



Kish Bancorp, Inc. Announces First Quarter Financial Results

STATE COLLEGE, PA – May 2, 2012 – William P. Hayes, Chairman, President and CEO of Kish Bancorp, Inc. (the “Corporation”) and its principal subsidiary, Kish Bank (the “Bank”), has announced unaudited financial results for the period ending March 31, 2012.

“Despite continued economic uncertainty and ongoing regulatory headwinds, I am pleased to note that Kish Bancorp achieved solid first quarter results,” Mr. Hayes said. “In addition to sustained growth in core earnings and strengthened balance sheet and credit quality metrics, the results contain a number of positive indicators for the balance of 2012.”

The Corporation’s total assets ended the first quarter at \$574 million, an increase of \$4 million compared to total assets of \$570 million as of March 31, 2011. Deposits grew by \$14 million to \$467 million, an increase of 3.1% from \$453 million a year ago. Loans outstanding declined by 1.8% from \$372 million as of March 31, 2011 to \$366 million in 2012. The modest reduction in loans reflected continued efforts by the Bank to curtail a few larger classified commercial relationships during the first quarter. In addition, demand by businesses for new debt continues to be modest.

Net income for the first three months was \$843 thousand, a slight decrease of \$15 thousand, or 1.7%, from \$858 thousand during the same period in 2011.

Due to the decreased level of outstanding loans, net interest income narrowed slightly during the first quarter of 2012. At March 31, 2012, net interest income totaled \$4.3 million, a 2.6% decrease from \$4.4 million during the first quarter of 2011.

Offsetting this decline, contributions to the allowance for potential loan losses decreased to \$150 thousand during the quarter, from \$300 thousand in 2011. The Bank experienced a significant decline in the level of classified loans, without experiencing an elevation in loan charge-offs. All other metrics of loan quality, including delinquencies and non-performing loans, remained positive and continue to compare favorably to peer group averages. In addition, the allowance for loan losses rose to \$7.175 million at quarter end, or 1.96% of total loans outstanding. This is an increase of \$623 thousand, or 9.5%, from March 31, 2011, and continues to insulate the balance sheet and future earnings against unforeseen pressures on loan portfolio quality.

Noninterest income decreased by \$258 thousand, or 15.5%, to \$1.403 million during the first quarter of 2012, from \$1.661 million in 2011. 2011 results include the addition of business property income related to a large problem loan that moved into other real estate. Excluding this revenue, as well as

gains from investing achieved in the prior year, core noninterest income rose by \$247 thousand, or 21.5%, primarily due to continued strength in residential mortgage origination activities and expanding revenues from non-banking activities.

Noninterest expense was \$4.610 million during the first quarter of 2012, a decrease of \$229 thousand, or 4.7%, from \$4.839 million in 2011. The primary driver of the decrease in 2012 expenses was the cost of managing the aforementioned business property, offset by budgeted salaries and benefit increases.

“I am pleased to underscore the Corporation’s sustained financial performance and strengthening balance sheet,” Mr. Hayes said. “Although growth has been slow, Kish Bancorp is firmly positioned to pursue its strategic growth objectives, despite the demands associated with working through a challenging period.”

The Corporation’s Board of Directors approved a quarterly dividend in the amount of \$0.81 per share payable April 30, 2012 to shareholders of record as of April 15, 2012. Dividends per share remain unchanged from the same period last year.

Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA. Kish Bank, a subsidiary of Kish Bancorp, Inc., operates thirteen offices in Centre, Huntingdon and Mifflin Counties. Business lines include: Kish Bank, Kish Insurance, Kish Financial Solutions, and Kish Travel. For additional information, please visit Kish Bancorp, Inc. online at www.kishbank.com. KISB is the stock ticker symbol for Kish Bancorp, Inc.