

MERGER WITH PACIFIC WEST BANCORP

1907

Predecessor to Anchor Bank founded

2017

Completed Anchor Bancorp merger adding nine branches

2026

Announced merger with Pacific West Bancorp, welcoming four branches in the Portland market

2016

Completed a four branch acquisition from Bank of America

2023

Completed acquisition of five Columbia Bank branches in Oregon and two in Washington

“Build a truly great place to work and bank.”

-1st Security Bank Vision Statement

February 25, 2026

Disclosure Statement

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Forward Looking Statements

This presentation contains forward-looking statements regarding FS Bancorp, Pacific West Bancorp ("Pacific West"), the proposed merger and the combined company after the close of the transaction that are intended to be covered by the safe harbor for "forward-looking statements" provided by the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are forward-looking statements. These statements involve inherent risks, uncertainties and contingencies, many of which are difficult to predict and are generally beyond the control of FS Bancorp, Pacific West and the combined company. We caution readers that a number of important factors could cause actual results to differ materially from those expressed in, or implied or projected by, such forward-looking statements. In addition to factors previously disclosed in reports filed by FS Bancorp and Pacific West with the Securities and Exchange Commission (the "SEC"), risks and uncertainties for each institution and the combined institution include, but are not limited to, the following factors: the expected cost savings, synergies and other financial benefits from the merger might not be realized within the expected time frames or at all; governmental approval of the merger may not be obtained or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger; conditions to the closing of the merger may not be satisfied; the shareholders of Pacific West may fail to approve the consummation of the merger; the integration of the combined company, including personnel changes/retention, might not proceed as planned; and the combined company might not perform as well as expected. All forward-looking statements included in this communication are based on information available at the time of the communication. FS Bancorp and Pacific West undertake no obligation to revise or publicly release any revision or update to these forward-looking statements to reflect new information, future events or circumstances or otherwise that occur after the date on which such statements were made. Annualized, pro forma, projected and estimated numbers are used for illustrative purposes only, are not forecasts and may not reflect actual results.

Additional Information

FS Bancorp will file a registration statement on Form S-4 with the SEC in connection with the proposed transaction. The registration statement will include a proxy statement of Pacific West that also constitutes a prospectus of FS Bancorp, which will be sent to the shareholders of Pacific West. Pacific West shareholders are advised to read the proxy statement/prospectus when it becomes available because it will contain important information about FS Bancorp, Pacific West and the proposed transaction. When filed, this document and other documents relating to the merger filed by FS Bancorp can be obtained free of charge from the SEC's website at www.sec.gov. These documents also can be obtained free of charge by accessing FS Bancorp's website at www.fsbwa.com under the tab "Investor Relations" and then under "SEC Filings." Alternatively, these documents, when available, can be obtained free of charge from FS Bancorp upon written request to FS Bancorp, Inc., Attn: Investor Relations, 6920 220th Street SW, Mountlake Terrace, Washington 98043 or by calling (425) 771-5299.

Participants In This Transaction

FS Bancorp, Pacific West and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Pacific West shareholders in connection with the proposed transaction under the rules of the SEC. Information about the directors and executive officers of FS Bancorp may be found in the definitive proxy statement of FS Bancorp filed with the SEC by FS Bancorp on April 7, 2025. This definitive proxy statement can be obtained free of charge from the sources indicated above. Information about the directors and executive officers of Pacific West will be included in the proxy statement/prospectus when filed with the SEC. Additional information regarding the interests of these participants will also be included in the proxy statement/prospectus regarding the proposed transaction when it becomes available.

