

2024

Annual Report



Member
FDIC



Table Of Contents

Letter to Our Shareholders, Customers & Friends

Board of Directors

P³ACT

Statement of Condition

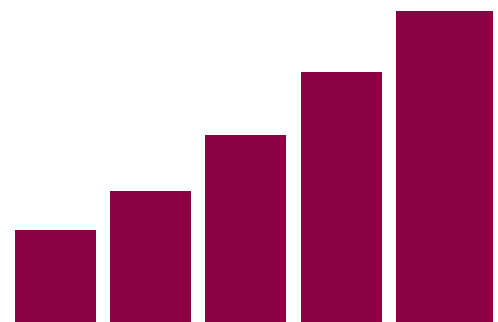
Changes in Allowance for Credit Losses

Past Due & Non-Accrual Loans & Leases

Changes in Equity Capital

Income Statement

Contact Us



TO OUR SHAREHOLDERS, CUSTOMERS & FRIENDS

Our objective in 2024 was similar to many businesses across our nation – adapt to the swift change in financial conditions that were brought about in late-2022 and further escalated in 2023. Bank balance sheets perform best with stability, and we hoped that the forecast for curbing inflation and a slight reduction in rates would ring true – to calm the volatile financial waters of the previous few years.

While inflation was not tamed as quickly, or as much, as the Federal Reserve initially expected, the economic results of 2024 were still largely in line with original forecasts. The Fed ultimately reduced its Fed Funds rate by a cumulative percentage point in the latter part of the year.

This relative stability in economic conditions promoted financial performance for Peoples State Bank as the year progressed. Our loan volume increased 5.51% over the year, aided by our excellent liquidity position. While higher interest rates have intensified competition for deposits; we were pleased to see our total deposits increase slightly in 2024 to end the year at \$778 million. Bank capital remains very strong and in excess of the regulatory “well-capitalized” standard. We ended 2024 with assets totaling \$891 million.

This past year, interest income began to “catch-up” to the higher interest rate environment as new loans were booked at market rates. Meanwhile, our interest expense – which had risen sharply in 2023 – increased at a less rapid pace for 2024. This resulted in a steadily increasing net interest margin over the year, which drove earnings higher as well. PSB’s net income for year-ended 2024 came in at \$6.568 million, compared to \$5.582 million in 2023.

There were several off-balance sheet highs during the year. One such accomplishment was our branching into McGregor, IA in February – after closing the acquisition of Interstate Federal Savings & Loan. Just across the river from our headquarters in Prairie du Chien and flanked by three of our other Iowa offices, this location is a natural extension of our branch network. The McGregor community has been very welcoming and we are pleased with the success we have already enjoyed there.

Momentum, however, does not always move in a straight line. In late-November, our Chief Credit Officer, Clem Schulte, suffered a medical event and passed away unexpectedly. While the strong team that Clem built around him has allowed for smooth operational succession, his sudden departure was emotionally devastating. One of the keys to our Bank’s success throughout time has been our team and the close camaraderie that we share; Clem was a cherished member of this team and his impact will forever live on.

As we recover our momentum and move forward, we now look toward 2025. The new year brings the usual mix of uncertainties, but also the usual optimism; as always, we believe it is best to focus more on the latter. In that spirit, we count our blessings and charge forward with enthusiasm.

In closing, I would like to express sincere gratitude to my outstanding colleagues at Peoples State Bank. I am privileged to work with a truly professional and passionate team. Moreover, I extend that same appreciation to our stakeholders for your continued trust in Peoples State Bank; our mission remains committed to excellence on your behalf.



Brennen Clark | President & CEO

Board of Directors



Mark W. Forsythe | Retired President, Peoples State Bank

James Hutchison | Retired CEO, Prairie Industries, Inc. | Director, Truvant, Inc.

Darby D. Suckow | Suckow Dairy Equipment, Inc.

Franklin A. Weeks | Director Emeritus | Chairman & CEO, Design Homes, Inc.

