



*Celebrating 100 years of trust,  
loyalty, and community!*



2024 ANNUAL REPORT



Harnett County, NC



Johnston County, NC



Wake County, NC



Wilson County, NC



And Beyond!



Wayne County, NC



Johnston County, NC

## About Us

KS Bancorp, Inc. is a Smithfield, North Carolina-based, single bank holding company with approximately \$691 million in assets as of December 31, 2024. KS Bank, Inc., a state-chartered savings bank, is KS Bancorp's sole subsidiary. The Bank conducts its operations through ten full service branch offices located in Clayton, Dunn, Four Oaks, Garner, Goldsboro, Kenly, Selma, Smithfield, Wendell, and Wilson. There are 100 employees at the time of this writing.

The Company prides itself on being a community-oriented financial institution that offers a wide range of banking products and services for both individuals and businesses. On the personal banking side, customers can expect tailored deposit and loan products to meet their specific needs. Meanwhile, businesses can benefit from services such as deposit and loan products, payroll services, merchant card services, cash management, and remote deposit.

For those seeking a mortgage, KS Mortgage Services provides competitive products delivered by a responsive team of specialists. Moreover, clients can turn to KS Trust & Wealth for a variety of financial management solutions. These include trust services like investment management, IRAs, trust administration, estate planning, charitable giving, business succession planning, and risk management.

Currently, the Company's stock is traded on the over-the-counter bulletin board ([www.otcbb.com](http://www.otcbb.com)) and the Pink Sheets ([www.pinksheets.com](http://www.pinksheets.com)) under the symbol "KSBI." KS Bancorp had 1,107,776 shares of common stock, which were held by approximately 314 shareholders of record, as of December 31, 2024.

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The discussions included in this document and the documents referenced herein may contain forward looking statements within the meaning of the Private Securities Litigation Act of 1995, including Section 21E of the Securities Exchange Act of 1934 and Section 27A of the Securities Act of 1933. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially. For the purposes of these discussions, any statements that are not statements of historical fact may be deemed to be forward looking statements. Such statements are often characterized by the use of qualifying words such as "expects," "anticipates," "believes," "estimates," "plans," "projects," or other statements concerning opinions or judgments of the Company and its management about future events. The accuracy of such forward looking statements could be affected by such facts as, including but not limited to, the financial success or changing conditions or strategies of the Company's customers, fluctuations in interest rates, competitive product and pricing pressures within our markets, technological changes, changes in law and regulations, changes in fiscal, monetary, regulatory and tax policies, monetary fluctuations, actions of government regulators, the availability of capital and personnel, and/or general economic or other conditions. You should not place undue reliance on forward looking statements. We undertake no obligation to revise or update these statements following the date of this report.

# A Message to Shareholders

Dear Shareholders,

## Celebrating 100 Years of Excellence

As we close a landmark year, I want to extend my deepest gratitude for your unwavering support and confidence in KS Bancorp and our subsidiary, KS Bank. This year, 2024, marks a historic milestone—our 100th year of serving the communities of Eastern North Carolina. Throughout this century-long journey, your steadfast loyalty has been the foundation of our growth and success.

## Financial Performance and Stability

KS Bancorp delivered another strong financial performance in 2024, showcasing growth across key financial metrics. Total assets increased to \$690.8 million, a 12.6% rise from the previous year, while net loans grew to \$554.5 million, reflecting a 17.2% increase. Total deposits reached \$618.2 million, marking a 13.4% growth. Core deposit growth of \$66.1 million exceeded our internal targets, demonstrating strong customer trust and engagement. Our Wealth and Trust Division added over \$35 million in new assets under management, bringing the Division's total assets under management to \$250 million dollars.

Net income for 2024 was \$6.1 million compared to \$6.2 million in 2023, with the slight decline primarily due to one-time, non-recurring expenses related to the redevelopment of our Garner branch and strategic investments in other new locations. Our book value per share increased to \$40.90, up from \$36.54 in 2023, reflecting strong equity growth. In addition, dividends increased \$0.08 per share or 8.42% to \$1.03 in 2024 as compared to \$0.95 per share in 2023. Despite increased expenses, our return on average equity (ROAE) remained solid at 13.87%, further underscoring our financial strength.

