

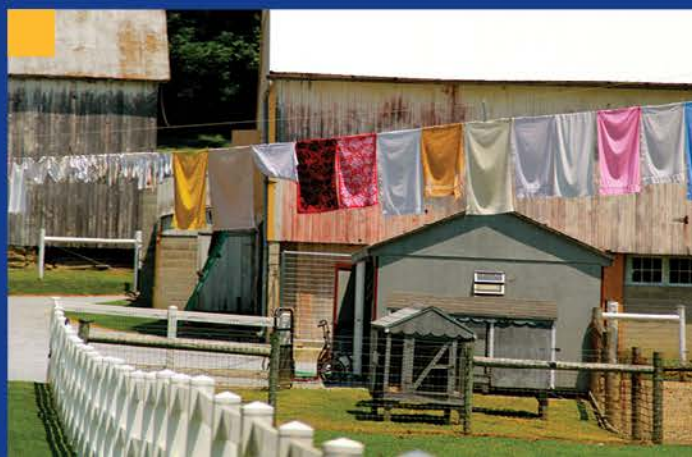
THIS IS



2016 ANNUAL SHAREHOLDER MEETING

This is Home







Welcome and Call to Order



Mission

With an unwavering focus on fulfilling client needs, we will achieve superior, long-term shareholder returns.



Introduction of Board

- Phyllis L. Palm
- James J. Lakso
- Spyros A. Degleris



2015 in Review



This is Home

- Deeply rooted in central Pennsylvania for more than 115 years
- Focused on regional development:
 - Financial services to small businesses
 - Helping agricultural community
 - Serving financial needs of municipalities
 - Catering to trust, investment and insurance needs
 - Ensuring safety of funds and earning needs of local community through retail deposits
 - Charitable contributions to community organizations
 - Providing relaxation and entertainment through travel services
 - Yielding a consistently profitable return to shareholders

