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

FOR IMMEDIATE RELEASE

PSB Holdings, Inc. announces 10% increased semi-annual cash dividend along with a 3-for-1 stock split

Wausau, WI. – June 13, 2018 – PSB Holdings, Inc. (OTCPK: PSBQ), parent company of Peoples State Bank, is pleased to announce that on June 12, 2018, its Board of Directors declared a regular semi-annual cash dividend of \$.53 per share of the Company's common stock. The dividend is payable July 31, 2018 to shareholders of record as of July 12, 2018, and represents an increase of 10.4% over the \$.48 per share semi-annual cash dividend declared on June 21, 2017. The current dividend continues a 54-year tradition of cash dividends to PSB shareholders including 25 consecutive years of increased cash dividends declared per share.

In addition, the Board of Directors also announced a 3-for-1 stock split to be executed in the form of a stock dividend of two shares of common stock for every one share of common stock outstanding. The stock dividend will be payable on July 31, 2018 to shareholders of record as of July 12, 2018, following the \$.53 cash dividend. Upon completion of the split, the outstanding shares of PSB common stock will increase to approximately 4.5 million shares.

PSB's Board of Directors also renewed its regular quarterly common stock repurchase program allowing for repurchase of up to 10,000 shares of common stock during the quarter ended September 30, 2018 as opportunities arise at prevailing market prices purchased on the open market or directly from shareholders. The extent of such repurchases are dependent upon market conditions and other corporate considerations. Year-to-date through June 12, 2018, 11,648 shares of common stock have been repurchased under the program at an average cost of \$69.53 per share.

PSB Holdings, Inc. President and CEO Scott M. Cattanach stated, "Given our improving earnings from both increasing interest rates and lower tax expense, PSB is proud to be able to increase our cash dividend to shareholders. We are also delighted to announce a 3-for-1 stock split in the form of a stock dividend that we believe will bring additional liquidity to our shareholders over the long-term. And while we have repurchased fewer shares of our stock this year compared to prior years, we continue to seek to acquire additional shares at current fair prices. We believe this is a beneficial use of capital for our remaining shareholders, which adds immediate liquidity for our shareholders who need it."

Cattanach further explained, "We have been actively pursuing opportunities to expand asset growth, like our recent Stevens Point Lending Office opening, or through acquisition and branching, which could require us to use capital for purposes other than future increases in the dividend or stock buyback program. Dividend payments and stock buybacks are evaluated periodically and those programs may be curtailed as needed to retain equity capital for these growth initiatives."

About PSB Holdings, Inc.

PSB Holdings, Inc. is the parent company of Peoples State Bank. Peoples is a community bank with \$844 million of total assets headquartered in Wausau, Wisconsin, serving north central Wisconsin from nine full service banking locations in Marathon, Oneida, and Vilas Counties with loan production offices in Milwaukee and Stevens Point. Peoples also provides investment and insurance products, along with retirement planning services through Peoples Wealth Management, a division of Peoples. PSB Holdings, Inc. common stock is traded under the stock symbol PSBQ on the OTC Markets Exchange. More information about PSB, its management, and its financial performance may be found on its investor relations website at www.psbholdingsinc.com.

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Forward Looking Statements

Certain matters discussed in this news release, including those relating to the potential growth of PSB Holdings, Inc., its future profits, expected stock repurchase levels, future shareholder dividend rates, and future interest rates, are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Such statements involve risks and uncertainties which may cause actual results to differ materially from the expectations set forth in this release. Among other things, these risks and uncertainties include the strength of the economy, the effects of government policies, including interest rate policies, and other risks and assumptions. PSB Holdings, Inc. assumes no obligation to update or supplement forward-looking statements that become untrue because of events subsequent to this press release.

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