

## Report of Organizational Actions Affecting Basis of Securities

▶ See separate instructions.

**Part I Reporting Issuer**

<b>1</b> Issuer's name  <b>FS Bancorp, Inc.</b>		<b>2</b> Issuer's employer identification number (EIN)  <b>45-4585178</b>	
<b>3</b> Name of contact for additional information  <b>Matthew D. Mullet, CFO</b>	<b>4</b> Telephone No. of contact  <b>425-697-8026</b>	<b>5</b> Email address of contact  <b>mattm@fsbwa.com</b>	
<b>6</b> Number and street (or P.O. box if mail is not delivered to street address) of contact  <b>6920 220th St SW</b>		<b>7</b> City, town, or post office, state, and ZIP code of contact  <b>Mountlake Terrace, WA 98043</b>	
<b>8</b> Date of action  <b>07/14/2021</b>		<b>9</b> Classification and description  <b>Two-For-One Stock Split in the form of a Stock Dividend</b>	
<b>10</b> CUSIP number  <b>30263Y104</b>	<b>11</b> Serial number(s)	<b>12</b> Ticker symbol  <b>FSBW</b>	<b>13</b> Account number(s)

**Part II Organizational Action** Attach additional statements if needed. See back of form for additional questions.

**14** Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ▶ **On June 25, 2021, FS Bancorp, Inc. ("Company") declared a two-for-one stock split in the form of a 100% stock dividend, payable July 14, 2021, to shareholders of record as of July 6, 2021. Under the terms of the stock split, the Company's shareholders received a dividend of one share of every share held on the record date. The dividend was paid in authorized but unissued shares of the Company's common stock.**

**15** Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ▶ **The two-for-one stock split would reduce the cost basis by 50% for any shares purchased before the split and double the shares outstanding post split.**

**16** Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ▶ **On the payable date of July 14, 2021, the closing stock price was \$71.00 per share. The post-split closing stock price on July 15, 2021 was \$35.84 per share.**

**Part II Organizational Action** (continued)

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶

Internal Revenue Code 305

18 Can any resulting loss be recognized? ▶ There is no resulting loss. The stock split was a 2 for 1, there was no gain/loss in shares.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The Company has been advised that under current law for United States federal income tax purposes, the receipt of split shares of Common Stock, as a result of this stock split, will not result in any taxable income, gain or losses to shareholders.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here**

Signature ▶ 

Date ▶ 10.22.2021

Print your name ▶ Matthew Millet

Title ▶ CFO

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
Firm's name ▶			Firm's EIN ▶	
Firm's address ▶			Phone no.	