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PSB Holdings, Inc.

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

PSB Holdings, Inc. Reports Quarterly Earnings of $0.81 Per Share

Wausau, WI – July 27, 2026 – PSB Holdings, Inc. ("PSB") (OTCQX: PSBQ), the holding company for Peoples State Bank ("Peoples") serving Northcentral and Southeastern Wisconsin reported earnings for the second quarter ending June 30, 2026 of $0.81 per diluted common share on net income of $3.3 million, which was similar to $0.82 per diluted common share on net income of $3.3 million during the first quarter ending March 31, 2026, and lower than $0.89 per diluted common share on net income of $3.6 million during the second quarter ending June 30, 2025.

PSB's second quarter of 2026 operating results reflected the following changes from the first quarter of 2026: (1) an increase in net interest margin due to primarily a higher balance of loans; (2) lower provisions for loan credit loss due in part to stabilizing asset quality; (3) lower non-interest income; (4) lower non-interest expenses due to a decrease in salary and employee benefits; and (5) higher merger related expenses.

PSB announced on May 19, 2026 that it entered into an Agreement and Plan of Merger with Bank First Corporation ("Bank First"), under which Bank First will acquire 100% of the common stock of PSB in an all-stock transaction. Under the terms of the Agreement and Plan of Merger, each PSB shareholder will have the right to receive 0.3470 of a share of Bank First's common stock in exchange for each share of PSB's common stock. The aggregate consideration is valued at approximately $202.9 million, based on the closing price of Bank First common stock as of May 18, 2026, of $143.66 per share.

"We remain vigilant in our efforts to generate strong profitability for our shareholders. Operational efficiencies improved during the second quarter as we navigate our pending merger with Bank First. Our decision to merge with Bank First and the terms negotiated was greeted positively by shareholders, with an acquisition price 83% higher than the trading price the day before the merger announcement. Meanwhile, we continue to reward our shareholders with the payment of dividends," stated Scott Cattanach, President and CEO. "We have filed all regulatory applications and are optimistic in attaining all regulatory and shareholder approvals in the third quarter with closing potentially extending into early fourth quarter."

June 30, 2026, Highlights:

- Net income excluding merger related expenses was $3.8 million, or $0.94 per diluted common share. Additionally, the efficiency ratio excluding merger related expenses was 62.7% for the quarter ended June 30, 2026.

- Net interest income increased $259,000 to $12.1 million for the quarter ended June 30, 2026, from $11.9 million for the quarter ended March 31, 2026, due in part to higher loan balances with higher yields, repricing existing loans to higher rates and lower deposit and FHLB advance costs.

- Noninterest income decreased $200,000 to $2.1 million for the quarter ended June 30, 2026, compared to $2.3 million the prior quarter, partially due to lower investment and insurance sales commissions. The prior quarter reflected the receipt of life insurance benefits, elevated gains on sales of SBA 7A loans and other nominal revenues offset by losses on security sales.

- Noninterest expenses decreased $94,000 to $9.7 million during the quarter ended June 30, 2026 from $9.8 million for the quarter ended March 31, 2026, reflecting lower salary and benefit plan expenses related to lower incentive accruals for fiscal 2026 and staff reductions. Merger expenses were $671,000 for the second quarter ending June 30, 2026 compared to $120,000 for the quarter ended March 31, 2026.

- Net loans increased $17.6 million in the second quarter ended June 30, 2026, to $1.13 billion compared to $1.12 billion at March 31, 2026. Allowance for credit losses increased to 1.17% of gross loans.

- Non-performing assets decreased to 1.08% of total assets at June 30, 2026, compared to 1.09% the previous quarter.

- Total deposits decreased $8.8 million to $1.18 billion at June 30, 2026, from $1.19 billion at March 31, 2026. Core deposits decreased $2.5 million and brokered deposits decreased $4.4 million.

- Return on average tangible common equity was 10.62% for the quarter ended June 30, 2026 compared to 10.90% the prior quarter and 13.11% in the year ago quarter. Tangible book value per common share was up 12.6% over the past year to $31.27 at June 30, 2026, compared to $27.77 at June 30, 2025 and $30.55 at March 31, 2026.

Balance Sheet and Asset Quality Review

Total assets increased $7.23 million during the second quarter to $1.50 billion at June 30, 2026. Cash and cash equivalents decreased $1.83 million to $57.7 million at June 30, 2026, from $59.5 million at March 31, 2026, as funds were used for loan originations. Investment securities available for sale decreased $6.1 million to $165.0 million at June 30, 2026, from $171.1 million one quarter earlier.

