

Consolidated Balance Sheet

Unaudited

(in thousands)

| | December 31, 2012 | December 31, 2011 |
|--|-------------------|-------------------|
| ASSETS | | |
| Cash and due from banks | \$ 8,945 | \$ 9,593 |
| Interest-bearing deposits with other institutions | 14,848 | 31,589 |
| Cash and cash equivalents | 23,793 | 41,182 |
| Certificates of deposit in other financial institutions | 2,374 | 1,620 |
| Investment securities available for sale | 136,214 | 114,170 |
| Loans held for sale | 584 | 1,401 |
| Loans | 357,908 | 369,206 |
| Less allowance for loan losses | 6,867 | 7,043 |
| Net Loans | 351,041 | 362,163 |
| Premises and equipment | 15,079 | 14,212 |
| Goodwill | 1,669 | 1,669 |
| Regulatory stock | 4,795 | 4,042 |
| Bank-owned life insurance | 12,518 | 12,098 |
| Accrued interest and other assets | 9,513 | 7,512 |
| TOTAL ASSETS | \$ 557,580 | \$ 560,069 |
| LIABILITIES | | |
| Noninterest-bearing deposits | \$ 55,047 | \$ 54,985 |
| Interest-bearing deposits | 405,400 | 399,675 |
| Total Deposits | 460,447 | 454,660 |
| Short-term borrowings | 4,157 | 5,696 |
| Other borrowings | 42,121 | 52,050 |
| Accrued interest and other liabilities | 4,603 | 4,146 |
| TOTAL LIABILITIES | 511,328 | 516,552 |
| STOCKHOLDERS' EQUITY | | |
| Common stock, \$.50 par value; 2,000,000 shares authorized, 674,375 and 663,791 shares issued | 337 | 332 |
| Additional paid-in capital | 3,377 | 2,979 |
| Retained earnings | 45,324 | 43,654 |
| Accumulated other comprehensive income | 2,907 | 2,467 |
| Treasury stock, at cost (67,380 and 67,237 shares) | (5,693) | (5,915) |
| TOTAL STOCKHOLDERS' EQUITY | 46,252 | 43,517 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 557,580 | \$ 560,069 |

Consolidated Statement of Income

Unaudited

(in thousands)

| | Twelve Months Ended | | Three Months Ended | |
|--|---------------------|-----------------|--------------------|---------------|
| | Dec. 31, 2012 | Dec. 31, 2011 | Dec. 31, 2012 | Dec. 31, 2011 |
| INTEREST AND DIVIDEND INCOME | | | | |
| Interest and fees on loans: | | | | |
| Taxable | \$ 17,768 | \$ 19,774 | \$ 4,233 | \$ 4,870 |
| Exempt from federal income tax | 957 | 1,030 | 231 | 263 |
| Investment securities: | | | | |
| Taxable | 2,077 | 1,832 | 522 | 425 |
| Exempt from federal income tax | 1,181 | 1,336 | 285 | 318 |
| Interest-bearing deposits with other institutions | 128 | 83 | 28 | 26 |
| Other dividend income | 102 | 64 | 42 | 20 |
| TOTAL INTEREST AND DIVIDEND INCOME | 22,213 | 24,119 | 5,341 | 5,922 |
| INTEREST EXPENSE | | | | |
| Deposits | 3,413 | 4,267 | 784 | 1,001 |
| Short-term borrowings | 95 | 204 | 25 | 49 |
| Other borrowings | 1,889 | 2,406 | 399 | 554 |
| TOTAL INTEREST EXPENSE | 5,397 | 6,877 | 1,208 | 1,604 |
| NET INTEREST INCOME | 16,816 | 17,242 | 4,133 | 4,318 |
| Provision for loan losses | 270 | 800 | (80) | 150 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 16,546 | 16,442 | 4,213 | 4,168 |
| NONINTEREST INCOME | | | | |
| Service fees on deposit accounts | 1,573 | 1,483 | 411 | 382 |
| Investment securities gains, net | 797 | 832 | 371 | 203 |
| Gain on sale of loans, net | 1,902 | 798 | 523 | 283 |
| Earnings on Bank-owned life insurance | 417 | 416 | 105 | 103 |
| Insurance commissions | 889 | 887 | 196 | 191 |
| Travel agency commissions | 194 | 237 | 51 | 67 |
| Business property income | — | 2,059 | — | 473 |
| Other | 1,141 | 1,270 | 219 | 334 |
| TOTAL NONINTEREST INCOME | 6,913 | 7,982 | 1,876 | 2,036 |
| NONINTEREST EXPENSE | | | | |
| Salaries and employee benefits | 10,418 | 9,970 | 2,585 | 2,543 |
| Occupancy and equipment | 2,436 | 2,847 | 590 | 618 |
| Data processing | 1,683 | 1,574 | 463 | 366 |
| Professional fees | 393 | 356 | 133 | 98 |
| Advertising | 414 | 437 | 141 | 106 |
| Federal deposit insurance | 743 | 1,075 | 184 | 267 |
| Other | 3,203 | 4,095 | 812 | 1,318 |
| TOTAL NONINTEREST EXPENSE | 19,290 | 20,354 | 4,908 | 5,316 |
| INCOME BEFORE INCOME TAXES | 4,169 | 4,070 | 1,181 | 888 |
| Income taxes | 539 | 439 | 157 | 72 |
| NET INCOME | \$ 3,630 | \$ 3,631 | \$ 1,024 | \$ 816 |