## Navigating Market Dynamics

Despite broader economic uncertainties and shifting interest rate environments, KS Bancorp remains agile and resilient. Our diversified financial portfolio, strong leadership, and proactive risk management strategies have enabled us to continue delivering value in a challenging landscape. Our Community Bank Leverage Ratio remains strong at 9.24% as of December 31, 2024, underscoring our solid financial foundation.

The counties we serve continue to experience significant economic and population growth, reinforcing our long-term market potential:

- **Johnston County:** One of the fastest-growing counties in North Carolina, with a population increase of 4.2% in the past year and robust commercial development, particularly in the manufacturing and logistics sectors.
- **Harnett County:** Experiencing a 3.8% population growth, with increasing residential development and a surge in small business expansion.
- **Wake County:** A major economic hub with a 2.9% population increase, driven by continued investments in technology, healthcare, and education sectors.
- **Wayne County:** Seeing steady economic improvement, with a 2.5% rise in new business registrations and infrastructure investments supporting long-term growth.
- **Wilson County:** Reporting a 2.1% growth rate, bolstered by advancements in agribusiness, manufacturing, and a strong push for workforce development.

These trends position KS Bancorp to capitalize on expanding economic activity and increased financial service needs within our footprint.



## Operational Excellence and Industry Recognition

Successful regulatory reviews, including a strong FDIC examination and FHLB collateral review, reinforced our focus on operational efficiency and financial discipline. Additionally, KS Bancorp was recognized among the Top Banks under \$2 billion by the American Bankers Association, ranking #14 nationwide. We are also proud to announce that KS Bank has once again earned a 5-star rating from Bauer Financial, Inc., the nation's premier bank rating firm. Bauer evaluates every federally insured U.S. chartered bank with strict standards. Furthermore, KS Bank has been ranked nationally as one of the top 20 lending partners of the State Small Business Credit Initiative (SSBCI). Through our partnership with the North Carolina Rural Center, we are expanding our lending to eligible small businesses, including underserved communities and non-profits. This allows us to support local entrepreneurs and foster economic growth within our region. These recognitions highlight our continued commitment to excellence and prudent financial management.

## Strategic Expansion and Market Growth

This year also marked significant milestones in our physical growth. In June 2024, we proudly opened our newest full-service branch in Dunn, North Carolina—our first presence in Harnett County. This expansion enhances our ability to serve a growing customer base and strengthens our community ties. Additionally, we completed a major redevelopment project at our Garner branch. This investment included subdividing excess land, constructing a modernized branch facility, and selling the remaining lot for commercial development. These strategic moves improve service delivery and position us for future growth in the Wake County market.

## Looking Ahead to 2025

As we look toward 2025—our 101st year—we remain steadfast in our commitment to sustainable growth and innovation. We will continue expanding our market presence across our five-county footprint, focusing on organic growth and strategic partnerships. Enhancing our ability to serve you with more efficient and user-friendly technology will remain a priority, ensuring we continue to meet the evolving needs of our customers. We will also deepen our engagement with the communities we serve, fostering strong relationships with local businesses and residents to drive economic growth and create lasting value. Our goal is to build on our legacy of success while positioning KS Bancorp for continued prosperity in the years ahead.

## Appreciation and Acknowledgments

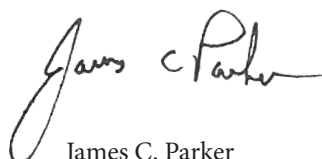
None of our achievements would be possible without our employees' dedication, our loyal customers' trust, and, most importantly, your unwavering support as shareholders. Your belief in KS Bancorp fuels our drive for excellence, and we are excited about the opportunities that lie ahead.

Thank you for being an essential part of this remarkable journey. Together, we will continue to build a future that honors our legacy and embraces new growth for years to come.

Sincerely,



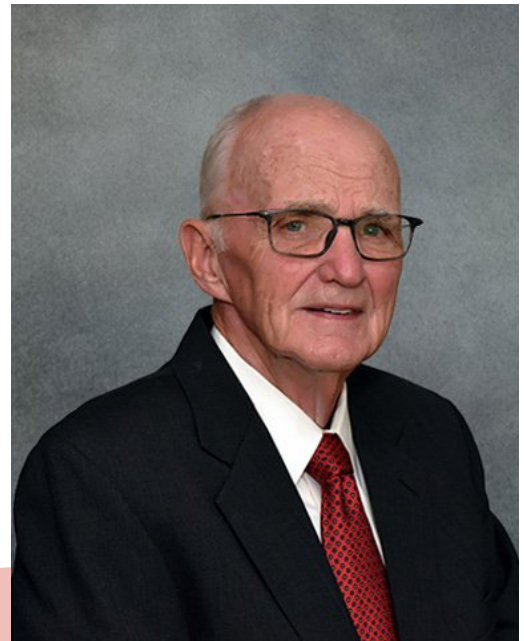
Earl W. Worley, Jr.  
President/Chief Executive Officer



