



Kish Bancorp, Inc. Announces Fourth Quarter and Year-End Financial Results

State College, Pennsylvania (KISB) – January 15, 2019 – William P. Hayes, Chairman, President and CEO of Kish Bancorp, Inc., has announced unaudited financial results for the quarter and twelve-month period ending December 31, 2018.

“The fourth quarter capped an extraordinary year,” Hayes stated. He continued, “2018 results are all the more notable because the year built upon several years of exceptional growth for core banking and all of Kish Bank’s affiliates and divisions.”

Highlights for 2018 include:

- A record 45.63% increase in net income based on strong loan growth and improving margins;
- The expansion of new and existing sources of non-bank revenues; and
- The benefit of lower corporate tax rates.

Net income for 2018 was \$6.03 million, an increase of \$1.89 million, or 45.63%, compared to \$4.14 million in 2017. “The increase includes the benefits of lower corporate tax rates, strong expansion in both net interest and noninterest income, well controlled expenses, and very positive credit quality,” Hayes explained. These categories of higher revenue reflected expanded business levels for the Bank and its affiliates and the addition of a benefits management consulting practice. For comparison purposes, if the 2017 accounting charges of \$420 thousand associated with the passage of the tax law were eliminated, net income for 2018 would have increased by \$1.47 million, or 32.30%, from an adjusted \$4.56 million in 2017.

The Corporation’s total assets ended the period at \$851 million, an increase of \$39.3 million, or 4.85%, compared to total assets of \$811 million as of December 31, 2017. Asset growth continued to be driven by strong growth in lending activities, with loans rising year-over-year by \$62.4 million to \$637 million, or 10.85%, partially offset by a decrease in investment securities of \$10.9 million, or 7.77%. Total deposits grew by \$28.7 million to \$682 million, an increase of 4.38% from \$654 million a year ago. An increase in borrowings to \$101 million, compared to \$95 million as of December 31, 2017, helped to fund loan growth.

Continued growth in loans and core deposits supported the expansion of net interest income to \$25.8 million as of December 31, 2018, an increase of \$2.66 million, or 11.50%, compared to \$23.10 million as of December 31, 2017. Contributions to the loan loss reserve equaled \$1.02 million in 2018, supporting the growth in loans, compared to \$600 thousand in 2017.

Year over year, noninterest income increased \$914 thousand, or 14.01%, from \$6.53 million as of December 31, 2017 to \$7.44 million as of December 31, 2018. The increase in noninterest income came

from fees derived from lending activities, higher insurance agency and wealth management revenue, and the addition of income from the new employee benefits consulting practice acquired in late 2017.

Noninterest expense for 2018 was \$25.51 million, an increase of \$1.63 million, or 6.81%, compared to \$23.88 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, higher occupancy costs, and expenses related to investments in low income housing projects. All expense categories continued to be well controlled when compared to the prior year.

Hayes stated, “The outstanding results reflect positively on the capacity of the team to function at sustained levels over an extended period of time. When viewed over a two-year time frame, total loans have expanded by 28.7%. Total market share in each of the three counties served by Kish now clearly ranks the Bank as the leading community bank in the region.”

The Board of Directors declared a quarterly dividend in the amount of \$0.25 per share, payable January 31, 2019, to shareholders of record as of January 15, 2019. Also during the fourth quarter of 2018, and as previously announced, Kish Bancorp effected a two-for-one stock split and announced a post-split increase in the quarterly dividend to \$0.25 from \$0.23 the previous quarter. Kish Bancorp (KISB) shares were also up-listed during the fourth quarter from OTC pink sheets to OTCQX U.S. Premier platform. This up-listing will provide greater access to information by prospective investors and enhanced liquidity and trading efficiency to buyers and sellers of KISB shares. More information about the Corporation can be found on the Kish Bancorp investor relations website: ir.kishbancorp.com.

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; Benefit Management Group, 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.