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PSB Holdings, Inc.

Stock Symbol: PSBQ | Real-Time Quotes: www.OTCmarkets.com

PSB Holdings, Inc. Reports Earnings of \$0.60 Per Share for Q1 2025; Net Interest Margin Improves For Fourth Consecutive Quarter

Wausau, WI – April 24, 2025 – 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, 2025 of \$0.60 per common share on net income of \$2.4 million, compared to \$0.73 per common share on net income of \$3.0 million during the fourth quarter ending December 31, 2024, and \$0.39 per common share on net income of \$1.6 million during the first quarter ending March 31, 2024.

PSB’s first quarter 2025 operating results reflected the following changes from the fourth quarter of 2024: (1) a stronger net interest margin as asset yields rose and funding costs declined; (2) the addition of a provision for loan losses due to loan growth; (3) higher non-interest income due to lower losses on the sale of securities and an increase in investment and insurance sale commissions; (4) higher non-interest expenses due to higher salaries and employee benefit expenses associated with commercial loan growth incentives and the addition of wealth management personnel; and (5) loan growth of 2% during the quarter.

“We are encouraged with the steady improvements in our net interest margin while also continuing solid loan growth as customers are seeing value in our relationship. We expect operating expenses to decline in the coming quarter and are cautiously optimistic for earnings growth for the remainder of 2025,” stated Scott Cattanach, President and CEO.

March 31, 2025, Highlights:

- Net interest income decreased \$121,000 to \$10.3 million for the quarter ended March 31, 2025, from \$10.4 million for the quarter ended December 31, 2024, due in part to two fewer days during the quarter. Meanwhile, asset and loan yields increased while funding costs declined slightly.
- Noninterest income increased \$589,000 to \$1.9 million for the quarter ended March 31, 2025, compared to \$1.3 million the prior quarter due to a smaller loss on the sale of securities and an increase in investment and insurance sales commissions.
- Noninterest expenses increased to \$967,000 to \$9.0 million during the quarter ended March 31, 2025 from \$8.0 million for the quarter ended December 31, 2024, reflecting higher salary and benefit expenses associated with growth incentive payments and the addition of wealth management personnel in the purchase of the Larson Financial Group, LLC.
- Loans increased \$18.2 million, or 2% in the first quarter ended March 31, 2025, to \$1.10 billion largely due to new commercial & industrial, commercial real estate and construction and development loans. Allowance for credit losses was 1.12% of gross loans.

- Non-performing assets increased \$2.6 million to \$13.0 million, or 0.89% of total assets at March 31, 2025 compared to the previous quarter, from addition of commercial rental real estate units undergoing a sale process.
- Total deposits decreased \$17.3 million to \$1.13 billion at March 31, 2025 from \$1.15 billion at December 31, 2024, with the decrease largely consisting of normal commercial money market deposit outflows and seasonal municipal deposit outflows.
- Return on average tangible common equity was 9.21% for the quarter ended March 31, 2025, compared to 11.07% the prior quarter and 6.57% in the year ago quarter.
- Tangible book value per common share was up 11.3% over the past year to \$26.94 at March 31, 2025, compared to \$24.21 at March 31, 2024. Additionally, PSB paid dividends totaling \$0.64 per share during the past year.
- On January 21, 2025, the Bank acquired Larson Financial Group, LLC, a financial advisory company based in Wausau, WI.

Balance Sheet and Asset Quality Review

Total assets decreased \$6.2 million during the first quarter to \$1.46 billion at March 31, 2025, compared to \$1.47 billion at December 31, 2024. Cash and cash equivalents decreased \$17.8 million to \$22.7 million at March 31, 2025 from \$40.5 million at December 31, 2024 as funds were used to originate new loans and fund the outflow of seasonal municipal deposits and normal commercial customer treasury management operations. Cash and cash equivalents increased \$6.8 million from one year earlier. Investment securities available for sale decreased \$6.5 million to \$182.6 million at March 31, 2025, from \$189.1 million one quarter earlier. Total collateralized liquidity available to meet cash demands was approximately \$323 million at March 31, 2025, with an additional \$323 million that could be raised in a short time frame from the brokered CDs market.

