



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

State College, Pennsylvania (KISB) – July 29, 2016 – William P. Hayes, Chairman, President and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending June 30, 2016.

“I am especially pleased to note the continued growth in the loan portfolio, which increased \$36 million, or 8.4%, compared to this time last year,” Hayes said. He added, “Strong loan growth, combined with a well-positioned mortgage unit that generated noninterest revenue growth of 14.4% year-over-year, yielded a solid second quarter for the Corporation.”

Net income for the first six months of 2016 was \$2.16 million, an increase of 3.3% from \$2.091 million in 2015. The Corporation’s total assets ended the period at \$711 million, an increase of \$28.5 million, or 4.17%, compared to total assets of \$682 million as of June 30, 2015. Asset growth was driven by strong growth in loans. Year-over-year, gross loans increased to \$469 million from \$433 million at the end of June 2015. Total deposits grew by \$15 million to \$558 million, an increase of 2.75% from \$543 million a year ago. Borrowings increased to \$93 million, compared to \$85 million at the end of June 2015, primarily reflecting the successful issuance of subordinate debt and senior debt by the Corporation during the second half of 2015 and first quarter of 2016.

For the year, the net interest margin was 3.26%, compared to 3.30% for 2015. Net interest income after allowance rose to \$9.94 million, an increase of \$433 thousand or 4.55%, from \$9.51 million the prior year. An additional provision of \$140 thousand was made to the loan loss reserve in the second quarter of 2016, reflecting the increase in the total loan portfolio. The allowance for loan losses at \$5.986 million represented 1.28% of total loans outstanding. The continued adequacy of the reserve is supported by continued strong asset quality, the moderating level of classified loans, and low loan delinquencies.

Noninterest income was \$3.370 million for the six months ending June 30, 2016, an increase of \$167 thousand from \$3.203 million as of June 2015. The increase in noninterest income largely came from higher gains from both the sale of loans and sale of securities.

Year-to-date, noninterest expense increased by \$540 thousand, or 5.21%, from \$10.360 million as of June 2015 to \$10.899 million as of June 2016. Primary drivers of the increase are higher compensation expenses related to additions to the sales force and increased employee benefits expenses. Most other expense categories were well controlled when compared to the prior year.

“We were pleased to announce the opening of Kish’s new Expect More Store in downtown State College during the second quarter,” Hayes said. “This exciting new technology-enabled facility provides a new template for delivering banking, insurance, wealth, and travel services in a relaxed and informal

environment that invites clients to interact, explore, and discover, as well as transact business. We invite everyone to drop in and experience our new facility!”

The Board of Directors declared a quarterly dividend in the amount of \$0.43 per share, payable July 31, 2016 to shareholders of record as of July 15, 2016, unchanged from the prior quarter.

***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.*