31, 2022	Sep. 30, 2022	Jun. 30, 2022	Mar. 31, 2022	Dec. 31, 2021
Interest income	$ 13,149	$ 11,906	$ 10,743	$ 10,391	$ 10,085
Interest expense	$ 2,544	$ 1,794	$ 1,040	$ 808	$ 866
Net interest income	$ 10,605	$ 10,112	$ 9,703	$ 9,583	$ 9,219
Provision for loan losses	$ -	$ -	$ -	$ -	$ -
Other noninterest income	$ 1,824	$ 1,709	$ 1,933	$ 1,978	$ 2,244
Other noninterest expense	$ 7,686	$ 7,187	$ 7,451	$ 7,192	$ 7,357
Net income available to common shareholders	$ 3,519	$ 3,515	$ 3,192	$ 3,330	$ 3,146
Basic earnings per common share (3)	$ 0.80	$ 0.80	$ 0.72	$ 0.75	$ 0.71
Diluted earnings per common share (3)	$ 0.80	$ 0.80	$ 0.72	$ 0.75	$ 0.71
Dividends declared per common share (3)	$ 0.25	$ -	$ 0.25	$ -	$ 0.23
Tangible net book value per common share (4)	$ 21.37	$ 20.83	$ 21.10	$ 21.82	$ 24.36
Semi-annual dividend payout ratio	15.27%	n/a	16.96%	n/a	15.05%
Average common shares outstanding	4,377,330	4,419,421	4,428,939	4,433,375	4,445,465
Balance sheet - average balances:					
Loans receivable, net of allowances for loss	$ 945,551	$ 931,344	$ 904,710	$ 878,979	$ 870,151
Assets	$ 1,321,776	$ 1,323,400	$ 1,290,906	$ 1,278,565	$ 1,295,780
Deposits	$ 1,146,066	$ 1,141,784	$ 1,099,314	$ 1,084,814	$ 1,092,872
Stockholders' equity	$ 100,037	$ 98,630	$ 98,261	$ 108,803	$ 112,089
Performance ratios:					
Return on average assets (1)	1.06%	1.05%	0.99%	1.06%	0.96%
Return on average stockholders' equity (1)	13.96%	14.14%	13.03%	12.41%	11.14%
Return on average tangible common stockholders' equity (1)(4)	15.12%	14.58%	13.29%	12.49%	11.45%
Net loan charge-offs to average loans (1)	0.03%	0.01%	-0.02%	-0.05%	-0.10%
Nonperforming loans to gross loans	0.64%	1.16%	1.21%	1.34%	1.42%
Nonperforming assets to total assets	0.48%	0.85%	0.88%	1.03%	1.06%
Allowance for loan losses to gross loans	1.26%	1.30%	1.32%	1.39%	1.38%
Nonperforming assets to tangible equity plus the allowance for loan losses (4)	6.22%	10.89%	11.04%	12.10%	11.58%
Net interest rate margin (1)(2)	3.41%	3.24%	3.23%	3.24%	3.01%
Net interest rate spread (1)(2)	3.10%	3.04%	3.11%	3.14%	2.89%
Service fee revenue as a percent of average demand deposits (1)	0.50%	0.56%	0.57%	0.58%	0.52%
Noninterest income as a percent of gross revenue	12.18%	12.55%	15.25%	15.99%	18.20%
Efficiency ratio (2)	61.06%	60.02%	63.20%	61.40%	63.37%
Noninterest expenses to average assets (1)	2.31%	2.15%	2.32%	2.28%	2.25%
Tangible equity to tangible assets (4)	7.42%	6.98%	7.15%	7.66%	8.35%
Stock price information:					
High	$ 22.74	$ 23.94	$ 26.35	$ 26.45	$ 27.00
Low	$ 21.50	$ 22.50	$ 22.82	$ 25.80	$ 24.60
Last trade value at quarter-end	$ 21.90	$ 22.50	$ 23.50	$ 26.00	$ 26.05

(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

	Quarter Ended Dec. 31,	Sep. 30,	Jun. 30,	Mar. 31,	Dec. 31,

(dollars in thousands - unaudited)	2022	2022	2022	2022	2021
Net income	$ 3,600	$ 3,515	$ 3,192	$ 3,330	$ 3,146
Other comprehensive income, net of tax:					
Unrealized loss on securities available for sale	(116)	(4,915)	(5,573)	(14,847)	(973)
Reclassification adjustment for security gain included in net income	-	-	-	-	-
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	93	92	176	-	-
Unrealized gain on interest rate swap	12	32	43	85	31
Reclassification adjustment of interest rate swap settlements included in earnings	(8)	13	28	37	40
Other comprehensive loss	(19)	(4,778)	(5,326)	(14,725)	(902)
Comprehensive income (loss)	$ 3,581	$ (1,263)	$ (2,134)	$ (11,395)	$ 2,244