Garith Steiner | Retired Healthcare CEO

H. Brooke Grinde | Owner, Grinde Farms, LLC. | Animal Nutritionist

Thomas F. Farrell | Chairman | Retired President, Peoples State Bank

Brennen Clark | President & CEO, Peoples State Bank

P³ACT

P	PROFESSIONAL	We maintain a professional workplace and strive for professional interactions.
P	PASSIONATE	We are motivated, curious, and industrious.
P	POSITIVE	We take pride but are humble, always extending trust to earn it.
A	ACCOUNTABLE	We take ownership on behalf of PSB, making no excuses under any circumstance.
C	CUSTOMER-FOCUSED	We ask "how do we get to yes?" – before saying "no."
T	TEAM-ORIENTED	We protect our culture, treat each other with respect, and put the team before self.

Statement of Condition

All figures stated are in thousands

ASSETS

	Dec. 31, 2024	Dec. 31, 2023
CASH & DUE FROM BANKS		
NON-INTEREST BEARING	\$ 4,593	4,648
INTEREST BEARING	10,489	12,128
SECURITIES	283,950	307,112
FED FUNDS SOLD	1,294	22,138
LOANS & LEASE RECEIVABLES (NET)	544,298	515,325
PREMISES & FIXED ASSETS	9,045	8,270
INTANGIBLE ASSETS	5,297	5,687
OTHER ASSETS	31,637	31,222
 TOTAL ASSETS	 \$ 890,603	 906,530

LIABILITIES & EQUITY CAPITAL

2024

2023

LIABILITIES

DEPOSITS		
NON-INTEREST BEARING	\$ 217,618	237,261
INTEREST BEARING	560,277	538,685
TOTAL DEPOSITS	\$ 777,895	775,946
OTHER BORROWED MONEY	\$ 33,518	50,518
OTHER LIABILITIES	5,747	5,017
 TOTAL LIABILITIES	 \$ 817,160	 831,481

EQUITY CAPITAL

COMMON STOCK	\$ 750	750
SURPLUS	17,940	17,940
UNDIVIDED PROFITS	88,669	90,632
UNREALIZED SECURITIES GAINS/(LOSSES)	(33,916)	(34,273)
 TOTAL EQUITY CAPITAL	 \$ 73,443	 75,049
 TOTAL LIABILITIES & EQUITY CAPITAL	 \$ 890,603	 906,530

Changes in Allowance for Credit Losses

All figures stated are in thousands

ALLOWANCE FOR CREDIT LOSSES

		2024	2023
BEGINNING BALANCE	\$	9,386	11,289
RECOVERIES OF PREVIOUS CHARGE-OFFS		468	57
PROVISION FOR CREDIT LOSSES		(419)	(1,609)
ACTUAL CHARGE OFFS		(194)	(351)
ACQUISITION ADJUSTMENT		79	-
BALANCE AT END OF PERIOD	\$	9,320	9,386
PROVISION FOR LOSSES ON OFF-BALANCE-SHEET CREDIT EXPOSURES	\$	(32)	388

DETAIL OF AMOUNT CHARGED OFF

		2024	2023
REAL ESTATE LOANS	\$	18	61
INSTALLMENT LOANS		11	5
COMMERCIAL & ALL OTHER LOANS		165	285
TOTAL AMOUNT CHARGED OFF	\$	194	351

DETAIL OF AMOUNT RECOVERED

		2024	2023
REAL ESTATE LOANS	\$	38	49
INSTALLMENT LOANS		2	8
COMMERCIAL & ALL OTHER LOANS		428	-
TOTAL AMOUNT RECOVERED	\$	468	57



Past Due & Non-Accrual Loans & Leases

All figures stated are in thousands

LOANS PAST DUE 30-89 DAYS & STILL ACCRUING

		2024	2023
REAL ESTATE LOANS	\$	899	1,524
INSTALLMENT LOANS		92	14
COMMERCIAL & ALL OTHERS		47	252
 TOTAL PAST DUE	\$	 1,038	 1,790
<i>Agricultural Production Loans Included Above</i>		-	10

