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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 | <u>\$ 1,230,216</u> | <u>\$ 1,164,807</u> |
| 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 | <u>\$ 1,230,216</u> | <u>\$ 1,164,807</u> |

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 |