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FOR IMMEDIATE RELEASE

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FS Bancorp Reports September 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 September 30, 2025.

FS Bancorp is pleased to report strong earnings for the quarter ending September 30, 2025. Net income for the quarter ended September 30, 2025 was \$5.4 million compared to \$4.3 million for the same quarter of 2024. Core earnings continued to be strong with net interest income increasing \$1,659,000 for the three months ended September 30, 2025 compared to the same period in 2024. Highlights of the third quarter of 2025 included the following items:

- Total loans were \$852 million at September 30, 2025 compared to \$806 million at September 30, 2024.
- Total equity increased \$11.4 million to \$124.6 million at September 30, 2025 compared to September 30, 2024.
- Asset quality remains very good through the third quarter of 2025. Net charge-offs during the third quarter of 2025 totaled \$14,000, and total delinquencies were 0.16% of loans at September 30, 2025.

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 solid results our team has produced so far in 2025. The financial performance achieved by our team is the result of our commitment to the communities we serve and strong banking principles. It is truly exciting to see the results of our team’s many efforts to move our company forward. We are working hard to reward our shareholders for their investment in FS Bancorp, and our shareholder initiatives for 2025 include record dividends and share repurchases for the first nine months of any year in our history. 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 100 years. To learn more, visit GoFSB.com.

FS BANCORP
CONDENSED CONSOLIDATED BALANCE SHEETS
September 30, 2025 and 2024 (Unaudited)

(Dollars in thousands)	<u>September 30,</u> <u>2025</u>	<u>September 30,</u> <u>2024</u>
Assets		
Cash and due from banks	\$ 77,434	\$ 81,303
Investment securities	297,943	267,471
Federal Home Loan Bank stock	1,537	1,537
Total loans	852,008	805,596
Less allowance for credit losses	(7,651)	(7,305)
Loans, net	844,357	798,291
Premises and equipment, net	11,067	11,009
Cash surrender value of life insurance	18,971	18,713
Goodwill and other intangible assets	2,604	2,604
Other assets	13,952	14,887
Total Assets	<u>\$ 1,267,865</u>	<u>\$ 1,195,815</u>
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 271,656	\$ 245,048
Interest-bearing demand	416,250	408,918
Savings	205,584	207,814
Time under \$250,000	161,945	135,841
Time \$250,000 and over	65,013	59,874
Total deposits	1,120,448	1,057,495
Repurchase agreements	4,730	6,808
Federal Home Loan Bank advances	10,000	10,000
Other liabilities	8,068	8,295
Total Liabilities	<u>1,143,246</u>	<u>1,082,598</u>
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,115,785 and 4,244,141 shares outstanding 2025 and 2024	149	149
Paid-in capital	3,148	3,105
Retained earnings	149,847	134,685
Accumulated other comprehensive income (loss), net of tax	(13,077)	(13,969)
Less treasury stock, at cost; 648,119 and 519,763 shares 2025 and 2024	(15,448)	(10,753)
Total Shareholders' Equity	<u>124,619</u>	<u>113,217</u>
Total Liabilities and Shareholders' Equity	<u>\$ 1,267,865</u>	<u>\$ 1,195,815</u>

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Nine Months Ended September 30, 2025 and 2024 (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>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest Income				
Interest and fees on loans	\$ 12,954	\$ 11,913	\$ 37,723	\$ 34,658
Interest on investment securities	2,386	1,911	6,275	5,543
Other interest and dividend income	1,069	1,309	3,404	3,578
Total Interest Income	16,409	15,133	47,402	43,779
Interest Expense				
Interest on deposits	4,892	5,341	14,548	14,651
Interest on FHLB advances and other borrowings	99	33	293	231
Total Interest Expense	4,991	5,374	14,841	14,882
Net Interest Income	11,418	9,759	32,561	28,897
Credit loss expense - loans	125	-	399	221
Net Interest Income after Credit Loss Expense	11,293	9,759	32,162	28,676
Noninterest Income				
Service charges on deposit accounts	484	459	1,374	1,363
Credit and debit card income	921	913	2,732	2,633
Mortgage banking	61	1	143	97
Gains and (losses) on securities	-	(3)	20	(24)
Other income	309	198	959	922
Total Noninterest Income	1,775	1,568	5,228	4,991
Noninterest Expenses				
Salaries and employee benefits	3,479	3,422	10,283	10,092
Occupancy expense on premises, furniture and equipment, net	516	452	1,545	1,409
Data processing expense	748	673	2,090	1,936
Advertising and marketing expense	161	237	431	618
Other expenses	1,688	1,381	4,816	4,523
Total Noninterest Expenses	6,592	6,165	19,165	18,578
Income Before Income Taxes	6,476	5,162	18,225	15,089
Income tax expense	1,103	872	3,132	2,564
Net Income	\$ 5,373	\$ 4,290	\$ 15,093	\$ 12,525
Basic Earnings Per Share	\$ 1.31	\$ 1.01	\$ 3.65	\$ 2.94
Diluted Earnings Per Common Share	\$ 1.31	\$ 1.01	\$ 3.64	\$ 2.93