



Kish Bancorp, Inc. Announces Third Quarter Financial Results

State College, Pennsylvania (KISB) – October 31, 2017 – William P. Hayes, Chairman, President and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending September 30, 2017.

“The Corporation’s total assets reached a new high this quarter, exceeding \$800 million for the first time in our history,” Hayes said. “We are also pleased to note that net income for the nine-month period grew by over 9% compared to 2016.”

The Corporation’s total assets ended the period at \$808 million, an increase of \$79.2 million, or 10.87%, compared to total assets of \$729 million as of September 30, 2016. Asset growth continued to be driven by strong growth in lending activities, with loans rising \$70.3 million to \$551 million, or 14.62%, from \$481 million at the end of September 2016. Total deposits grew by \$80.2 million to \$646 million, an increase of 14.17% from \$566 million a year ago. Borrowings decreased to \$99 million, compared to \$102 million at the end of September 2016, due to strong deposit growth and a reduction in the securities portfolio.

“Powerful new business development results drove expansion in the loan portfolio and core deposits, higher margins, and a corresponding expansion in net interest income,” said Hayes, adding, “Year-to-date, net interest income increased \$1.61 million to \$17.06 million, or 10.39%, from \$15.46 million at the end of September 2016.” Contributions to the loan loss reserve equaled \$450 thousand in the quarter ending September 2017, as compared to \$420 thousand in September 2016. Higher reserves supported the growth in the loan portfolio.

Noninterest income was \$5.31 million for the nine months ending September 30, 2017, an increase of \$73 thousand, or 1.39%, from \$5.24 million as of September 2016. The increase in noninterest income resulted from continued strength in mortgage origination income and insurance agency revenue. Notably higher revenue was generated by travel services and wealth management services.

Year-to-date, noninterest expense increased by \$1.05 million, or 6.33%, to \$17.60 million as of September 30, 2017 from \$16.55 million the prior year. “The increase reflects higher data processing expenses necessary to support, in large part, the Corporation’s growing customer base,” Hayes explained. “Another factor contributing to higher costs was higher compensation expenses related primarily to an expanded sales force,” he added. There was also an unfavorable comparison with the prior year caused by an adjustment to 2016 data processing accruals. Most other expense categories were well controlled when compared to the prior year.

Net income through the first nine months of 2017 was \$3.64 million, an increase of \$302 thousand, or 9.05%, compared to \$3.34 million in the first nine months of 2016.

“During the quarter, we were pleased to announce that Kish Bank and Benefit Management Group, Inc. reached agreement to join forces to expand Kish’s offering of benefit management advisory services to our business clients and their individual team members,” Hayes said. An application to the FDIC requesting approval of the transaction is currently in process and the combination is expected to conclude in the fourth quarter.

The Board of Directors declared a quarterly dividend in the amount of \$0.46 per share, October 31, 2017, to shareholders of record as of October 16, 2017. This compares to a quarterly dividend of \$0.43 per share the prior year.

About Kish Bancorp, Inc.

Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA, where it was founded in 1900. Kish Bank, a subsidiary of Kish Bancorp, Inc., operates fourteen banking offices and financial centers in Centre, Huntingdon, and Mifflin counties. In addition to Kish Bank, other business units include: Kish Insurance, Kish Financial Solutions, and Kish Travel. For additional information, please visit www.kishbank.com. KISB is the OTC stock ticker symbol for Kish Bancorp, Inc.