To Our Shareholders

Kish Bancorp, Inc. is pleased to announce unaudited financial results for the period ending December 31, 2012. The Corporation's total assets ended the year at \$558 million, a decrease of \$2 million, or 0.4%, compared to total assets of \$560 million as of December 31, 2011. For the 2012 year, total deposits grew by \$6 million to \$460 million, an increase of 1.3% from \$454 million a year ago. Loans outstanding declined 3.1% from \$369 million as of December 31, 2011 to \$358 million at the end of 2012. This reduction in loans reflects a continued slow economy, and actions by the Bank to curtail a few larger classified commercial relationships during the past year. We are pleased to note that as we enter 2013, demand for new credit by businesses has begun to accelerate, a trend that is expected to continue with further economic recovery and improving business confidence.

Net income for 2012 was \$3.630 million compared to \$3.631 million in 2011. For the three months ending December 31, 2012, net income increased 25.5%, or \$208 thousand, to \$1.024 million from \$816 thousand in 2011.

Net interest income after provision for loan losses during 2012 was \$16.546 million, an increase of \$104 thousand, or 0.6%, compared to 2011. Net interest income in the fourth quarter of 2012 was \$4.213 million, an increase of \$45 thousand, or 1.1%, compared to \$4.168 million for the quarter ending December 31, 2011.

Contributing positively to the change in net income was a reduction in the provision for potential loan losses. \$270 thousand was set aside from earnings through the loan loss provision in 2012 as compared to \$800 thousand in 2011. As the level of classified loans declined, other loan quality metrics have continued to remain positive. At quarter end, the allowance for loan losses was \$6.867 million, or 1.92% of total loans outstanding. This is a decrease of \$176 thousand, or 2.5%, from December 31, 2011. This level of the Bank's reserves continues to be near peer averages for the industry and reflects a strengthened balance sheet that protects Kish from unforeseen negative developments in the economy that may impact the Bank's loan portfolio. Actual charge-offs during the fourth quarter remained modest, and the Bank's delinquent loans have been sustained at exceptionally low levels during the period as well.

Noninterest income declined \$1.1 million, or 13.4%, to \$6.9 million for 2012 from \$8.0 million in 2011. 2011 results were skewed by the addition of \$2.1 million of business property income related to a business loan workout with ongoing operations that moved into other real estate last year. Excluding this revenue, as well as investment securities gains, core noninterest income increased by \$1.0 million, or 20.1%, driven primarily by continued strength in residential mortgage origination activities, growth in deposit service fees and revenues from our wealth management unit.

Noninterest expense was \$19.3 million during 2012, a decrease of \$1.1 million, or 5.2%, from \$20.4 million in 2011. The primary driver of the decrease in 2012 expenses was the cost of managing the business property described in the previous paragraph, in addition to reduced federal deposit insurance.

The Corporation's Board of Directors approved a quarterly dividend in the amount of \$0.81 per share payable January 31, 2013 to shareholders of record as of January 22, 2013. Dividends per share remain unchanged from the same period last year.

