

KS BANCORP, INC
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PRESS RELEASE

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KS Bancorp, Inc. (KSBI) Reports 41% Year to Date Increase in Net Income and Expands Footprint into Nash County, North Carolina.

Smithfield, NC—(ACCESSWIRE) July 23, 2025, KS Bancorp, Inc. (the “Company”) (OTCBB: KSBI), parent company of KS Bank, Inc. (the “Bank”), announced unaudited results for the second quarter of 2025.

The Company reported net income of \$2.2 million or \$2.02 per diluted share for the three months ended June 30, 2025, compared to net income of \$1.7 million or \$1.50 per diluted share for the three months ended June 30, 2024. This signifies a 35% increase in net income. Year-to-date net income was \$4.3 million or \$3.89 per diluted share, compared to \$3.1 million, or \$2.75 per diluted share, for the six months ended June 30, 2024. This signifies a 41% increase in net income year to date.

Net interest income before the provision for credit losses for the three months ended June 30, 2025, increased 22.8%. It was \$6.9 million, compared to \$5.5 million at June 30, 2024. Non-interest income for the three months ended June 30, 2025, was \$1.1 million, compared to \$863,000 for the comparable period ended June 30, 2024. Non-interest expense was \$4.7 million for the three months ended June 30, 2025, compared to \$4.1 million in the comparable period in 2024.

For the six months ending June 30, 2025, net interest income before the provision for credit losses was \$13.2 million, compared to \$10.6 million for the six months ending June 30, 2024, which was a 28.7% increase. Non-interest income was \$2.0 million for the six months ending June 30, 2025, compared to \$1.7 million for the same period ended June 30, 2024. For the six months ended June 30, 2025, non-interest expenses were \$9.0 million, compared to \$8.1 million for the same period ending June 30, 2024.

The Company’s unaudited consolidated total assets increased by \$36.4 million to \$727.3 million as of June 30, 2025, compared to \$690.9 million as of December 31, 2024. Net loan balances increased by \$33.4 million to \$587.9 million on June 30, 2025, compared to \$554.5 million on December 31, 2024. The Company’s investment securities totaled \$94.5 million as of June 30, 2025, compared to \$95.9 million as of December 31, 2024. Total deposits increased \$43.5 million to \$661.7 million as of June 30, 2025, compared to \$618.2 million as of December 31, 2024. The increase in deposits included a \$34.2 million increase or 6.0% in core deposits. For the six months ended June 30, 2025, short-term borrowings decreased \$11.1 million. Total stockholders’ equity increased \$3.4 million to \$48.7 million as of June 30, 2025, from \$45.3 million as of December 31, 2024.

As of June 30, 2025, nonperforming assets consisted of nonaccrual loans totaling \$77,000 and foreclosed real estate with a value of \$500,000, representing less than 0.10% of the Company’s

total assets. The allowance for credit losses as of June 30, 2025, totaled \$4.7 million, or 0.79% of total loans.

Commenting on the second quarter results, Earl W. Worley, Jr., President and CEO of the Company, stated, “We are pleased with our continued momentum through the first half of 2025, highlighted by a 35% increase in second quarter net income compared to the prior year. This strong performance reflects steady loan growth, disciplined expense control, and a 6% rise in core deposits, all of which reinforce the strength of our balance sheet and the dedication of our team. In addition to our financial results, we were proud to open our eleventh full-service branch in Bailey, North Carolina, our first in Nash County, North Carolina. The community’s warm reception affirms the value of our relationship-driven approach to banking.

As we move into the second half of the year, we remain cautiously optimistic. While our fundamentals are sound and our strategic initiatives are progressing well, we recognize that ongoing economic uncertainty and future actions by the Federal Reserve may impact both interest rate trends and customer behavior. We will continue to manage risk carefully, remain flexible in our approach, and focus on delivering long-term value to our customers, communities, and shareholders.”

In addition, the Company announced today that its Board of Directors has declared a quarterly dividend of \$0.28 per share for stockholders of record as of August 1, 2025, with payment to be made on August 11, 2025.

KS Bank continues to be well-capitalized according to regulatory standards, with a Community Bank Leverage Ratio of 9.22% as of June 30, 2025, compared to 9.24% as of December 31, 2024.

KS Bancorp, Inc. is a Smithfield, North Carolina-based single-bank holding company. KS Bank, Inc., a state-chartered savings bank, is KS Bancorp’s sole subsidiary. The Bank is a full-service community bank that has served the citizens of eastern North Carolina since 1924. The Bank offers a broad range of personal and business banking products and services, as well as mortgage and trust services. Eleven full-service branches are located in Kenly, Selma, Clayton, Garner, Goldsboro, Wilson, Wendell, Smithfield, Four Oaks, Dunn, and Bailey, North Carolina. For more information, visit www.ksbankinc.com.

