

To Our Shareholders

We are pleased to release unaudited financial results for the six-month period ending June 30, 2024. Highlights include:

- Total assets increased \$187.8 million, or 13.2%, to \$1.6 billion, compared to \$1.4 billion a year ago.
- Total deposits increased \$178.6 million year over year, or 16.4%, as Kish continued to attract new client relationships.
- Net loans grew by \$202.9 million, or 18.3%, year over year to \$1.319 billion.
- Net interest income, before provision, increased \$2.0 million, or 9.1%, compared to the same period in 2023.
- Noninterest income increased \$287 thousand, or 5.5%, compared to the year ago period.
- Continued strong Return on Equity of 10.68% and Return on Assets of 0.79%.

BALANCE SHEET

The Corporation's total assets ended the quarter at \$1.6 billion, an increase of \$187.8 million, or 13.2%, compared to total assets of \$1.4 billion as of June 30, 2023. Total loans outstanding grew year over year by \$203.8 million, or 18.3%, to \$1.3 billion, highlighting strong, broad-based loan demand from across our markets as well as increases in the multifamily loan portfolio. Investment securities decreased to \$183.6 million, a decrease of \$9.8 million from the same period in 2023. Total deposits grew by \$178.6 million year over year to \$1.3 billion, an increase of 16.4% from \$1.1 billion a year ago. The opening of Kish's first Altoona branch in July 2023 contributed to an acceleration in retail and commercial deposit expansion during its first year of operation.

NET INCOME

Net income for the six months ended June 30, 2024, was \$6.2 million, a decrease of \$297 thousand, or 4.5%, compared to \$6.5 million for the same period in 2023. The decrease is almost entirely attributable to an increased contribution to the allowance for loan losses of \$495 thousand compared to the prior year. This increase was due to adjustments dictated by our CECL accounting model based on the expansion in our commercial loan portfolio, and not due to any deterioration in loan quality, which remains at extraordinarily strong levels.

Net interest income before the provision for credit losses increased \$2.0 million, or 9.1% year over year, indicating a strong and well-balanced net interest margin. The relative stability in the net interest margin is an affirmation of our effective balance sheet management strategies that include timely capital expansion to support sustained growth in earning assets.

Noninterest income for the six-month period increased by 5.5% compared to the same period in 2023, which is attributable in part to strong results from Kish's Wealth Management division of \$1.6 million—a 25.9% (or \$319 thousand) increase over the first six months of 2023—as well as an improvement in the value of the equity portfolio of \$145 thousand. These gains were offset to some extent by lower interest rate swap fees, which are understandably impacted by the current high level of market interest rates. Gains on the sale of residential mortgage loans also continue to be depressed by higher mortgage interest rates.

Noninterest expense increased \$2.1 million, or 10.9%, to \$21.0 million in the first six months of 2024, compared to \$18.9 million in the same period in 2023. The increase in operating expenses reflects our strategic investment in technology enhancements and the training and education of our employees; all crucial fundamentals in supporting rapidly expanding customer relationships. Team additions, partially driven by our expansion into Blair County, remain the primary driver of higher salary expense, although inflationary pressures also added to the increase in compensation expense. Also notable was the increase in FDIC premiums associated with the rapid growth in insured deposits. All other expense categories were well-controlled when compared to the prior year.

DIVIDEND

On July 1, the Board of Directors declared a quarterly dividend in the amount of \$0.37 per share, payable July 31, 2024, to shareholders of record as of July 15, 2024, which was unchanged from the prior quarter.

We will take this moment to remind existing shareholders of the opportunity to utilize the Company's Dividend Reinvestment Plan if they have interest in adding to their investment in Kish Bancorp, Inc. KISB is also listed on the OTCQX exchange and trades with regular frequency through retail brokerage accounts.

On behalf of our entire team, we thank you for your ongoing support as a shareholder in Kish Bancorp.

Sincerely,



William P. Hayes
Executive Chairman

CONSOLIDATED BALANCE SHEET

(Unaudited; in thousands)

	June 30, 2024	June 30, 2023
ASSETS		
Cash and due from banks	\$ 10,894	\$ 12,874
Interest-bearing deposits with other institutions	4,390	11,071
Cash and cash equivalents	15,284	23,945
Certificates of deposit in other financial institutions	245	245
Investment securities available for sale	170,363	179,919
Equity securities	2,395	2,506
Investment securities held to maturity	10,889	11,007
Loans held for sale	2,066	1,625
Loans	1,319,175	1,115,335
Less allowance for credit losses	8,086	7,157
Net Loans	1,311,089	1,108,178
Premises and equipment	27,103	27,022
Goodwill	3,561	3,561
Regulatory stock	7,034	9,368
Bank-owned life insurance	24,661	23,965
Accrued interest and other assets	37,161	32,719
TOTAL ASSETS	\$ 1,611,851	\$ 1,424,060
LIABILITIES		
Noninterest-bearing deposits	\$ 181,883	\$ 170,857
Interest-bearing deposits	1,088,087	920,520
Total Deposits	1,269,970	1,091,377
Short-term borrowings	168,000	169,400
Other borrowings	35,812	48,127
Accrued interest and other liabilities	39,096	36,485
TOTAL LIABILITIES	1,512,878	1,345,389
STOCKHOLDERS' EQUITY		
Common stock, \$0.50 par value; 8,000,000 shares authorized, 3,022,127 and 2,697,000 issued	1,511	1,349
Additional paid-in capital	14,101	3,856
Retained earnings	100,941	91,941
Accumulated other comprehensive income	(14,071)	(15,094)
Treasury stock, at cost (60,137 and 56,210 shares)	(3,509)	(3,381)
TOTAL STOCKHOLDERS' EQUITY	98,973	78,671
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,611,851	\$ 1,424,060

