

KS BANCORP, INC
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PRESS RELEASE

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KS Bancorp, Inc. (KSBI) Reports 52% Earnings Growth and 19% Growth in Total Assets for 2025

Smithfield, NC—(ACCESSWIRE) January 23, 2026, KS Bancorp, Inc. (the “Company”) (OTCID: KSBI), parent company of KS Bank, Inc. (the “Bank”), reported strong financial results for the fourth quarter and the year ended December 31, 2025, highlighted by significant growth in earnings, assets, and reflecting continued loan demand and disciplined balance sheet management.

For the three months ended December 31, 2025, the Company reported net income of \$2.6 million, or \$2.31 per diluted share, compared to \$1.7 million, or \$1.49 per diluted share, for the same period in 2024. This represents a 55.0% increase in net income year-over-year.

For the full year ended December 31, 2025, net income was \$9.4 million, or \$8.44 per diluted share, compared to \$6.2 million, or \$5.56 per diluted share, for the twelve months ended December 31, 2024, an increase of 52.0%.

Net interest income before the provision for credit losses increased 24.3% to \$7.7 million for the fourth quarter of 2025, compared to \$6.2 million for the same quarter in 2024. Non-interest income for the three months ended December 31, 2025, was \$969,000, compared to \$915,000 for the comparable period ended December 31, 2024. Non-interest expense totaled \$5.1 million, compared to \$4.8 million in the fourth quarter of 2024.

For the twelve months ending December 31, 2025, net interest income before the provision for credit losses was \$28.2 million, up 26.8% from \$22.2 million in the same period of 2024. Non-interest income increased to \$4.0 million, compared to \$3.5 million for the same period ended December 31, 2024, while non-interest expenses were \$19.0 million, compared to \$17.1 million for the twelve months ending December 31, 2024. The increase reflects investments in personnel, equipment, and technology to support continued growth.

As of December 31, 2025, the Company’s unaudited consolidated total assets were \$822.6 million, an increase of \$131.7 million from \$690.9 million at December 31, 2024. Driven by continued loan demand across the Company’s branch network, net loan balances grew \$109.7 million to \$664.2 million, compared to \$554.5 million at December 31, 2024. The Company’s investment securities totaled \$95.2 million at December 30, 2025, compared to \$95.9 million at December 31, 2024. Total deposits increased by \$131.4 million to \$749.6 million at December 31, 2025, compared to \$618.2 million at December 31, 2024. The increase included a \$35.3 million increase in core deposits. Borrowings declined by \$11.1 million, totaling \$11.3 million at December 31, 2025, compared to \$22.4 million at year’s end 2024. Total stockholders’ equity increased \$10.5 million to \$55.8 million as of December 31, 2025, from \$45.3 million as of December 31, 2024, reflecting strong retained earnings and overall balance sheet health.

As of December 31, 2025, nonperforming assets consisted of nonaccrual loans totaling \$329,000 and foreclosed real estate with a value of \$500,000, representing less than 0.20% of the Company's total assets. The allowance for credit losses as of December 31, 2025, totaled \$5.1 million, or 0.76% of total loans.

Commenting on the fourth quarter results, Earl W. Worley, Jr., President and CEO of the Company, stated, "We are proud to report a strong fourth quarter and the best year on record for KS Bancorp, Inc., highlighted by solid earnings growth and continued balance sheet expansion. Full year net income increased 52%, reflecting the strength of our core operations and the continued trust our customers place in KS Bank. Loan growth of nearly 20% and deposit growth of more than 21% during the year demonstrated the sustained demand across our markets and the effectiveness of our relationship-focused approach to community banking. Notably, we achieved this growth while maintaining a healthy balance sheet, strong capital levels, and excellent credit quality. Nonperforming assets remained below 0.20% of total assets, and our capital ratios continue to reflect a well-capitalized institution. As we move forward, we remain focused on disciplined balance sheet management, prudent risk practices, and strategic investments in our people and technology, while staying true to the values that have guided KS Bank for more than a century. In addition, we thank our employees, customers, and shareholders for their continued trust and support."

In addition, the Company announced today that its Board of Directors have declared a quarterly dividend of \$0.30 per share for stockholders of record as of February 2, 2026, with payment to be made on February 12, 2026.

