

**KS BANCORP, INC**  
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**PRESS RELEASE**

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**KS Bancorp, Inc. (KSBI) Announces Fourth Quarter 2024 Financial Results and Cash Dividend**

Smithfield, NC—(ACCESSWIRE) January 29, 2025, KS Bancorp, Inc. (the “Company”) (OTCBB: KSBI), parent company of KS Bank, Inc. (the “Bank”), announced unaudited results for the fourth quarter of 2024 and cash dividend.

The Company reported net income of \$1.7 million or \$1.49 per diluted share for the three months ended December 31, 2024, compared to net income of \$1.5 million or \$1.35 per diluted share for the three months ended December 31, 2023. During the fourth quarter of 2024, KS Bank booked one-time, non-recurring accounting expenses related to the redevelopment of our Garner branch site. The bank had excess land at its Garner, NC location. As a result, the bank subdivided the lot, demolished the old branch, built a new branch in the same location, and sold the remainder of the lot for commercial development. This new branch positions the bank to better serve the Garner, Wake County, NC area. Without these extraordinary expenses, net income for the fourth quarter would have been \$2.1 million or \$1.91 per diluted share for the three months ended December 31, 2024.

Net interest income before the provision for credit losses for the three months ended December 31, 2024 was \$6.2 million, compared to \$5.0 million at December 31, 2023. Non-interest income for the three months ended December 31, 2024, was \$915,000, compared to \$840,000 for the comparable period ended December 31, 2023. Non-interest expense was \$4.8 million for the three months ended December 31, 2024, compared to \$4.0 million in the comparable period in 2023. Included in the non-interest expense for the three months ended December 31, 2024, are one-time net expenses related to the disposal of the former Garner Branch.

For the twelve months ended December 31, 2024, the Company reported net income of \$6.1 million, or \$5.56 per diluted share, compared to \$6.2 million, or \$5.60 per diluted share for the twelve months ended December 31, 2023.

For the twelve months ended December 31, 2024, the net interest income before the provision for credit losses was \$22.2 million, compared to \$20.3 million for the twelve months ending December 31, 2023, resulting in a 9.6% increase in net interest income. Non-interest income was \$3.5 million for the twelve months ending December 31, 2024, compared to \$3.2 million for the same period ended December 31, 2023. The increase is primarily attributable to the continued growth of the Wealth and Trust Services. For the twelve months ended December 31, 2024, non-interest expenses were \$17.1 million, compared to \$15.3 million for the same period ending December 31, 2023. The increase in non-interest expense is primarily attributable to opening two new branches in 2024 and the disposal of the former Garner Branch.

The Company’s unaudited consolidated total assets increased 12.5% or \$77.1 million to \$690.7 million at December 31, 2024, compared to \$613.6 million at December 31, 2023. Net loan balances increased 17.3% or \$81.6 million to \$554.5 million at December 31, 2024, compared to

\$472.9 million at December 31, 2023. The Company's investment securities totaled \$95.9 million at December 31, 2024, compared to \$98.0 million at December 31, 2023. Total deposits increased 13.4% or \$73.1 million to \$618.1 million at December 31, 2024, compared to \$545.0 million at December 31, 2023. The increase in deposits included a \$66.1 million increase or 13.1% in core deposits. Total stockholders' equity increased \$4.8 million to \$45.3 million at December 31, 2024, from \$40.5 million at December 31, 2023. The increase in stockholder's equity was primarily attributable to the increase in retained earnings of \$5.0 million.

On December 31, 2024, nonperforming assets consisted of nonaccrual loans of \$782,000, representing less than 0.10% of the Company's total assets. No foreclosed real estate was owned on December 31, 2024. The allowance for credit losses on December 31, 2024, totaled \$4.3 million, or 0.77% of total loans.

Commenting on the fourth quarter results, Earl W. Worley, Jr., President and CEO of the Company, stated, "We are pleased with KS Bank's strong performance in the fourth quarter and throughout 2024. Our focus on strategic growth, such as the redevelopment of our Garner branch, demonstrates our commitment to better serving the growing communities in eastern North Carolina. Despite the one-time expenses associated with these developments, our core results remain robust, with net income for the quarter reaching \$1.7 million, or \$2.1 million, excluding extraordinary expenses.