Transaction Highlights

Pro forma assets of approximately \$3.6 billion at close – deepening Pacific Northwest market presence

Compelling Strategic Rationale

- Strengthens FSBW banking footprint in Portland MSA by adding \$386 million in assets
- Attractive opportunity to expand in Portland MSA – aligns with FSBW strategy of adding scale in business-dense markets
- Compatible and complementary to FSBW – business banking expertise with SMBs, non-profits and professional client segments
- Pacific West Bank is the last bank headquartered in Portland MSA

Attractive Banking Franchise

- Enhances FSBW's deposit base with 92% non-CDs and slightly lower cost of deposits of 2.18%
- Scalable Digital Division providing banking-as-a-service to fintech and embedded finance ecosystems
- Adds 4 branch locations with greater coverage of Portland metro area
- Logical geographic fit with FSBW

Compelling Financial Metrics

- Price / tangible book value of 95%⁽¹⁾
- Pay-to-trade multiple of 90%⁽¹⁾
- Meaningful EPS accretion of 7.4% in 2027⁽²⁾
- At close, will incur dilution to tangible book value of 2.2%
- TBV earnback period of approximately 2.4 years
- FSBW remains well-capitalized with strong pro forma capital ratios

Source: S&P Capital IQ Pro, financial information as of the quarter ended 12/31/2025

(1) Based on FSBW closing stock price as of 2/25/2026

(2) Based on average street estimates for FSBW and management projections for PWBK

Overview of Pacific West Bancorp (OTCPK: PWBK)

Company Highlights

- Pacific West Bancorp is headquartered in West Linn, Oregon and is the holding company for Pacific West Bank
- Operates 4 branch locations in Portland, Vancouver, West Linn, and Lake Oswego
- Maintains a business-oriented relationship model, centered on local small businesses and professional clients
- Banking-as-a-service platform

Financial Highlights as of December 31, 2025

Total Assets	\$ 386,032
Gross Loans	\$ 276,566
Total Deposits	\$ 342,244
Loan / Deposit Ratio	80.8%
Tang. Common Equity / Tang. Assets	9.24%
Net Interest Margin	3.37%
Yield on Loans ⁽¹⁾	5.97%
Cost of Deposits ⁽¹⁾	2.18%

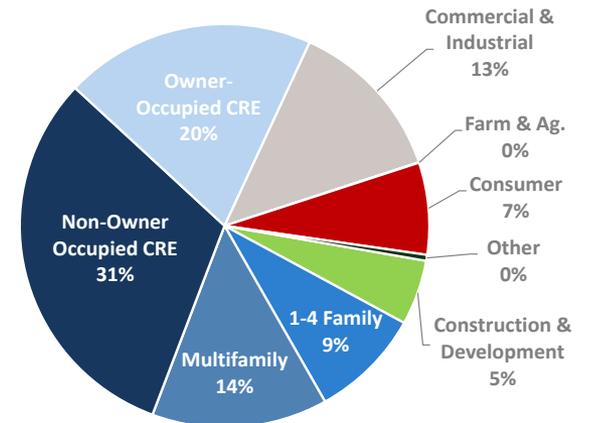
Source: S&P Capital IQ Pro, GAAP data as of the quarter ended 12/31/2025

Note: All dollars in thousands

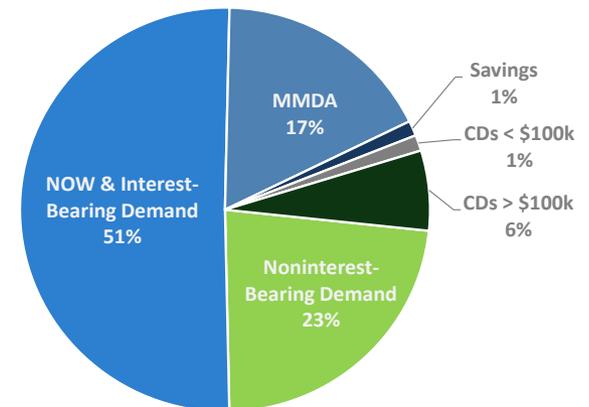
(1) Bank-level data as of the quarter ended 12/31/2025