LOANS IN NON-ACCRUAL STATUS

		2024	2023
REAL ESTATE LOANS	\$	481	246
INSTALLMENT LOANS		3	10
COMMERCIAL & ALL OTHERS		226	146
 TOTAL NON-ACCRUAL	\$	 710	 402
<i>Agricultural Production Loans Included Above</i>		133	64

Changes in Equity Capital

All figures stated are in thousands

		2024	2023
TOTAL EQUITY AT BEGINNING OF PERIOD	\$	75,048	63,803
NET INCOME		6,568	5,582
CASH DIVIDENDS DECLARED		(1,752)	(1,812)
STOCK REPURCHASES		(6,779)	-
OTHER COMPREHENSIVE INCOME		358	7,475
 TOTAL EQUITY AT END OF PERIOD	\$	 73,443	 75,048



Income Statement

All figures stated are in thousands

INTEREST INCOME

2024

2023

INTEREST & FEE INCOME ON LOANS

REAL ESTATE LOANS	\$	22,321	17,178
COMMERCIAL & INDUSTRIAL LOANS		4,544	3,086
LOANS TO INDIVIDUALS		623	451
ALL OTHER LOANS		5,067	4,628

TOTAL INTEREST & FEE INCOME ON LOANS	\$	32,555	25,343
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INTEREST & DIVIDEND INCOME ON SECURITIES

U.S. GOVT. & AGENCY OBLIGATIONS	\$	722	735
MORTGAGE-BACKED SECURITIES		2,549	2,734
ALL OTHER SECURITIES		2,558	2,869
INTEREST INCOME ON FED FUNDS SOLD		956	385
OTHER INTEREST INCOME		242	168

TOTAL INTEREST & DIVIDEND INCOME ON SECURITIES	\$	7,027	6,891
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TOTAL INTEREST INCOME	\$	39,582	32,234
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INTEREST EXPENSE

2024

2023

TRANSACTION ACCOUNTS	\$	1,767	1,452
SAVINGS DEPOSITS		1,698	1,227
TIME DEPOSITS		8,730	5,095
FED FUNDS PURCHASED		5	59
REPURCHASE AGREEMENTS		-	34
OTHER INTEREST EXPENSE		2,957	1,505

TOTAL INTEREST EXPENSE	\$	15,157	9,372
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NET INTEREST INCOME	\$	24,425	22,862
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Income Statement

All figures stated are in thousands

		2024	2023
PROVISION FOR CREDIT LOSSES	\$	(451)	(1,221)
NON-INTEREST INCOME		2024	2023
SERVICE CHARGES ON DEPOSIT ACCOUNTS	\$	521	524
INVESTMENT FEES & COMMISSIONS		59	63
NET SERVICING FEES		523	528
INCOME FROM OTHER INSURANCE ACTIVITIES		45	56
OTHER NON-INTEREST INCOME		2,394	1,807
TOTAL NON-INTEREST INCOME	\$	3,542	2,978
REALIZED GAINS/(LOSSES) ON AVAILABLE-FOR-SALE SECURITIES	\$	(120)	(55)
NON-INTEREST EXPENSE		2024	2023
SALARIES & EMPLOYEE BENEFITS	\$	13,974	13,758
OCCUPANCY & FIXED ASSETS		1,435	1,517
AMORTIZATION EXPENSE		390	390
OTHER NON-INTEREST EXPENSE		5,904	5,826
TOTAL NON-INTEREST EXPENSE	\$	21,703	21,491
UNREALIZED GAINS/(LOSSES) ON EQUITY SECURITIES	\$	(1)	79
INCOME BEFORE TAXES	\$	6,594	5,594
INCOME TAXES	\$	26	12
NET INCOME	\$	6,568	5,582



Contact Us



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