



Kish Bancorp, Inc. Announces Third Quarter Financial Results

STATE COLLEGE, PA – November 8, 2012 – William P. Hayes, Chairman, President and CEO of Kish Bancorp, Inc. has announced Kish’s unaudited financial results for the period ending September 30, 2012.

The Corporation’s total assets ended the quarter at \$566 million, an increase of \$9 million, or 1.6%, compared to total assets of \$557 million as of September 30, 2011. Total deposits grew by \$24 million to \$467 million, an increase of 5.4% from \$443 million a year ago. Loans outstanding declined 4.6% from \$376 million as of September 30, 2011 to \$358 million in 2012. The reduction in loans throughout the past year is a reflection of the slow demand for new borrowing by businesses, and efforts by the Bank to curtail a few larger classified commercial relationships.

“We are beginning to see a rebound in the demand for new credit by businesses in the region,” Hayes said. “We believe that the trend will continue with further economic recovery and improving business confidence.”

Net income for the first nine months was \$2.6 million, a decrease of \$209 thousand, or 7.4%, from \$2.8 million during the same period in 2011.

With a decreased level of loans outstanding and strong deposit growth, net interest income has fallen modestly during the first nine months of the year, from \$12.9 million last year to \$12.7 million in 2012.

Contributing positively to the change in net income was a reduction in the provision for potential loan losses. \$350 thousand was set aside from earnings through the loan loss provision during the first nine months of 2012, as compared to \$650 thousand in 2011. As the level of classified loans has declined, other loan quality metrics have continued to remain positive. At quarter end, the allowance rose to \$7.115 million, or 1.98% of total loans outstanding. This is an increase of \$218 thousand, or 3.2%, from September 30, 2011.

“The Bank’s loan loss reserve continues to exceed peer averages for the industry and represents further evidence of a strengthened balance sheet that protects Kish from unforeseen negative developments in the economy or the Bank’s loan portfolio,” Hayes said. “Actual charge-offs during the third quarter have remained modest, and the Bank’s delinquent loan ratios remained at their historically low levels during the period as well,” he added.

Excluding non-recurring revenue, as well as investment securities gains, core noninterest income increased by \$880 thousand, or 23.6%, driven primarily by continued strength in residential mortgage lending activities and higher revenues in the Wealth Management Division. Overall, total noninterest income declined \$909 thousand, to \$5.0 million during the first nine months of 2012, from \$5.9 million in 2011. 2011 results were elevated by the addition of \$1.6 million of income from a foreclosed business property with ongoing operations that moved into other real estate last year. This property was sold in late 2011.

Noninterest expense was \$14.4 million during the first nine months of 2012, a decrease of \$656 thousand, or 4.4%, from \$15.0 million in 2011. The decrease in 2012 expenses was led by eliminating the cost of managing the previously mentioned business property, as well as reductions in federal deposit insurance premiums.

The Corporation's Board of Directors approved a quarterly dividend in the amount of \$0.81 per share payable October 31, 2012 to shareholders of record as of October 26, 2012. Dividends per share remain unchanged from the same period last year.

Kish Bancorp, Inc. is a diversified financial services corporation headquartered in Belleville, PA. Kish Bank, a subsidiary of Kish Bancorp, Inc., operates thirteen banking offices and financial centers in Centre, Huntingdon and Mifflin Counties. In addition to Kish Bank, other business lines 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.