Gross loans receivable increased $22.6 million to $1.17 billion at June 30, 2026, compared to three months earlier. Commercial real estate loans increased $11.4 million to $590.0 million at June 30, 2026, compared to three months earlier while commercial & industrial loans increased $14.3 million to $157.9 million over the same time period. Residential real estate loans increased $1.2 million from the prior quarter to $331.6 million while agricultural loans decreased $2.0 million to $7.2 million at June 30, 2026, compared to three months earlier and municipal loans decreased $223,000 over the same period. The loan portfolio remains well diversified with commercial real estate and construction loans totaling 56.3% of gross loans, followed by residential real estate loans at 28.4% of gross loans, commercial non-real estate loans at 14.8% and consumer loans at 0.5%.

The allowance for credit losses increased to 1.17% of gross loans at June 30, 2026 while annualized net charge-offs to average loans were 0.00% for the quarter ended June 30, 2026. Non-performing assets decreased to 1.08% of total assets at June 30, 2026, down from 1.09% at March 31, 2026. Approximately 73% of all non-performing assets consisted of five lending relationships.

Total deposits decreased $8.8 million from the prior quarter to $1.18 billion. The largest decrease in deposits was in interest-bearing demand and savings deposits, which decreased $8.1 million during the second quarter followed by a decline in time deposits of $5.5 million and brokered deposits of $4.4 million. Non-interest bearing deposits increased $8.7 million and money market deposits increased $0.5 million.

FHLB advances increased by $14.5 million to $151.5 million at June 30, 2026 from $137.0 million at March 31, 2026. The increase in FHLB advances offset a decline in deposits and liquid investments and helped fund new loan originations.

Tangible stockholder equity as a percentage of total tangible assets was 8.87% at June 30, 2026, compared to 8.72% at March 31, 2026, and 7.95% at June 30, 2025, respectively.

Tangible net book value per common share increased $3.50 to $31.27 at June 30, 2026, compared to $27.77 one year earlier, an increase of 12.6% after dividends totaling $0.70 were paid to shareholders. Relative to the prior quarter's tangible book value per common share of $30.55, tangible net book value per common share increased primarily due to earnings. The accumulated other comprehensive loss on the investment portfolio decreased slightly to $13.0 million at June 30, 2026 compared to $13.3 million one quarter earlier and $15.8 million at June 30, 2025.

Operations Review

Net interest income increased to $12.1 million (on a net margin of 3.44%) for the second quarter of 2026, from $11.9 million (on a net margin of 3.45%) for the first quarter of 2026, and increased from $10.7 million (on a net margin of 3.09%) for the second quarter of 2025. The higher net interest income in the current period primarily relates to an increase in loan yields and loan balances during the quarter and a decrease in funding costs during the second quarter. Overall loan yields increased 1 basis point to 6.13% during the second quarter of 2026 from 6.12% the prior period and the cost of funds decreased 6 basis points to 2.86% compared to 2.92% during the first quarter of 2026. Relative to one year earlier, loan yields were up 22 basis points while the overall cost of funds declined 20 basis points.

Overall earning-asset yields declined due to lower yields on investment securities. Taxable security yields were 3.22% for the quarter ended June 30, 2026, compared to 3.39% for the quarter ended March 31, 2026, while a smaller balance of tax-exempt security yields decreased to 3.34% for the quarter ended June 30, 2026 from 3.38% the prior quarter.

The decrease in funding costs was due to lower deposit costs and lower costs related to FHLB advances. Deposits costs decreased 3 basis points to 2.00% for the quarter ended June 30, 2026, from 2.03% the prior quarter. FHLB advance costs declined 18 basis points to 4.06% for the second quarter from 4.24% the prior quarter.

Total noninterest income decreased $200,000 during the second quarter of 2026 to $2.1 million from $2.3 million in the first quarter. The first quarter was elevated due to the recognition of a delayed sale of SBA 7A loans related to the government shutdown in the fourth quarter of 2025. The second quarter reflects more normalized revenue levels, though investment and insurance sales commissions were slightly lower than the preceding two quarters.

