



## **Kish Bancorp, Inc. Announces First Quarter Financial Results**

State College, Pennsylvania (KISB) – April 29, 2016 – William P. Hayes, Chairman, President and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending March 31, 2016.

“It pleases me to note the continuation of solid organic growth in the first quarter, generated by strong growth in both commercial and residential mortgage lending,” Hayes said. “This growth in loans, combined with expansion in both retail and business deposits, fueled stronger noninterest income and continued core earnings momentum,” Hayes continued.

Net income for the quarter was \$1.06 million, which was down 6.58% from \$1.13 million in 2015. The decline reflects a one-time special dividend received from the Federal Home Loan Bank of Pittsburgh that was received in the first quarter of 2015. Hayes noted that after the impact of the one-time special dividend is removed, net income for the quarter grew by 4.04%.

The Corporation’s total assets ended the quarter at \$717 million, an increase of \$47.7 million, or 7.12%, compared to total assets of \$670 million as of March 31, 2015. Asset growth was driven by strong growth in mortgage and commercial loans. Year-over-year, gross loans increased by \$32 million, or 7.62%, to \$457 million from \$425 million at the end of March 2015. Total deposits grew by \$29 million to \$557 million, an increase of 5.46% from \$528 million a year ago.

Borrowings increased to \$102 million, compared to \$86 million at the end of March 2015, reflecting the successful raise of subordinate debt and senior debt issued by the Corporation during the last three quarters. Beginning in the second quarter of 2015, Kish Bancorp commenced an offering of senior debt and subordinated debt to qualified local investors. The total offerings were successful and resulted in new funding of \$7.2 million for the Corporation, which was used to retire existing debt and augment capital to support continued growth.

The net interest margin at the end of March 2016 was 3.26%, compared to 3.36% for the same period in 2015. Net interest income rose to \$4.95 million, an increase of \$133 thousand, or 2.76%, from \$4.81 million the prior year. An additional provision of \$100 thousand was made to the loan loss reserve in the first quarter of 2016. The allowance for loan losses, at \$5.849 million, represented 1.28% of total loans outstanding.

“The continued adequacy of the reserve is supported by strong asset quality, reflected in the level of classified loans and low loan delinquencies,” Hayes said.

Noninterest income was \$1.57 million for the quarter ending March 2016, a decrease of \$66 thousand from \$1.63 million as of March 2015. The decrease in noninterest income resulted largely from lower

gains from the sale of securities, which at \$97 thousand, were lower when compared to gains of \$159 thousand during 2015. Noninterest income benefitted from increased revenue from the sale of mortgages, which increased by \$45 thousand to \$179 thousand as of March 31, 2016, compared to \$134 thousand as of March 31, 2015.

Noninterest expense for the quarter increased by \$210 thousand, or 4.09%, from \$5.14 million as of March 2015 to \$5.35 million as of March 2016. Primary drivers of the increase are higher compensation expenses related to an expanded workforce. Most other expense categories were well controlled when compared to the prior year.

The Board of Directors declared a quarterly dividend in the amount of \$0.43 per share, payable April 30, 2016 to shareholders of record as of April 15, 2016.

***About Kish Bancorp, Inc.***

*Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA. 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 Kish Bancorp, Inc. online at [www.kishbank.com](http://www.kishbank.com). KISB is the stock ticker symbol for Kish Bancorp, Inc.*