KS Bank continues to be well-capitalized according to regulatory standards, with a Community Bank Leverage Ratio of 9.02% as of December 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

	December 31, 2025 (unaudited)	December 31, 2024*
(Dollars in thousands)		
ASSETS		
Cash and due from banks:		
Interest-earning	\$ 30,244	\$ 10,627
Noninterest-earning	5,259	4,897
Time Deposit	746	523
Investment securities available for sale, at f	95,158	95,946
Federal Home Loan Bank stock, at cost	498	469
Loans	669,267	558,779
Less allowance for loan losses	<u>(5,062)</u>	<u>(4,259)</u>
Net loans	664,205	554,520
Accrued interest receivable	3,078	2,655
Foreclosed assets, net	500	-
Property and equipment, net	13,603	12,231
Other assets	<u>9,312</u>	<u>8,981</u>
Total assets	<u><u>\$ 822,603</u></u>	<u><u>\$ 690,849</u></u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Deposits	\$ 749,601	\$ 618,156
Short-term borrowings	-	11,144
Long-term borrowings	11,248	11,248
Accrued interest payable	405	323
Accrued expenses and other liabilities	<u>5,505</u>	<u>4,675</u>
Total liabilities	<u><u>766,759</u></u>	<u><u>645,546</u></u>
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, 2025 and December 31, 2024, respectively	1,359	1,359
Retained earnings, substantially restricted	60,814	52,675
Accumulated other comprehensive Incon	<u>(6,329)</u>	<u>(8,731)</u>
Total stockholders' equity	<u><u>55,844</u></u>	<u><u>45,303</u></u>
Total liabilities and stockholders' equity	<u><u>\$ 822,603</u></u>	<u><u>\$ 690,849</u></u>

* Derived from audited financial statements

KS Bancorp, Inc and Subsidiary
Consolidated Statement of Income

	Three Months Ended		Twelve Months Ended	
	31-Dec		31-Dec	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
(In thousands, except per share data)				
Interest and dividend income:				
Loans	\$ 10,797	\$ 8,749	\$ 39,674	\$ 32,269
Investment securities				
Taxable	589	564	2,299	2,138
Tax-exempt	185	182	729	771
Dividends	19	29	37	47
Interest-bearing deposits	203	203	616	925
Total interest and dividend income	<u>11,793</u>	<u>9,727</u>	<u>43,355</u>	<u>36,150</u>
Interest expense:				
Deposits	3,982	3,472	14,442	13,100
Borrowings	<u>159</u>	<u>98</u>	<u>755</u>	<u>848</u>
Total interest expense	<u>4,141</u>	<u>3,570</u>	<u>15,197</u>	<u>13,948</u>
Net interest income	7,652	6,157	28,158	22,202
Provision for loan losses	<u>215</u>	<u>47</u>	<u>1,025</u>	<u>493</u>
Net interest income after provision for loan losses	<u>7,437</u>	<u>6,110</u>	<u>27,133</u>	<u>21,709</u>
Noninterest income:				
Service charges on deposit accounts	394	369	1,451	1,343
Fees from trust services	441	368	1,615	1,391
Other income	<u>134</u>	<u>178</u>	<u>885</u>	<u>754</u>
Total noninterest income	<u>969</u>	<u>915</u>	<u>3,951</u>	<u>3,488</u>
Noninterest expenses:				
Compensation and benefits	3,149	2,519	11,716	10,066
Occupancy and equipment	749	751	2,718	2,999
Data processing & outside service fees	319	256	1,172	988
Advertising	59	56	269	228
Other	<u>828</u>	<u>1,187</u>	<u>3,148</u>	<u>2,790</u>
Total noninterest expenses	<u>5,104</u>	<u>4,769</u>	<u>19,023</u>	<u>17,071</u>
Income before income taxes	3,302	2,256	12,061	8,126
Income tax	<u>741</u>	<u>603</u>	<u>2,703</u>	<u>1,968</u>
Net income	<u>\$ 2,561</u>	<u>\$ 1,653</u>	<u>\$ 9,358</u>	<u>\$ 6,158</u>
Basic and Diluted earnings per share	<u>\$ 2.31</u>	<u>\$ 1.49</u>	<u>\$ 8.44</u>	<u>\$ 5.56</u>