James C. Parker  
Chairman of the Board

# Sidney E. Sauls

## 24 Years of Dedicated and Compassionate Service



Sidney E. Sauls grew up on his family farm in the McGee's Crossroads community of Johnston County, North Carolina. He attended NC State University from 1965 to 1969, where he majored in Agricultural Economics. In 1969, he returned to Johnston County and began his career as the principal owner of S.S. Sauls and Son Farm. In 1986, Sidney began his career in the insurance agency with North Carolina Farm Bureau Insurance Company, where he won many awards and the respect of his fellow agents. Through his leadership with Farm Bureau, he was appointed the Clayton branch of Farm Bureau's agency manager until his retirement in December 2013.

On May 2, 2000, Sauls was elected to the Board of Directors of KS Bank and its holding company, KS Bancorp, and has served continuously until May 16, 2024. During his time on the board, he has distinguished himself in service through participation as a member of the ALCO Committee, Audit Committee, Compensation Committee, Director Loans Committee, Investment Committee, Nominating Committee, Security Committee, and Trust Committee. Harold T. Keen, KS Bank President/Director Emeritus, shared, "Sid Sauls came to the KS Bank board with a strong skill set, having grown and managed a large family farm during a changing time for rural Johnston County. Sid has been a trusted community leader and advisor to many. His down-to-earth common sense has been a steadying influence for KS Bank, and we are a better organization for his years of service."

Sidney Sauls performed his service as a Director of KS Bank with compassion and an understanding of the needs of the business community. He has served the community in numerous roles, including as an active member and deacon of Providence Presbyterian Church, an Advisory Committee member at Cleveland School, a member of the Johnston County Planning Board, a 30-year member of the 50-210 Fire Department, and Past Chairman of the 50-210 Fire Department Board of Directors.

His commitment and dedication have set an outstanding example, and his leadership and guidance have served as an inspiration to many throughout his career and community service. "Throughout his tenure on the board, Sid has played an instrumental role in guiding our bank through periods of growth and change. We are grateful for his service and countless contributions to our institution," commented Earl W. Worley, Jr., KS Bank President/CEO. The Board of Directors of KS Bank has appointed Sidney E. Sauls as Director Emeritus of KS Bank and KS Bancorp in appreciation for his service, sound business advice, valued counsel, and invaluable contributions to the board.

**"His down-to-earth common sense has been a steadying influence for KS Bank, and we are a better organization for his years of service."**

**-Harold T. Keen, KS Bank President/Director Emeritus**

# Selected Financial Data

2024

2023

2022

2021

2020

(In Thousands, Except Per Share Amounts)

## Financial Condition Data:

Total Assets	\$ 690,849	\$ 613,610	\$ 546,350	\$ 571,225	\$ 485,828
Investments	107,566	115,487	109,255	206,625	98,385
Loans Receivable, Net	554,520	472,913	413,740	345,644	368,593
Deposits	618,156	545,038	481,565	487,437	402,523
FHLB advances/other borrowings	22,392	23,248	28,276	43,248	47,248
Stockholders' Equity	45,303	40,477	32,236	36,645	32,021
Book Value per Common Share	40.90	36.54	29.10	33.08	28.91

## Operating Data:

Interest Income	\$ 36,150	\$ 29,402	\$ 22,053	\$ 19,805	\$ 18,997
Interest Expense	13,948	9,147	1,650	2,144	3,588
Net Interest Income	22,202	20,255	20,403	17,661	15,409
Provision for Loan Losses	494	290	-	369	561
Noninterest Income	3,488	3,219	3,276	2,876	2,617
Noninterest Expense	17,071	15,346	14,106	12,456	11,878
Income before Income Taxes	8,125	7,838	9,573	7,712	5,587
Income Tax (benefit) Expense	1,968	1,629	2,016	1,618	1,216
Net (loss) Income	<u>\$ 6,157</u>	<u>\$ 6,209</u>	<u>\$ 7,557</u>	<u>\$ 6,094</u>	<u>\$ 4,371</u>