Loan and Deposit Composition as of December 31, 2025

Loan Composition⁽¹⁾

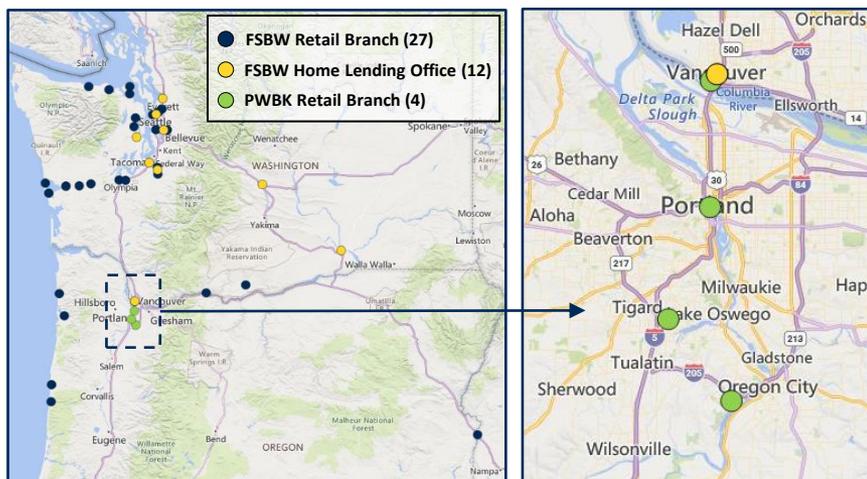


Deposit Composition⁽¹⁾



Expansion in Greater Portland MSA

Pro Forma Deposit Footprint



Market Demographics

Greater Portland MSA⁽²⁾

Oregon

Population	2,547,027	4,271,804
Unemployment Rate	4.8%	4.9%
Median Household Income	\$ 104,949	\$ 89,847
HHI Projection Change	13.1%	12.8%
Poverty Rate	9.2%	11.8%
Higher Education	43.8%	36.2%

Source: S&P Capital IQ Pro, FDIC Summary of Deposits data as of 6/30/2025, U.S. Census data, Census Reporter, Greater Portland, Inc.

Note: All dollars in thousands

(1) Excludes merger adjustments

(2) Greater Portland MSA defined as Portland-Vancouver-Hillsboro MSA

Deposit Market Share in Portland-Vancouver-Hillsboro MSA

Rank	Institution (State)	Number of Branches	Deposits in Market	1-Yr Deposit Growth	Market Share
1	U.S. Bancorp (MN)	59	\$ 15,427,648	+1.3%	23.6%
2	Bank of America Corporation (NC)	36	\$ 14,178,020	+3.6%	21.7%
3	JPMorgan Chase & Co. (NY)	58	\$ 8,984,480	-2.1%	13.7%
4	Wells Fargo & Co. (CA)	47	\$ 8,810,247	-1.0%	13.5%
5	Columbia Banking System Inc. (WA)	44	\$ 5,512,543	+0.3%	8.4%
6	KeyCorp (OH)	41	\$ 4,806,434	+3.8%	7.3%
7	Bank of Montreal	16	\$ 1,081,544	-26.5%	1.7%
8	Riverview Bancorp Inc. (WA)	14	\$ 1,044,401	-1.3%	1.6%
9	Heritage Financial Corp. (WA)	6	\$ 841,407	+7.0%	1.3%
10	WafD Inc. (WA)	7	\$ 693,381	-1.6%	1.1%
11	Banner Corp. (WA)	7	\$ 692,302	+11.7%	1.1%
12	First FS&LA of McMinnville (OR)	6	\$ 565,292	+1.4%	0.9%
13	W.T.B. Financial Corp. (WA)	2	\$ 397,949	+14.3%	0.6%
14	Beneficial State Foundation (CA)	4	\$ 381,720	+5.4%	0.6%
15	GWY LLC (WA)	2	\$ 373,877	+4.4%	0.6%
16	Pro Forma FSBW + PWBK⁽¹⁾	5	\$ 318,779	+28.7%	0.5%
16	Pacific West Bancorp (OR)	4	\$ 318,779	+28.7%	0.5%
26	FS Bancorp Inc. (WA)	1	\$ -	-	0.0%
Total For Institutions In Market		377	\$ 65,433,720	+0.8%	100.0%

Out of 27 Institutions

Top Portland Employers



Transaction Overview

Structure

- Pacific West Bancorp (“PWBK”) will merge into FS Bancorp, Inc. (“FSBW”)
- Pacific West Bank will merge into 1st Security Bank

Consideration

- 430,176 shares of FSBW common stock and \$16.8 million in cash
- 51% stock consideration / 49% cash consideration for PWBK shareholders

