



Kish Bancorp, Inc. Announces Third Quarter Financial Results

State College, Pennsylvania (KISB) – October 31, 2018 – William P. Hayes, Chairman, President and CEO of Kish Bancorp, Inc., has announced unaudited financial results for the nine-month period ending September 30, 2018.

Highlights for the first three quarters of 2018 include sustained growth in loans and deposits, the expansion of new and existing sources of non-bank revenues, lower corporate tax rates, and the positive impact of banking reform. “After quarter end, we also were pleased to announce significant actions that benefit Kish Bancorp shareholders and prospective investors, including a two-for-one stock split, an increase in the quarterly dividend, and an upgrade to the OTCQX Market for Kish Bancorp (KISB) shares,” Hayes said.

Net income for the first nine months of 2018 was \$4.45 million, an increase of \$813 thousand, or 22.33%, compared to \$3.64 million in the first nine months of 2017. This increase includes the benefits of lower corporate tax rates, an unrealized gain year-to-date of \$261 thousand required by new FASB rules for equity securities, expanded business levels for the Bank and its affiliates, and the addition of a benefits management consulting practice.

The Corporation’s total assets ended the period at \$843 million, an increase of \$35.0 million, or 4.31%, compared to total assets of \$808 million as of September 30, 2017. “Strong growth in lending activities continues to drive our asset growth. This year, loans have risen to \$623 million, an increase of \$72.2 million, or 13.10%, compared to the same period last year. Increased borrowings—at \$106 million, compared to \$99 million as of September 30, 2017—played an important role in helping to fund strong loan growth,” Hayes explained. Asset growth was partially offset by a decrease in investment securities of \$20.5 million, or 13.47%. Total deposits grew by \$24.8 million to \$671 million, an increase of 3.84% from \$646 million a year ago.

Year-to-date, continued growth in loans and core deposits supported the expansion of net interest income to \$19.1 million, an increase of \$2.04 million, or 11.96%, compared to \$17.06 million as of September 30, 2017. Contributions to the loan loss reserve equaled \$800 thousand for the nine months ending September 2018, supporting the growth in loans, compared to \$450 thousand for the nine months ending September 2017.

Noninterest income was \$6.02 million for the nine months ending September 30, 2018, an increase of \$712 thousand, or 13.40%, from \$5.31 million over the same period in 2017. “The increase in noninterest income resulted from a number of factors, including unrealized gains on equity securities,

fees derived from lending activities, higher insurance agency and wealth management revenue, and the addition of revenues from the new employee benefits consulting practice,” Hayes said.

Year-to-date, noninterest expense increased by \$1.92 million, or 10.94%, to \$19.52 million as of September 30, 2018, compared to \$17.60 million the prior year. In part, the increase reflects greater charitable contributions and higher employee compensation expenses. Other factors contributing to higher expenses were increased FDIC assessment costs based on rising deposits, higher occupancy costs, increased data processing costs necessary to support higher levels of customer activity, and costs related to investments in low income housing projects. Most other expense categories continued to be well controlled when compared to the prior year.

Following quarter end, the Board of Directors declared a two-for-one split of the common stock in the form of a stock dividend. In addition, the Board of Directors declared a quarterly dividend in the amount of \$0.25 per share, payable October 31, 2018, to shareholders of record as of October 15, 2018. The dividend will be payable subsequent to the stock split and represents an increase of 8.7% from the prior quarter.

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.