



Kish Bancorp, Inc. Announces Second Quarter Financial Results

State College, Pennsylvania (KISB) – July 15, 2019 – William P. Hayes, Chairman and CEO of Kish Bancorp, Inc., has announced unaudited financial results for the six-month period ending June 30, 2019. Highlights for the first half of 2019 include sustained earnings growth driven by continued loan development and expanded non-bank revenues for selected business units.

“The Corporation’s total assets ending the period at an all-time high of \$905 million—an increase of \$61 million, or 7.28%, compared to the same period last year. We are pleased to be sustaining the strong upward momentum of the past several years,” said Hayes.

Loans rose year over year by \$66 million to \$670 million, or 10.94%, with asset growth partially offset by a decrease in investment securities of \$16 million, or 11.17%. Total deposits grew by \$26 million to \$698 million, an increase of 3.88% from \$672 million a year ago. An increase in borrowings to \$128 million, compared to \$107 million as of June 30, 2018, helped to fund loan growth.

“Net income for the first half of 2019 was strong, growing 14.64% compared to the same period in 2018 and ending the period at \$3.11 million,” said Hayes, explaining, “The increase is supported by expansion in both net interest income, up 10.42% when compared to the same period last year, and noninterest income, which increased 2.51%.” The sustained positive credit quality of the loan portfolio was augmented by the resolution of a substantial problem credit in the first half of 2019.

Continued growth in loans and core deposits supported the expansion of net interest income before provision to \$13.5 million as of June 30, 2019, an increase of \$1.0 million, or 8.12%, compared to \$12.5 million as of June 30, 2018. The net interest margin is modestly higher in 2019 compared to the first half of 2018. Contributions to the loan loss reserve equaled \$340 thousand in the first half of 2019, supporting the growth in loans, compared to \$570 thousand in the first half of 2018. The allowance for loan losses was further strengthened by the partial recovery of a prior period loss, with the reserve rising to 1.08% of total loans from 1.03% the prior year. Loan quality metrics are generally at all time highs.

Noninterest income was \$3.96 million for the first half of 2019, which is an increase of \$97 thousand, or 2.51%, when compared to the same period in 2018. While fees derived from deposit activities remained steady, other non-bank business units—including travel, benefits consulting, and wealth management—showed double-digit growth in revenue when compared to the previous year. Non-recurring income from lending activities declined, but was offset by an increase in gains on the sale of mortgage loans. Net gains and losses on investment and equity securities were also flat when compared to the same period in 2018.

Year over year, noninterest expense increased by \$834 thousand, or 6.42%, to \$13.8 million as of June 30, 2019, compared to \$13.0 million the prior year. Several factors contributed to the increase, including higher employee compensation expenses and data processing costs supporting new business levels, increased FDIC assessment costs based on rising deposits, and costs related to investments in low income housing projects. All other expense categories were well controlled when compared to the prior year.

The Board of Directors declared a quarterly dividend in the amount of \$0.25 per share, payable July 31, 2019, to shareholders of record as of July 15, 2019.

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; Kish Benefits Consulting, 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.