Gross loans receivable increased \$19.3 million to \$1.14 billion at March 31, 2025, compared to one quarter earlier, due primarily to increased commercial real estate, construction & development and commercial & industrial lending. Commercial real estate loans increased \$11.3 million to \$562.9 million at March 31, 2025 and gross construction and development lending increased \$7.7 million to \$87.1 million at March 31, 2025, compared to one quarter earlier. Commercial & industrial loans increased \$7.2 million to \$124.1 million at March 31, 2025. Offsetting gross loan growth, residential real estate loans decreased \$3.7 million from the prior quarter to \$333.7 million, municipal loans decreased \$2.8 million to \$12.9 million and consumer installment loans decreased \$0.4 million to \$4.7 million. The loan portfolio remains well diversified with commercial real estate and construction loans totaling 57.2% of gross loans, followed by residential real estate loans at 29.3% of gross loans, commercial non-real estate loans at 13.1% and consumer loans at 0.4%.

The allowance for credit losses decreased slightly to 1.12% of gross loans at March 31, 2025, from 1.13% the prior quarter. Annualized net charge-offs to average loans were 0.02% for the quarter ended March 31, 2025. Non-performing assets increased \$2.6 million to \$13.0 million, or 0.89% of total assets at March 31, 2025 from 0.71% at December 31, 2024. The increase reflects a loan relationship we expect to have \$1.5 million in repayment in the next 6 months as collateral undergoes a sales process. No specific reserves have been established on the loan as ample collateral currently appears available. Approximately 80% of the non-performing assets consisted of four loan relationships.

Goodwill and other intangibles increased slightly during the quarter ended March 31, 2025 to \$3.8 million from \$2.7 million one quarter earlier. The increase in intangibles relates to the acquisition of Larson Financial Group, LLC in January 2025.

Total deposits decreased \$17.3 million to \$1.13 billion at March 31, 2025, from \$1.15 billion at December 31, 2024. The decrease in deposits reflects a \$22.9 million decrease in uninsured deposits during the first quarter composed primarily of money market deposits, consisting of normal commercial customer operation outflows, particularly with one customer accounting for \$18 million of the decline who reinvested following the sale of their business in 2024. Meanwhile, brokered deposits increased \$22.9 million and insured and collateralized deposits increased \$5.6 million in the quarter ended March 31, 2025.

At March 31, 2025, non-interest bearing demand deposits decreased to 21.8% of total deposits from 22.6% the prior quarter, while interest-bearing demand and savings deposits remained at 29.4% of deposits.

FHLB advances increased \$8.0 million to \$170.3 million at March 31, 2025, compared to \$162.3 million at December 31, 2024.

Tangible stockholder equity as a percentage of total tangible assets increased to 8.05% at March 31, 2025, compared to 7.76% at December 31, 2024, and 7.60% at March 31, 2024.

Tangible net book value per common share increased \$2.73 to \$26.94, at March 31, 2025, compared to \$24.21 one year earlier, an increase of 11.3% after dividends of \$0.64 were paid to shareholders. Relative to the prior quarter's tangible book value per common share of \$25.98, tangible net book value per common share increased primarily due to earnings and an increase in the fair market value in the investment portfolios. The accumulated other comprehensive loss on the investment portfolio was \$16.7 million at March 31, 2025, compared to \$19.3 million one quarter earlier.

Operations Review

Net interest income decreased to \$10.3 million (on a net margin of 3.03%) for the first quarter of 2025, from \$10.4 million (on a net margin of 2.96%) for the fourth quarter of 2024, and increased from \$9.3 million (on a net margin of 2.80%) for the first quarter of 2024. The lower net interest income in the current period while net margin also increased primarily relates to a lower level of earnings assets during the quarter. Meanwhile, earning asset yields increased to 5.35% during the first quarter of 2025 from 5.29% the prior period and interest bearing deposit and borrowing costs decreased four basis points to 3.02% compared to 3.06% during the fourth quarter of 2024. Relative to one year earlier, earning asset yields were up 23 basis points while interest bearing deposit and borrowing costs increased two basis points.