Noninterest expenses decreased $0.1 million to $9.7 million for the second quarter of 2026, compared to $9.8 million for the first quarter, and increased $1.5 million from $8.2 million for the second quarter of 2025. The second quarter noninterest expense levels were lower than the prior quarter despite an increase in merger related expense of $0.6 million. Salary and benefits expenses decreased $341,000 due to lower incentive accruals and staff reductions. The first quarter of 2026 expenses were also elevated due to a non-recurring true-up for historical FDIC insurance premiums.

Income taxes increased $339,000 during the second quarter to $834,000 from $495,000 one quarter earlier. The lower first quarter of 2026 taxes reflected tax exempt life insurance benefits and benefits from the sale of available for sale securities that had a stranded deferred tax asset that resulted from the change in the Wisconsin tax law in 2023. The effective tax rate for the quarter ended June 30, 2026 was 19.7% compared to 12.6% for the first quarter ended March 31, 2026 and 16.6% for the prior year quarter ended June 30, 2025.

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. 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
June 30, and March 31, 2026, September 30, and June 30, 2025, unaudited, December 31, 2025 derived from audited financial statements

(dollars in thousands, except per share data)	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025
Assets					
Cash and due from banks	$ 17,321	$ 28,053	$ 19,697	$ 14,221	$ 23,022
Interest-bearing deposits	3,283	1,703	2,262	3,630	2,890
Federal funds sold	37,073	29,755	7,916	19,641	31,624
Cash and cash equivalents	57,677	59,511	29,875	37,492	57,536
Securities available for sale (at fair value)	165,006	171,107	184,265	190,709	184,320
Securities held to maturity (fair values of $71,765, $72,485, $76,671, $76,104 and $75,016 respectively)	76,718	78,826	81,511	82,195	83,123
Equity securities	2,913	2,904	2,892	2,885	2,885
Loans held for sale	-	652	180	145	349
Loans receivable, net (allowance for credit losses of $13,447, $13,131, $12,605, $12,686 and $12,553 respectively)	1,134,370	1,116,089	1,096,035	1,115,137	1,109,296
Accrued interest receivable	4,885	5,094	5,035	5,023	5,006
Foreclosed assets	138	-	-	-	-
Premises and equipment, net	12,887	13,160	12,972	13,355	13,397
Mortgage servicing rights, net	1,974	1,978	1,689	1,685	1,684
Federal Home Loan Bank stock (at cost)	8,374	7,995	8,090	8,641	9,297
Cash surrender value of bank-owned life insurance	24,139	24,453	25,425	25,242	25,067
Core deposit intangible	247	266	287	309	330
Goodwill	3,565	3,565	3,495	3,495	3,495
Other assets	9,725	9,784	9,721	10,420	10,832
TOTAL ASSETS	$ 1,502,618	$ 1,495,384	$ 1,461,472	$ 1,496,733	$ 1,506,617
Liabilities					
Non-interest-bearing deposits	$ 290,604	$ 281,947	$ 278,302	$ 278,615	$ 277,239
Interest-bearing deposits	887,579	905,082	898,729	910,571	900,303
Total deposits	1,178,183	1,187,029	1,177,031	1,189,186	1,177,542
Federal Home Loan Bank advances	151,450	136,950	112,950	140,950	165,950
Other borrowings	2,447	4,119	5,397	6,062	6,250
Senior subordinated notes	4,791	4,789	4,788	4,786	4,784
Junior subordinated debentures	13,177	13,151	13,126	13,100	13,075
Allowance for credit losses on unfunded commitments	492	492	542	622	622
Accrued expenses and other liabilities	15,323	14,986	15,967	13,651	15,118
Total liabilities	1,365,863	1,361,516	1,329,801	1,368,357	1,383,341
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 - 4,021,558, 4,020,508, 4,023,874, 4,040,538 and 4,041,573 shares, respectively	1,830	1,830	1,830	1,830	1,830
Additional paid-in capital	8,801	8,732	8,727	8,707	8,659
Retained earnings	155,700	153,146	150,556	148,029	144,548
Accumulated other comprehensive income (loss), net of tax	(13,016)	(13,264)	(13,000)	(14,166)	(15,764)
Treasury stock, at cost - 1,469,240, 1,470,290, 1,466,924, 1,450,260 and 1,449,225 shares, respectively	(23,760)	(23,776)	(23,642)	(23,224)	(23,197)
Total stockholders' equity	136,755	133,868	131,671	128,376	123,276
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 1,502,618	$ 1,495,384	$ 1,461,472	$ 1,496,733	$ 1,506,617

