

Directors

Locations

**FS Bancorp** and  
**Farmers State Bank**

**Gordon T. Anderson**  
President, PowerScreen Indiana, Inc.

**Roger A. Bird**  
Shareholder-Bird, Svendsen,  
Brothers & Scheske, P.C.  
Attorneys-at-Law

**Frederic J. Brown**  
Chairman, F S BANCORP  
Chairman, Farmers State Bank  
Retired Pharmacist, Miller's Super Valu

**James M. Ingledue**  
CEO/Founder, Jim Ingledue Construction, Inc.

**Winford Jones**  
Owner, Yoder's Shipshewana Hardware

**Kevin Lambright**  
Co-Owner, Shipshewana Auction/Flea Market  
Co-Owner, Shipshewana Farmstead Inn  
& Conference Center  
Co-Owner, Trading Places Antiques

**Thomas L. Miller**  
President, Topeka Pharmacy

**Rodney Perkins**  
Co-owner of Perkins Twin Creek Farms, Stroh

**Ruth R. Perry**  
Retired CEO, Perry Personnel Plus, Inc.

**Joseph G. Pierce**  
President & CEO, F S BANCORP  
President and CEO, Farmers State Bank

**C. Lynn Tracey**  
Retired-Farmers State Bank

**Honorary Directors**  
Jerry O. Grogg  
James W. Perkins  
Miles S. Perkins

**LaGrange**  
220 S. Detroit St.  
LaGrange, IN 46761  
(260) 463-7111  
Fax: (260) 463-7341

**Angola**  
1800 N. Wayne St.  
Angola, IN 46703  
(260) 665-7506  
Fax: (260) 665-5778

**Ashley/Hudson**  
115 W. State St.  
Ashley, IN 46705  
(260) 587-9118  
Fax: (260) 587-9536

**Fremont**  
105 S. Wayne.  
Fremont, IN 46737  
(260) 495-9861  
Fax: (260) 495-1638

**Hamilton**  
3840 E. Bellefontaine Rd.  
Hamilton, IN 46742  
(260) 488-2116  
Fax: (260) 488-2118

**Howe**  
5485 N. St. Rd. 9  
Howe, IN 46746  
(260) 562-2232  
Fax: (260) 562-3797

**Millersburg**  
400 N. Benton St.  
Millersburg, IN 46543  
(574) 642-3734  
Fax: (574) 642-3892

**Telephone Banking**  
(260) 463-0111

**Orland**  
9520 W. St. Rd. 120  
Orland, IN 46776  
(260) 829-6515  
Fax: (260) 829-6748

**Shipshewana**  
110 W. Walnut St.  
Shipshewana, IN 46565  
(260) 768-7484  
Fax: (260) 768-7504

**Stroh**  
100 N. Main St.  
Stroh, IN 46789  
(260) 351-3001  
Fax: (260) 351-3002

**Sturgis**  
809 W. Chicago Rd.  
Sturgis, MI 49091  
(269) 651-9820  
Fax: (269) 651-9822

**Topeka**  
109 N. Main St  
Topeka, IN 46571  
(260) 593-2259  
Fax: (260) 593-2260

**Waterloo**  
280 S. Wayne St.  
Waterloo, IN 46793  
(260) 837-7207  
Fax: (260) 837-7142

**Wolcottville**  
107 N. Main St.  
Wolcottville, IN 46795  
(260) 854-2551  
Fax: (260) 854-2561

**Toll Free**  
(866) 463-1110



March 31, 2014  
**Report of Condition**

FS Bancorp



**F S Bancorp** Consolidated Balance Sheets  
March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Assets</b>		
Cash and due from banks.....	\$49,711,608	\$38,439,734
Investment securities.....	77,854,587	78,011,447
Federal Home Loan Bank Stock.....	2,470,400	2,470,400
Loans.....		
Total loans.....	367,559,428	356,901,217
Less deferred loan fees.....	(22,676)	(46,054)
Less allowance for loan losses.....	(5,477,566)	(5,781,496)
Loans, net.....	362,059,186	351,073,667
Premises and equipment, net.....	8,048,586	8,181,156
Bank-owned Life Insurance.....	10,416,613	10,670,996
Goodwill and other intangible assets.....	3,505,506	3,778,126
