



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

### **Release**

State College, Pennsylvania (KISB) – October 31, 2014 – William P. Hayes, Chairman and CEO of Kish Bank and Kish Bancorp, has announced unaudited financial results for the period ending September 30, 2014.

“It pleases me to announce another quarter of strong performance at Kish,” Hayes said. “We have had positive gains in earnings, loans and deposits, and in the revenues from the Corporation’s related affiliates, Kish Financial Solutions, Kish Insurance, and Kish Travel.”

With strong balance sheet growth, net income for the first three quarters of 2014 reached \$3.2 million, an increase of \$429 thousand, or 15.6%, from \$2.7 million in 2013. The primary component of the increase was growth in net interest income, which, at \$13.8 million, increased by \$819 thousand, or 6.3%, from \$13.0 million the prior year.

The Corporation’s total assets ended the quarter at \$657 million, an increase of \$24 million, or 3.8%, compared to total assets of \$633 million as of September 30, 2013.

“Asset growth was driven by strong growth in loans,” Hayes said. “This is a positive indicator for the region and the outlook for business.” Year-over-year, gross loans increased by \$31 million, or 8.3%, to \$411 million from \$379 million at the end of September 2013. Total deposits grew by \$21 million to \$515 million, an increase of 4.3% from \$494 million a year ago. Borrowings were lower at \$90 million compared to \$94 million at the end of June 2013.

The allowance for loan losses at \$5.806 million represented 1.41% of total loans outstanding. The adequacy of this reserve is supported by strong asset quality as reflected in loan charge-offs that remained near zero, a strengthening in the level of classified loans, and very low loan delinquencies.

Noninterest income was \$4.8 million for the nine months ending September 2014, a modest decline of \$26 thousand from \$4.83 million as of September 2013. This is despite a decrease in revenue from the sale of residential mortgage loans in the secondary market, which declined to \$497 thousand from \$903 thousand the prior year. Residential mortgage lending has declined across the industry as the volume of refinancings has receded. Prior year results also included \$376 thousand in investment securities gains as compared to \$300 thousand in gains realized in 2014. Noninterest income benefitted from positive

contributions from wealth management, insurance, travel, and other noninterest income sources, all of which continued their upward momentum of the last several years.

Noninterest expense was \$14.8 million in 2014, representing a year-to-date decrease of \$254 thousand, or 1.7%, from \$15.0 million during the same period in 2013. Primary drivers of the decrease in current year expenses were lower healthcare and regulatory expenses compared to the same period last year. Most other expense categories were well controlled when compared to the prior year.

The Board of Directors declared a quarterly dividend in the amount of \$0.41 per share, payable October 31, 2014 to shareholders of record as of October 15, 2014.

### **Highlights Summary**

- Record net income and net interest income for the nine-month period
- New highs for loans outstanding and deposits
- Continued excellence in the Bank's credit quality measures
- Robust results for the wealth management, insurance, and travel divisions
- Reduced noninterest expenses
- Double-digit expansion in total shareholders' equity
- Sustained dividend levels above industry norms

### **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 thirteen 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.*