PSB Holdings, Inc.
Consolidated Statements of Income

(dollars in thousands, except per share data - unaudited)	Quarter Ended Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025	Six Months Ended June 2026	2025
Interest and dividend income:							
Loans, including fees	$ 17,370	$ 17,066	$ 16,744	$ 16,745	$ 16,510	$ 34,436	$ 32,292
Securities:							
Taxable	1,428	1,586	1,659	1,645	1,566	3,014	3,207
Tax-exempt	467	484	495	500	506	951	1,023
Other interest and dividends	508	316	582	717	332	824	677
Total interest and dividend income	19,773	19,452	19,480	19,607	18,914	39,225	37,199
Interest expense:							
Deposits	5,836	5,898	5,976	6,207	5,934	11,734	11,818
FHLB advances	1,478	1,344	1,428	1,707	1,899	2,822	3,691
Other borrowings	13	25	40	45	48	38	95
Senior subordinated notes	58	59	59	59	58	117	117
Junior subordinated debentures	245	242	248	247	250	487	498
Total interest expense	7,630	7,568	7,751	8,265	8,189	15,198	16,219
Net interest income	12,143	11,884	11,729	11,342	10,725	24,027	20,980
Provision for credit losses	325	475	275	138	110	800	227
Net interest income after provision for credit losses	11,818	11,409	11,454	11,204	10,615	23,227	20,753
Noninterest income:							
Service fees	424	393	401	363	366	817	724
Mortgage banking income	427	405	413	363	411	832	661
Investment and insurance sales commissions	382	437	520	345	335	819	661
Net loss on sale of securities	-	(502)	-	-	-	(502)	(1)
Increase in cash surrender value of life insurance	178	175	182	176	170	353	333
Life insurance death benefit	4	489	-	-	-	493	-
Other noninterest income	705	923	565	678	814	1,628	1,584
Total noninterest income	2,120	2,320	2,081	1,925	2,096	4,440	3,962
Noninterest expense:							
Salaries and employee benefits	5,607	5,948	5,159	5,446	4,828	11,555	10,130
Occupancy and facilities	697	800	712	712	719	1,497	1,505
Loss (gain) on foreclosed assets	(1)	(36)	(23)	1	(58)	(37)	(58)
Data processing and other office operations	1,129	1,119	1,188	1,122	1,189	2,248	2,390
Advertising and promotion	227	189	177	138	189	416	318
Core deposit intangible amortization	19	21	21	22	23	40	46
Merger legal and professional	671	120	26	-	-	791	-
Other noninterest expenses	1,355	1,637	1,376	1,365	1,303	2,992	2,831
Total noninterest expense	9,704	9,798	8,636	8,806	8,193	19,502	17,162
Income before provision for income taxes	4,234	3,931	4,899	4,323	4,518	8,165	7,553
Provision for income taxes	834	495	883	720	752	1,329	1,225
Net income	$ 3,400	$ 3,436	$ 4,016	$ 3,603	$ 3,766	$ 6,836	$ 6,328
Preferred stock dividends declared	$ 122	$ 122	$ 122	$ 122	$ 122	$ 244	$ 244
Net income available to common shareholders	$ 3,278	$ 3,314	$ 3,894	$ 3,481	$ 3,644	$ 6,592	$ 6,084
Basic earnings per common share	$ 0.82	$ 0.82	$ 0.97	$ 0.86	$ 0.90	$ 1.64	$ 1.49
Diluted earnings per common share	$ 0.81	$ 0.82	$ 0.97	$ 0.86	$ 0.89	$ 1.63	$ 1.49

PSB Holdings, Inc.

Quarterly Financial Summary

(dollars in thousands, except per share data)

