



JOSEPH URBANSKI
President
Chief Executive Officer

CONTACT
Stacy Merrifield
Investor Relations
260.463.7111
SMerrifield@GoFSB.com

FOR IMMEDIATE RELEASE

January 22, 2026

FS Bancorp Reports December 31, 2025 Financial Results

LAGRANGE, IN. – FS Bancorp (the “Company”) (OTCID: FXLG) parent company of Farmers State Bank (the “Bank”) announced record earnings for the quarter ended December 31, 2025.

FS Bancorp is pleased to report strong earnings for the quarter ending December 31, 2025. Net income for the quarter ended December 31, 2025 was \$5.4 million compared to \$4.8 million for the same quarter of 2024. Core earnings continued to be strong with net interest income increasing \$1,722,000 for the three months ended December 31, 2025 compared to the same period in 2024. Highlights of the fourth quarter of 2025 included the following items:

- Total loans were \$887 million at December 31, 2025 compared to \$829 million at December 31, 2024.
- Total equity increased \$16.8 million to \$130.2 million at December 31, 2025 compared to December 31, 2024.
- Credit loss expense was \$972,000 for the year ended December 31, 2025 compared to \$221,000 for December 31, 2024. Credit loss expense for 2025 was primarily driven by loan growth and a \$300,000 loan loss allocation for a single \$4.9 million commercial loan. The loan is a participation loan secured by an apartment building and was placed on nonaccrual status near the end of December. The borrower is in the process of liquidating certain business interests including the real estate that secures our loan and has expressed a desire to satisfy all of its debt obligations. The participation loan had not previously been delinquent, and the loan was less than 30 days delinquent at December 31, 2025.
- Overall asset quality remains good through the fourth quarter of 2025. Net recoveries during the fourth quarter of 2025 totaled \$30,000, and total delinquencies were 0.84% of loans at December 31, 2025.

The Company's Board of Directors approved a new stock repurchase program that allows the Company to repurchase up to \$12.0 million of its stock during 2026 and 2027.

We are very pleased with the solid results our team produced in 2025. The financial performance achieved by our team is the result of our commitment to the communities we serve and strong banking principles. It is truly exciting to see the results of our team's many efforts to move our company forward. We are working hard to reward our shareholders for their investment in FS Bancorp, and our shareholder initiatives for 2025 included record dividends and share repurchases of any year in our history. Thank you for your continued investment in FS Bancorp.

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, 2025 and 2024 (Unaudited)

(Dollars in thousands)	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Assets		
Cash and due from banks	\$ 111,781	\$ 94,989
Investment securities	237,723	264,605
Federal Home Loan Bank stock	1,537	1,537
Total loans	886,917	829,165
Less allowance for credit losses	(8,254)	(7,288)
Loans, net	878,663	821,877
Premises and equipment, net	10,814	11,139
Cash surrender value of life insurance	19,117	18,847
Goodwill and other intangible assets	2,604	2,604
Other assets	13,245	14,618
Total Assets	<u>\$ 1,275,484</u>	<u>\$ 1,230,216</u>
Liabilities		
Deposits		
Noninterest-bearing demand	\$ 288,933	\$ 252,808
Interest-bearing demand	440,427	423,310
Savings	195,227	218,255
Time under \$250,000	133,780	136,300
Time \$250,000 and over	64,358	62,745
Total deposits	1,122,725	1,093,418
Repurchase agreements	4,136	5,007
Federal Home Loan Bank advances	10,000	10,000
Other liabilities	8,454	8,462
Total Liabilities	1,145,315	1,116,887
Shareholders' Equity		
Common stock: No par value, 10,000,000 shares authorized; 4,763,904 shares issued and 4,117,385 and 4,220,333 shares outstanding 2025 and 2024	149	149
Paid-in capital	3,005	3,183
Retained earnings	154,334	138,505
Accumulated other comprehensive income (loss), net of tax	(11,722)	(17,008)
Less treasury stock, at cost; 646,519 and 543,571 shares 2025 and 2024	(15,597)	(11,500)
Total Shareholders' Equity	130,169	113,329
Total Liabilities and Shareholders' Equity	<u>\$ 1,275,484</u>	<u>\$ 1,230,216</u>

FS BANCORP
CONSOLIDATED STATEMENTS OF INCOME

For the Three and Twelve Months Ended December 31, 2025 and 2024 (Unaudited)

(Dollars in thousands except earnings per share)	<u>Three Months Ended</u> <u>December 31,</u>		<u>Twelve Months Ended</u> <u>December 31,</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest Income				
Interest and fees on loans	\$ 13,487	\$ 12,143	\$ 51,210	\$ 46,801
Interest on investment securities	1,961	2,026	8,236	7,569
Other interest and dividend income	912	1,224	4,316	4,802
Total Interest Income	16,360	15,393	63,762	59,172
Interest Expense				
Interest on deposits	4,241	4,995	18,789	19,646
Interest on FHLB advances and other borrowings	97	98	390	329
Total Interest Expense	4,338	5,093	19,179	19,975
Net Interest Income	12,022	10,300	44,583	39,197
Credit loss expense - loans	573	-	972	221
Net Interest Income after Credit Loss Expense	11,449	10,300	43,611	38,976
Noninterest Income				
Service charges on deposit accounts	457	456	1,831	1,819
Credit and debit card income	908	912	3,640	3,545
Mortgage banking	43	40	186	137
Gains and (losses) on securities	1	1	21	(23)
Other income	309	291	1,268	1,213
Total Noninterest Income	1,718	1,700	6,946	6,691
Noninterest Expenses				
Salaries and employee benefits	3,644	3,485	13,927	13,577
Occupancy expense on premises, furniture and equipment, net	564	490	2,109	1,899
Data processing expense	800	699	2,890	2,635
Advertising and marketing expense	111	118	542	736
Other expenses	1,498	1,454	6,314	5,977
Total Noninterest Expenses	6,617	6,246	25,782	24,824
Income Before Income Taxes	6,550	5,754	24,775	20,843
Income tax expense	1,116	1,004	4,248	3,568
Net Income	\$ 5,434	\$ 4,750	\$ 20,527	\$ 17,275
Basic Earnings Per Share	\$ 1.32	\$ 1.12	\$ 4.97	\$ 4.06
Diluted Earnings Per Common Share	\$ 1.30	\$ 1.12	\$ 4.94	\$ 4.05