The increase in earning asset yields was due to higher yields on loan originations, loan renewals, security purchases and security repricing. Loan yields increased during the first quarter of 2025 to 5.82% from 5.80% for the fourth quarter of 2024. Taxable security yields were 3.35% for the quarter ended March 31, 2025, compared to 3.16% for the quarter ended December 31, 2024, while tax-exempt security yields increased to 3.35% for the quarter ended March 31, 2025 from 3.31% the previous quarter. The increase in taxable security yields reflects some security restructuring activity from security sales in the prior quarter more fully realized in the current quarter.

The cost of all deposits increased slightly to 2.09% for the quarter ended March 31, 2025, compared to 2.08% the prior quarter, while the overall cost of funds decreased four basis points to 3.02% from 3.06% during the same time period. Deposit costs for time deposits decreased during the first quarter with time deposits decreasing five basis points to 3.97% and money market deposits decreasing 12 basis points to 2.44%. Savings and demand deposits increased three basis points to 1.87%. FHLB advances increased one basis point to 4.41% for the quarter ended March 31, 2025.

Total noninterest income increased \$589,000 during the first quarter of 2025 to \$1.9 million, from \$1.3 million for the fourth quarter of 2024 due primarily to a lower net loss on sale of securities and increased investment and insurance sales commissions of \$100,000. Mortgage banking income decreased to \$250,000 in the first quarter from \$414,000 the prior quarter while various increases in nominal revenue sources accounted for the remaining increase in noninterest income. At March 31, 2025, the Bank serviced \$373.4 million in secondary market residential mortgage loans for others which provide fee income.

Noninterest expenses increased \$967,000 to \$9.0 million for the first quarter of 2025, compared to \$8.0 million for the fourth quarter of 2024, and increased \$644,000 from \$8.3 million for the first quarter of 2024. On a linked quarter basis, December 2024 quarter salary and benefits expense was reduced from year-end final adjustments to incentive estimates, while March 2025 quarterly salary and benefits increased as commercial growth, and related incentives, were greater than budgeted. The LFG acquisition also increased wage and benefit expense. Intangible amortization increased slightly during the first quarter related to the acquisition. Occupancy and facilities costs increased \$95,000, data processing and other office operation expenses increased \$90,000 and various other noninterest expenses increased \$177,000 during the first quarter ended March 31, 2025.

Taxes decreased \$51,000 during the first quarter to \$473,000, from \$524,000 one quarter earlier. The effective tax rate for the quarter ended March 31, 2025, was 15.6% compared to 14.4% for the fourth quarter ended December 31, 2024.

About PSB Holdings, Inc.

PSB Holdings, Inc. is the parent company of Peoples State Bank. Peoples is a community bank headquartered in Wausau, Wisconsin, serving northcentral and southeastern Wisconsin from twelve full-service banking locations in Marathon, Oneida, Vilas, Portage, Milwaukee and Waukesha counties 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.

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PSB Holdings, Inc.
Consolidated Balance Sheets

March 31, 2025, September 30, June 30, and March 31, 2024, unaudited, December 31, 2024 derived from audited financial statements

