



Kish Bancorp, Inc. Announces First Quarter Financial Results

State College, Pennsylvania (KISB) – April 16, 2021 – William P. Hayes, Chairman and CEO of Kish Bancorp, Inc., has announced unaudited financial results for the quarter ending March 31, 2021.

Hayes stated in making the announcement, “The elements of first quarter 2021 financial performance remain closely connected to government stimulus efforts and an accommodative monetary policy that has supported sustained low interest rates and robust mortgage revenue generation. Additionally, the expansion of the banking team into new markets in the fourth quarter of 2020 has contributed significantly to new customer acquisition and the sustained expansion of the loan portfolio.”

The Corporation’s total assets ended the period at an all-time high of \$1.140 billion, an increase of \$187.2 million, or 19.64%, compared to total assets of \$953.2 million as of March 31 of last year. Total loans outstanding grew year over year by \$84.8 million to \$797.8 million, or 11.89%.

“Loans originated in the first quarter to local businesses as part of the third round of the Paycheck Protection Program (PPP) totaled \$35 million,” noted Hayes. “This follows forgiveness of PPP loans originated in 2020 of \$17.3 million during the first quarter of 2021.”

Investment securities grew to \$168.4 million, a \$38.1 million increase over the first quarter of 2020. Total deposits grew by \$194.4 million to \$916.7 million, an increase of 27.10% from \$721.3 million a year ago, with a continued notable expansion in core deposits. Borrowings decreased to \$133 million, compared to \$143.6 million as of March 31, 2020.

In announcing one of the quarter’s strongest highlights, Hayes said, “Net income for the first quarter was \$2.66 million, an increase of \$1.31 million, or 96.5%, compared to \$1.35 million for the same period in 2020.” He continued, “The increase includes expansion in both net interest income, up 19.13% over the prior year, and noninterest income, which increased 37.25% overall. Net income was also positively impacted by market value increases in the equity portfolio. Overall credit quality metrics remain at excellent levels, as is reflected in low delinquencies and non-performing loan levels.”

Strong growth in loans and core deposits supported a significant expansion of net interest income before provision to \$8.4 million as of March 31, 2021, an increase of \$1.4 million, or 19.13%, compared to \$7.1 million as of March 31 of last year. Contributions to the loan loss reserve from earnings equaled \$180 thousand in the first quarter of 2021, compared to \$318 thousand in the same period of 2020. Offsetting the provision was fee income recognized during the first quarter related to the origination and forgiveness of PPP loans.

Noninterest income was \$2.9 million for the first quarter of 2021, an increase of \$780 thousand, or 37.25%, when compared to the first quarter of 2020. When unrealized gains/losses from equity securities are excluded, noninterest income increased by \$141 thousand, or 5.58%, year over year. Residential mortgage originations resulted in a 115.48% increase in fee income from mortgage loan

sales. Fees derived from deposit activities remained steady, while revenues from benefits consulting and insurance agency activities both showed good growth when compared to 2020.

Year over year, noninterest expense increased by \$691 thousand, or 9.50%, to \$8 million as of March 31, 2021, compared to \$7.3 million the prior year. In part, the increase reflects higher salaries and employee benefits over the same period in 2020 due to additions to the team. Hayes noted, "Data processing expense for the first quarter decreased to \$382 thousand from \$688 thousand in the first quarter of the prior year, an improvement of 44.48%. These lower costs are the result of Kish's core conversion that was completed in 2020." All other expense categories were well controlled when compared to the prior year.

The Board of Directors declared a quarterly dividend in the amount of \$0.29 per share, payable April 30, 2021, to shareholders of record as of April 15, 2021. This represents a 7.41% increase in the quarterly dividend, compared to \$0.27 the previous quarter.

About Kish Bancorp, Inc.

Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA with executive offices in State College. Kish Bank, a subsidiary of Kish Bancorp, Inc., operates eighteen offices and financial centers serving Centre, Mifflin, Huntingdon, Blair, and Juniata counties, and northeastern Ohio. In addition to Kish Bank, other business units include: Kish Insurance, an independent property and casualty insurance agency; Kish Financial Solutions, which offers trust, fiduciary, and wealth management advisory services; Kish Benefits Consulting, which provides employee benefits consulting services; and Kish Travel, a full-service travel agency. For additional information, please visit www.kishbank.com. KISB is the OTC stock ticker symbol for Kish Bancorp, Inc.