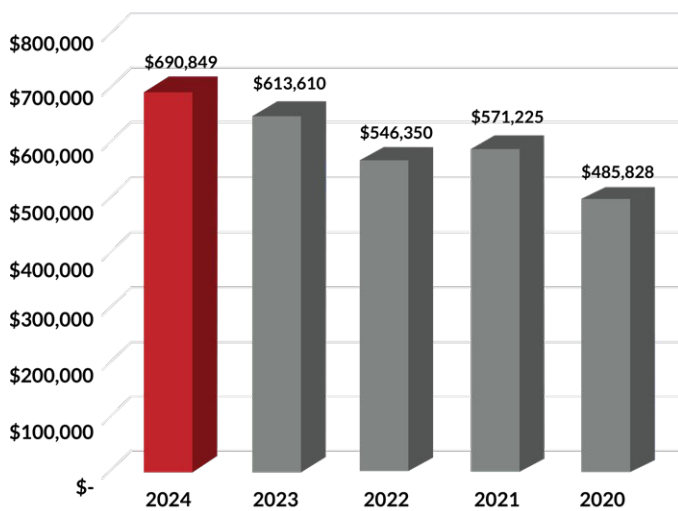
## Selected Other Data:

Basic Earnings (loss) per share	\$5.56	\$5.60	\$6.82	\$5.50	\$3.95
Diluted Earnings (loss) per share	\$5.56	\$5.60	\$6.82	\$5.50	\$3.95
Dividends per Share	\$1.03	\$0.95	\$0.72	\$0.56	\$0.40
Return on avg Assets	0.91%	1.04%	1.35%	1.15%	0.94%
Return on avg Equity	13.87%	16.32%	23.56%	17.52%	14.49%
Avg Equity to Avg Assets	6.56%	6.37%	5.73%	6.55%	6.49%

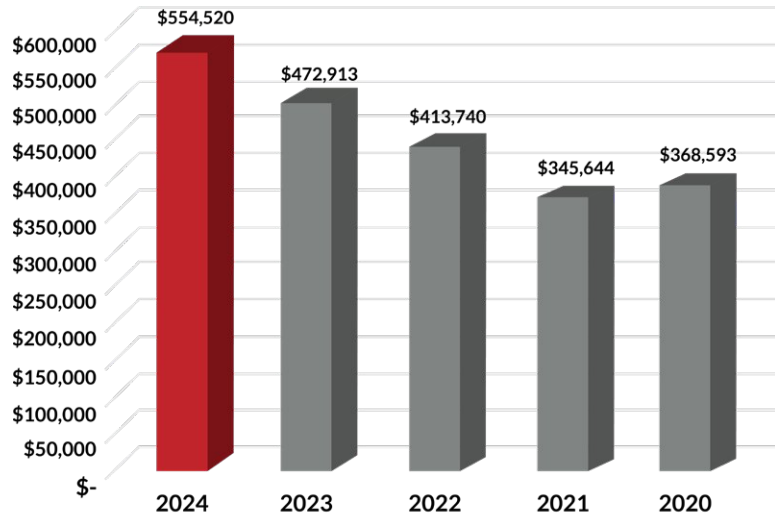
**“We are pleased with KS Bank’s strong performance throughout 2024. As we look ahead, we remain dedicated to navigating the evolving interest rate environment while continuing to prioritize shareholder value and community impact. KS Bank’s solid financial foundation positions us well to build on this success in 2025 and beyond.”**