Transaction Value⁽¹⁾

- \$34.6 million in aggregate consideration for PWBK

Transaction Multiples⁽¹⁾

- Price / Tangible Book Value: 95%
- Price / 2027E Earnings: 22.1x
- Price / 2027E Earnings + Fully Realized Cost Savings: 7.8x

Ownership and Board

- Pro forma ownership of 94.6% for FSBW / 5.4% for PWBK
- No changes to FSBW Board of Directors

Approvals

- Subject to PWBK shareholder approvals and customary regulatory approvals
- No financing contingencies to complete the transaction

Timing

- Anticipated closing in Q3 2026

(1) Based on FSBW closing stock price as of 2/25/2026

Key Transaction Assumptions

CECL

- CECL reserve of \$4.6 million, or 1.65% of gross loans
- Allocation of 82% non-PCD and 18% PCD

Investment Securities

- AFS securities write-down of \$2.3 million (accreted over 5.4 years)
- HTM securities write-down of \$254 thousand (accreted over 5.4 years)

Fair Value Marks

- Loan discount of \$4.2 million, or 1.51% of gross loans
- Time-deposits write-down of \$18 thousand
- Other borrowings write-up of \$6 thousand

Cost Savings

- Cost savings of 30% of PWBK's non-interest expense estimates
 - 50% of cost savings realized in 2nd half 2026 and 100% in 2027 thereafter
 - \$696 thousand of cost savings in 2026 and \$3.6 million in 2027

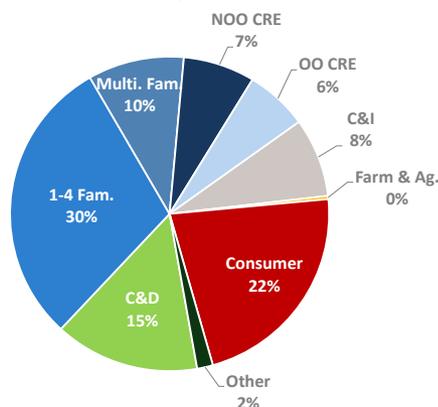
Other Assumptions

- No revenue enhancements included in model
- One-time transaction expenses of \$5.6 million, pre-tax
- Fixed assets write-up of \$1.7 million (amortized over 20.0 years)
- Core deposit intangible of \$4.0 million, or 1.27% of non-time deposits created (amortized over 10.0 years)
- Pre-tax cost of cash of 3.50%

Loan Portfolio Composition and Comparison

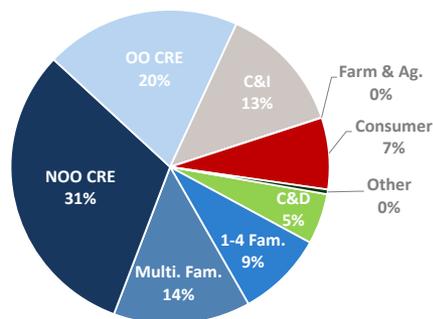
	FSBW			PWBK			Pro Forma ⁽¹⁾		
Construction & Development	\$	396,707	15%	\$	14,428	5%	\$	411,135	14%
1-4 Family	\$	803,265	30%	\$	24,511	9%	\$	827,776	28%
Multifamily	\$	263,189	10%	\$	38,496	14%	\$	301,685	10%
Non-Owner Occupied CRE	\$	196,188	7%	\$	86,566	31%	\$	282,754	10%
Owner-Occupied CRE	\$	171,417	6%	\$	54,984	20%	\$	226,401	8%
Commercial & Industrial	\$	218,911	8%	\$	36,228	13%	\$	255,139	9%
Farm & Ag.	\$	9,068	0%	\$	91	0%	\$	9,159	0%
Consumer	\$	596,881	22%	\$	20,417	7%	\$	617,298	21%
Other	\$	43,239	2%	\$	1,311	0%	\$	44,550	1%
Total Loans	\$	2,698,865	100%	\$	277,032	100%	\$	2,975,897	100%

