



Kish Bancorp, Inc. Announces First Quarter Financial Results

State College, Pennsylvania (KISB) – April 15, 2019 – William P. Hayes, Chairman, President and CEO of Kish Bancorp, Inc., has announced unaudited financial results for the period ending March 31, 2019.

“Highlights for the first quarter of 2019 include sustained earnings growth driven by continued strong increases in loans and expanded revenues for selected non-bank business units,” Hayes said.

The Corporation’s total assets ended the period at \$872 million, an increase of \$53 million, or 6.50%, compared to total assets of \$819 million as of March 31, 2018, with loans rising year over year by \$59 million to \$649 million, or 10.05%. Growth in total assets was moderated by a decrease in investment securities of \$12 million, or 8.31%. This reduction provided an additional funding source for the expansion in loans.

Total deposits grew by \$23 million to \$676 million, an increase of 3.44% from \$653 million a year ago. An increase in borrowings to \$118 million from \$101 million as of March 31, 2018, helped to fund loan growth as well.

Net income for the first quarter of 2019 was \$1.33 million, an increase of \$46 thousand, or 3.57%, compared to \$1.29 million in the first quarter of 2018. The increase includes strong expansion in both net interest income and noninterest income when nonrecurring other revenue from 2018 is excluded. Continued positive credit quality was augmented by the resolution of a substantial problem credit during the quarter.

“I am pleased to note the expansion of net interest income to \$6.7 million as of March 31, 2019, an increase of \$517 thousand, or 8.36%, compared to \$6.2 million as of March 31, 2018, with the net interest margin higher by 10 basis points at 3.49% compared to 3.39% at first quarter end 2018,” Hayes said, adding, “Kish Bank is well positioned to benefit from the positive economic climate that continues to support expanded loan demand from businesses and individuals.”

Contributions to the loan loss reserve equaled \$240 thousand in the first quarter of 2019, supporting the growth in total outstanding loans, compared to \$225 thousand in the first quarter of 2018. The allowance for loan losses was further strengthened by partial recovery of a prior period loss with the reserve rising to 1.11% of total loans from 1.04% the prior year.

Noninterest income was \$1.8 million for the quarter ending March 31, 2019, which is flat when compared to the same period in 2018. Fees derived from deposit activities remained steady, while travel agency, benefits consulting, and wealth management revenues showed very positive year-over-year expansion. A decline in non-recurring income from lending activities and gains on the sale of mortgage loans was partially offset by gains from investment activities.

Year over year, noninterest expense increased by \$529 thousand, or 8.36%, to \$6.9 million as of March 31, 2019, compared to \$6.3 million the prior year. In part, the increase reflects higher employee compensation

expenses and data processing costs supporting new business levels. Other factors contributing to higher expenses were increased FDIC assessment costs based on rising deposits and costs related to investments in low income housing projects. 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 \$0.25 per share, payable April 30, 2019, to shareholders of record as of April 15, 2019.

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 sixteen offices and financial centers in Centre, Mifflin, and Huntingdon counties. 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.