



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 September 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 September 30, 2024.

FS Bancorp is pleased to report strong earnings for the quarter ending September 30, 2024. Net income for the quarter ended September 30, 2024 was \$4.3 million compared to \$3.9 million for the same quarter of 2023. Core earnings continued to be strong with net interest income increasing \$1,018,000 for the three months ended September 30, 2024 compared to the same period in 2023. Included in interest expense for the third quarter of 2024 was \$121,000 of accelerated amortization of brokered CD fees that were called during the month as part of a balance sheet repositioning strategy. Highlights of the third quarter of 2024 included the following items:

- Total loans were \$806 million at September 30, 2024 compared to \$775 million at September 30, 2023.
- Total equity increased \$19.8 million to \$113.2 million at September 30, 2024 compared to September 30, 2023.
- Our interest rate cap derivative was written down \$167,000 during the quarter. The write down was included in Other Income on the income statement.
- Asset quality remains very good through the third quarter of 2024. Net charge-offs during the third quarter of 2024 totaled \$24,000, and total delinquencies were 0.27% of loans at September 30, 2024.

We are pleased to have achieved 4% 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 has produced so far 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 excited to move through the final quarter of 2024, and 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
September 30, 2024 and 2023 (Unaudited)

(Dollars in thousands)	<u>September 30,</u> <u>2024</u>	<u>September 30,</u> <u>2023</u>
Assets		
Cash and due from banks	\$ 81,303	\$ 70,773
Investment securities	267,471	261,762
Federal Home Loan Bank stock	1,537	3,348
Total loans	805,596	774,871
Less allowance for credit losses	(7,305)	(7,161)
Loans, net	798,291	767,710
Premises and equipment, net	11,009	10,084
Cash surrender value of life insurance	18,713	18,225
Goodwill and other intangible assets	2,604	2,604
Other assets	14,887	18,016
Total Assets	\$ 1,195,815	\$ 1,152,522
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 245,048	\$ 259,205
Interest-bearing demand	408,918	424,049
Savings	207,814	181,297
Time under \$250,000	135,841	137,582
Time \$250,000 and over	59,874	25,384
Total deposits	1,057,495	1,027,517
Repurchase agreements	6,808	4,894
Federal Home Loan Bank advances	10,000	20,000
Other liabilities	8,295	6,685
Total Liabilities	1,082,598	1,059,096
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,244,141 and 4,286,713 shares outstanding 2024 and 2023	149	149
Paid-in capital	3,105	3,030
Retained earnings	134,685	124,897
Accumulated other comprehensive income (loss), net of tax	(13,969)	(25,231)
Less treasury stock, at cost; 519,763 and 477,191 shares 2024 and 2023	(10,753)	(9,419)
Total Shareholders' Equity	113,217	93,426
Total Liabilities and Shareholders' Equity	\$ 1,195,815	\$ 1,152,522

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Nine Months Ended September 30, 2024 and 2023 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u> <u>September 30,</u>		<u>Nine Months Ended</u> <u>September 30,</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
Interest Income				
Interest and fees on loans	\$ 11,913	\$ 10,393	\$ 34,658	\$ 29,332
Interest on investment securities	1,911	1,447	5,543	4,479
Other interest and dividend income	1,309	807	3,578	2,595
Total Interest Income	15,133	12,647	43,779	36,406
Interest Expense				
Interest on deposits	5,341	3,709	14,651	9,828
Interest on FHLB advances and other borrowings	33	197	231	550
Total Interest Expense	5,374	3,906	14,882	10,378
Net Interest Income	9,759	8,741	28,897	26,028
Credit loss expense - loans	-	144	221	192
Net Interest Income after Credit Loss Expense	9,759	8,597	28,676	25,836
Noninterest Income				
Service charges on deposit accounts	459	488	1,363	1,541
Credit and debit card income	913	849	2,633	2,556
Mortgage banking	1	76	97	170
Gains and (losses) on securities	(3)	-	(24)	(224)
Other income	198	398	922	1,059
Total Noninterest Income	1,568	1,811	4,991	5,102
Noninterest Expenses				
Salaries and employee benefits	3,422	3,181	10,092	9,819
Occupancy expense on premises, furniture and equipment, net	452	485	1,409	1,482
Data processing expense	673	638	1,936	1,763
Advertising and marketing expense	237	149	618	413
Other expenses	1,381	1,375	4,523	4,223
Total Noninterest Expenses	6,165	5,828	18,578	17,700
Income Before Income Taxes	5,162	4,580	15,089	13,238
Income tax expense	872	712	2,564	2,024
Net Income	\$ 4,290	\$ 3,868	\$ 12,525	\$ 11,214
Basic Earnings Per Share	\$ 1.01	\$ 0.90	\$ 2.94	\$ 2.61
Diluted Earnings Per Common Share	\$ 1.01	\$ 0.90	\$ 2.93	\$ 2.60