FSBW



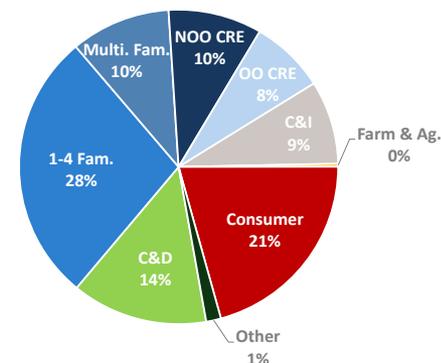
Yield on Loans: 7.00%

PWBK



Yield on Loans: 5.97%

Pro Forma⁽¹⁾



Yield on Loans: 6.91%

Source: S&P Capital IQ Pro, bank-level data as of the quarter ended 12/31/2025

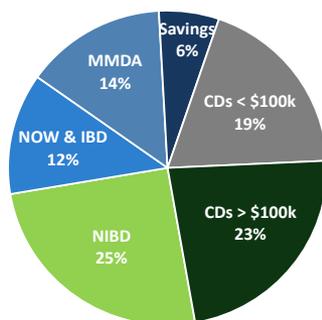
Note: All dollars in thousands

(1) Excludes merger adjustments

Deposit Portfolio Composition and Comparison

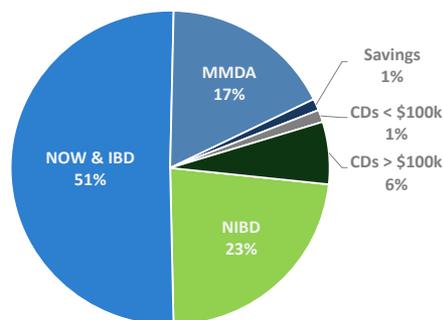
	FSBW			PWBK			Pro Forma ⁽¹⁾		
Noninterest-Bearing Demand	\$	675,799	25%	\$	78,712	23%	\$	754,511	25%
NOW & Interest-Bearing Demand	\$	335,513	12%	\$	173,532	51%	\$	509,045	17%
MMDA	\$	385,636	14%	\$	59,736	17%	\$	445,372	15%
Savings	\$	164,040	6%	\$	4,122	1%	\$	168,162	6%
CDs < \$100k	\$	512,808	19%	\$	4,327	1%	\$	517,135	17%
CDs > \$100k	\$	617,588	23%	\$	21,900	6%	\$	639,488	21%
Total Deposits	\$	2,691,384	100%	\$	342,329	100%	\$	3,033,713	100%
Non-CDs	\$	1,560,988	58%	\$	316,102	92%	\$	1,877,090	62%

