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FOR IMMEDIATE RELEASE

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FS Bancorp Reports March 31, 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 March 31, 2026.

FS Bancorp is pleased to report solid earnings for the quarter ending March 31, 2026. Net income for the quarter ended March 31, 2026 was \$5.6 million compared to \$4.7 million for the same quarter of 2025. First quarter net income increased by 20% compared to the first quarter of 2025, and earnings per share increased by 21% when comparing these two quarters. Core earnings continued to be strong with net interest income increasing \$1.8 million for the first three months of 2026 compared to the same period in 2025. Highlights of the first quarter of 2026 included the following items:

- Total loans were \$895 million at March 31, 2026 compared to \$838 million at March 31, 2025.
- As of March 31, 2026 total deposits were \$1.1 billion reflecting a \$5 million increase from the previous year. Demand deposits increased \$52 million, while savings increased \$4 million. These increases were partially offset by a decrease of \$51 million in time deposits which includes brokered CD's.
- Total equity increased \$18.1 million to \$133.6 million at March 31, 2026 compared to March 31, 2025.
- Overall asset quality remained strong in the first quarter of 2026. Net charge-offs totaled approximately \$62,000, and total delinquencies were 0.85% of loans at March 31, 2026. The majority of our delinquent loan totals at March 31, 2026 relate to a \$4.9 million commercial loan participation secured by an apartment building that was placed on nonaccrual status in December 2025. The borrower is in the process of liquidating certain business interests and has signed a purchase agreement to sell the real estate that is the collateral for our loan. Although a closing date has not been set, the lead bank expects the sale to close in the 2nd quarter of 2026. The borrower has also entered into a forbearance

agreement and committed additional resources beyond the original collateral to provide additional protection to the lenders involved.

We are very pleased that we have had a good start to 2026. During the first quarter of 2026, we raised our regular quarterly dividend to \$.35 per share. Strong capital and solid earnings allowed us to return significant capital to our shareholders in the form of dividends. 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
CONSOLIDATED BALANCE SHEETS
March 31, 2026 and 2025 (Unaudited)

(Dollars in thousands)	<u>March 31,</u> <u>2026</u>	<u>March 31,</u> <u>2025</u>
Assets		
Cash and due from banks	\$ 68,811	\$ 125,948
Investment securities	257,467	232,467
Federal Home Loan Bank stock	1,537	1,537
Total loans	894,837	837,982
Less allowance for credit losses	(8,288)	(7,430)
Loans, net	886,549	830,552
Premises and equipment, net	10,669	11,174
Cash surrender value of life insurance	19,254	18,982
Goodwill and other intangible assets	2,604	2,604
Other assets	13,296	13,677
Total Assets	1,260,187	1,236,941
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 276,383	\$ 247,730
Interest-bearing demand	433,879	410,540
Savings	205,709	202,028
Time under \$250,000	123,004	152,718
Time \$250,000 and over	64,214	85,074
Total deposits	1,103,189	1,098,090
Repurchase agreements	5,045	4,909
Federal Home Loan Bank advances	10,000	10,000
Other liabilities	8,366	8,402
Total Liabilities	1,126,600	1,121,401
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,131,659 and 4,138,279 shares outstanding 2026 and 2025	149	149
Paid-in capital	2,709	2,934
Retained earnings	158,472	142,204
Accumulated other comprehensive income (loss), net of tax	(12,445)	(15,445)
Less treasury stock, at cost; 632,245 and 625,625 shares 2026 and 2025	(15,298)	(14,302)
Total Shareholders' Equity	133,587	115,540
Total Liabilities and Shareholders' Equity	<u>\$ 1,260,187</u>	<u>\$ 1,236,941</u>

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three Months Ended March 31, 2026 and 2025 (Unaudited)

	<u>Three Months</u> <u>Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>
(Dollars in thousands except earnings per share)		
Interest Income		
Interest and fees on loans	\$13,324	\$ 12,248
Interest on investment securities	1,764	1,809
Other interest and dividend income	800	856
Total Interest Income	<u>15,888</u>	<u>14,913</u>
Interest Expense		
Interest on deposits	3,910	4,667
Interest on FHLB advances and other borrowings	95	96
Total Interest Expense	<u>4,005</u>	<u>4,763</u>
Net Interest Income	11,883	10,150
Credit loss expense -loans	114	139
Net Interest Income after Credit Loss Expense	11,769	10,011
Noninterest Income		
Service charges on deposit accounts	447	432
Credit and debit card income	788	879
Mortgage banking	35	39
Gains on securities	-	29
Other income	271	290
Total Noninterest Income	<u>1,541</u>	<u>1,669</u>
Noninterest Expenses		
Salaries and employee benefits	3,752	3,388
Occupancy expense on premises, furniture and equipment, net	534	519
Data processing expense	715	638
Advertising and marketing expense	148	139
Other expenses	1,422	1,401
Total Noninterest Expenses	<u>6,571</u>	<u>6,085</u>
Income Before Income Taxes	6,739	5,595
Federal income tax expense	1,155	943
Net Income	<u>\$ 5,584</u>	<u>\$ 4,652</u>
Basic Earnings Per Share	\$ 1.35	\$ 1.12
Diluted Earnings Per Common Share	\$ 1.35	\$ 1.11