

February 26, 2015

Dear Shareholders:

Re: PSB Holdings, Inc. Announces Stock Buyback Program

PSB Holdings, Inc. (OTCQB: PSBQ), parent company of Peoples State Bank, Wausau, Wisconsin, has long been supported by local shareholders. From time to time, our shareholders have a need to sell their PSB common shares, which can be difficult if the shares are held in paper certificates outside of a brokerage account.

Therefore, PSB is instituting a voluntary stock buyback program to increase flexibility for common stock shareholders who hold individual stock certificates outside of a brokerage account and wish to sell them. Those holding shares in paper certificate form may now contact PSB directly to sell their shares back to the Company.

PSB will make every effort to purchase those shares when requested. However, please note that repurchase cannot be guaranteed and is subject to the Board of Directors' projection of future earnings and other uses or demands on existing capital as well as quarterly limits on the maximum number of shares repurchased. In addition, your PSB shares held in a brokerage account cannot be repurchased by the Company under this program.

Who to Contact

If you wish to sell your certificate shares to PSB, please call 888.929.9902 and ask to speak to Mrs. Lynn Kosina, assistant secretary to the Board of Directors, to make an appointment to sell the shares. The price per share offered by PSB to shareholders will use, for reference purposes, the current price per share as quoted on the OTC Markets for our stock symbol PSBQ, as well as recent historical prices and circumstances associated with the individual sale. Visit www.otcmarkets.com/stock/PSBQ/quote to review the current trading range of the PSBQ stock price and the most recent sale price. The most recent price paid per share may also be found on our investor relations website, www.psbholdingsinc.com, under "Stock Quote."

Checklist of important information you should know/bring to a share sale appointment:

- A previously scheduled appointment is required. Due to the amount of information and paperwork required for the stock sale, we will not be able to accommodate a shareholder who "drops into the bank" to sell the shares.
- Bring the original paper certificates for the shares you wish to sell and a legal form of identification (i.e. driver's license).
- Identify the year in which the shares were acquired. If acquired after 2010, you must provide the cost paid or value of the shares at time of purchase.
- Identify how the shares were acquired (i.e. purchase, gift, inheritance, etc.).
- Shares must be titled in the name of the party looking to sell. Payment will only be made to the name(s) shown on the certificate.

- All owners as shown on the certificate must be present at the closing or at the location at which the required medallion stamp (a type of signature guarantee) is obtained on the Irrevocable Stock Power form. (The Irrevocable Stock Power form is required by our transfer agent on a sale.)
- The Irrevocable Stock Power and the required Medallion stamp will be provided for shareholders with an in-person appointment. The form is also available from our stock transfer agent, Continental Stock Transfer & Trust on their website www.continentalstock.com
- At time of your appointment, we will complete an IRS Form W-9 to document the social security tax identification number of the selling shareholder(s).

Special arrangements may be made for out of area shareholders who wish to sell their shares under this program. The same information as listed above will be required. Please call us to discuss your individual situation and how the paperwork may be exchanged through the mail.

Tax Reporting

PSB will supply selling shareholders an IRS Form 1099-B following the year the shares are sold as required by income tax regulation. This information is also reported to the IRS as required. PSB is not able to determine a shareholder's original cost to purchase the shares or the dates on which shares were purchased. Our stock transfer agent, Continental Stock Transfer & Trust, may be able to assist you with such questions. To reach Continental, call their shareholder help line at 212.509.4000 and refer to your ownership of PSB Holdings, Inc., Wisconsin common stock. Determination of a shareholder's original tax cost basis or the length of the holding period of the investment is the responsibility of the selling shareholder as advised by their income tax professional and will be requested when the shares are sold to PSB, as noted above. PSB cannot purchase your shares until you provide the required tax information.

Final Thoughts

Our Board of Directors believes investing in our Company through the buyback of common stock increases value to remaining shareholders and meets the reasonable liquidity needs of shareholders who hold smaller blocks of stock. Please note PSB is not offering to sell new shares directly to investors at this time. However, additional PSB shares may still be purchased from a broker or from another shareholder. The program described above concerns only the repurchase of existing shares held in certificate form. Thank you for your past and ongoing support of Peoples State Bank.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter W. Knitt", enclosed within a large, loopy circular flourish.

Peter W. Knitt
President & CEO, PSB Holdings, Inc.