	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
(dollars in thousands, except per share data)					
Assets					
Cash and due from banks	\$ 19,628	\$ 21,414	\$ 23,554	\$ 16,475	\$ 13,340
Interest-bearing deposits	702	3,724	5,126	251	105
Federal funds sold	2,351	15,360	58,434	69,249	2,439
Cash and cash equivalents	22,681	40,498	87,114	85,975	15,884
Securities available for sale (at fair value)	182,594	189,086	174,911	165,177	165,566
Securities held to maturity (fair values of \$77,375, \$79,654, \$82,389, \$79,993 and \$81,234 respectively)	85,373	86,748	86,847	86,825	87,104
Equity securities	2,847	2,782	1,752	1,661	1,474
Loans held for sale	734	217	-	2,268	865
Loans receivable, net (allowance for credit losses of \$12,392, \$12,342, \$12,598, \$12,597 and \$12,494 respectively)	1,096,422	1,078,204	1,057,974	1,074,844	1,081,394
Accrued interest receivable	5,184	5,042	4,837	5,046	5,467
Foreclosed assets	300	-	-	-	-
Premises and equipment, net	13,522	13,805	14,065	14,048	13,427
Mortgage servicing rights, net	1,717	1,742	1,727	1,688	1,657
Federal Home Loan Bank stock (at cost)	8,825	8,825	8,825	8,825	7,006
Cash surrender value of bank-owned life insurance	24,897	24,732	24,565	24,401	24,242
Other intangibles	353	195	212	229	249
Goodwill	3,495	2,541	2,541	2,541	2,541
Other assets	10,828	11,539	10,598	12,111	11,682
TOTAL ASSETS	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968	\$ 1,485,639	\$ 1,418,558
Liabilities					
Non-interest-bearing deposits	\$ 245,672	\$ 259,515	\$ 265,078	\$ 250,435	\$ 247,608
Interest-bearing deposits	884,364	887,834	874,035	901,886	865,744
Total deposits	1,130,036	1,147,349	1,139,113	1,152,321	1,113,352
Federal Home Loan Bank advances	170,250	162,250	181,250	184,900	158,250
Other borrowings	6,343	6,872	6,128	5,775	8,096
Senior subordinated notes	4,783	4,781	4,779	4,778	4,776
Junior subordinated debentures	13,049	13,023	12,998	12,972	12,947
Allowance for credit losses on unfunded commitments	672	672	477	477	477
Accrued expenses and other liabilities	13,554	14,723	12,850	13,069	10,247
Total liabilities	1,338,687	1,349,670	1,357,595	1,374,292	1,308,145
Stockholders' equity					
Preferred stock - no par value:					
Authorized - 30,000 shares; Issued - 7,200 shares					
Outstanding - 7,200 shares, respectively	7,200	7,200	7,200	7,200	7,200
Common stock - no par value with a stated value of \$1.00 per share:					
Authorized - 18,000,000 shares; Issued - 5,490,798 shares					
Outstanding - 4,084,708, 4,092,977, 4,105,594, 4,128,382 and 4,147,649 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,608	8,610	8,567	8,527	8,466
Retained earnings	142,277	139,838	138,142	135,276	134,271
Accumulated other comprehensive income (loss), net of tax	(16,692)	(19,314)	(15,814)	(20,503)	(20,775)
Treasury stock, at cost - 1,406,090, 1,397,821, 1,385,204, 1,362,416 and 1,343,149 shares, respectively	(22,138)	(21,878)	(21,552)	(20,983)	(20,579)
Total stockholders' equity	121,085	116,286	118,373	111,347	110,413
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,459,772	\$ 1,465,956	\$ 1,475,968	\$ 1,485,639	\$ 1,418,558

PSB Holdings, Inc.
Consolidated Statements of Income

	Quarter Ended				
(dollars in thousands, except per share data - unaudited)	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Interest and dividend income:					
Loans, including fees	\$ 15,782	\$ 15,646	\$ 15,634	\$ 15,433	\$ 15,109
Securities:					
Taxable	1,641	1,545	1,345	1,295	1,197
Tax-exempt	517	522	522	521	526
Other interest and dividends	345	948	699	265	343
Total interest and dividend income	18,285	18,661	18,200	17,514	17,175
Interest expense:					
Deposits	5,884	6,027	5,905	5,838	6,082
FHLB advances	1,792	1,890	2,038	1,860	1,450
Other borrowings	47	57	57	58	60
Senior subordinated notes	59	59	59	58	59
Junior subordinated debentures	248	252	252	255	251
Total interest expense	8,030	8,285	8,311	8,069	7,902
Net interest income	10,255	10,376	9,889	9,445	9,273
Provision for credit losses	117	-	-	100	95
Net interest income after provision for credit losses	10,138	10,376	9,889	9,345	9,178
Noninterest income:					
Service fees	358	362	367	350	336
Mortgage banking income	250	414	433	433	308
Investment and insurance sales commissions	326	226	230	222	121
Net loss on sale of securities	(1)	(511)	-	-	(495)
Increase in cash surrender value of life insurance	163	166	165	159	157
Other noninterest income	770	620	648	742	617
Total noninterest income	1,866	1,277	1,843	1,906	1,044
Noninterest expense:					
Salaries and employee benefits	5,302	4,691	4,771	5,167	5,123
Occupancy and facilities	786	691	757	733	721
Loss (gain) on foreclosed assets	-	-	1	-	-
Data processing and other office operations	1,201	1,111	1,104	1,047	1,022
Advertising and promotion	129	141	164	171	129
Amortization of intangibles	23	17	17	20	24
Other noninterest expenses	1,528	1,351	1,337	1,257	1,306
Total noninterest expense	8,969	8,002	8,151	8,395	8,325
Income before provision for income taxes	3,035	3,651	3,581	2,856	1,897
Provision for income taxes	473	524	593	410	169
Net income	\$ 2,562	\$ 3,127	\$ 2,988	\$ 2,446	\$ 1,728
Preferred stock dividends declared	\$ 122	\$ 122	\$ 122	\$ 122	\$ 122
Net income available to common shareholders	\$ 2,440	\$ 3,005	\$ 2,866	\$ 2,324	\$ 1,606
Basic earnings per common share	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 0.39
Diluted earnings per common share	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 0.39