*-Earl W. Worley, Jr., KS Bank President/CEO*

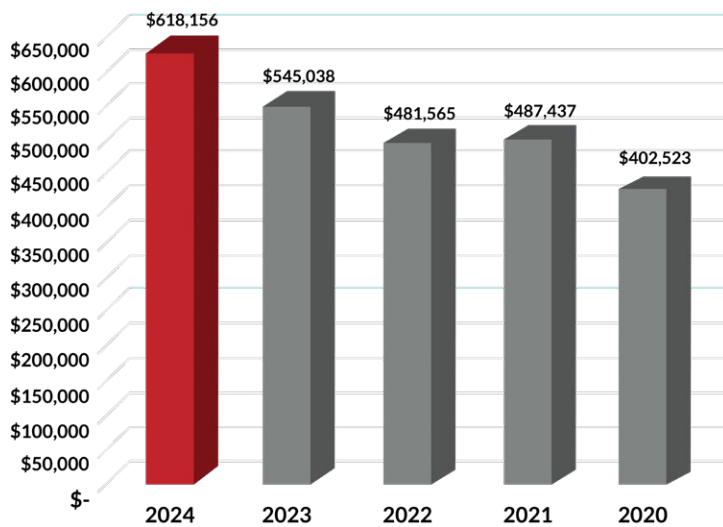
# Financial Highlights



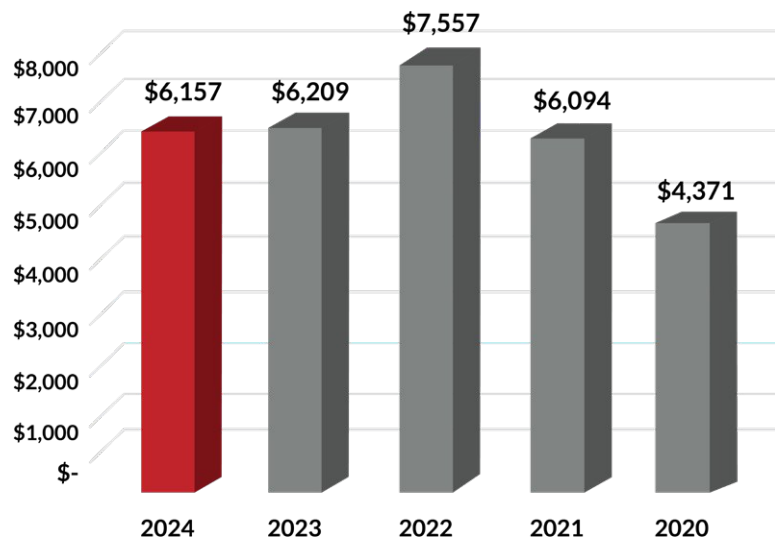
**TOTAL ASSETS**



**LOANS RECEIVABLE, NET**



**DEPOSITS**



**NET INCOME AVAILABLE TO  
COMMON SHAREHOLDERS**

# A Century of Service



*Kenly, NC historic Main Street.*

One hundred years ago,  
a group of neighbors  
came together to serve  
their community and  
help it grow.

1924

On April 28, 1924, Kenly Building & Loan Association is founded in the back of the Bank of Kenly.



*First Kenly Savings & Loan Association branch.*

1961

Kenly Building & Loan Association changes its name to Kenly Savings & Loan Association. This year also saw the first official branch open in Kenly.



*Selma branch.*



1965

The bank's second branch office opens in a neighboring town, Selma, NC.



1990

Harold T. Keen is named as the President of the growing bank.



*Harold T. Keen  
KS Bank President 1990-2021*

1991

The bank opens an office in Wilson, NC.



*Board of Directors attending the opening reception  
for the new branch in Garner.*

1997

The institution opens their fourth branch in a nearby town - Garner, NC.

1998

Name changed to KS Bank in an effort to avoid limiting the bank to the Kenly area.

2001

The bank opens a branch in Clayton, NC.



*Corporate office ribbon cutting  
ceremony in Smithfield, NC*

2003

Smithfield branch and corporate offices opened



*Goldsboro branch ribbon cutting  
ceremony*

2005

Goldsboro branch opens at Wayne Memorial Drive location.



*Wendell branch ribbon cutting ceremony*

2007

Wendell branch opened

2008

Four Oaks branch opened



*Four Oaks branch ribbon cutting ceremony*

2015

KS Trust & Wealth Department established

2022

Earl W. Worley, Jr. named President/CEO  
The bank opens a Loan Production Office  
in Dunn, NC



