

KS BANCORP, INC
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PRESS RELEASE

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KS Bancorp, Inc. (KSBI) Reports Strong Growth in Assets, Loans, Deposits and Equity for the Third Quarter of 2026

Smithfield, NC—(ACCESSWIRE) October 27, 2026, KS Bancorp, Inc. (the “Company”) (OTCID: KSBI), parent company of KS Bank, Inc. (the “Bank”), announced today financial results for the quarter and nine months ended September 30, 2026.

Financial Highlights

- Net income increased 15.0% to \$2.9 million in the third quarter of 2026.
- Earnings per share increased to \$2.58, compared to \$2.24 in the prior-year quarter.
- Net interest income before the provision increased 18.5% year over year to \$8.6 million.
- Net income increased 22.0% year over year to \$8.3 million for the nine months ended September 30, 2026.
- Total assets increased to \$943.7 million, up \$121.1 million, or 14.7%, from December 31, 2025.
- Net loans grew to \$753.7 million, an increase of \$89.5 million, or 13.5%, from December 31, 2025.
- Total deposits increased 15.0% to \$861.6 million, an increase of \$112.0 million from December 31, 2025.

The Company reported net income totaling \$2.9 million, or \$2.58 per diluted share, for the three months ended September 30, 2026, compared to \$2.5 million, or \$2.24 per diluted share, for the same period in 2025. The increase was driven primarily by strong growth in net interest income, partially offset by higher operating expenses reflecting continued investment in personnel, technology, and infrastructure. Net interest income increased to \$8.6 million, up \$1.3 million, or 18.5%, from the third quarter of 2025. The provision for credit losses was \$335 thousand for the quarter, reflecting continued loan growth and management’s assessment of current economic conditions and portfolio credit quality. Noninterest income remained stable at \$1.1 million for the three months ended September 30, 2026, and September 30, 2025. Noninterest expense increased to \$5.8 million, compared to \$4.9 million in the third quarter of 2025, primarily due to compensation and benefits, occupancy costs, and technology-related expenses.

Net income totaled \$8.3 million, or \$7.49 per diluted share, for the nine months ended September 30, 2026, compared to \$6.8 million, or \$6.13 per diluted share, for the same period in 2025. For the nine months ended September 30, 2026, net interest income before the provision for credit losses

was \$24.6 million, compared to \$20.5 million for the nine months ended September 30, 2025, representing a 20.1% increase. Noninterest income was \$3.2 million for the nine months ended September 30, 2026, compared to \$3.0 million for the same period in 2025. Noninterest expense was \$16.2 million for the nine months ended September 30, 2026, compared to \$13.9 million for the same period in 2025.

As of September 30, 2026, the Company's unaudited consolidated total assets were \$943.7 million, an increase of \$121.1 million from \$822.6 million at December 31, 2025. Driven by continued loan demand across the Company's branch network, net loan balances grew \$89.5 million to \$753.7 million, compared to \$664.2 million at December 31, 2025. The Company's investment securities totaled \$93.7 million at September 30, 2026, compared to \$95.2 million at December 31, 2025.

Total deposits increased \$112.0 million to \$861.6 million at quarter-end, reflecting continued customer confidence and strong market penetration throughout the Bank's service area. Liquidity remained solid, with \$66.6 million in cash and due from banks. Long-term borrowings increased \$3.0 million to \$14.2 million at September 30, 2026, compared to \$11.2 million at December 31, 2025. The increase was due to a \$3 million subordinated debt issuance in June 2026.

Stockholders' equity increased \$4.5 million to \$60.3 million as of September 30, 2026, from \$55.8 million at December 31, 2025, reflecting strong retained earnings and overall balance sheet health.

KS Bank continues to be well-capitalized according to regulatory standards, with a Community Bank Leverage Ratio of 9.14% as of September 30, 2026, compared to 9.02% as of December 31, 2025.

The Company also announced today that its Board of Directors declared a quarterly dividend of \$0.36 per share for stockholders of record as of November 2, 2026, with payment to be made on November 12, 2026.

Commenting on the third quarter results, Earl W. Worley, Jr., President and CEO of the Company, stated, "KS Bancorp delivered another quarter of strong financial performance, highlighted by double-digit growth in earnings, loans, deposits, assets, and stockholders' equity. Through the first nine months of 2026, total assets increased 14.7% to \$943.7 million, loans grew 13.5% to \$753.7 million, and deposits expanded 15.0% to \$861.6 million. These results reflect the successful execution of our strategic plan, disciplined balance sheet management, and the dedication of our employees to serving customers and communities across our markets.

We were also pleased to continue investing in the future of our franchise through strategic expansion initiatives, including the opening of our Lillington Branch in August and the announcement of our entry into the Roseboro and Sampson County, North Carolina market. These opportunities reinforce our commitment to bringing relationship-based community banking to North Carolina communities while creating long-term value for our customers and shareholders.

