



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

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

“Highlights for the first half of 2017 include total assets at a new high, robust growth in the loan portfolio and a corresponding expansion in net interest income, and sustained contributions from noninterest sources, with a notable expansion in income from travel services and wealth management services,” Hayes said, adding, “Despite higher operating expenses associated with an expanded sales force and a growing customer base, net income for the six month period grew by almost 3% compared to 2016.”

The Corporation’s total assets ended the period at \$769 million, an increase of \$58.2 million, or 8.19%, compared to total assets of \$711 million as of June 30, 2016.

Asset growth continued to be driven by strong loan growth, which rose \$53.4 million to \$522 million, or 11.39%, from \$469 million at the end of June 2016. A portion of this growth was offset by a decrease in investment securities of \$10.2 million. Loan growth was funded in large part by an expansion in total deposits, which grew by \$46 million to \$605 million, an increase of 8.31% from \$558 million a year ago. Additionally, borrowings increased to \$103 million, compared to \$93 million at the end of June 2016.

“Higher margins from the strong growth in loans year-to-date have generated net interest income of \$11.20 million, an increase of \$1.01 million, or 9.95%, compared to \$10.18 million at the end of June 2016,” Hayes said. Contributions to the loan loss reserve equaled \$300 thousand in the quarter ending June 2017 as compared to \$240 thousand in June 2016, supporting the growth in loans.

Noninterest income was \$3.47 million for the six months ending June 30, 2017, an increase of \$103 thousand, or 3.06%, from \$3.37 million as of June 2016. While continued stability was exhibited by service fees, insurance sales, and secondary market mortgage origination income, there was notable strength in income from travel services, which rose by 47%, and revenue from wealth management services, which increased by just under 20%.

Year-to-date, noninterest expense increased by \$935 thousand, or 8.58%, to \$11.83 million as of June 30, 2017 from \$10.90 million the prior year. The increase reflects higher compensation expenses related primarily to a significant expansion in the sales force throughout 2016 and higher commission expense.

“The additions to the sales force, while creating short term pressure on expenses, will dramatically enhance the Corporation’s capacity to drive future market share expansion,” Hayes said. He also said that another factor contributing to higher expenses was increased data processing costs 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 half of 2017 was \$2.22 million, an increase of \$61 thousand, or 2.81%, compared to \$2.16 million in the first half of 2016. “We are pleased to note that higher interest rates resulting from Federal Reserve tightening have not precipitated a contraction in earnings,” Hayes explained.

Hayes also announced that the Board of Directors appointed Frances V. Vaughn to the Kish Bancorp Board on May 25. Her appointment will run through the Corporation’s 2018 annual shareholders’ meeting, at which time she will stand for election by the shareholders. Ms. Vaughn, a Senior Executive at Mutual Benefit Group in Huntingdon and a recognized leader in the community, was appointed to the Bank’s Board of Directors earlier in 2017. More information about Ms. Vaughn can be found on the Kish website.

The Board of Directors also declared a quarterly dividend in the amount of \$0.46 per share, payable July 31, 2017, to shareholders of record as of July 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](http://www.kishbank.com). KISB is the stock ticker symbol for Kish Bancorp, Inc.*