*Earl W. Worley, Jr.  
KS Bank President 2022-Present*



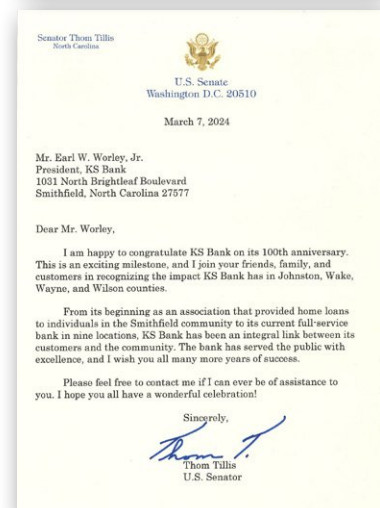
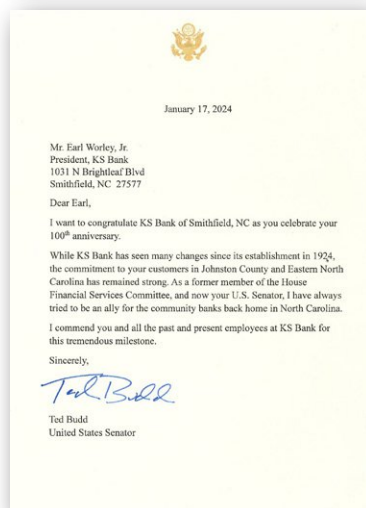
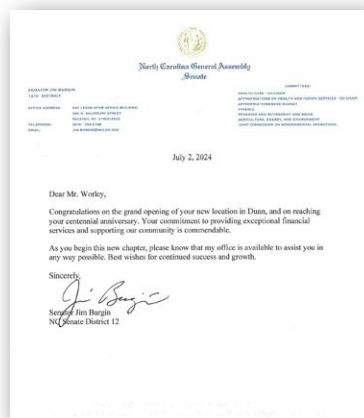
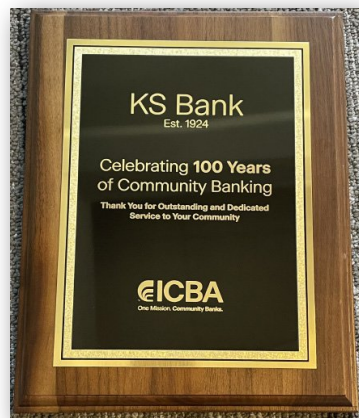
*Dunn branch ribbon cutting ceremony*

2024

Full-Service Dunn branch opened



# Recognition & Accolades



As the bank celebrated our 100th year of service, we were honored and recognized by several groups and individuals for our contributions to our communities over the last century. These recognitions reaffirmed our commitment to focusing on the local community, small businesses, and individual families in those areas. We received letters of commendation from North Carolina Senator Jim Burgin, and United States Senators for North Carolina Ted Budd and Thom Tillis. The Mayor of Smithfield, Andy Moore, presented a proclamation recognizing the bank's contributions to the town and honoring KS Bank on their April 28, 2024, anniversary as "KS Bank Day" in the town. Brad Bolton, former chairman of the Independent Community Bankers Association (ICBA), presented a plaque from the ICBA recognizing the bank's milestone, and the Clayton Chamber of Commerce presented an award honoring KS Bank's commitment to Clayton and the greater Johnston County area.

# Community Celebrations



Each community was invited to celebrate with their local branch at a series of “Business After Hours” events co-hosted with the local Chambers of Commerce. The events included refreshments, an opportunity for community members to mingle with the bank staff, as well as hear about our history, mission, and values. Attendees at the events perused posters outlining major points in the bank’s history, watched an informative video, and won giveaways - including a \$100 grand prize winner at each event! These events fostered a deeper sense of connection and community between the local branch staff and their clients.



# Centennial Celebration

KS Bank celebrated its 100th anniversary on Friday, April 12, 2024, in Selma, NC. The event was attended by KS Bank staff, the board of directors, clients, business partners, and community members. The event was an opportunity to celebrate the bank's milestone achievement, as well as share about all of the contributions it has made to its market areas through community involvement, volunteering, donations, and more.

To show of our dedication and appreciation for our communities, the bank donated \$2,000 each to a non-profit from each of their five-county markets. President and CEO Earl W. Worley, Jr., recounted stories of how KS bank has impacted the lives of its customers over the last century and how grateful we were to be here as the bank reaches its milestone. He recognized three long-time bank employees with Legacy Awards.

A keynote address was given by Brad M. Bolton, President and CEO of Community Spirit Bank in Red Bay, AL, and previous chairman of the Independent Community Bankers of America (ICBA). His speech talked about how our local economies and neighborhoods would look different if KS Bank had not been here all along, making mortgages so people can build their dream homes or lending money to small businesses so they can thrive.

