



February 23, 2023

Dear Fellow Shareholder,

I would like to take this opportunity to thank you for your investment in PB Financial Corporation (OTCQX: PBNC), the holding company (the "Company") for Providence Bank. Included with this letter is your dividend check or your direct deposit notification for the 1st Quarter of 2023, which is \$0.40 per share for each share of common stock you own. This cash dividend is payable to the Company's shareholders of record at the close of business on February 7, 2023, with the dividend payable on February 23, 2023. This is an increase of 42.86% from the dividend of \$0.28 per share paid in the 1st Quarter of 2022. This represents a \$1.60 per share dividend on an annualized basis and a dividend yield of approximately 3.75% (based on the closing price of \$42.625/share on February 7, 2023). I am proud to say this is the 45th consecutive quarterly cash dividend that has been paid. The Company has increased its cash dividend every quarter since it began paying dividends in the 1st Quarter of 2012. This increase is part of our strategy to enhance your shareholder value.

The Company had record earnings in 2022. We also had double digit growth in loans, deposits and total assets as outlined below:

(Dollars in Thousands, except per share data)	<u>4th Quarter, 2022</u>	<u>4th Quarter, 2021</u>	<u>Percent Change</u>
Assets	\$ 849,169	\$ 701,422	21.06%
Loans, gross	\$ 687,707	\$ 550,660	24.89%
Deposits	\$ 674,023	\$ 573,106	17.61%
Equity	\$ 67,409	\$ 65,275	3.27%
Net Income (4 th Quarter)	\$ 4,330	\$ 2,707	59.95%
Net Income (full year)	\$ 14,254	\$ 9,819	45.16%
Basic Earnings Per Share (full year)	\$ 6.42	\$ 4.47	43.62%
Book Value of Stock Per Share	\$ 29.93	\$ 29.57	1.67%

Thank you for your continued support of Providence Bank.

Sincerely,

Ted E. Whitehurst
President and Chief Executive Officer

This letter may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding PB Financial Corporation. Those statements may include but are not limited to statements regarding the Bank's plans, objectives, expectations and intentions and other statements identified by words such as "believes," "considers," "expects," "anticipates," "estimates," "intends," "plans," "targets," "projects," "would be," and similar expressions. These statements are based upon current beliefs and expectations of management of PB Financial Corporation and are subject to significant risks and uncertainties. Actual or future results or events may differ from those set forth in the forward-looking statements. PB Financial Corporation does not undertake to update any forward-looking statements in this press release. The information as of and for the quarters ended December 31, 2022 and December 31, 2021 as presented are unaudited.

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