

## Consolidated Balance Sheet

### Unaudited

(in thousands)

	September 30, 2009	September 30, 2008
<b>ASSETS</b>		
Cash and due from banks	\$ 5,083	\$ 7,610
Interest-bearing deposits with other institutions	4,437	12,087
Cash and cash equivalents	9,520	19,697
Certificates of deposit in other financial institutions	4,340	11,944
Trading securities	373	7,841
Investment securities available for sale	98,362	79,206
Investment securities held to maturity	-	250
Loans held for sale	1,029	43
Loans	363,409	333,223
Less allowance for loan losses	3,662	3,249
Net Loans	359,747	329,974
Premises and equipment	13,511	9,283
Goodwill	1,712	1,712
Regulatory stock	4,144	4,196
Bank-owned life insurance	11,165	9,351
Accrued interest and other assets	6,800	7,948
<b>TOTAL ASSETS</b>	<b>\$ 510,703</b>	<b>\$ 481,445</b>
<b>LIABILITIES</b>		
Noninterest-bearing deposits	\$ 40,128	\$ 41,098
Interest-bearing deposits	344,591	312,001
Total Deposits	384,719	353,099
Short-term borrowings	6,778	6,245
Other borrowings	79,469	87,706
Accrued interest and other liabilities	4,614	4,703
<b>TOTAL LIABILITIES</b>	<b>475,580</b>	<b>451,753</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.50 par value; 2,000,000 shares authorized, 610,000 shares issued	305	305
Additional paid-in capital	663	815
Retained earnings	39,862	37,926
Accumulated other comprehensive income	1,450	(1,908)
Unearned restricted stock	(263)	(181)
Treasury stock, at cost	(6,894)	(7,265)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>35,123</b>	<b>29,692</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 510,703</b>	<b>\$ 481,445</b>

## Consolidated Statement of Income

### Unaudited

(in thousands)

	Nine Months Ended		Three Months Ended	
	September 30, 2009	September 30, 2008	September 30, 2009	September 30, 2008
<b>INTEREST AND DIVIDEND INCOME</b>				
Interest and fees on loans	\$ 15,957	\$ 16,087	\$ 5,412	\$ 5,412
Investment securities	2,835	3,243	965	1,026
Interest-bearing deposits with other institutions	108	371	22	146
Other dividend income	87	188	32	77
<b>TOTAL INTEREST AND DIVIDEND INCOME</b>	<b>18,987</b>	<b>19,889</b>	<b>6,431</b>	<b>6,661</b>
<b>INTEREST EXPENSE</b>				
Deposits	4,634	6,368	1,474	1,875
Short-term borrowings	70	188	22	54
Other borrowings	2,883	2,930	976	1,023
<b>TOTAL INTEREST EXPENSE</b>	<b>7,587</b>	<b>9,486</b>	<b>2,472</b>	<b>2,952</b>
<b>NET INTEREST INCOME</b>	<b>11,400</b>	<b>10,403</b>	<b>3,959</b>	<b>3,709</b>
Provision for loan losses	613	230	193	138
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>10,787</b>	<b>10,173</b>	<b>3,766</b>	<b>3,571</b>
<b>NONINTEREST INCOME</b>				
Service fees on deposit accounts	1,075	1,027	379	355
Trading securities gains, net	(73)	(23)	(10)	5
Investment securities gains, net	(53)	(43)	77	(205)
Gain on sale of loans, net	590	352	181	114
Earnings on Bank-owned life insurance	288	258	98	88
Insurance commissions	643	621	235	222
Travel Agency commissions	134	188	52	75
Other	818	772	241	254
<b>TOTAL NONINTEREST INCOME</b>	<b>3,422</b>	<b>3,152</b>	<b>1,253</b>	<b>908</b>
<b>NONINTEREST EXPENSE</b>				
Salaries and employee benefits	5,901	5,491	1,978	1,861
Occupancy	1,435	1,066	482	397
Data processing	962	939	355	317
Professional fees	159	145	58	55
Advertising	204	208	80	69
Other	2,437	1,823	922	568
<b>TOTAL NONINTEREST EXPENSE</b>	<b>11,098</b>	<b>9,672</b>	<b>3,875</b>	<b>3,267</b>
<b>INCOME BEFORE INCOME TAXES</b>	<b>3,111</b>	<b>3,653</b>	<b>1,144</b>	<b>1,212</b>
Income taxes	434	693	182	228
<b>NET INCOME</b>	<b>\$ 2,677</b>	<b>\$ 2,960</b>	<b>\$ 962</b>	<b>\$ 984</b>

## To Our Stockholders

Kish Bancorp, Inc. has announced unaudited financial results for the period ending September 30, 2009. The Corporation's total assets rose to \$511 million, an increase of \$30 million or 6.1% compared to total assets of \$481 million as of September 30, 2008. Total deposits grew by \$32 million to \$385 million, a 9.0% increase over total deposits of \$353 million a year ago. Loans outstanding for the comparable period grew to \$360 million, a 9.0% increase from \$330 million the prior year.