PSB Holdings, Inc.
Quarterly Financial Summary

(dollars in thousands, except per share data)

	Quarter ended				
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Earnings and dividends:					
Interest income	\$ 18,285	\$ 18,661	\$ 18,200	\$ 17,514	\$ 17,175
Interest expense	\$ 8,030	\$ 8,285	\$ 8,311	\$ 8,069	\$ 7,902
Net interest income	\$ 10,255	\$ 10,376	\$ 9,889	\$ 9,445	\$ 9,273
Provision for credit losses	\$ 117	\$ -	\$ -	\$ 100	\$ 95
Other noninterest income	\$ 1,866	\$ 1,277	\$ 1,843	\$ 1,906	\$ 1,044
Other noninterest expense	\$ 8,969	\$ 8,002	\$ 8,151	\$ 8,395	\$ 8,325
Net income available to common shareholders	\$ 2,440	\$ 3,005	\$ 2,866	\$ 2,324	\$ 1,606
Basic earnings per common share (3)	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 0.39
Diluted earnings per common share (3)	\$ 0.60	\$ 0.73	\$ 0.69	\$ 0.56	\$ 0.39
Dividends declared per common share (3)	\$ -	\$ 0.32	\$ -	\$ 0.32	\$ -
Tangible net book value per common share (4)	\$ 26.94	\$ 25.98	\$ 26.41	\$ 24.55	\$ 24.21
Semi-annual dividend payout ratio	n/a	23.27%	n/a	33.61%	n/a
Average common shares outstanding	4,088,824	4,094,360	4,132,218	4,139,456	4,154,702

Balance sheet - average balances:

Loans receivable, net of allowances for credit loss	\$ 1,091,533	\$ 1,064,619	\$ 1,066,795	\$ 1,088,013	\$ 1,081,936
Assets	\$ 1,462,862	\$ 1,479,812	\$ 1,445,613	\$ 1,433,749	\$ 1,429,437
Deposits	\$ 1,140,397	\$ 1,151,450	\$ 1,110,854	\$ 1,111,240	\$ 1,138,010
Stockholders' equity	\$ 118,576	\$ 118,396	\$ 114,458	\$ 110,726	\$ 109,473

Performance ratios:

Return on average assets (1)	0.71%	0.84%	0.82%	0.69%	0.49%
Return on average common stockholders' equity (1)	8.88%	10.75%	10.63%	9.03%	6.32%
Return on average tangible common stockholders' equity (1)(4)	9.21%	11.07%	10.96%	9.34%	6.57%
Net loan charge-offs to average loans (1)	0.02%	0.02%	0.00%	0.00%	0.00%
Nonperforming loans to gross loans	1.15%	0.95%	0.97%	1.15%	1.08%
Nonperforming assets to total assets	0.89%	0.71%	0.71%	0.84%	0.83%
Allowance for credit losses to gross loans	1.12%	1.13%	1.18%	1.16%	1.14%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	10.71%	8.85%	8.71%	11.09%	10.59%
Net interest rate margin (1)(2)	3.03%	2.96%	2.90%	2.84%	2.80%
Net interest rate spread (1)(2)	2.33%	2.23%	2.16%	2.15%	2.12%
Service fee revenue as a percent of average demand deposits (1)	0.58%	0.53%	0.56%	0.56%	0.54%
Noninterest income as a percent of gross revenue	9.26%	6.40%	9.20%	9.81%	5.73%
Efficiency ratio (2)	72.88%	67.59%	68.43%	72.52%	78.93%
Noninterest expenses to average assets (1)	2.49%	2.15%	2.24%	2.35%	2.34%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	9.22%	9.08%	9.06%	9.03%	8.98%
Tangible equity to tangible assets (4)	8.05%	7.76%	7.85%	7.32%	7.60%