Reflecting the Company's strong operating performance, capital position, and confidence in our future, our Board of Directors approved an increase in the quarterly cash dividend from \$0.34 to \$0.36 per share, an increase of approximately 6.0%. For calendar year 2026, shareholders have had an 18.0% increase in dividends over the previous year. This action demonstrates the Board's confidence in the Company's long-term outlook and our ongoing commitment to delivering consistent returns to shareholders while continuing to invest in the growth and strength of KS Bank.

While we remain optimistic about our long-term prospects, economic uncertainty persists. Future results could be impacted by additional interest rate increases by the Federal Reserve, competitive pressures on deposit pricing, changes in customer borrowing activity, and broader economic conditions. Regardless of the environment, we remain committed to maintaining strong capital and liquidity, managing risk prudently, supporting our communities, and creating sustainable long-term value for our shareholders."

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. Twelve full-service branches are located in Kenly, Selma, Clayton, Garner, Goldsboro, Wilson, Wendell, Smithfield, Four Oaks, Dunn, Bailey and Lillington, 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

	September 30, 2026 (unaudited)	December 31, 2025*
(Dollars in thousands)		
ASSETS		
Cash and due from banks:		
Interest-earning	\$ 59,650	\$ 30,244
Noninterest-earning	6,156	5,259
Time Deposit	752	746
Investment securities available for sale, at fair value	93,710	95,158
Federal Home Loan Bank stock, at cost	590	498
Loans	759,514	669,267
Less allowance for loan losses	(5,833)	(5,062)
Net loans	753,681	664,205
Accrued interest receivable	3,308	3,078
Foreclosed assets, net	400	500
Property and equipment, net	14,874	13,603
Other assets	10,549	9,312
Total assets	\$ 943,670	\$ 822,603
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits	\$ 861,607	\$ 749,601
Short-term borrowings	\$ -	-
Long-term borrowings	14,248	11,248
Accrued interest payable	458	405
Accrued expenses and other liabilities	7,057	5,505
Total liabilities	883,370	766,759
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 September 30, 2026 and December 31, 2025, respectively	1,359	1,359
Retained earnings, substantially restricted	68,069	60,814
Accumulated other comprehensive Income	(9,128)	(6,329)
Total stockholders' equity	60,300	55,844
Total liabilities and stockholders' equity	\$ 943,670	\$ 822,603

* Derived from audited financial statements

KS Bancorp, Inc and Subsidiary
Consolidated Statement of Income

	Three Months Ended 30-Sep		Nine Months Ended 30-Sep	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
	(In thousands, except per share data)			
Interest and dividend income:				
Loans	\$ 12,359	\$ 10,317	35,067	28,877
Investment securities				
Taxable	661	575	1,903	1,710
Tax-exempt	181	183	548	544
Dividends	8	6	23	18
Interest-bearing deposits	213	70	1,037	413
Total interest and dividend income	<u>13,422</u>	<u>11,151</u>	<u>38,578</u>	<u>31,562</u>
Interest expense:				
Deposits	4,568	3,636	13,396	10,460
Borrowings	239	242	553	596
Total interest expense	<u>4,807</u>	<u>3,878</u>	<u>13,949</u>	<u>11,056</u>
Net interest income	8,615	7,273	24,629	20,506
Provision for loan losses	<u>335</u>	<u>277</u>	<u>999</u>	<u>810</u>
Net interest income after provision for loan losses	<u>8,280</u>	<u>6,996</u>	<u>23,630</u>	<u>19,696</u>
Noninterest income:				
Service charges on deposit accounts	426	367	1,187	1,057
Fees from trust services	508	432	1,411	1,174
Other income	208	211	634	751
Total noninterest income	<u>1,142</u>	<u>1,010</u>	<u>3,232</u>	<u>2,982</u>
Noninterest expenses:				
Compensation and benefits	3,406	3,015	9,690	8,567
Occupancy and equipment	764	698	2,232	1,969
Data processing & outside service fees	366	298	1,058	853
Advertising	130	81	244	210
Other	1,092	783	2,998	2,320
Total noninterest expenses	<u>5,758</u>	<u>4,875</u>	<u>16,222</u>	<u>13,919</u>
Income before income taxes	3,664	3,131	10,640	8,759
Income tax	<u>810</u>	<u>650</u>	<u>2,345</u>	<u>1,962</u>
Net income	<u>\$ 2,854</u>	<u>\$ 2,481</u>	<u>\$ 8,295</u>	<u>\$ 6,797</u>
Basic and Diluted earnings per share	<u>\$ 2.58</u>	<u>\$ 2.24</u>	<u>\$ 7.49</u>	<u>\$ 6.13</u>