

FS Bancorp, Inc.
Form 10-Q
August 14, 2013
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2013 OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 333-177125

FS BANCORP, INC.

(Exact name of registrant as specified in its charter)

Washington

(State or other jurisdiction of incorporation or organization)

45-4585178

(IRS Employer Identification No.)

6920 220th Street SW, Mountlake Terrace, Washington 98043

(Address of principal executive offices; Zip Code)

(425) 771-5299

(Registrant's telephone number, including area code)

None

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

APPLICABLE ONLY TO CORPORATE ISSUERS:

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: As of August 9, 2013, there were 3,240,125 outstanding shares of the registrant's common stock.

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As used in this report, the terms "we," "our," and "us," and "Company" refer to FS Bancorp, Inc. and its consolidated subsidiary, unless the context indicates otherwise. When we refer to "Bank" in this report, we are referring to 1st Security Bank of Washington, the wholly owned subsidiary of FS Bancorp, Inc.

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Item 1. Financial Statements
 FS BANCORP, INC. AND SUBSIDIARY
 CONSOLIDATED BALANCE SHEETS

(Dollars in thousands, except share data) (Unaudited)

	June 30, 2013	December 31, 2012
ASSETS		
Cash and due from banks	\$2,296	\$4,003
Interest-bearing deposits at other financial institutions	14,117	5,410
Securities available-for-sale, at fair value	44,186	43,313
Federal Home Loan Bank stock, at cost	1,733	1,765
Loans held for sale	13,146	8,870
Loans receivable, net	280,411	274,949
Accrued interest receivable	1,292	1,223
Premises and equipment, net	13,525	12,663
Other real estate owned ("OREO")	1,805	2,127
Deferred tax asset	1,349	1,927
Other assets	5,002	2,780
TOTAL ASSETS	\$378,862	\$359,030
LIABILITIES		
Deposits		
Interest-bearing accounts	\$263,808	\$254,784
Noninterest-bearing accounts	37,105	34,165
Total deposits	300,913	288,949
Borrowings	13,664	6,840
Other liabilities	3,206	3,344
Total liabilities	317,783	299,133
COMMITMENTS AND CONTINGENCIES (NOTE 9)		
STOCKHOLDERS' EQUITY		
Preferred stock, \$.01 par value; 5,000,000 shares authorized; None issued or outstanding	—	—
Common stock, \$.01 par value; 45,000,000 shares authorized; 3,240,125 shares issued and outstanding at June 30, 2013 and December 31, 2012, respectively	32	32
Additional paid-in capital	29,979	29,894
Retained earnings	33,917	31,746
Accumulated other comprehensive income (loss)	(609)) 597
Unearned shares - Employee Stock Ownership Plan ("ESOP")	(2,240)) (2,372)
Total stockholders' equity	61,079	59,897
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$378,862	\$359,030

See accompanying notes to these consolidated financial statements.

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CONSOLIDATED STATEMENTS OF INCOME

(Dollars in thousands, except earnings per share data) (Unaudited)

	Three Months Ended		Six Months Ended	
	June 30, 2013	2012	June 30, 2013	2012
INTEREST INCOME				
Loans receivable	\$5,233	\$4,341	\$10,171	\$8,475
Interest and dividends on investment securities and cash and cash equivalents	203	163	440	328
Total interest income	5,436	4,504	10,611	8,803
INTEREST EXPENSE				
Deposits	464	569	936	1,172
Borrowings	48	44	87	90
Total interest expense	512	613	1,023	1,262
NET INTEREST INCOME	4,924	3,891	9,588	7,541
PROVISION FOR LOAN LOSSES	600	550	1,200	