Guests left the event feeling hopeful for the future of community banks like KS Bank and thankful for the community partner they have in KS Bank. Many existing customers in attendance deepened their relationship with the bank as a result of the bank and several new relationships were formed after community members came to understand the benefits of banking and partnering with their local community bank.



# Growth & Advancements



*Dunn Branch Ribbon Cutting - June 17, 2024*



*Garner Branch Ribbon Cutting - August XX, 2024*

2024 brought the opportunity to share new and upgraded facilities with customers and friends. The new full-service Dunn branch hosted a ribbon cutting on June 17, 2024, with nearly 100 community members in attendance! Everyone was excited to see the brand-new branch and meet the staff. In August, we also celebrated a grand re-opening of our Garner branch with a ribbon cutting at their new building. The community shared in our excitement over the improved and modernized office that can continue to serve the Garner area for decades to come.

## New Products & Services

As the banking industry continues to grow at a rapid pace, we have remained committed to bringing our customers the best products and services we can offer. During 2024, we completed several projects and initiatives, including:

- New online banking personal financial management tool plugin
- Documents integration for electronic statements/notices within online banking
- Online loan payment
- Online account opening for select products
- Online banking self-enrollment
- Introduction of ACH Positive Pay
- Mobile Remote Deposit app for business customers
- Banno business online enhanced cash management platform
- KS Bank debit cards able to be added to virtual wallets
- contactless cards
- increased number of consumer credit card products from one to six
- Joined the Real-Time Payment Network and FEdNow Service instant payment channels as “re-ceive-only” participants



# Executive Management



**Earl W. Worley, Jr.**  
*President & CEO*



**Dit L. Breault**  
*Chief Operations Officer*



**H. Geoff Kokiko**  
*Chief Banking Officer*



**Tracy McKinley**  
*Chief Information Officer*



**John A. Parker**  
*Chief Credit Officer*



**Regina J. Smith**  
*Chief Financial Officer*



**Roger K. Thomas**  
*Chief Wealth Officer*

# Board of Directors



**James C. Parker**  
*Chairman*



**Gordon C. Woodruff**  
*Vice-Chairman*



**Lisa H. Brogdon**



**April S. Culver**



**B. Kenneth Jones**



**Matthew T. Keen**



**Winston Kirby**



**R. Edward Scott, Jr.**



**Earl W. Worley, Jr.**



**Jerry Milton\***



**Harold T. Keen**  
*President/Director  
Emeritus*

*\*Jerry Milton serves on the KS Bank Board of Directors only.*



# CORPORATE INFORMATION

## Common Stock

The Company had 1,107,776 shares of Common Stock outstanding, which were held by approximately 314 shareholders of record (excluding shares held in street name), as of December 31, 2024. The Common Stock was listed for quotation on the OTC Bulletin Board and the “Pink Sheets” at [www.pinksheets.com](http://www.pinksheets.com) and trades under the symbol KSBI.



## Corporate Office

1031 N Brightleaf Blvd.  
Smithfield, NC 27577  
919.938.3101  
919.938.2681 (fax)  
[www.ksbankinc.com](http://www.ksbankinc.com)

## Annual Report

A copy of KS Bancorp’s Annual Report can be furnished without a charge by writing to:  
Regina J. Smith, CFO/EVP  
KS Bank, Inc.  
P.O. Box 661  
Smithfield, NC 27577

## Stock Transfer Agent

Shareholders needing information on transfer or lost certificate requirement should contact:  
Equiniti (EQ)  
One Glenwood Ave.  
Suite 1001  
Raleigh, NC 27603  
919.481.4000

## Special Legal Counsel

Brooks, Pierce, McLendon,  
Humphrey & Leonard, LLP  
P.O. Box 26000  
Greensboro, NC 27420

## Independent Certified Public Accountants 2024

Forvis Mazars, LLC  
1003 Red Banks Rd.  
Greenville, NC 27420



## Photography Credit

Tracy McKinley  
Smithfield, NC

## Graphic Design & Layout

Haley Daughtry  
Smithfield, NC

## Equal Opportunity Employer

KS Bank, Inc. is an Equal Opportunity Employer. All matters regarding recruitment, hiring, training, compensation, benefits, and personnel policies will remain free from all discriminatory practices.



1031 N. BRIGHTLEAF BLVD.  
SMITHFIELD, NC 27577



[KSBANKINC.COM](http://KSBANKINC.COM)

Member  
**FDIC**