Other assets.....	5,301,793	6,312,289
<b>Total Assets</b>	<b><u>\$519,368,279</u></b>	<b><u>\$498,937,815</u></b>
<b>Liabilities</b>		
Deposits.....		
Noninterest-bearing demand.....	\$139,398,253	\$117,086,694
Interest-bearing demand.....	97,948,466	86,393,126
Savings.....	103,336,620	94,513,534
Time under \$100,000.....	65,087,356	73,159,683
Time \$100,000 and over.....	35,065,366	51,938,103
Total Deposits.....	440,836,061	423,091,140
Repurchase Agreements.....	3,469,356	3,643,957
Federal Home Loan Bank Advances.....	20,720,504	20,617,327
Other liabilities.....	3,132,991	3,154,802
<b>Total Liabilities</b>	<b><u>468,158,912</u></b>	<b><u>450,507,226</u></b>
<b>Shareholders' Equity</b>		
Common stock: No par value, 5,000,000 shares authorized and 1,190,976 issued.....	148,872	148,872
Paid-in capital.....	3,762,058	3,739,484
Retained earnings.....	50,078,366	46,510,176
Net unrealized gains (losses) on securities.....	(208,000)	603,986
Less treasury stock, at cost.....	(2,571,929)	(2,571,929)
<b>Total Shareholders' Equity</b>	<b><u>\$51,209,367</u></b>	<b><u>\$48,430,589</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$519,368,279</u></b>	<b><u>\$498,937,815</u></b>

**F S Bancorp** Consolidated Statements of Income  
For the Three Months Ended March 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
<b>Interest Income</b>		
Interest and fees on loans.....	\$4,499,435	\$4,620,741
Interest on investment securities.....	428,834	451,944
Other interest and dividend income.....	69,619	30,430
<b>Total Interest Income</b>	<b><u>4,997,888</u></b>	<b><u>5,103,115</u></b>
<b>Interest Expense</b>		
Interest on deposits.....	260,123	351,802
Interest on FHLB advances and other borrowings.....	169,790	172,251
<b>Total Interest Expense</b>	<b><u>429,913</u></b>	<b><u>524,053</u></b>
<b>Net Interest Income</b> .....	4,567,975	4,579,062
Provision for loan losses.....	-	90,000
<b>Net Interest Income after Provision for Loan Losses</b> .....	<b><u>4,567,975</u></b>	<b><u>4,489,062</u></b>
<b>Other Income</b>		
Service charges on deposit accounts.....	433,122	405,058
Trust Department Income.....	60,950	100,850
Financial Services.....	84,154	58,267
Mortgage banking.....	56,625	123,162
Security gains and losses.....	23,692	-
Other service charges, commissions and fees.....	485,172	465,786
<b>Total Other Income</b>	<b><u>1,143,715</u></b>	<b><u>1,153,123</u></b>
<b>Other Expenses</b>		
Salaries and employee benefits.....	2,352,477	2,391,585
Occupancy expense of premises, net.....	289,645	246,648
Furniture and equipment, data processing expense.....	418,258	361,918
FDIC Assessment.....	78,594	77,153
Other expenses.....	778,565	729,921
<b>Total Other Expenses</b>	<b><u>3,917,539</u></b>	<b><u>3,807,225</u></b>
<b>Income Before Income Taxes</b> .....	1,794,151	1,834,960
Provision for income taxes.....	367,869	474,177
<b>Net Income</b> .....	<b><u>\$1,426,282</u></b>	<b><u>\$1,360,783</u></b>
<b>Basic Earnings per Common Share</b> .....	<b><u>\$1.28</u></b>	<b><u>\$1.22</u></b>
(Based on 1,117,219 average shares outstanding in 2014 and 2013.)		