



JOSEPH URBANSKI
President
Chief Executive Officer

CONTACT
Stacy Merrifield
Investor Relations
260.463.7111

FOR IMMEDIATE RELEASE

April 15, 2024

FS Bancorp Reports March 31, 2024 Financial Results

LAGRANGE, IN. – FS Bancorp (the “Company”) (OTCPK: FXLG) parent company of Farmers State Bank (the “Bank”) announced earnings for the quarter ended March 31, 2024.

FS Bancorp is pleased to report solid earnings for the quarter ending March 31, 2024. Net income for the quarter ended March 31, 2024 was \$3.9 million compared to \$3.7 million for the same quarter of 2023. Core earnings continued to be strong with net interest income increasing \$652,000 for the first three months of 2024 compared to the same period in 2023. Highlights of the first quarter of 2024 included the following items:

- Total loans were \$788 million at March 31, 2024 compared to \$746 million at March 31, 2023.
- Total equity increased \$11.1 million to \$103.7 million at March 31, 2024 compared to March 31, 2023.
- Asset quality remains very good through the first quarter of 2024. Net charge-offs during the first quarter of 2024 totaled \$29,000, and total delinquencies were 0.72% of loans at March 31, 2024. The majority of our delinquent loan balance is related to a single loan relationship, and we currently expect this relationship to return to performing status in the second quarter of 2024.

We are pleased to have achieved 6% loan growth over the past twelve months while maintaining strong asset quality indicators and a solid liquidity profile.

We are very pleased that we have had a good start to 2024. Our entire team is focused on growing our Company and implementing changes that will be a benefit to our customers, employees, and the communities we serve. 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
March 31, 2024 and 2023 (Unaudited)

(Dollars in thousands)	<u>March 31,</u> <u>2024</u>	<u>March 31,</u> <u>2023</u>
Assets		
Cash and due from banks	\$ 99,491	\$ 78,564
Investment securities	243,037	299,005
Federal Home Loan Bank stock	3,348	6,136
Total loans	788,424	745,826
Less allowance for credit losses	(7,232)	(7,003)
Loans, net	781,192	738,823
Premises and equipment, net	10,395	10,300
Cash surrender value of life insurance	18,461	19,125
Goodwill and other intangible assets	2,604	2,604
Other assets	15,654	16,070
Total Assets	\$ 1,174,182	\$ 1,170,627
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 247,056	\$ 288,101
Interest-bearing demand	407,839	452,742
Savings	201,256	190,209
Time under \$250,000	141,207	98,982
Time \$250,000 and over	34,720	25,906
Total deposits	1,032,078	1,055,940
Repurchase agreements	6,843	5,524
Federal Home Loan Bank advances	25,000	10,000
Other liabilities	6,553	6,575
Total Liabilities	1,070,474	1,078,039
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,281,854 and 4,299,615 shares outstanding 2024 and 2023	149	149
Paid-in capital	2,982	2,895
Retained earnings	128,691	119,838
Net unrealized gains (losses) on securities	(18,461)	(21,243)
Less treasury stock, at cost; 482,050 and 464,289 shares 2024 and 2023	(9,653)	(9,051)
Total Shareholders' Equity	103,708	92,588
Total Liabilities and Shareholders' Equity	\$ 1,174,182	\$ 1,170,627

FS BANCORP
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended March 31, 2024 and 2023 (Unaudited)

	<u>Three Months Ended</u>	
	<u>March 31,</u>	
	<u>2024</u>	<u>2023</u>
(Dollars in thousands except earnings per share)		
Interest Income		
Interest and fees on loans	\$ 11,159	\$ 9,244
Interest on investment securities	1,826	1,557
Other interest and dividend income	738	789
Total Interest Income	<u>13,723</u>	<u>11,590</u>
Interest Expense		
Interest on deposits	4,475	2,851
Interest on FHLB advances and other borrowings	57	200
Total Interest Expense	<u>4,532</u>	<u>3,051</u>
Net Interest Income	9,191	8,539
Credit loss expense -loans	<u>116</u>	<u>-</u>
Net Interest Income after Credit Loss Expense	9,075	8,539
Noninterest Income		
Service charges on deposit accounts	444	554
Credit and debit card income	815	835
Mortgage banking	37	23
Gains and (losses) on securities	(21)	25
Other income	362	179
Total Noninterest Income	<u>1,637</u>	<u>1,616</u>
Noninterest Expenses		
Salaries and employee benefits	3,347	3,293
Occupancy expense on premises, furniture and equipment, net	486	499
Data processing expense	627	514
Advertising and marketing expense	171	150
Other expenses	1,396	1,417
Total Noninterest Expenses	<u>6,027</u>	<u>5,873</u>
Income Before Income Taxes	4,685	4,282
Income tax expense	<u>788</u>	<u>616</u>
Net Income	<u>\$ 3,897</u>	<u>\$ 3,666</u>
Basic Earnings Per Share	\$ 0.91	\$ 0.85
Diluted Earnings Per Common Share	\$ 0.91	\$ 0.85