	Quarter ended				
Earnings and dividends:	Jun. 30, 2026	Mar. 31, 2026	Dec. 31, 2025	Sep. 30, 2025	Jun. 30, 2025
Interest income	$ 19,773	$ 19,452	$ 19,480	$ 19,607	$ 18,914
Interest expense	$ 7,630	$ 7,568	$ 7,751	$ 8,265	$ 8,189
Net interest income	$ 12,143	$ 11,884	$ 11,729	$ 11,342	$ 10,725
Provision for credit losses	$ 325	$ 475	$ 275	$ 138	$ 110
Other noninterest income	$ 2,120	$ 2,320	$ 2,081	$ 1,925	$ 2,096
Other noninterest expense	$ 9,704	$ 9,798	$ 8,636	$ 8,806	$ 8,193
Net income available to common shareholders	$ 3,278	$ 3,314	$ 3,894	$ 3,481	$ 3,644
Basic earnings per common share (3)	$ 0.82	$ 0.82	$ 0.97	$ 0.86	$ 0.90
Diluted earnings per common share (3)	$ 0.81	$ 0.82	$ 0.97	$ 0.86	$ 0.89
Dividends declared per common share (3)	$ 0.18	$ 0.18	$ 0.34	$ -	$ 0.34
Tangible net book value per common share (4)	$ 31.27	$ 30.55	$ 29.99	$ 29.05	$ 27.77
Average common shares outstanding	4,020,787	4,021,327	4,028,368	4,041,393	4,070,721
Balance sheet - average balances:					
Loans receivable, net of allowances for credit loss	$ 1,124,806	$ 1,118,837	$ 1,107,114	$ 1,111,055	$ 1,111,004
Assets	$ 1,491,283	$ 1,478,103	$ 1,501,135	$ 1,510,272	$ 1,480,851
Deposits	$ 1,172,036	$ 1,175,510	$ 1,199,363	$ 1,191,002	$ 1,142,279
Stockholders' equity	$ 135,416	$ 134,946	$ 131,606	$ 125,342	$ 123,077
Performance ratios:					
Return on average assets (1)	0.91%	0.94%	1.06%	0.95%	1.02%
Return on average common stockholders' equity (1)	10.25%	10.52%	12.42%	11.69%	12.61%
Return on average tangible common stockholders' equity (1)(4)	10.62%	10.90%	12.86%	12.14%	13.11%
Net loan charge-offs to average loans (1)	0.00%	0.00%	0.16%	0.00%	0.00%
Nonperforming loans to gross loans	1.40%	1.44%	1.56%	1.51%	1.39%
Nonperforming assets to total assets	1.08%	1.09%	1.18%	1.13%	1.04%
Allowance for credit losses to gross loans	1.17%	1.16%	1.14%	1.12%	1.12%
Nonperforming assets to tangible equity plus the allowance for credit losses (4)	11.80%	12.13%	13.10%	13.17%	12.64%
Net interest rate margin (1)(2)	3.44%	3.45%	3.28%	3.16%	3.09%
Net interest rate spread (1)(2)	2.72%	2.69%	2.53%	2.42%	2.34%
Service fee revenue as a percent of average demand deposits (1)	0.63%	0.58%	0.55%	0.52%	0.54%
Noninterest income as a percent of gross revenue	9.68%	10.66%	9.65%	8.94%	9.98%
Efficiency ratio (2)	67.35%	68.24%	61.82%	65.47%	63.00%
Noninterest expenses to average assets (1)	2.61%	2.69%	2.28%	2.31%	2.22%
Average stockholders' equity less accumulated other comprehensive income (loss) to average assets	9.87%	9.93%	9.59%	9.20%	9.31%
Tangible equity to tangible assets (4)	8.87%	8.72%	8.77%	8.34%	7.95%
Stock price information:					
High	$ 50.50	$ 28.50	$ 26.30	$ 26.00	$ 25.70
Low	$ 27.20	$ 26.10	$ 24.34	$ 23.30	$ 23.65
Last trade value at quarter-end	$ 50.50	$ 27.74	$ 26.10	$ 25.50	$ 23.89

(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 Jun. 30, 2026	 Mar. 31, 2026	 Dec. 31, 2025	 Sep. 30, 2025	 Jun. 30, 2025
Net income	$ 3,400	$ 3,436	$ 4,016	$ 3,603	$ 3,766
Other comprehensive income, net of tax:					
Unrealized gain (loss) on securities available for sale	118	(711)	1,065	1,550	972
Reclassification adjustment for security loss included in net income	-	396	-	-	-
Accretion of unrealized loss included in net income on securities available for sale deferred tax adjustment for Wisconsin Act 19	(32)	(83)	-	(26)	(35)
Amortization of unrealized loss included in net income on securities available for sale transferred to securities held to maturity	93	91	90	90	91
Unrealized gain (loss) on interest rate swap	67	43	18	(2)	(87)
Reclassification adjustment of interest rate swap settlements included in earnings	1	-	(7)	(15)	(13)
Other comprehensive income (loss)	247	(264)	1,166	1,597	928
Comprehensive income	$ 3,647	$ 3,172	$ 5,182	$ 5,200	$ 4,694

PSB Holdings, Inc.
Nonperforming Assets as of:

(dollars in thousands)	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025
Nonaccrual loans (excluding restructured loans)	$ 15,242	$ 15,438	$ 16,436	$ 16,560	$ 15,333
Nonaccrual restructured loans	589	6	7	10	13
Restructured loans not on nonaccrual	277	863	865	415	295
Accruing loans past due 90 days or more	-	-	-	-	-
Total nonperforming loans	16,108	16,307	17,308	16,985	15,641
Other real estate owned	138	-	-	-	-
Total nonperforming assets	$ 16,246	$ 16,307	$ 17,308	$ 16,985	$ 15,641
Nonperforming loans as a % of gross loans receivable	1.40%	1.44%	1.56%	1.51%	1.39%
Total nonperforming assets as a % of total assets	1.08%	1.09%	1.18%	1.13%	1.04%
Allowance for credit losses as a % of nonperforming loans	83.48%	80.52%	72.83%	74.69%	80.26%

PSB Holdings, Inc.
Nonperforming Assets >= $1,000,000 net book value before specific reserves
At June 30, 2026
(dollars in thousands)

Collateral Description	Asset Type	Gross Principal	Specific Reserves
Real estate - Non-Owner Occupied Rental Properties	Nonaccrual	2,639	-
Real estate - Recreational Facility	Nonaccrual	3,608	108
Real estate - Equipment Dealership	Nonaccrual	2,295	1,351
Real estate - Wood Products	Nonaccrual	1,674	376
Real estate - Commercial Building	Nonaccrual	1,641	68
Total listed nonperforming assets		$ 11,857	$ 1,903
Total bank wide nonperforming assets		$ 16,246	$ 2,296
Listed assets as a % of total nonperforming assets		73%	83%

PSB Holdings, Inc.
Loan Composition by Collateral Type

Quarter-ended (dollars in thousands)	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025
Commercial:					
Commercial and industrial	$ 157,903	$ 143,572	$ 139,479	$ 137,199	$ 135,313
Agriculture	7,215	9,188	11,463	12,443	13,219
Municipal	8,258	8,481	11,317	8,361	12,805
Total Commercial	173,376	161,241	162,259	158,003	161,337
Commercial Real Estate:					
Commercial real estate	590,027	578,655	551,899	569,382	566,526
Construction and development	68,107	70,757	70,574	81,278	77,905
Total Commercial Real Estate	658,134	649,412	622,473	650,660	644,431
Residential real estate:					
Residential	253,189	251,356	259,573	263,791	266,203
Construction and development	29,744	34,540	36,596	37,475	31,439
HELOC	48,682	44,545	44,219	41,661	39,425
Total Residential Real Estate	331,615	330,441	340,388	342,927	337,067
Consumer installment	5,248	4,648	5,053	4,801	4,886
Subtotals - Gross loans	1,168,373	1,145,742	1,130,173	1,156,391	1,147,721
Loans in process of disbursement	(21,149)	(17,148)	(22,178)	(29,170)	(26,496)
Subtotals - Disbursed loans	1,147,224	1,128,594	1,107,995	1,127,221	1,121,225
Net deferred loan costs	593	626	645	602	624
Allowance for credit losses	(13,447)	(13,131)	(12,605)	(12,686)	(12,553)
Total loans receivable	$ 1,134,370	$1,116,089	$1,096,035	$1,115,137	$1,109,296

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

(dollars in thousands)	Jun 30, 2026		Mar 31, 2026		Dec 31, 2025		Sept 30, 2025		Jun 30, 2025	
	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	$ 127,983	12.3%	$ 134,236	12.9%	$ 145,717	14.3%	$ 141,896	13.5%	$ 145,523	14.0%
Industrial and Warehousing	120,116	11.6	119,427	11.5	101,581	9.9	100,712	9.6	105,256	10.2
Retail	28,468	2.7	27,948	2.7	27,756	2.7	27,889	2.7	29,407	2.8
Hotels	24,839	2.4	25,080	2.4	25,949	2.6	25,677	2.4	25,299	2.4
Office	4,034	0.4	4,097	0.4	7,028	0.7	7,176	0.7	7,131	0.7