This release contains certain forward-looking statements with respect to the financial condition, results of operations and business of the Company. These forward-looking statements involve risks and uncertainties and are based on the beliefs and assumptions of management of the Company and on the information available to management at the time that these disclosures were prepared. These statements can be identified by the use of words like “expect,” “anticipate,” “estimate” and “believe,” variations of these words and other similar expressions. Readers should not place undue reliance on forward-looking statements as a number of important factors could cause actual results to differ materially from those in the forward-looking statements. The Company undertakes no obligation to update any forward-looking statements.

KS Bancorp, Inc. and Subsidiary
Consolidated Statements of Financial Condition

	June 30, 2025 (unaudited)	December 31, 2024*
	(Dollars in thousands)	
ASSETS		
Cash and due from banks:		
Interest-earning	\$ 13,771	\$ 10,627
Noninterest-earning	4,806	4,897
Time Deposit	723	523
Investment securities available for sale, at f	94,545	95,946
Federal Home Loan Bank stock, at cost	498	469
Loans	592,595	558,779
Less allowance for loan losses	(4,667)	(4,259)
Net loans	587,928	554,520
Accrued interest receivable	2,813	2,655
Foreclosed assets, net	500	-
Property and equipment, net	12,334	12,231
Other assets	9,342	8,981
Total assets	\$ 727,260	\$ 690,849
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits	\$ 661,690	\$ 618,156
Short-term borrowings	\$ -	\$ 11,144
Long-term borrowings	11,248	11,248
Accrued interest payable	322	323
Accrued expenses and other liabilities	5,284	4,675
Total liabilities	678,544	645,546
Stockholder's Equity:		
Preferred stock, no par value, 500,000 shares authorized; none issued and outstanding		
Common stock, no par value, 3,500,000 shares authorized; 1,107,776 shares issued and outstanding at June, 2025 and December 31, 2024, respectively	1,359	1,359
Retained earnings, substantially restrictec	56,392	52,675
Accumulated other comprehensive Incon	(9,035)	(8,731)
Total stockholders' equity	48,716	45,303
Total liabilities and stockholders' equity	\$ 727,260	\$ 690,849

* Derived from audited financial statements

KS Bancorp, Inc and Subsidiary
Consolidated Statement of Income

	Three Months Ended 30-Jun		Six Months Ended 30-Jun	
	2025	2024	2025	2024
	(In thousands, except per share data)			
Interest and dividend income:				
Loans	\$ 9,604	\$ 7,784	18,560	15,237
Investment securities				
Taxable	575	513	1,135	1,013
Tax-exempt	180	202	361	404
Dividends	6	6	12	12
Interest-bearing deposits	212	277	343	397
Total interest and dividend income	<u>10,577</u>	<u>8,782</u>	<u>20,411</u>	<u>17,063</u>
Interest expense:				
Deposits	3,510	3,132	6,824	5,938
Borrowings	<u>166</u>	<u>192</u>	<u>354</u>	<u>565</u>
Total interest expense	<u>3,676</u>	<u>3,324</u>	<u>7,178</u>	<u>6,503</u>
Net interest income	6,901	5,458	13,233	10,560
Provision for loan losses	<u>338</u>	<u>114</u>	<u>533</u>	<u>283</u>
Net interest income after provision for loan losses	<u>6,563</u>	<u>5,344</u>	<u>12,700</u>	<u>10,277</u>
Noninterest income:				
Service charges on deposit accounts	365	320	690	634
Fees from trust services	371	334	742	651
Other income	<u>324</u>	<u>209</u>	<u>540</u>	<u>407</u>
Total noninterest income	<u>1,060</u>	<u>863</u>	<u>1,972</u>	<u>1,692</u>
Noninterest expenses:				
Compensation and benefits	2,883	2,513	5,552	5,015
Occupancy and equipment	611	596	1,271	1,153
Data processing & outside service fees	291	244	555	479
Advertising	76	64	129	110
Other	<u>806</u>	<u>712</u>	<u>1,537</u>	<u>1,354</u>
Total noninterest expenses	<u>4,667</u>	<u>4,129</u>	<u>9,044</u>	<u>8,111</u>
Income before income taxes	2,956	2,078	5,628	3,858
Income tax	<u>715</u>	<u>421</u>	<u>1,312</u>	<u>815</u>
Net income	<u>\$ 2,241</u>	<u>\$ 1,657</u>	<u>\$ 4,316</u>	<u>\$ 3,043</u>
Basic and Diluted earnings per share	<u>\$ 2.02</u>	<u>\$ 1.50</u>	<u>\$ 3.89</u>	<u>\$ 2.75</u>