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FOR IMMEDIATE RELEASE

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FS Bancorp Reports September 30, 2026 Financial Results

LAGRANGE, IN. – FS Bancorp (the “Company”) (OTCID: FXLG) parent company of Farmers State Bank (the “Bank”) announced earnings for the quarter ended September 30, 2026.

We delivered strong results through the first nine months of 2026. Net income for the quarter ended September 30, 2026 was \$6.5 million compared to \$5.4 million for the same quarter of 2025. Core earnings continued to be strong with net interest income increasing \$1,643,000 for the three months ended September 30, 2026 compared to the same period in 2025. Highlights of the third quarter of 2026 included the following items:

- Total loans were \$954 million at September 30, 2026 compared to \$852 million at September 30, 2025.
- Total equity increased \$12.1 million to \$136.7 million at September 30, 2026 compared to September 30, 2025.
- Asset quality remains very good through the third quarter of 2026. Net charge-offs during the third quarter of 2026 totaled \$12,600 and total delinquencies were 0.12% of loans at September 30, 2026.

We are pleased to have achieved solid loan growth over the past twelve months while maintaining strong asset quality indicators and a solid liquidity profile.

We are very pleased with the strong results our team has delivered so far in 2026. The financial performance achieved by our team is the result of our commitment to the communities we serve and strong banking principles. During the quarter, we returned additional value to shareholders through a special cash dividend of \$0.25 per share. Through the first nine months of 2026 total dividends paid were approximately \$5.3 million, compared to \$3.7 million for the same period in 2025. Thank you for your continued investment in FS Bancorp.

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 110 years. To learn more, visit GoFSB.com.

FS BANCORP
CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 2026 and 2025 (Unaudited)

(Dollars in thousands)	<u>September 30,</u> <u>2026</u>	<u>September 30,</u> <u>2025</u>
Assets		
Cash and due from banks	\$ 62,392	\$ 77,434
Investment securities	251,726	297,943
Federal Home Loan Bank stock	2,294	1,537
Total loans	953,875	852,008
Less allowance for credit losses	(8,498)	(7,651)
Loans, net	945,377	844,357
Premises and equipment, net	10,576	11,067
Cash surrender value of life insurance	19,539	18,971
Goodwill and other intangible assets	2,604	2,604
Other assets	14,419	13,952
Total Assets	\$ 1,308,927	\$ 1,267,865
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 279,140	\$ 271,656
Interest-bearing demand	435,122	416,250
Savings	199,351	205,584
Time under \$250,000	136,286	161,945
Time \$250,000 and over	77,074	65,013
Total deposits	1,126,973	1,120,448
Repurchase agreements	5,030	4,730
Federal Home Loan Bank advances	30,000	10,000
Other liabilities	10,260	8,068
Total Liabilities	1,172,263	1,143,246
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,083,256 and 4,115,785 shares outstanding 2026 and 2025	149	149
Paid-in capital	2,797	3,148
Retained earnings	167,305	149,847
Accumulated other comprehensive income (loss), net of tax	(15,959)	(13,077)
Less treasury stock, at cost; 680,648 and 648,119 shares 2026 and 2025	(17,628)	(15,448)
Total Shareholders' Equity	136,664	124,619
Total Liabilities and Shareholders' Equity	\$ 1,308,927	\$ 1,267,865

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Nine Months Ended September 30, 2026 and 2025 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Interest Income				
Interest and fees on loans	\$ 14,655	\$ 12,954	\$ 42,091	\$ 37,723
Interest on investment securities	2,076	2,386	5,852	6,275
Other interest and dividend income	743	1,069	2,234	3,404
Total Interest Income	17,474	16,409	50,177	47,402
Interest Expense				
Interest on deposits	4,173	4,892	12,022	14,548
Interest on FHLB advances and other borrowings	240	99	432	293
Total Interest Expense	4,413	4,991	12,454	14,841
Net Interest Income	13,061	11,418	37,723	32,561
Credit loss expense - loans	50	125	302	399
Net Interest Income after Credit Loss Expense	13,011	11,293	37,421	32,162
Noninterest Income				
Service charges on deposit accounts	489	484	1,428	1,374
Credit and debit card income	862	921	2,448	2,732
Mortgage banking	63	61	220	143
Gains and (losses) on securities	1	-	1	20
Other income	306	309	868	959
Total Noninterest Income	1,721	1,775	4,965	5,228
Noninterest Expenses				
Salaries and employee benefits	3,877	3,479	11,467	10,283
Occupancy expense on premises, furniture and equipment, net	550	516	1,615	1,545
Data processing expense	766	748	2,232	2,090
Advertising and marketing expense	174	161	500	431
Other expenses	1,388	1,688	4,294	4,816
Total Noninterest Expenses	6,755	6,592	20,108	19,165
Income Before Income Taxes	7,977	6,476	22,278	18,225
Income tax expense	1,455	1,103	3,967	3,132
Net Income	\$ 6,522	\$ 5,373	\$ 18,311	\$ 15,093
Basic Earnings Per Share	\$ 1.59	\$ 1.31	\$ 4.45	\$ 3.65
Diluted Earnings Per Common Share	\$ 1.59	\$ 1.31	\$ 4.44	\$ 3.64