FSBW



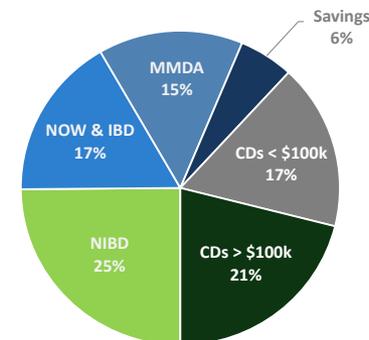
Cost of Deposits: 2.26%

PWBK



Cost of Deposits: 2.18%

Pro Forma⁽¹⁾



Cost of Deposits: 2.25%

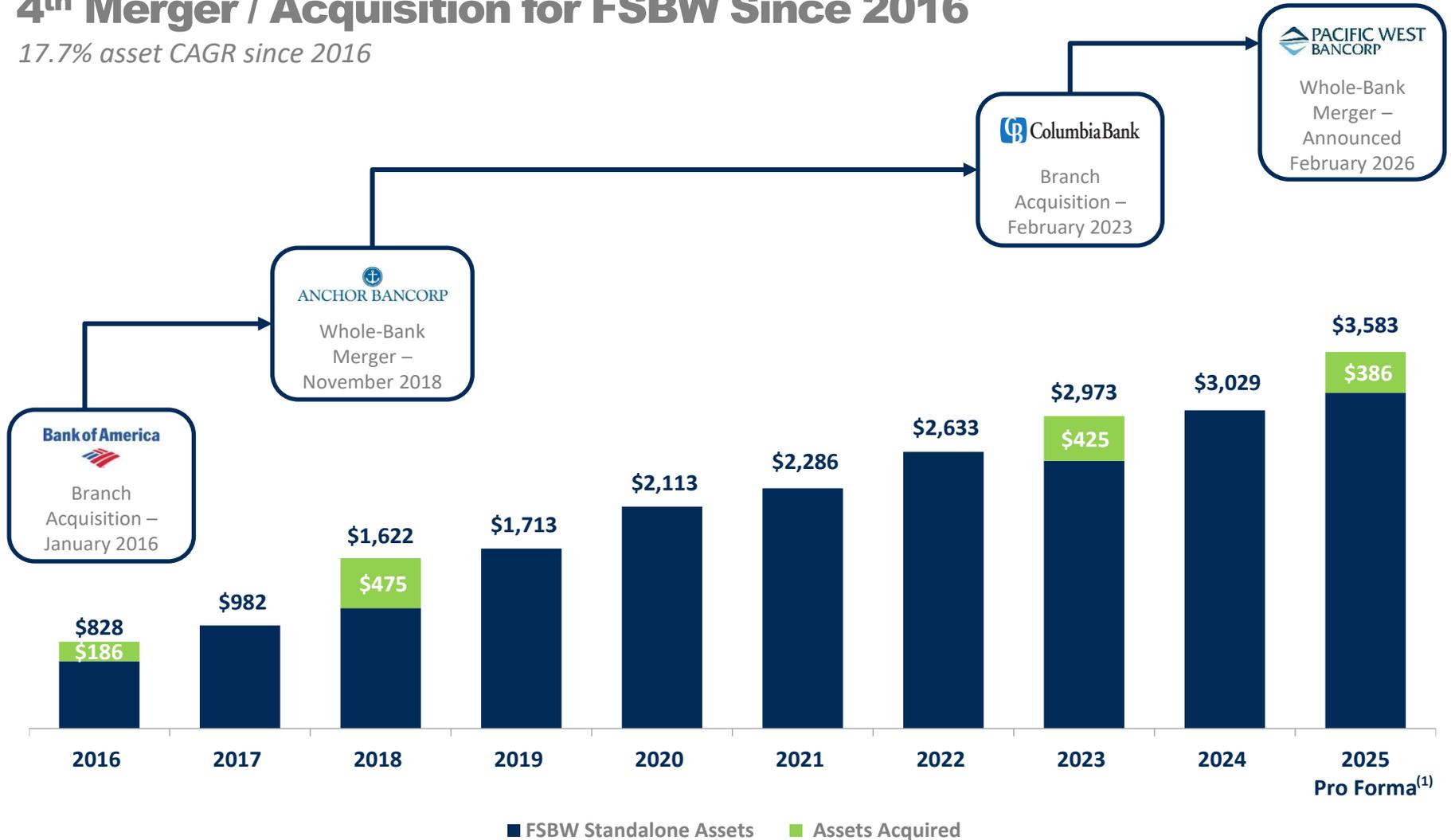
Source: S&P Capital IQ Pro, bank-level data as of the quarter ended 12/31/2025

Note: All dollars in thousands

(1) Excludes merger adjustments

4th Merger / Acquisition for FSBW Since 2016

17.7% asset CAGR since 2016



Source: S&P Capital IQ Pro, GAAP data as of the year ended 12/31/2025

Note: All dollars in millions

(1) Excludes merger adjustments

Comprehensive Due Diligence to Minimize Execution Risk

■ Due Diligence Process

- Conducted a thorough review of all key operating areas of PWBK
- Due diligence led by FSBW executive leadership and department heads, along with 3rd parties for Fair Value and Credit analysis
- Performed an in-depth review on PWBK's Digital Division with significant coverage of digital partnerships
- Conservative approach to credit review, which included write-downs on certain problem loans
- 58% of total loan portfolio was reviewed, including 100% of criticized loans

Due Diligence Scope

Credit & Underwriting

Finance & Accounting

Commercial Lending

Operations

Digital Division

Retail Banking

Investment Securities

Audit

Deposits

Risk Management

Human Resources

Legal, Compliance & Regulatory

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