For the nine month period ending September 30, 2009, net income decreased by \$283,000 to \$2.677 million, a 9.6% decrease compared to \$2.960 million through September 30, 2008. Earnings per share decreased to \$5.08 from \$5.62 for the same period in 2008.

During the period, net interest income before provision for possible loan losses increased by \$1 million or 9.6% to \$11.4 million compared to \$10.4 million in the prior year. The strong growth in net interest income resulted from growth in loans accompanied by an expansion in the net interest margin. After loan loss provision expenses, net interest income reached \$10.8 million, a 6.0% increase compared to \$10.2 million as of September 30, 2008.

Non interest income increased by \$270,000 or 8.6% compared to the first nine months of 2008 primarily due to the ongoing strength in secondary market residential mortgage originations and sustained levels of insurance and investment services revenues. Non interest expense increased by \$1.426 million, a 14.7% increase compared to the prior year. Increases in this category reflect the one-time FDIC special assessment levied on all insured financial institutions in the second quarter as well as the planned expenses associated with expansion in Bellefonte and State College. It is noteworthy that the increase in operating costs necessary to build towards the Corporation's growth objectives have been somewhat offset by the profitable expansion in core deposit and lending activities. Legal and other expenses associated with the resolution of problem loans, and losses from investing activities were also higher in 2009.

## Selected Financial Highlights

(Dollar amounts in thousands, except per share data)	Nine Months Ended	
	September 2009	September 2008
Net Income	\$ 2,677	\$ 2,960
Total Assets	\$ 510,703	\$ 481,445
Net Loans	\$ 359,747	\$ 329,974
Total Deposits	\$ 384,719	\$ 353,099
ROA (annualized)	.72%	.85%
ROE (annualized)	10.95%	12.94%
Earnings per Share	\$ 5.08	\$ 5.62

The Board of Directors approved the payment of the quarterly dividend in the amount of \$0.81 per share payable on October 31, 2009 to shareholders of record as of October 1, 2009. The Corporation's dividend per share is unchanged from the prior quarter and the prior year to date period.

Sincerely,



William P. Hayes  
Chairman, President &  
Chief Executive Officer

## Board of Directors

William P. Hayes  
Chairman, President and  
Chief Executive Officer  
Richard C. Calkins  
Vice Chairman  
William L. Dancy  
Treasurer and Secretary  
Richard L. Kalin  
Director  
Alison B. Kurtz  
Director  
James J. Lakso  
Director  
Phyllis L. Palm  
Director

## Executive Officers

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Chief Executive Officer  
Robert S. McMinn  
Executive Vice President  
Chief Operating Officer and  
General Counsel  
Gerhard Royer  
Executive Vice President  
Chief Credit Officer  
James L. Shilling, Jr.  
Executive Vice President  
Market Manager and Senior  
Lending Officer for Mifflin Co.  
Michael F. Allen  
Executive Vice President  
Market Manager and Senior  
Lending Officer for Centre Co.

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Manager  
Larry E. Burger  
Vice President Commercial  
Relationship Manager  
Cynthia A. Campbell  
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Residential Mortgage Sales  
Michael Confer  
Vice President  
Branch Manager  
Wade E. Curry  
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Investment Services  
Ann K. Guss  
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Debra K. Weikel  
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Mortgage Underwriter  
Suzanne M. White  
Vice President  
Human Resources  
Jeffrey D. Wilson  
Chief Executive Officer  
Insurance Services

## Branch Locations

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Lewistown-Electric Avenue  
(717) 242-5474  
Lewistown-S. Main Street  
(717) 242-2500  
McVeytown  
(717) 899-7733  
Huntingdon  
(814) 641-5474  
Mill Creek  
(814) 643-4400  
McAlevy's Fort  
(814) 667-3500  
State College, North  
(814) 861-4747  
State College, South  
(814) 861-5500  
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# Financial Report 2009 Third Quarter

