



Dear Fellow Shareholders,

For the year ended December 31, 2022, KS Bancorp, Inc. reported net income of \$7.5 million, or \$6.82 per diluted share, an increase in per share earnings of 24%. Without the non-recurring Payroll Protection Program (PPP) fee income included in 2021 earnings, the increased earnings per share would have been \$2.02, or an increase of 42%. Dividends paid from earnings were \$0.72 per share, compared to \$0.56 per share paid in 2021, an increase of 28%.

During 2022, KS Bancorp increased net loans receivable by \$68 million, a 20% increase from 2021 year ending. Loan delinquency at December 31, 2022 was 0.10%, the lowest during the 29 years of KS Bancorp.

Continuing its above average growth the past few years, KS Bank's Trust Department had a stellar year during 2022, opening 74 account relationships with \$31.8 million in new assets under management. Wealth Management through our Trust department allows KS Bank to expand its relationships to more fully meet customers' financial needs. Our knowledgeable and experienced Wealth team members have become true strategic partners for bank clients that value relationships built through community banking.

Note from Harold: As my tenure on the Board of Directors of KS Bancorp ends, I wanted to say how honored I have been to serve our shareholders for the past twenty-nine years. I believe community banking is important and a good investment. KS Bancorp/KS Bank is a great example of how a bank can serve a community and its shareholders for the benefit of all. I thank you for all of your support.

We thank you for your continued confidence in KS Bancorp and our efforts to have sound financial growth with above average returns. If you have a banking or wealth need, we hope you will think of us first.

Respectfully,

A handwritten signature in black ink, appearing to read "Harold T. Keen".

Harold T. Keen  
Executive Vice-Chairman

A handwritten signature in black ink, appearing to read "James C. Parker".

James C. Parker  
Chairman of the Board