



JOSEPH URBANSKI
President
Chief Executive Officer

CONTACT
Stacy Merrifield
Investor Relations
260.463.7111
SMerrifield@GoFSB.com

FOR IMMEDIATE RELEASE

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FS Bancorp Reports December 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 December 31, 2024.

FS Bancorp is pleased to report strong earnings for the quarter ending December 31, 2024. Net income for the quarter ended December 31, 2024 was \$4.8 million compared to \$1.7 million for the same quarter of 2023. The fourth quarter of 2023 included an after-tax loss of \$2.2 million on the sale of securities. Core earnings continued to be strong with net interest income increasing \$1,347,000 for the three months ended December 31, 2024 compared to the same period in 2023. Highlights of the fourth quarter of 2024 included the following items:

- Total loans were \$829 million at December 31, 2024 compared to \$795 million at December 31, 2023.
- Total equity increased \$11.9 million to \$113.3 million at December 31, 2024 compared to December 31, 2023.
- Other income includes losses on an interest rate cap of \$18,000 and \$358,000 during the quarter ended December 31, 2024 and 2023.
- Other expense for 2023 is offset by gains on repayment of symmetrical Federal Home Loan Bank Advances of \$531,000.
- Asset quality remains very good through the fourth quarter of 2024. Net charge-offs during the fourth quarter of 2024 totaled \$16,000, and total delinquencies were 0.38% of loans at December 31, 2024.

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 produced in 2024. The commitment of our entire team has allowed us to outperform our peers during a challenging period as evidenced by the very wide range of financial results reported by other area financial institutions. Farmers State Bank and our industry are patiently waiting for accelerated asset repricing when a greater number of the low yielding COVID era assets were booked by banks and credit unions. We are looking forward to the opportunities 2025 will bring. 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
December 31, 2024 and 2023 (Unaudited)

(Dollars in thousands)	<u>December 31,</u> <u>2024</u>	<u>December 31,</u> <u>2023</u>
Assets		
Cash and due from banks	\$ 94,989	\$ 94,355
Investment securities	264,605	232,214
Federal Home Loan Bank stock	1,537	3,348
Total loans	829,165	794,938
Less allowance for credit losses	(7,288)	(7,145)
Loans, net	821,877	787,793
Premises and equipment, net	11,139	10,219
Cash surrender value of life insurance	18,847	18,342
Goodwill and other intangible assets	2,604	2,604
Other assets	14,618	15,932
Total Assets	\$ 1,230,216	\$ 1,164,807
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 252,808	\$ 255,298
Interest-bearing demand	423,310	435,906
Savings	218,255	184,791
Time under \$250,000	136,300	139,777
Time \$250,000 and over	62,745	35,334
Total deposits	1,093,418	1,051,106
Repurchase agreements	5,007	5,068
Federal Home Loan Bank advances	10,000	-
Other liabilities	8,462	7,227
Total Liabilities	1,116,887	1,063,401
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,220,333 and 4,283,122 shares outstanding 2024 and 2023	149	149
Paid-in capital	3,183	3,084
Retained earnings	138,505	125,737
Accumulated other comprehensive income (loss), net of tax	(17,008)	(18,043)
Less treasury stock, at cost; 543,571 and 480,782 shares 2024 and 2023	(11,500)	(9,521)
Total Shareholders' Equity	113,329	101,406
Total Liabilities and Shareholders' Equity	\$ 1,230,216	\$ 1,164,807

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Twelve Months Ended December 31, 2024 and 2023 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u>		<u>Twelve Months Ended</u>	
	<u>December 31,</u>		<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest Income				
Interest and fees on loans	\$ 12,143	\$ 10,942	\$ 46,801	\$ 40,274
Interest on investment securities	2,026	1,450	7,569	5,929
Other interest and dividend income	1,224	1,092	4,802	3,687
Total Interest Income	15,393	13,484	59,172	49,890
Interest Expense				
Interest on deposits	4,995	4,422	19,646	14,250
Interest on FHLB advances and other borrowings	98	109	329	659
Total Interest Expense	5,093	4,531	19,975	14,909
Net Interest Income	10,300	8,953	39,197	34,981
Credit loss expense - loans	-	-	221	192
Net Interest Income after Credit Loss Expense	10,300	8,953	38,976	34,789
Noninterest Income				
Service charges on deposit accounts	456	482	1,819	2,023
Credit and debit card income	912	868	3,545	3,424
Mortgage banking	40	29	137	199
Gains and (losses) on securities	1	(2,723)	(23)	(2,947)
Other income	291	(104)	1,213	955
Total Noninterest Income	1,700	(1,448)	6,691	3,654
Noninterest Expenses				
Salaries and employee benefits	3,485	3,414	13,577	13,233
Occupancy expense on premises, furniture and equipment, net	490	455	1,899	1,937
Data processing expense	699	611	2,635	2,374
Advertising and marketing expense	118	153	736	566
Other expenses	1,454	887	5,977	5,110
Total Noninterest Expenses	6,246	5,520	24,824	23,220
Income Before Income Taxes	5,754	1,985	20,843	15,223
Income tax expense	1,004	247	3,568	2,271
Net Income	\$ 4,750	\$ 1,738	\$ 17,275	\$ 12,952
Basic Earnings Per Share	\$ 1.12	\$ 0.41	\$ 4.06	\$ 3.02
Diluted Earnings Per Common Share	\$ 1.12	\$ 0.41	\$ 4.05	\$ 3.01