Looking forward, the Bank has announced that the agreement

Selected Financial Highlights

| Unaudited (\$ in thousands, except per share data) | Twelve Months Ended | |
|---|---------------------|------------|
| | Dec. 2012 | Dec. 2011 |
| Net Income | \$ 3,630 | \$ 3,631 |
| Total Assets | \$ 557,580 | \$ 560,069 |
| Loans Outstanding | \$ 357,908 | \$ 369,206 |
| Total Deposits | \$ 460,447 | \$ 454,660 |
| ROA (annual) | 0.65% | 0.65% |
| ROE (annual) | 8.01% | 9.50% |
| Earnings per Share | \$ 6.10 | \$ 6.74 |
| Dividends per Share | \$ 3.24 | \$ 3.24 |

between the Office of the Comptroller of the Currency and Kish Bank has been terminated by the OCC. The action restores Kish Bank's standing with its primary regulator to its historically high level. Throughout the period the agreement was in place, Kish Bancorp maintained its financial performance at levels that continue to rank Kish among the top community banks in the United States. Most importantly, the Bank was able to maintain its focus on meeting client needs while addressing the requirements of the agreement.

We appreciate the confidence and loyalty of our shareholders, associates and clients, and look forward to the continued profitable growth of the franchise.

Sincerely,

William P. Hayes
Chairman, President and CEO

Board of Directors

William P. Hayes, Chairman
James J. Lakso, Vice Chairman
William L. Dancy, Secretary
Spyros A. Degleris, Member

Richard L. Kalin, Member
William S. Lake, Member
Alan J. Metzler, Member
Phyllis L. Palm, Member
Delmont R. Sunderland, Member

Executive Officers

William P. Hayes, President, Chief Executive Officer
J. Bradley Scovill, Senior Executive Vice President and Chief Operating Officer
John E. Arrington, Executive Vice President, Sales and Retail Banking Manager
William J. Hoynes, Executive Vice President, Chief Credit Officer

Sangeeta Kishore, Executive Vice President, Chief Financial Officer
Robert S. McMinn, Executive Vice President, Financial Services and General Counsel
James L. Shilling, Jr., Executive Vice President, Senior Lending Officer

Senior Officers

Walter Kay, Senior Vice President, Senior Information Officer

Amy M. Muchler, Senior Vice President, Operations and Branch Support Manager

Gerhard Royer, Senior Vice President, Commercial Lender

Stanley N. Ayers, Vice President, Special Assets Manager

Ronald B. Beyer, CFA®, Vice President, Profitability and Investment Portfolio Manager

Kathleen M. Boop, Vice President, Personal Lines Insurance Manager

Larry E. Burger, Vice President, Commercial Relationship Manager

David A. Coble, Vice President, Branch Service Manager

John P. Cunningham, II, Vice President, Regional Market Manager

Wade E. Curry, LUTCF, Vice President, Investment Services

Ann K. Guss, Vice President, Consumer Lender

Allana L. Hartung, Vice President, Commercial Relationship Manager and Business Development Coordinator

Gregory T. Hayes, Vice President, Lending Services Manager

Carol M. Herrmann, Vice President for Administration and CEO, Kish Travel

Christopher P. Kelly, Vice President, Information Technology Manager

Marsha K. Kuhns, Vice President, Branch Service Manager

John Q. Massie, Regional Vice President, Agricultural Manager

Scott R. Reigle, Vice President, Accounting and Controls Manager

Melissa K. Royer, Vice President, Operations Manager and Security Officer

Cheryl E. Shope, Vice President, Consumer Lender

Lana M. Walker, Vice President, Commercial Relationship Manager

Debra K. Weikel, Vice President, Loan Operations Manager

Suzanne M. White, Vice President, Human Resource Manager

Jeffrey D. Wilson, Vice President, CEO, Kish Agency

William W. Yaudes, Vice President, Regional Market Manager

Branch Locations

| | |
|------------------------------|--------------|
| Belleville | 717-935-2191 |
| Reedsville | 717-667-3974 |
| Lewistown—Electric Avenue | 717-242-5474 |
| Lewistown—S. Main Street | 717-242-2500 |
| McVeytown | 717-899-7733 |
| Huntingdon | 814-641-5474 |
| Mill Creek | 814-643-4400 |
| McAlevy's Fort | 814-667-3500 |
| State College—North Atherton | 814-861-4747 |
| State College—South Atherton | 814-861-5500 |
| Bellefonte | 814-353-1770 |

2012

FOURTH QUARTER

FINANCIAL REPORT

KISH BANCORP
expect more

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