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FOR IMMEDIATE RELEASE**January 20, 2022****FS Bancorp Approves 1st Quarter Stock Split****LAGRANGE, IN. – FS Bancorp Approves 1st Quarter Stock Split**

The Directors of FS Bancorp (OTC Pink: FXLG), the parent company of Farmers State Bank, IN, declared a two-for-one stock split resulting in one additional share of common stock for each outstanding share of common stock. The additional share will be payable on February 14, 2022 to its common shareholders of record at the close of business on January 31, 2022, and the per share price will be adjusted accordingly. The stock split does not change the proportionate interest a shareholder maintains in FS Bancorp. The additional shares will be distributed in book entry form by the Company's transfer agent, Continental Stock Transfer & Trust Company.

ABOUT FARMERS STATE BANK

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 over 100 years. To learn more, visit GoFSB.com.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements. Forward-looking statements provide current expectations or forecasts of future events and are not guarantees of future performance, nor should they be relied upon as representing management's views as of any subsequent date. The forward-looking statements are based on management's expectations and are subject to a number of risks and uncertainties. Although management believes that the expectations reflected in such forward-looking statements are reasonable, actual results may differ materially from those expressed or implied in such statements. Risks and uncertainties that could cause actual results to differ materially include, without limitation, the Company's ability to effectively execute its business plans; changes in general economic and financial market conditions; changes in interest rates; changes in the competitive environment; continuing consolidation in the financial services industry; new litigation or changes in existing litigation; losses, customer bankruptcy, claims, and assessments; changes in banking regulations or other regulatory or legislative requirements affecting the Company's business; and changes in accounting policies or procedures as may be required by the Financial Accounting

Standards Board or other regulatory agencies. We do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made, or to reflect the occurrence of unanticipated events.