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FOR IMMEDIATE RELEASE

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FS Bancorp Reports March 31, 2025 Financial Results

LAGRANGE, IN. – FS Bancorp (the “Company”) (OTCPK: FXLG) parent company of Farmers State Bank (the “Bank”) announced earnings for the quarter ended March 31, 2025.

FS Bancorp is pleased to report solid earnings for the quarter ending March 31, 2025. Net income for the quarter ended March 31, 2025 was \$4.7 million compared to \$3.9 million for the same quarter of 2024. First quarter net income increased by 19% compared to the first quarter of 2024, and earnings per share increased by 23% when comparing these two quarters. Core earnings continued to be strong with net interest income increasing \$959,000 for the first three months of 2025 compared to the same period in 2024. Highlights of the first quarter of 2025 included the following items:

- Total loans were \$838 million at March 31, 2025 compared to \$788 million at March 31, 2024. As of March 31, 2025, total loans included short-term participation loans of \$30 million, and we expect the outstanding balance of such loans to decrease significantly in the second quarter of 2025.
- Total equity increased \$11.8 million to \$115.5 million at March 31, 2025 compared to March 31, 2024.
- Asset quality remains very good through the first quarter of 2025. Net recoveries during the first quarter of 2025 totaled \$3,000, and total delinquencies were 0.3% of loans at March 31, 2025.

We are very pleased that we have had a good start to 2025. During the first quarter of 2025, we raised our regular quarterly dividend to \$.23 per share, and we repurchased approximately \$2.9 million of common stock during the quarter. Strong capital and solid earnings allowed us to return significant capital to our shareholders in the form of dividends and share repurchases. Thank you for your continued investment in FS Bancorp and your support of our Farmers State Bank team.

Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include expressions such as “expects,” “intends,” “believes,” and “should,” which are necessarily statements of belief as to the expected outcomes of future events. Actual results could materially differ from those presented. The Company's ability to predict future results involves a number of risks and uncertainties. The Company undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this release.

Founded in 1915 in Stroh, Indiana, Farmers State Bank is one of northeast Indiana’s leading financial institutions and the home of Blue Button Banking. With corporate headquarters in LaGrange, Indiana, Farmers State Bank has been providing banking and financial services to both consumers and businesses for the past 100 years. To learn more, visit GoFSB.com.

FS BANCORP
CONDENSED CONSOLIDATED BALANCE SHEETS
March 31, 2025 and 2024 (Unaudited)

(Dollars in thousands)	<u>March 31,</u> <u>2025</u>	<u>March 31,</u> <u>2024</u>
Assets		
Cash and due from banks	\$ 125,948	\$ 99,491
Investment securities	232,467	243,037
Federal Home Loan Bank stock	1,537	3,348
Total loans	837,982	788,424
Less allowance for credit losses	(7,430)	(7,232)
Loans, net	830,552	781,192
Premises and equipment, net	11,174	10,395
Cash surrender value of life insurance	18,982	18,461
Goodwill and other intangible assets	2,604	2,604
Other assets	13,677	15,654
Total Assets	<u>\$ 1,236,941</u>	<u>\$ 1,174,182</u>
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 247,730	\$ 247,056
Interest-bearing demand	410,540	407,839
Savings	202,028	201,256
Time under \$250,000	152,718	141,207
Time \$250,000 and over	85,074	34,720
Total deposits	1,098,090	1,032,078
Repurchase agreements	4,909	6,843
Federal Home Loan Bank advances	10,000	25,000
Other liabilities	8,402	6,553
Total Liabilities	1,121,401	1,070,474
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,138,279 and 4,281,854 shares outstanding 2025 and 2024	149	149
Paid-in capital	2,934	2,982
Retained earnings	142,204	128,691
Net unrealized gains (losses) on securities	(15,445)	(18,461)
Less treasury stock, at cost; 625,625 and 482,050 shares 2025 and 2024	(14,302)	(9,653)
Total Shareholders' Equity	115,540	103,708
Total Liabilities and Shareholders' Equity	<u>\$ 1,236,941</u>	<u>\$ 1,174,182</u>

FS BANCORP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2025 and 2024 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2025</u>	<u>2024</u>
Interest Income		
Interest and fees on loans	\$ 12,248	\$ 11,159
Interest on investment securities	1,809	1,826
Other interest and dividend income	856	738
Total Interest Income	<u>14,913</u>	<u>13,723</u>
Interest Expense		
Interest on deposits	4,667	4,475
Interest on FHLB advances and other borrowings	96	57
Total Interest Expense	<u>4,763</u>	<u>4,532</u>
Net Interest Income	10,150	9,191
Credit loss expense -loans	<u>139</u>	<u>116</u>
Net Interest Income after Credit Loss Expense	10,011	9,075
Noninterest Income		
Service charges on deposit accounts	432	444
Credit and debit card income	879	815
Mortgage banking	39	37
Gains and (losses) on securities	29	(21)
Other income	290	362
Total Noninterest Income	<u>1,669</u>	<u>1,637</u>
Noninterest Expenses		
Salaries and employee benefits	3,388	3,347
Occupancy expense on premises, furniture and equipment, net	519	486
Data processing expense	638	627
Advertising and marketing expense	139	171
Other expenses	1,401	1,396
Total Noninterest Expenses	<u>6,085</u>	<u>6,027</u>
Income Before Income Taxes	5,595	4,685
Income tax expense	<u>943</u>	<u>788</u>
Net Income	<u>\$ 4,652</u>	<u>\$ 3,897</u>
Basic Earnings Per Share	\$ 1.12	\$ 0.91
Diluted Earnings Per Common Share	\$ 1.11	\$ 0.91