Over the course of the year, we achieved impressive growth in key areas. Total loans increased by 17.3%, reflecting the strength of our lending efforts and our ability to meet the needs of our customers. Additionally, stockholders' equity grew by 11.9%, further solidifying the Company's strong financial position. Overall, total assets increased by 12.5%, and core deposits rose by 13.1%. These results underscore our customers' trust in us and our ability to deliver consistent value.

As we look ahead, we remain dedicated to navigating the evolving interest rate environment while continuing to prioritize shareholder value and community impact. KS Bank's solid financial foundation positions us well to build on this success in 2025 and beyond."

In addition, the Company announced today that its Board of Directors has declared a quarterly dividend of \$0.27 per share for stockholders of record as of February 3, with payment to be made on February 11, 2025.

KS Bank continues to be well capitalized according to regulatory standards, with a Community Bank Leverage Ratio of 9.24% on December 31, 2024, compared to 9.67% on December 31, 2023.

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. Ten full-service branches are located in Kenly, Selma, Clayton, Garner, Goldsboro, Wilson, Wendell, Smithfield, Four Oaks, and Dunn, North Carolina. For more information, visit [www.ksbankinc.com](http://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**

	December 31, 2024 (unaudited)	December 31, 2023*
(Dollars in thousands)		
<b>ASSETS</b>		
Cash and due from banks:		
Interest-earning	\$ 10,628	\$ 15,962
Noninterest-earning	4,897	2,983
Time Deposit	523	500
Investment securities available for sale, at fair value	95,946	98,047
Federal Home Loan Bank stock, at cost	469	978
Loans	558,779	476,679
Less allowance for loan losses	(4,259)	(3,766)
Net loans	554,520	472,913
Accrued interest receivable	2,655	2,389
Property and equipment, net	12,231	11,050
Other assets	8,838	8,774
 Total assets	 \$ 690,707	 \$ 613,596
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Liabilities		
Deposits	\$ 618,156	\$ 545,038
Short-term borrowings	11,144	12,000
Long-term borrowings	11,248	11,248
Accrued interest payable	324	432
Accrued expenses and other liabilities	4,510	4,401
 Total liabilities	 645,382	 573,119
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 December 31, 2024 and 2023, respectively	1,359	1,359
Retained earnings, substantially restricted	52,674	47,659
Accumulated other comprehensive (loss)	(8,708)	(8,541)
 Total stockholders' equity	 45,325	 40,477
 Total liabilities and stockholders' equity	 \$ 690,707	 \$ 613,596

\* Derived from audited financial statements

**KS Bancorp, Inc and Subsidiary**  
**Consolidated Statements of Income (Unaudited)**

	Three Months Ended 31-Dec		Twelve Months Ended 31-Dec	
	2024	2023	2024	2023
	(In thousands, except per share data)			
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 8,749	\$ 6,927	\$ 32,269	\$ 25,579
Investment securities				
Taxable	564	511	2,138	1,956
Tax-exempt	182	203	771	816
Dividends	29	10	47	25
Interest-bearing deposits	203	212	925	1,026
Total interest and dividend income	9,727	7,863	\$ 36,150	\$ 29,402
<b>Interest expense:</b>				
Deposits	3,472	2,673	13,100	8,386
Borrowings	98	196	848	761
Total interest expense	3,570	2,869	13,948	9,147
Net interest income	6,157	4,994	22,202	20,255
Provision for loan losses	47	-	501	290
Net interest income after provision for loan losses	6,110	4,994	21,701	19,965
<b>Noninterest income:</b>				
Service charges on deposit accounts	369	332	1,343	1,317
Fees from trust services	368	322	1,391	1,216
Other income	178	186	754	686
Total noninterest income	915	840	3,488	3,219
<b>Noninterest expenses:</b>				
Compensation and benefits	2,519	2,384	10,066	9,480
Occupancy and equipment	751	570	2,535	2,161
Data processing & outside service fees	256	237	988	870
Advertising	56	65	228	243
Other	1,187	693	3,247	2,592
Total noninterest expenses	4,769	3,949	17,064	15,346
Income before income taxes	2,256	1,885	8,125	7,838
Income tax	603	385	1,968	1,629
Net income	\$ 1,653	\$ 1,500	\$ 6,157	\$ 6,209
Basic and Diluted earnings per share	\$ 1.49	\$ 1.35	\$ 5.56	\$ 5.60