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FOR IMMEDIATE RELEASE

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FS Bancorp Reports June 30, 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 June 30, 2025.

FS Bancorp is pleased to report strong earnings for the quarter ending June 30, 2025. Net income for the quarter ended June 30, 2025 was \$5.1 million compared to \$4.3 million for the same quarter of 2024. Second quarter net income increased by 17% compared to the second quarter of 2024, and earnings per share increased by 20% when comparing these two quarters. Core earnings continued to be strong with net interest income increasing \$1,046,000 for the three months ended June 30, 2025 compared to the same period in 2024. Highlights of the second quarter of 2025 included the following items:

- Total loans were \$837 million at June 30, 2025 compared to \$802 million at June 30, 2024.
- Total deposits grew \$59 million during the quarter ended June 30, 2025. Certain large deposit customers maintained higher than normal balances at June 30, 2025, and it is unclear if those balances will return to historic levels in future periods.
- Total equity increased \$13.0 million to \$119.7 million at June 30, 2025 compared to June 30, 2024.
- Asset quality remains very good through the second quarter of 2025. Net charge-offs during the second quarter of 2025 totaled \$24,000, and total delinquencies were 0.25% of loans at June 30, 2025.

As previously reported in May 2025, the Board of Directors approved a \$5,000,000 increase in the FS Bancorp Stock Repurchase Program. The program limit for the two-year period ending December 31, 2025, is now \$12,500,000. The Company has already repurchased approximately \$6.3 million since the program began on January 1, 2024. Approximately \$800,000 of common stock was repurchased during the second quarter of 2025.

We are very pleased that we have had a good start to 2025. 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
June 30, 2025 and 2024 (Unaudited)

(Dollars in thousands)	<u>June 30,</u> <u>2025</u>	<u>June 30,</u> <u>2024</u>
Assets		
Cash and due from banks	\$ 127,817	\$ 121,465
Investment securities	293,517	241,389
Federal Home Loan Bank stock	1,537	1,165
Total loans	837,472	802,176
Less allowance for credit losses	(7,540)	(7,329)
Loans, net	829,932	794,847
Premises and equipment, net	11,222	10,609
Cash surrender value of life insurance	18,827	18,581
Goodwill and other intangible assets	2,604	2,604
Other assets	14,086	16,056
Total Assets	<u>\$ 1,299,542</u>	<u>\$ 1,206,716</u>
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 263,153	\$ 257,728
Interest-bearing demand	436,477	433,897
Savings	217,505	206,210
Time under \$250,000	153,386	151,246
Time \$250,000 and over	86,426	38,018
Total deposits	1,156,947	1,087,099
Repurchase agreements	4,603	5,758
Federal Home Loan Bank advances	10,000	-
Other liabilities	8,252	7,081
Total Liabilities	1,179,802	1,099,938
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,118,460 and 4,249,112 shares outstanding 2025 and 2024	149	149
Paid-in capital	3,086	3,059
Retained earnings	146,330	132,091
Accumulated other comprehensive income (loss), net of tax	(14,708)	(17,930)
Less treasury stock, at cost; 645,444 and 514,792 shares 2025 and 2024	(15,117)	(10,591)
Total Shareholders' Equity	119,740	106,778
Total Liabilities and Shareholders' Equity	<u>\$ 1,299,542</u>	<u>\$ 1,206,716</u>

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Six Months Ended June 30, 2025 and 2024 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest Income				
Interest and fees on loans	\$ 12,521	\$ 11,586	\$ 24,769	\$ 22,745
Interest on investment securities	2,080	1,806	3,889	3,632
Other interest and dividend income	1,479	1,531	2,335	2,269
Total Interest Income	16,080	14,923	30,993	28,646
Interest Expense				
Interest on deposits	4,989	4,835	9,656	9,310
Interest on FHLB advances and other borrowings	98	141	194	198
Total Interest Expense	5,087	4,976	9,850	9,508
Net Interest Income	10,993	9,947	21,143	19,138
Credit loss expense - loans	135	105	274	221
Net Interest Income after Credit Loss Expense	10,858	9,842	20,869	18,917
Noninterest Income				
Service charges on deposit accounts	458	460	890	904
Credit and debit card income	932	905	1,811	1,720
Mortgage banking	43	59	82	96
Gains and (losses) on securities	(9)	-	20	(21)
Other income	360	362	650	724
Total Noninterest Income	1,784	1,786	3,453	3,423
Noninterest Expenses				
Salaries and employee benefits	3,416	3,323	6,804	6,670
Occupancy expense on premises, furniture and equipment, net	510	471	1,029	957
Data processing expense	704	636	1,342	1,263
Advertising and marketing expense	131	210	270	381
Other expenses	1,727	1,746	3,128	3,142
Total Noninterest Expenses	6,488	6,386	12,573	12,413
Income Before Income Taxes	6,154	5,242	11,749	9,927
Income tax expense	1,086	904	2,029	1,692
Net Income	\$ 5,068	\$ 4,338	\$ 9,720	\$ 8,235
Basic Earnings Per Share	\$ 1.22	\$ 1.02	\$ 2.34	\$ 1.93
Diluted Earnings Per Common Share	\$ 1.22	\$ 1.01	\$ 2.33	\$ 1.92