

FS Bancorp and Farmers State Bank

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Co-Owner, Shipshewana Farmstead Inn
& Conference Center
Co-Owner, Trading Places Antiques

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Retired CEO, Perry Personnel Plus, Inc.

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June 30, 2014 Report of Condition

FS Bancorp



F S Bancorp Consolidated Balance Sheets
June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Assets		
Cash and due from banks.....	\$60,246,134	\$54,463,278
Federal funds sold.....	0	0
Investment securities.....	77,868,057	76,374,260
Federal Home Loan Bank Stock.....	2,470,400	2,470,400
Loans.....		
Total loans.....	385,905,115	362,691,483
Less deferred loan fees.....	(25,115)	(36,682)
Less allowance for loan losses.....	(5,459,490)	(5,713,079)
Loans, net.....	380,420,510	356,941,722
Premises and equipment, net.....	8,047,244	8,070,860
CSV-Insurance.....	10,474,795	10,741,451
Goodwill and other intangible assets.....	3,442,566	3,706,246
Other assets.....	5,238,170	6,373,477
Total Assets	<u>\$548,207,876</u>	<u>\$519,141,694</u>
Liabilities		
Deposits.....		
Noninterest-bearing demand.....	\$148,472,738	\$125,875,955
Interest-bearing demand.....	115,814,899	110,977,906
Savings.....	103,179,236	96,745,174
Time under \$100,000.....	63,778,160	71,005,707
Time \$100,000 and over.....	34,913,564	39,247,320
Total Deposits.....	466,158,597	443,852,062
Repurchase Agreements.....	5,032,381	3,425,931
Federal Home Loan Bank Advances.....	20,746,298	20,643,121
Other liabilities.....	3,550,065	3,236,398
Total Liabilities	<u>495,487,341</u>	<u>471,157,512</u>
Shareholders' Equity		
Common stock: No par value, 5,000,000 shares authorized and 1,190,976 issued.....	148,872	148,872
Paid-in capital.....	3,769,058	3,744,984
Retained earnings.....	51,109,138	47,378,212
Net unrealized gains (losses) on securities.....	265,396	(715,957)
Less treasury stock, at cost.....	(2,571,929)	(2,571,929)
Total Shareholders' Equity	<u>52,720,535</u>	<u>47,984,182</u>
Total Liabilities and Shareholders' Equity	<u>\$548,207,876</u>	<u>\$519,141,694</u>

F S Bancorp Consolidated Statements of Income
For the six months ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Interest Income		
Interest and fees on loans.....	\$9,153,922	\$9,222,584
Interest on investment securities.....	864,817	913,311
Other interest and dividend income.....	136,167	72,899
Total Interest Income	<u>10,154,906</u>	<u>10,208,794</u>
Interest Expense		
Interest on deposits.....	499,691	669,632
Interest on FHLB advances and other borrowings.....	342,944	345,933
Total Interest Expense	<u>842,635</u>	<u>1,015,565</u>
Net Interest Income	9,312,271	9,193,229
Provision for loan losses.....	-	120,000
Net Interest Income after Provision for Loan Losses	<u>9,312,271</u>	<u>9,073,229</u>
Other Income		
Service charges on deposit accounts.....	865,703	844,933
Trust Department Income.....	134,700	165,754
Financial Services.....	122,792	119,387
Mortgage banking.....	116,787	258,674
Security gains.....	19,858	1,522
Other service charges, commissions and fees.....	1,044,034	937,138
Total Other Income	<u>2,303,874</u>	<u>2,327,408</u>
Other Expenses		
Salaries and employee benefits.....	4,652,692	4,806,248
Occupancy expense of premises, net.....	544,056	498,279
Furniture and equipment, data processing expense.....	820,324	724,934
Advertising and marketing expense.....	116,231	120,715
FDIC Assessment.....	157,206	153,030
Other expenses.....	1,480,311	1,337,698
Total Other Expenses	<u>7,770,820</u>	<u>7,640,904</u>
Income Before Income Taxes	3,845,325	3,759,733
Provision for income taxes.....	829,661	972,305
Net Income	<u>\$3,015,664</u>	<u>\$2,787,428</u>
Basic Earnings per Common Share	<u>\$2.70</u>	<u>\$2.49</u>
(Based on 1,117,219 average shares outstanding in 2014 and 2013.)		