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Nonaccrual loans (excluding restructured loans)	$ 5,879	$ 6,048	$ 6,036	$ 6,537	$ 6,425
Nonaccrual restructured loans	62	70	146	170	1,000
Restructured loans not on nonaccrual	270	4,904	5,137	5,172	5,213
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	6,211	11,022	11,319	11,879	12,638
Other real estate owned	160	160	160	1,103	1,103
Total nonperforming assets	$ 6,371	$ 11,182	$ 11,479	$ 12,982	$ 13,741
Nonperforming loans as a % of gross loans receivable	0.64%	1.16%	1.21%	1.34%	1.42%
Total nonperforming assets as a % of total assets	0.48%	0.85%	0.88%	1.03%	1.06%
Allowance for loan losses as a % of nonperforming loans	197.92%	112.28%	109.48%	103.89%	96.71%

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

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Buffet Style Restaurant	Nonaccrual	$ 2,938	$ 1,197
Real estate - Independent Auto Repair	Nonaccrual	798	87
Total listed nonperforming assets		$ 3,736	$ 1,284
Total bank wide nonperforming assets		$ 6,371	$ 1,650

Listed assets as a % of total nonperforming assets	59%	78%

PSB Holding, Inc.
Loan Composition by Purpose

Quarter-ended (dollars in thousands)	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Residential real estate:					
One to four family	$ 182,688	$ 172,913	$ 169,437	$ 168,083	$ 168,584
HELOC loans	17,625	18,423	17,776	16,709	17,198
Residential construction & development	20,698	22,313	22,462	21,590	23,093
Residential vacant land	1,414	3,069	1,599	1,697	1,763
Total Residential real estate	222,425	216,718	211,274	208,079	210,638
Commercial/Agricultural real estate:					
Owner occupied					
Commercial real estate	220,375	211,008	205,976	208,271	202,416
SBA commercial real estate	2,514	2,616	2,458	2,530	1,568
Agriculture real estate	3,835	3,902	3,583	3,651	3,716
Construction and land development	22,330	32,158	31,465	26,111	22,380
Commercial vacant land	7,291	5,214	5,351	5,194	3,529
Total Owner occupied	256,345	254,898	248,833	245,757	233,609
Non-owner occupied					
Commercial real estate	228,761	225,823	227,400	212,407	211,688
One to four family residential rental	64,764	66,224	61,749	56,305	52,437
SBA commercial real estate	-	-	-	-	1,010
Construction and land development	27,253	25,543	25,086	23,080	25,899
Commercial vacant land	3,862	4,010	4,287	4,191	4,534
Total Non-owner occupied	324,640	321,600	318,522	295,983	295,568
Commercial/Agricultural non-real estate:					
Municipal non-real estate	9,915	7,133	6,352	6,403	11,858
Commercial line	63,173	56,154	65,728	54,626	52,151
Other commercial non-real estate	87,535	82,430	76,065	64,260	61,115
SBA commercial non-real estate	3,533	3,378	3,926	6,068	17,527
Agricultural non-real estate	1,290	1,491	1,409	1,340	1,130
Total Commercial/Agr. non-real estate	165,446	150,586	153,480	132,697	143,781
Consumer non-real estate:					
Consumer installment	4,072	4,005	4,305	4,201	4,054
Consumer line	382	494	493	486	480
Other consumer	115	116	123	118	117
Total Consumer non-real estate	4,569	4,615	4,921	4,805	4,651
Gross loans	973,425	948,417	937,030	887,321	888,247
Net deferred loan costs (fees)	573	537	503	423	107
Overdrafts	160	107	119	185	205
Allowance for loan losses	(12,293)	(12,375)	(12,392)	(12,341)	(12,222)
Total loans receivable	$ 961,865	$ 936,686	$ 925,260	$ 875,588	$ 876,337

PSB Holdings, Inc.
Deposit Composition

(dollars in thousands)	December 31, 2022		September 30, 2022		June 30, 2022		March 31, 2022		December 31, 2021	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$ 292,338	25.4%	$ 298,335	26.0%	$ 283,592	25.5%	$ 272,611	25.0%	$ 284,477	25.7%
Interest-bearing demand and savings	395,771	34.5%	377,831	32.9%	376,150	33.8%	382,829	35.1%	413,522	37.4%
Money market deposits	216,073	18.8%	228,619	19.9%	226,907	20.4%	221,982	20.4%	219,145	19.8%
Retail and local time deposits <= $250	130,205	11.3%	132,095	11.4%	136,230	12.1%	138,821	12.8%	140,443	12.8%
Total core deposits	1,034,387	90.0%	1,036,880	90.2%	1,022,879	91.8%	1,016,243	93.3%	1,057,587	95.7%
Retail and local time deposits > $250	25,478	2.2%	22,799	2.0%	26,882	2.4%	28,754	2.6%	28,659	2.6%
Broker & national time deposits <= $250	6,451	0.6%	6,700	0.6%	7,443	0.7%	7,443	0.7%	7,793	0.7%
Broker & national time deposits > $250	82,439	7.2%	82,439	7.2%	56,255	5.1%	36,965	3.4%	11,201	1.0%
Totals	$ 1,148,755	100.0%	$ 1,148,818	100.0%	$ 1,113,459	100.0%	$ 1,089,405	100.0%	$ 1,105,240	100.0%