Stock price information:

High	\$ 26.50	\$ 27.90	\$ 25.00	\$ 21.40	\$ 22.50
Low	\$ 25.60	\$ 25.00	\$ 20.30	\$ 19.75	\$ 20.05
Last trade value at quarter-end	\$ 25.70	\$ 26.50	\$ 25.00	\$ 20.40	\$ 21.25

(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 goodwill and other intangibles.

PSB Holdings, Inc.
Consolidated Statements of Comprehensive Income

(dollars in thousands - unaudited)	Quarter Ended				
	Mar. 31, 2025	Dec. 31, 2024	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024
Net income	\$ 2,562	\$ 3,127	\$ 2,988	\$ 2,446	\$ 1,728
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	2,551	(3,955)	4,738	184	(615)
Reclassification adjustment for security loss included in net income	1	404	-	-	391
Accretion of unrealized loss included in net income on securities available for sale deferred tax adjustment for Wisconsin Act 19	-	(76)	-	-	(35)
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	89	90	90	89	91
Unrealized gain (loss) on interest rate swap	(6)	65	(101)	39	122
Reclassification adjustment of interest rate swap settlements included in earnings	(13)	(27)	(38)	(40)	(41)
Other comprehensive income (loss)	2,622	(3,499)	4,689	272	(87)
Comprehensive income (loss)	\$ 5,184	\$ (372)	\$ 7,677	\$ 2,718	\$ 1,641

PSB Holdings, Inc.**Nonperforming Assets as of:**

	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
(dollars in thousands)					
Nonaccrual loans (excluding restructured loans)	\$ 12,404	\$ 10,109	\$ 10,116	\$ 12,184	\$ 11,498
Nonaccrual restructured loans	17	18	25	28	30
Restructured loans not on nonaccrual	280	286	292	299	304
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	12,701	10,413	10,433	12,511	11,832
Other real estate owned	300	-	-	-	-
Total nonperforming assets	\$ 13,001	\$ 10,413	\$ 10,433	\$ 12,511	\$ 11,832
Nonperforming loans as a % of gross loans receivable	1.15%	0.95%	0.97%	1.15%	1.08%
Total nonperforming assets as a % of total assets	0.89%	0.71%	0.71%	0.84%	0.83%
Allowance for credit losses as a % of nonperforming loans	97.57%	118.52%	120.75%	100.69%	105.59%

PSB Holdings, Inc.**Nonperforming Assets >= \$500,000 net book value before specific reserves****At March 31, 2025**

(dollars in thousands)

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Recreational Facility	Nonaccrual	4,051	148
Real estate - Independent Auto Repair	Nonaccrual	514	0
Real estate - Dealership	Nonaccrual	2,708	560
Real estate - Rental Units	Nonaccrual	3,077	0
Total listed nonperforming assets		\$ 10,350	\$ 708
Total bank wide nonperforming assets		\$ 13,001	\$ 1,055
Listed assets as a % of total nonperforming assets		80%	67%

PSB Holding, Inc.
Loan Composition by Collateral Type

Quarter-ended (dollars in thousands)	Mar 31, 2025	Dec 31, 2024	Sep 30, 2024	Jun 30, 2024	Mar 31, 2024
Commercial:					
Commercial and industrial	\$ 124,074	\$ 116,864	\$ 115,234	\$ 125,508	\$ 118,821
Agriculture	11,632	11,568	11,203	11,480	12,081
Municipal	12,878	15,733	12,596	11,190	28,842
Total Commercial	148,584	144,165	139,033	148,178	159,744
Commercial Real Estate:					
Commercial real estate	562,901	551,641	541,577	544,171	546,257
Construction and development	87,080	79,377	60,952	70,540	63,375
Total Commercial Real Estate	649,981	631,018	602,529	614,711	609,632
Residential real estate:					
Residential	268,490	271,643	269,954	270,944	274,300
Construction and development	26,884	28,959	34,655	36,129	34,158
HELOC	38,364	36,887	36,734	33,838	31,357
Total Residential Real Estate	333,738	337,489	341,343	340,911	339,815
Consumer installment	4,683	5,060	4,770	4,423	4,867
Subtotals - Gross loans	1,136,986	1,117,732	1,087,675	1,108,223	1,114,058
Loans in process of disbursement	(28,752)	(27,791)	(17,836)	(21,484)	(20,839)
Subtotals - Disbursed loans	1,108,234	1,089,941	1,069,839	1,086,739	1,093,219
Net deferred loan costs	580	605	733	702	669
Allowance for credit losses	(12,392)	(12,342)	(12,598)	(12,597)	(12,494)
Total loans receivable	\$ 1,096,422	\$ 1,078,204	\$ 1,057,974	\$ 1,074,844	\$ 1,081,394

