



Kish Bancorp, Inc. Announces First Quarter Financial Results

State College, Pennsylvania (KISB) – April 28, 2017 – William P. Hayes, Chairman, President and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending March 31, 2017.

“First quarter results include strong growth in the loan portfolio, noninterest revenue growth from continued strength in residential mortgage lending, gains from investing activities, and positive core earnings momentum,” Hayes said.

The Corporation’s total assets ended the period at \$745 million, an increase of \$27.9 million, or 3.88%, compared to total assets of \$717 million as of March 31, 2016.

“Overall, asset growth was driven by strong loan growth of \$56.6 million, or 12.38%,” Hayes said, adding that “year-over-year, gross loans increased to \$513 million from \$456 million at the end of March 2016.” Total deposits grew by \$21 million to \$578 million, an increase of 3.75% from \$557 million a year ago. Borrowings increased to \$108 million, compared to \$102 million at the end of March 2016. The additional borrowings helped fund loan growth, as did a reduction in the investment securities portfolio.

For the quarter, the net interest margin was 3.36%, compared to 3.26% in 2016. The higher margin, plus the strong growth in loans supported higher net interest income, which rose to \$5.49 million, an increase of \$442 thousand, or 8.76%, from \$5.05 million at the end of March 2016. Contributions to the loan loss reserve equaled \$150 thousand in the quarter ending March 2017, supporting the growth in loans, as compared to \$100 thousand in March 2016.

Noninterest income was \$1.66 million for the quarter ending March 31, 2017, an increase of \$95 thousand, or 6.06%, from \$1.57 million as of March 2016. The increase in noninterest income came from higher gains from the sale of investment securities and an increase in service fees on deposit accounts. Noninterest income also benefited from increased revenue from other business units, most notably travel.

Year-to-date, noninterest expense increased by \$524 thousand, or 9.80%, to \$5.87 million as of March 2017 from \$5.34 million as of March 2016. The increase reflects higher compensation expenses related to an increase in benefits expense and an expansion in the sales force throughout 2016.

“These additions to the team, though creating short term pressure on expense, will dramatically enhance the Corporation’s capacity to drive future market share expansion,” Hayes said. Another factor contributing to higher expenses was increased data processing expenses necessary to support higher

levels of customer activity. Most other expense categories were well controlled when compared to the prior year.

Net income for the first quarter of 2017 was \$996 thousand, a small decrease of \$59 thousand compared to \$1.05 million in the first quarter of 2016. Higher tax accruals contributed to a portion of this decline.

The Board of Directors declared a quarterly dividend in the amount of \$0.46 per share, payable April 28, 2017, to shareholders of record as of April 17, 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. 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. KISB is the stock ticker symbol for Kish Bancorp, Inc.