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

PSB Holdings, Inc.
Deposit Composition

Insured and Collateralized Deposits	June 30,		March 31,		December 31,		September 30,		June 30,	
(dollars in thousands)	2026		2026		2025		2025		2025	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$226,134	19.1%	$221,921	18.5%	$ 225,025	19.1%	$ 227,448	19.1%	$ 225,921	19.2%
Interest-bearing demand and savings	313,909	26.7%	321,604	27.1%	323,739	27.5%	307,505	25.8%	304,779	25.9%
Money market deposits	141,443	12.0%	146,655	12.4%	142,946	12.1%	158,455	13.3%	148,556	12.6%
Retail and local time deposits <= $250	154,330	13.1%	157,898	13.3%	163,398	13.9%	163,446	13.7%	165,368	14.0%
Total core deposits	835,816	70.9%	848,078	71.3%	855,108	72.6%	856,854	71.9%	844,624	71.7%
Retail and local time deposits > $250	25,250	2.1%	26,500	2.2%	28,000	2.4%	29,000	2.5%	28,000	2.4%
Broker & national time deposits <= $250	748	0.1%	748	0.1%	748	0.1%	748	0.1%	748	0.1%
Broker & national time deposits > $250	49,788	4.2%	54,191	4.6%	62,493	5.3%	67,493	5.7%	65,917	5.6%
Totals	$911,602	77.3%	$929,517	78.2%	$946,349	80.4%	$954,095	80.2%	$939,289	79.8%

PSB Holdings, Inc.
Deposit Composition

Uninsured Deposits	June 30,		March 31,		December 31,		September 30,		June 30,	
(dollars in thousands)	2026		2026		2025		2025		2025	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$64,470	5.5%	$60,026	5.1%	$ 53,277	4.5%	$ 51,167	4.3%	$ 51,318	4.4%
Interest-bearing demand and savings	18,073	1.5%	18,533	1.6%	17,683	1.5%	18,644	1.6%	17,983	1.5%
Money market deposits	134,223	11.4%	128,415	10.8%	110,501	9.4%	117,184	9.9%	122,603	10.4%
Retail and local time deposits <= $250	-	0.0%	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total core deposits	216,766	18.4%	206,974	17.5%	181,461	15.4%	186,995	15.8%	191,904	16.3%
Retail and local time deposits > $250	49,815	4.3%	50,538	4.3%	49,221	4.2%	48,096	4.0%	46,349	3.9%
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	$266,581	22.7%	$257,512	21.8%	$230,682	19.6%	$235,091	19.8%	$238,253	20.2%

PSB Holdings, Inc.
Deposit Composition

Total Deposits	June 30,		March 31,		December 31,		September 30,		June 30,	
(dollars in thousands)	2026		2026		2025		2025		2025	
	$	%	$	%	$	%	$	%	$	%
Non-interest bearing demand	$290,604	24.6%	$281,947	23.6%	$ 278,302	23.6%	$ 278,615	23.4%	$ 277,239	23.6%
Interest-bearing demand and savings	331,982	28.2%	340,137	28.7%	341,422	29.0%	326,149	27.4%	322,762	27.4%
Money market deposits	275,666	23.4%	275,070	23.2%	253,447	21.5%	275,639	23.2%	271,159	23.0%
Retail and local time deposits <= $250	154,330	13.1%	157,898	13.3%	163,398	13.9%	163,446	13.7%	165,368	14.0%
Total core deposits	1,052,582	89.3%	1,055,052	88.8%	1,036,569	88.0%	1,043,849	87.7%	1,036,528	88.0%
Retail and local time deposits > $250	75,065	6.4%	77,038	6.5%	77,221	6.6%	77,096	6.5%	74,349	6.3%
Broker & national time deposits <= $250	748	0.1%	748	0.1%	748	0.1%	748	0.1%	748	0.1%
Broker & national time deposits > $250	49,788	4.2%	54,191	4.6%	62,493	5.3%	67,493	5.7%	65,917	5.6%
Totals	$1,178,183	100.0%	$1,187,029	100.0%	$1,177,031	100.0%	$ 1,189,186	100.0%	$ 1,177,542	100.0%