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

	Mar 31,		Dec 31,		Sept 30,		June 30,		Mar 31,	
(dollars in thousands)	2025		2024		2024		2024		2024	
	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)	Total Exposure	% of Portfolio (1)
Multi Family	\$ 143,674	13.9%	\$ 140,087	14.0%	\$ 140,307	14.7%	\$ 146,873	15.2%	\$ 142,001	14.4%
Industrial and Warehousing	100,494	9.7	88,297	8.8	86,818	9.1	86,025	8.9	85,409	8.6
Retail	40,779	3.9	33,991	3.4	33,020	3.5	34,846	3.6	33,177	3.4
Hotels	30,928	3.0	31,101	3.1	31,611	3.3	34,613	3.6	35,105	3.6
Office	7,254	0.7	6,234	0.6	6,378	0.7	6,518	0.7	6,655	0.7

(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,		December 31,		September 30,		June 30,		March 31,	
	2025		2024		2024		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$206,562	18.3%	\$204,167	17.8%	\$ 210,534	18.5%	\$ 202,343	17.5%	\$ 199,076	17.8%
Interest-bearing demand and savings	314,957	27.9%	315,900	27.6%	305,631	26.8%	304,392	26.5%	318,673	28.7%
Money market deposits	118,047	10.4%	141,024	12.3%	138,376	12.2%	137,637	12.0%	143,167	12.9%
Retail and local time deposits <= \$250	158,066	14.0%	155,099	13.5%	155,988	13.7%	149,298	13.0%	148,404	13.3%
Total core deposits	797,632	70.6%	816,190	71.2%	810,529	71.2%	793,670	69.0%	809,320	72.7%
Retail and local time deposits > \$250	26,750	2.3%	25,500	2.2%	23,500	2.1%	22,500	2.0%	24,508	2.3%
Broker & national time deposits <= \$250	1,241	0.1%	1,241	0.1%	1,241	0.1%	1,490	0.1%	2,229	0.2%
Broker & national time deposits > \$250	79,090	7.0%	56,164	4.9%	56,164	4.9%	56,328	4.9%	61,752	5.5%
Totals	\$904,713	80.0%	\$899,095	78.4%	\$891,434	78.3%	\$873,988	76.0%	\$897,809	80.7%

PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits (dollars in thousands)	March 31,		December 31,		September 30,		June 30,		March 31,	
	2025		2024		2024		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$39,110	3.5%	\$55,348	4.8%	\$ 54,544	4.8%	\$ 48,092	4.1%	\$ 48,532	4.4%
Interest-bearing demand and savings	17,262	1.5%	20,934	1.8%	18,317	1.6%	32,674	2.8%	20,535	1.8%
Money market deposits	150,222	13.3%	153,334	13.4%	157,489	13.8%	177,954	15.4%	124,766	11.2%
Retail and local time deposits <= \$250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	206,594	18.3%	229,616	20.0%	230,350	20.2%	258,720	22.3%	193,833	17.4%
Retail and local time deposits > \$250	18,729	1.7%	18,638	1.6%	17,329	1.5%	19,613	1.7%	21,710	1.9%
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	\$225,323	20.0%	\$248,254	21.6%	\$247,679	21.7%	\$278,333	24.0%	\$215,543	19.3%