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

	Quarter ended December 31, 2022			Quarter ended September 30, 2022			Quarter ended December 31, 2021		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	$ 957,926	$ 11,266	4.67%	$ 943,724	$ 10,235	4.30%	$ 882,157	$ 8,930	4.02%
Taxable securities	197,070	1,218	2.45%	199,727	978	1.94%	214,626	631	1.17%
Tax-exempt securities (2)	82,074	682	3.30%	82,242	684	3.30%	83,518	639	3.04%
FHLB stock	2,516	32	5.05%	2,579	32	4.92%	2,646	18	2.70%
Other	14,131	109	3.06%	28,823	131	1.80%	53,098	13	0.10%
Total (2)	1,253,717	13,307	4.21%	1,257,095	12,060	3.81%	1,236,045	10,231	3.28%
Non-interest-earning assets:									
Cash and due from banks	18,941			19,400			19,967		
Premises and equipment, net	13,123			13,052			12,699		
Cash surrender value ins	24,822			24,666			24,216		
Other assets	23,548			21,567			14,859		
Allowance for loan losses	(12,375)			(12,380)			(12,006)		
Total	$ 1,321,776			$ 1,323,400			$ 1,295,780		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits	$ 376,075	$ 690	0.73%	$ 375,617	$ 370	0.39%	$ 388,549	$ 76	0.08%
Money market deposits	224,701	601	1.06%	232,713	399	0.68%	222,399	93	0.17%
Time deposits	241,290	769	1.26%	245,353	572	0.92%	188,301	307	0.65%
FHLB borrowings	35,522	167	1.87%	49,924	209	1.66%	52,705	192	1.45%
Other borrowings	11,307	38	1.33%	6,919	14	0.80%	11,585	4	0.14%
Senior sub. notes	4,522	55	4.83%	2,500	28	4.44%	2,500	29	4.60%
Junior sub. debentures	12,806	224	6.94%	12,781	202	6.27%	12,704	165	5.15%
Total	906,223	2,544	1.11%	925,807	1,794	0.77%	878,743	866	0.39%
Non-interest-bearing liabilities:									
Demand deposits	304,000			288,101			293,623		
Other liabilities	11,516			10,862			11,325		
Stockholders' equity	100,037			98,630			112,089		
Total	$ 1,321,776			$ 1,323,400			$ 1,295,780		
Net interest income		$ 10,763			$ 10,266			$ 9,365	

Rate spread	3.10%	3.04%	2.89%
Net yield on interest-earning assets	3.41%	3.24%	3.01%

(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%.

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

	Year ended December 31, 2022			Year ended December 31, 2021		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets						
Interest-earning assets:						
Loans (1)(2)	$ 927,720	$ 39,871	4.30%	$ 875,571	$ 37,702	4.31%
Taxable securities	204,630	3,817	1.87%	176,816	2,272	1.28%
Tax-exempt securities (2)	82,977	2,720	3.28%	84,141	2,547	3.03%
FHLB stock	2,597	114	4.39%	2,551	89	3.49%
Other	20,848	284	1.36%	48,616	58	0.12%
Total (2)	1,238,772	46,806	3.78%	1,187,695	42,668	3.59%
Non-interest-earning assets:						
Cash and due from banks	18,772			20,003		
Premises and equipment, net	12,988			12,625		
Cash surrender value ins	24,591			22,527		
Other assets	20,896			14,184		
Allowance for loan losses	(12,347)			(11,767)		
Total	$	1,303,672		$	1,245,267	
Liabilities & stockholders' equity						
Interest-bearing liabilities:						
Savings and demand deposits	$ 381,849	$ 1,251	0.33%	$ 364,602	$ 279	0.08%
Money market deposits	223,409	1,210	0.54%	216,888	397	0.18%
Time deposits	227,570	1,978	0.87%	174,001	1,236	0.71%
FHLB borrowings	49,784	779	1.56%	63,180	848	1.34%
Other borrowings	7,439	58	0.78%	20,259	28	0.14%
Senior sub. notes	3,010	139	4.62%	2,500	113	4.52%
Junior sub. debentures	12,768	771	6.04%	10,708	584	5.45%
Total	905,829	6,186	0.68%	852,138	3,485	0.41%
Non-interest-bearing liabilities:						
Demand deposits	285,261			271,866		
Other liabilities	11,330			11,032		
Stockholders' equity	101,252			110,231		
Total	$	1,303,672		$	1,245,267	
Net interest income		$ 40,620			$ 39,183	
Rate spread			3.10%			3.18%
Net yield on interest-earning assets			3.28%			3.30%

(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 tax rate of 21%.

Investor Relations Contact

PSB Holdings, Inc.
1905 Stewart Avenue
Wausau, WI 54401
888.929.9902
InvestorRelations@bankpeoples.com

Source: PSB Holdings, Inc.