JOSEPH URBANSKI
President
Chief Executive Officer

CONTACT **FOR IMMEDIATE RELEASE** **July 10, 2026**
Stacy Merrifield
Investor Relations
260.463.7111

FS Bancorp Reports June 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 June 30, 2026.

FS Bancorp is pleased to report strong earnings for the quarter ending June 30, 2026. Net income for the quarter ended June 30, 2026 was $6.2 million compared to $5.1 million for the same quarter of 2025. Second quarter net income increased by 22% compared to the second quarter of 2025, and earnings per share increased by 24% when comparing these two quarters. Core earnings continued to be strong with net interest income increasing $1.8 million for the three months ended June 30, 2026 compared to the same period in 2025. Highlights of the second quarter of 2026 included the following items:

- Total loans were $911 million at June 30, 2026 compared to $837 million at June 30, 2025.

- Total deposits at June 30, 2026 and 2025 were $1.2 billion. While total deposits are relatively flat year over year, the $33 million decline in time deposits was largely offset by growth in non-maturity deposit accounts. The decline in time deposits is primarily due to declines in jumbo public fund time deposits and brokered certificates of deposit.

- Total equity increased $17.3 million to $137.1 million at June 30, 2026 compared to June 30, 2025.

- Asset quality remains strong through the second quarter of 2026. Net charge-offs during the second quarter of 2026 totaled $1,200, and total delinquencies were 0.08% of loans at June 30, 2026. In our previous quarterly reports, we discussed the status of a $4.9 million non-accrual loan relationship. We are pleased to report that this loan was paid off in full during the second quarter of 2026, resulting in approximately $167,000 of interest income.

220 S. Detroit Street • LaGrange, Indiana 46761 • *phone* 1.260.463.7111 • *fax* 1.260.463.2209
www.GoFSB.com

FS Bancorp continued its commitment to returning capital to shareholders during the second quarter of 2026, repurchasing approximately $2.2 million of common stock and paying dividends totaling $1.4 million. Share repurchases were executed under the FS Bancorp Stock Repurchase Program that was approved in December 2025. The program limit for the two-year period ending December 31, 2027 is $12,000,000.

We are very pleased that we have had a good start to 2026. 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, 2026 and 2025 (Unaudited)

(Dollars in thousands)	June 30, 2026	June 30, 2025
Assets		
Cash and due from banks	$ 104,499	$ 127,817
Investment securities	260,608	293,517
Federal Home Loan Bank stock	1,537	1,537
Total loans	910,563	837,472
Less allowance for credit losses	(8,460)	(7,540)
Loans, net	902,103	829,932
Premises and equipment, net	10,606	11,222
Cash surrender value of life insurance	19,391	18,827
Goodwill and other intangible assets	2,604	2,604
Other assets	13,227	14,086
Total Assets	$ 1,314,575	$ 1,299,542
Liabilities		
Deposits		
Noninterest-bearing demand	$ 279,289	$ 263,153
Interest-bearing demand	465,953	436,477
Savings	201,093	217,505
Time under $250,000	135,032	153,386
Time $250,000 and over	71,734	86,426
Total deposits	1,153,101	1,156,947
Repurchase agreements	5,578	4,603
Federal Home Loan Bank advances	10,000	10,000
Other liabilities	8,810	8,252
Total Liabilities	1,177,489	1,179,802
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,086,084 and 4,118,460 shares outstanding 2026 and 2025	149	149
Paid-in capital	2,719	3,086
Retained earnings	163,232	146,330
Accumulated other comprehensive income (loss), net of tax	(11,539)	(14,708)
Less treasury stock, at cost; 677,820 and 645,444 shares 2026 and 2025	(17,475)	(15,117)
Total Shareholders' Equity	137,086	119,740
Total Liabilities and Shareholders' Equity	$ 1,314,575	$ 1,299,542

FS BANCORP

CONSOLIDATED STATEMENTS OF INCOME

For the Three and Six Months Ended June 30, 2026 and 2025 (Unaudited)

(Dollars in thousands except earnings per share)	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Interest Income				
Interest and fees on loans	$ 14,112	$ 12,521	$ 27,436	$ 24,769
Interest on investment securities	2,012	2,080	3,776	3,889
Other interest and dividend income	691	1,479	1,491	2,335
Total Interest Income	16,815	16,080	32,703	30,993
Interest Expense				
Interest on deposits	3,939	4,989	7,849	9,656
Interest on FHLB advances and other borrowings	97	98	192	194
Total Interest Expense	4,036	5,087	8,041	9,850
Net Interest Income	12,779	10,993	24,662	21,143
Credit loss expense - loans	138	135	252	274
Net Interest Income after Credit Loss Expense	12,641	10,858	24,410	20,869
Noninterest Income				
Service charges on deposit accounts	492	458	939	890
Credit and debit card income	798	932	1,586	1,811
Mortgage banking	122	43	157	82
Gains and (losses) on securities	-	(9)	-	20
Other income	291	360	562	650
Total Noninterest Income	1,703	1,784	3,244	3,453
Noninterest Expenses				
Salaries and employee benefits	3,838	3,416	7,590	6,804
Occupancy expense on premises, furniture and equipment, net	531	510	1,065	1,029
Data processing expense	751	704	1,466	1,342
Advertising and marketing expense	178	131	326	270
Other expenses	1,484	1,727	2,906	3,128
Total Noninterest Expenses	6,782	6,488	13,353	12,573
Income Before Income Taxes	7,562	6,154	14,301	11,749
Income tax expense	1,357	1,086	2,512	2,029
Net Income	$ 6,205	$ 5,068	$ 11,789	$ 9,720
Basic Earnings Per Share	$ 1.51	$ 1.22	$ 2.86	$ 2.34
Diluted Earnings Per Common Share	$ 1.50	$ 1.22	$ 2.85	$ 2.33