PSB Holdings, Inc.
Deposit Composition

Total Deposits (dollars in thousands)	March 31,		December 31,		September 30,		June 30,		March 31,	
	2025		2024		2024		2024		2024	
	\$	%	\$	%	\$	%	\$	%	\$	%
Non-interest bearing demand	\$245,672	21.8%	\$259,515	22.6%	\$ 265,078	23.3%	\$ 250,435	21.6%	\$ 247,608	22.2%
Interest-bearing demand and savings	332,219	29.4%	336,834	29.4%	323,948	28.4%	337,066	29.3%	339,208	30.5%
Money market deposits	268,269	23.7%	294,358	25.7%	295,865	26.0%	315,591	27.4%	267,933	24.1%
Retail and local time deposits <= \$250	158,066	14.0%	155,099	13.5%	155,988	13.7%	149,298	13.0%	148,404	13.3%
Total core deposits	1,004,226	88.9%	1,045,806	91.2%	1,040,879	91.4%	1,052,390	91.3%	1,003,153	90.1%
Retail and local time deposits > \$250	45,479	4.0%	44,138	3.8%	40,829	3.6%	42,113	3.7%	46,218	4.2%
Broker & national time deposits <= \$250	1,241	0.1%	1,241	0.1%	1,241	0.1%	1,490	0.1%	2,229	0.2%
Broker & national time deposits > \$250	79,090	7.0%	56,164	4.9%	56,164	4.9%	56,328	4.9%	61,752	5.5%
Totals	\$1,130,036	100.0%	\$1,147,349	100.0%	\$1,139,113	100.0%	\$1,152,321	100.0%	\$1,113,352	100.0%

PSB Holdings, Inc.**Average Balances (\$000) and Interest Rates**

(dollars in thousands)

	Quarter ended March 31, 2025			Quarter ended December 31, 2024			Quarter ended March 31, 2024		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	\$ 1,103,895	\$ 15,830	5.82%	\$ 1,077,242	\$ 15,693	5.80%	\$ 1,094,321	\$ 15,199	5.59%
Taxable securities	198,426	1,641	3.35%	194,272	1,545	3.16%	171,788	1,197	2.80%
Tax-exempt securities (2)	79,282	654	3.35%	79,475	661	3.31%	80,434	666	3.33%
FHLB stock	8,825	241	11.08%	8,825	227	10.23%	6,499	165	10.21%
Other	8,960	104	4.71%	58,405	721	4.91%	12,885	178	5.56%
Total (2)	1,399,388	18,470	5.35%	1,418,219	18,847	5.29%	1,365,927	17,405	5.12%
Non-interest-earning assets:									
Cash and due from banks	16,292			15,500			17,367		
Premises and equipment, net	13,728			14,001			13,183		
Cash surrender value ins	24,795			24,625			24,144		
Other assets	21,021			20,090			21,201		
Allowance for credit losses	(12,362)			(12,623)			(12,385)		
Total	\$ 1,462,862			\$ 1,479,812			\$ 1,429,437		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits	\$ 339,909	\$ 1,567	1.87%	\$ 319,777	\$ 1,479	1.84%	\$ 350,497	\$ 1,672	1.92%
Money market deposits	280,396	1,685	2.44%	304,897	1,961	2.56%	274,186	1,897	2.78%
Time deposits	268,821	2,632	3.97%	256,201	2,587	4.02%	264,657	2,513	3.82%
FHLB borrowings	164,968	1,792	4.41%	170,701	1,890	4.40%	142,926	1,450	4.08%
Other borrowings	6,321	47	3.02%	6,848	57	3.31%	8,554	60	2.82%
Senior sub. notes	4,782	59	5.00%	4,780	59	4.91%	4,775	59	4.97%
Junior sub. debentures	13,036	248	7.72%	13,011	252	7.71%	12,934	251	7.81%
Total	1,078,233	8,030	3.02%	1,076,215	8,285	3.06%	1,058,529	7,902	3.00%
Non-interest-bearing liabilities:									
Demand deposits	251,271			270,575			248,670		
Other liabilities	14,782			14,626			12,765		
Stockholders' equity	118,576			118,396			109,473		
Total	\$ 1,462,862			\$ 1,479,812			\$ 1,429,437		
Net interest income	\$ 10,440			\$ 10,562			\$ 9,503		
Rate spread			2.33%			2.23%			2.12%
Net yield on interest-earning assets			3.03%			2.96%			2.80%

(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%.