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FOR IMMEDIATE RELEASE

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FS Bancorp Reports June 30, 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 June 30, 2024.

FS Bancorp is pleased to report strong earnings for the quarter ending June 30, 2024. Net income for the quarter ended June 30, 2024 was \$4.3 million compared to \$3.7 million for the same quarter of 2023. Core earnings continued to be strong with net interest income increasing \$1,199,000 for the three months ended June 30, 2024 compared to the same period in 2023. Highlights of the second quarter of 2024 included the following items:

- Total loans were \$802 million at June 30, 2024 compared to \$753 million at June 30, 2023.
- Total equity increased \$13.3 million to \$106.8 million at June 30, 2024 compared to June 30, 2023.
- Asset quality remains very good through the second quarter of 2024. Net charge-offs during the second quarter of 2024 totaled \$8,000, and total delinquencies were 0.04% of loans at June 30, 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
June 30, 2024 and 2023 (Unaudited)

(Dollars in thousands)	<u>June 30,</u> <u>2024</u>	<u>June 30,</u> <u>2023</u>
Assets		
Cash and due from banks	\$ 121,465	\$ 80,928
Investment securities	241,389	263,921
Federal Home Loan Bank stock	1,165	6,136
Total loans	802,176	753,281
Less allowance for credit losses	(7,329)	(7,030)
Loans, net	794,847	746,251
Premises and equipment, net	10,609	10,123
Cash surrender value of life insurance	18,581	19,239
Goodwill and other intangible assets	2,604	2,604
Other assets	16,056	17,704
Total Assets	\$ 1,206,716	\$ 1,146,906
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 257,728	\$ 268,085
Interest-bearing demand	433,897	452,112
Savings	206,210	180,139
Time under \$250,000	151,246	99,151
Time \$250,000 and over	38,018	22,570
Total deposits	1,087,099	1,022,057
Repurchase agreements	5,758	4,479
Federal Home Loan Bank advances	-	20,000
Other liabilities	7,081	6,897
Total Liabilities	1,099,938	1,053,433
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,249,112 and 4,286,713 shares outstanding 2024 and 2023	149	149
Paid-in capital	3,059	2,970
Retained earnings	132,091	122,657
Accumulated other comprehensive income (loss), net of tax	(17,930)	(22,888)
Less treasury stock, at cost; 514,792 and 477,191 shares 2024 and 2023	(10,591)	(9,415)
Total Shareholders' Equity	106,778	93,473
Total Liabilities and Shareholders' Equity	\$ 1,206,716	\$ 1,146,906

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Six Months Ended June 30, 2024 and 2023 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u> <u>June 30,</u>		<u>Six Months Ended</u> <u>June 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest Income				
Interest and fees on loans	\$ 11,586	\$ 9,695	\$ 22,745	\$ 18,939
Interest on investment securities	1,806	1,475	3,632	3,032
Other interest and dividend income	1,531	999	2,269	1,788
Total Interest Income	14,923	12,169	28,646	23,759
Interest Expense				
Interest on deposits	4,835	3,268	9,310	6,119
Interest on FHLB advances and other borrowings	141	153	198	353
Total Interest Expense	4,976	3,421	9,508	6,472
Net Interest Income	9,947	8,748	19,138	17,287
Credit loss expense - loans	105	48	221	48
Net Interest Income after Credit Loss Expense	9,842	8,700	18,917	17,239
Noninterest Income				
Service charges on deposit accounts	460	499	904	1,053
Credit and debit card income	905	872	1,720	1,707
Mortgage banking	59	71	96	94
Gains and (losses) on securities	-	(249)	(21)	(224)
Other income	362	482	724	661
Total Noninterest Income	1,786	1,675	3,423	3,291
Noninterest Expenses				
Salaries and employee benefits	3,323	3,345	6,670	6,638
Occupancy expense on premises, furniture and equipment, net	471	498	957	997
Data processing expense	636	611	1,263	1,125
Advertising and marketing expense	210	114	381	264
Other expenses	1,746	1,431	3,142	2,848
Total Noninterest Expenses	6,386	5,999	12,413	11,872
Income Before Income Taxes	5,242	4,376	9,927	8,658
Income tax expense	904	696	1,692	1,312
Net Income	\$ 4,338	\$ 3,680	\$ 8,235	\$ 7,346
Basic Earnings Per Share	\$ 1.02	\$ 0.86	\$ 1.93	\$ 1.71
Diluted Earnings Per Common Share	\$ 1.01	\$ 0.85	\$ 1.92	\$ 1.70