CONSOLIDATED STATEMENT OF INCOME

(Unaudited; in thousands)

	Six Months Ended	
	June 30, 2024	June 30, 2023
INTEREST AND DIVIDEND INCOME		
Interest and fees on loans:		
Taxable	\$ 40,095	\$ 29,926
Exempt from federal income tax	519	389
Investment securities:		
Taxable	2,504	2,573
Exempt from federal income tax	112	105
Interest-bearing deposits with other institutions	169	235
Other dividend income	474	502
TOTAL INTEREST AND DIVIDEND INCOME	43,873	33,730
INTEREST EXPENSE		
Deposits	15,699	8,387
Short-term borrowings	4,442	3,101
Other borrowings	250	722
TOTAL INTEREST EXPENSE	20,391	12,210
NET INTEREST INCOME	23,482	21,520
Provision for credit losses	580	85
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	22,902	21,435
NONINTEREST INCOME		
Service fees on deposit accounts	1,203	1,159
Equity securities (losses) gains, net	(206)	(351)
Gain on sale of loans, net	182	164
Earnings on Bank-owned life insurance	355	313
Insurance commissions	1,609	1,611
Travel agency commissions	79	113
Wealth management	1,552	1,233
Benefits consulting	324	319
Other	426	676
TOTAL NONINTEREST INCOME	5,524	5,237
NONINTEREST EXPENSE		
Salaries and employee benefits	12,593	11,289
Occupancy and equipment	2,032	1,884
Data processing	2,294	1,949
Professional fees	357	356
Advertising	231	305
Federal deposit insurance	633	403
Other	2,825	2,724
TOTAL NONINTEREST EXPENSE	20,965	18,910
INCOME BEFORE INCOME TAXES	7,461	7,762
Income taxes	1,231	1,235
NET INCOME	\$ 6,230	\$ 6,527

SELECTED FINANCIAL HIGHLIGHTS

(Unaudited; in thousands, except for per share data)

	Six Months Ended	
	June 30, 2024	June 30, 2023
Net Income	\$ 6,230	\$ 6,527
Total Assets	\$ 1,611,851	\$ 1,424,060
Loans Outstanding	\$ 1,319,175	\$ 1,115,335
Total Deposits	\$ 1,269,970	\$ 1,091,377
ROA (annual)	0.79%	0.95%
ROE (annual)	10.68%	13.38%
Earnings per Share	\$ 2.12	\$ 2.47
Dividends per Share	\$ 0.74	\$ 0.70

MARKET MAKERS

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RAYMOND JAMES AND ASSOCIATES, INC.

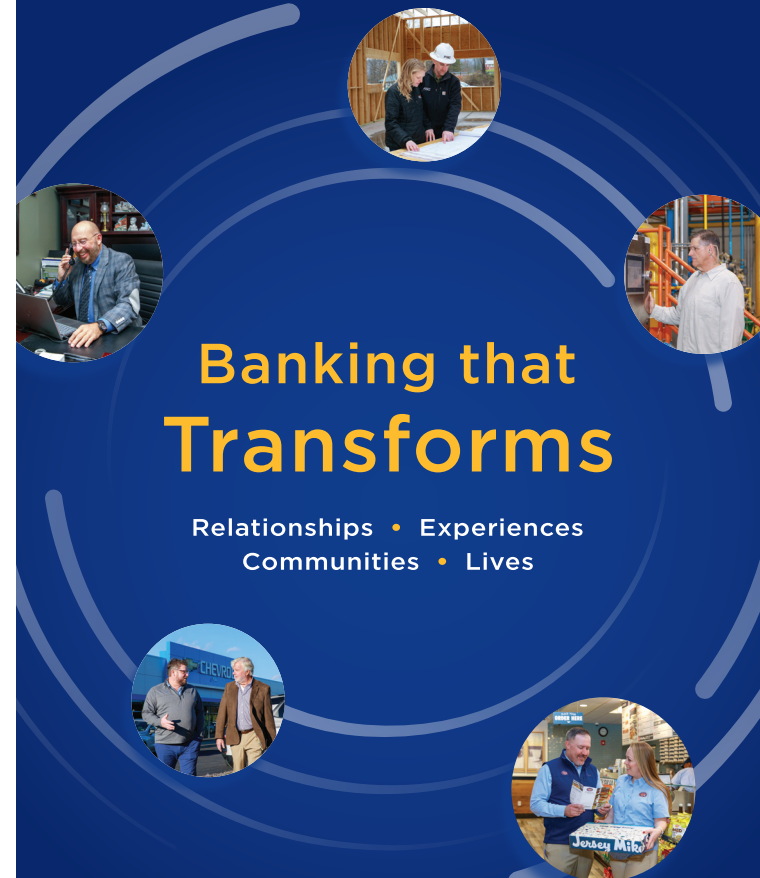
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Kish Bancorp, Inc. stock is traded on the OTCQX market under the stock ticker symbol: KISB. For more information, please visit ir.kishbancorp.com or otcmartets.com/stock/KISB.



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