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

	Quarter ended June 30, 2026			Quarter ended March 31, 2026			Quarter ended June 30, 2025		
	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate	Average Balance	Interest	Yield / Rate
Assets									
Interest-earning assets:									
Loans (1)(2)	$ 1,138,074	$ 17,392	6.13%	$ 1,131,775	$ 17,092	6.12%	$ 1,123,460	$ 16,558	5.91%
Taxable securities	177,864	1,428	3.22%	189,726	1,586	3.39%	193,926	1,566	3.24%
Tax-exempt securities (2)	70,873	591	3.34%	73,515	613	3.38%	76,774	641	3.35%
FHLB stock	8,227	170	8.29%	7,792	182	9.47%	9,189	166	7.25%
Other	36,217	338	3.74%	14,247	134	3.81%	14,571	166	4.57%
Total (2)	1,431,255	19,919	5.58%	1,417,055	19,607	5.61%	1,417,920	19,097	5.40%
Non-interest-earning assets:									
Cash and due from banks	15,689			15,719			15,498		
Premises and equipment, net	13,084			12,957			13,527		
Cash surrender value ins	24,026			25,237			24,960		
Other assets	20,497			20,073			21,402		
Allowance for credit losses	(13,268)			(12,938)			(12,456)		
Total	$ 1,491,283			$ 1,478,103			$ 1,480,851		
Liabilities & stockholders' equity									
Interest-bearing liabilities:									
Savings and demand deposits	$ 338,948	$ 1,508	1.78%	$ 343,033	$ 1,567	1.85%	$ 315,978	$ 1,450	1.84%
Money market deposits	276,290	1,783	2.59%	261,407	1,617	2.51%	262,015	1,572	2.41%
Time deposits	286,959	2,545	3.56%	297,006	2,714	3.71%	294,750	2,912	3.96%
FHLB borrowings	145,927	1,478	4.06%	128,666	1,344	4.24%	173,080	1,899	4.40%
Other borrowings	3,820	13	1.37%	4,778	25	2.12%	8,843	48	2.18%
Senior sub. notes	4,790	58	4.86%	4,789	59	5.00%	4,784	58	4.86%
Junior sub. debentures	13,164	245	7.47%	13,139	242	7.47%	13,062	250	7.68%
Total	1,069,898	7,630	2.86%	1,052,818	7,568	2.92%	1,072,512	8,189	3.06%
Non-interest-bearing liabilities:									
Demand deposits	269,839			274,064			269,536		
Other liabilities	16,130			16,275			15,726		
Stockholders' equity	135,416			134,946			123,077		
Total	$ 1,491,283			$ 1,478,103			$ 1,480,851		
Net interest income		$ 12,289			$ 12,039			$ 10,908	
Rate spread			2.72%			2.69%			2.34%
Net yield on interest-earning assets			3.44%			3.45%			3.09%

(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%.

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

	Six months ended June 30, 2026			Six months ended June 30, 2025		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
Assets						
Interest-earning assets:						
Loans (1)(2)	$ 1,134,942	$ 34,484	6.13%	$ 1,113,731	$ 32,388	5.86%
Taxable securities	183,762	3,014	3.31%	196,162	3,207	3.30%
Tax-exempt securities (2)	72,187	1,204	3.36%	78,021	1,295	3.35%
FHLB stock	8,011	352	8.86%	9,008	407	9.11%
Other	25,292	472	3.76%	11,790	270	4.62%
Total (2)	1,424,194	39,526	5.60%	1,408,712	37,567	5.38%
Non-interest-earning assets:						
Cash and due from banks	15,704			15,893		
Premises and equipment, net	13,021			13,627		
Cash surrender value ins	24,628			24,878		
Other assets	20,287			21,215		
Allowance for credit losses	(13,104)			(12,409)		
Total	$ 1,484,730			$ 1,471,916		
Liabilities & stockholders' equity						
Interest-bearing liabilities:						
Savings and demand deposits	$ 340,979	$ 3,075	1.82%	$ 327,878	$ 3,017	1.86%
Money market deposits	269,081	3,400	2.55%	270,785	3,257	2.43%
Time deposits	291,955	5,259	3.63%	281,857	5,544	3.97%
FHLB borrowings	137,344	2,822	4.14%	169,046	3,691	4.40%
Other borrowings	4,297	38	1.78%	7,589	95	2.52%
Senior sub. notes	4,789	117	4.93%	4,783	117	4.93%
Junior sub. debentures	13,151	487	7.47%	13,049	498	7.70%
Total	1,061,596	15,198	2.89%	1,074,987	16,219	3.04%
Non-interest-bearing liabilities:						
Demand deposits	271,937			260,522		
Other liabilities	16,250			15,492		
Stockholders' equity	134,947			120,915		
Total	$ 1,484,730			$ 1,471,916		
Net interest income		$ 24,328			$ 21,348	
Rate spread			2.71%			2.34%
Net yield on interest-earning assets			3.44%			3.06%

(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%.