Kish is Home



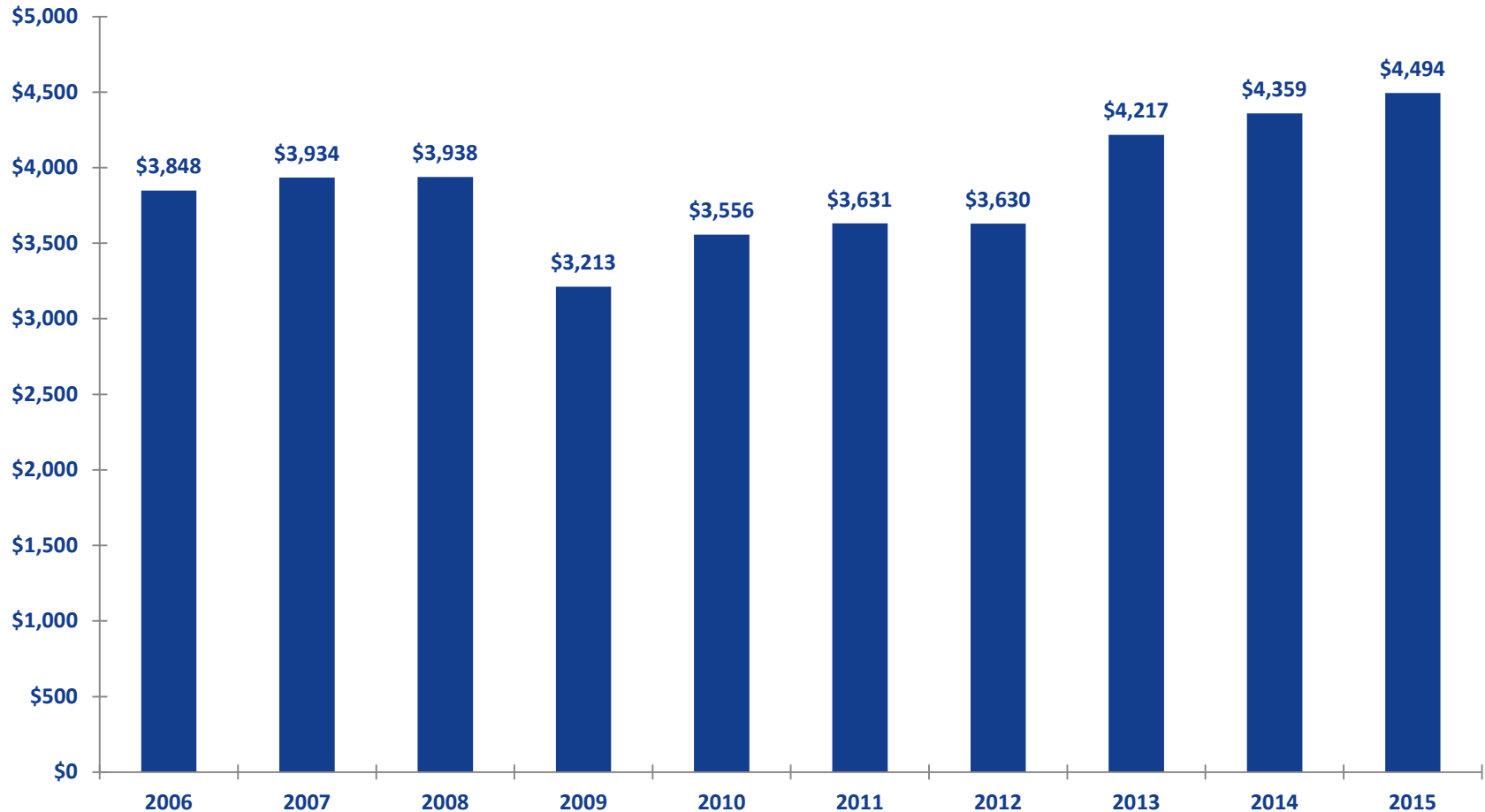
2015 Highlights

- Client focus
- Continued balance sheet growth
- Building & aligning the team
- Market share expansion
- Affiliate performance
- Strong financial results
- Shareholder performance



2015 Financial Highlights

Net Income (\$ in thousands)



Calculation: Net Interest Income – Provision for Loan Losses + Noninterest Income – Noninterest Expense – Income Taxes

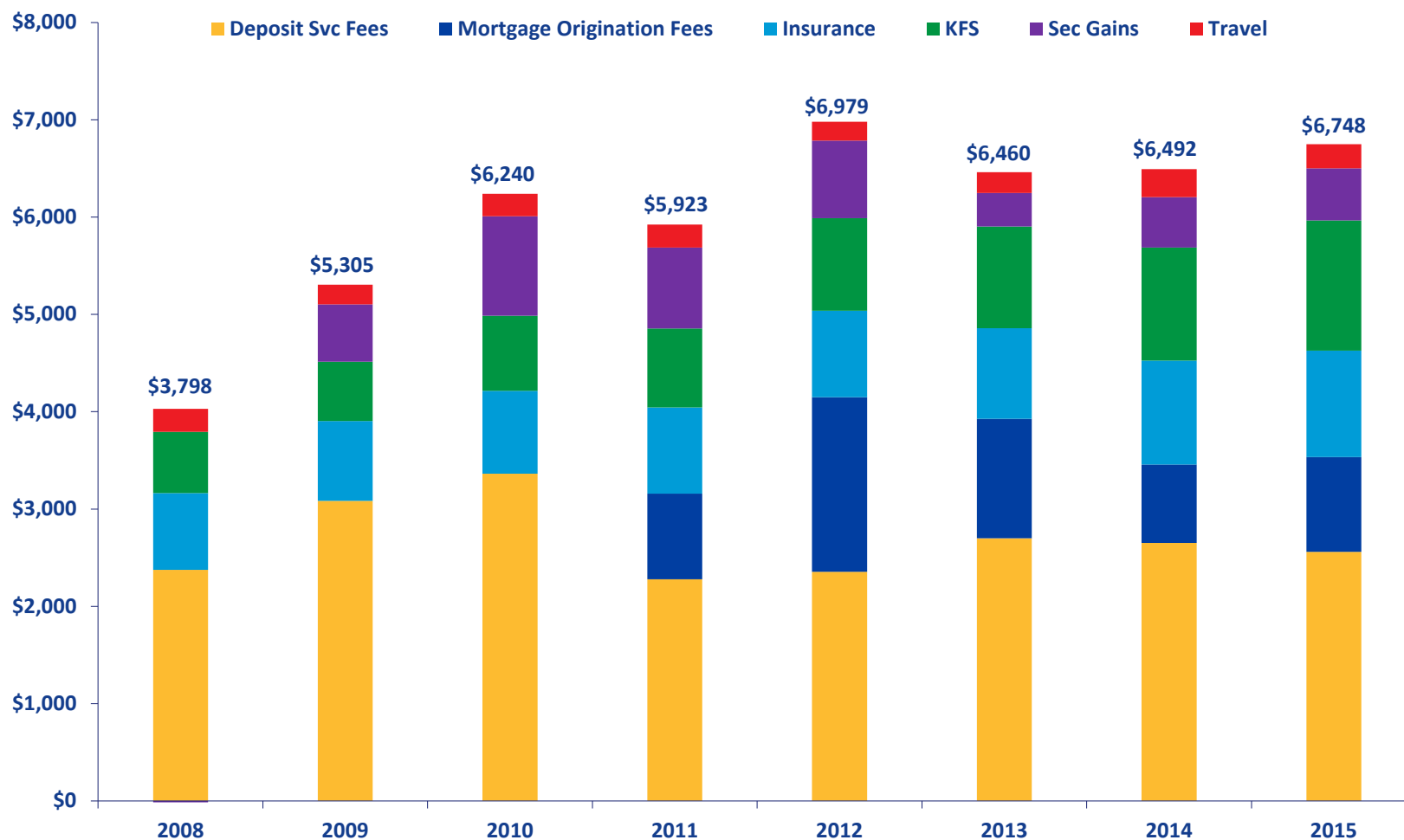
Net Interest Income (\$ in thousands)



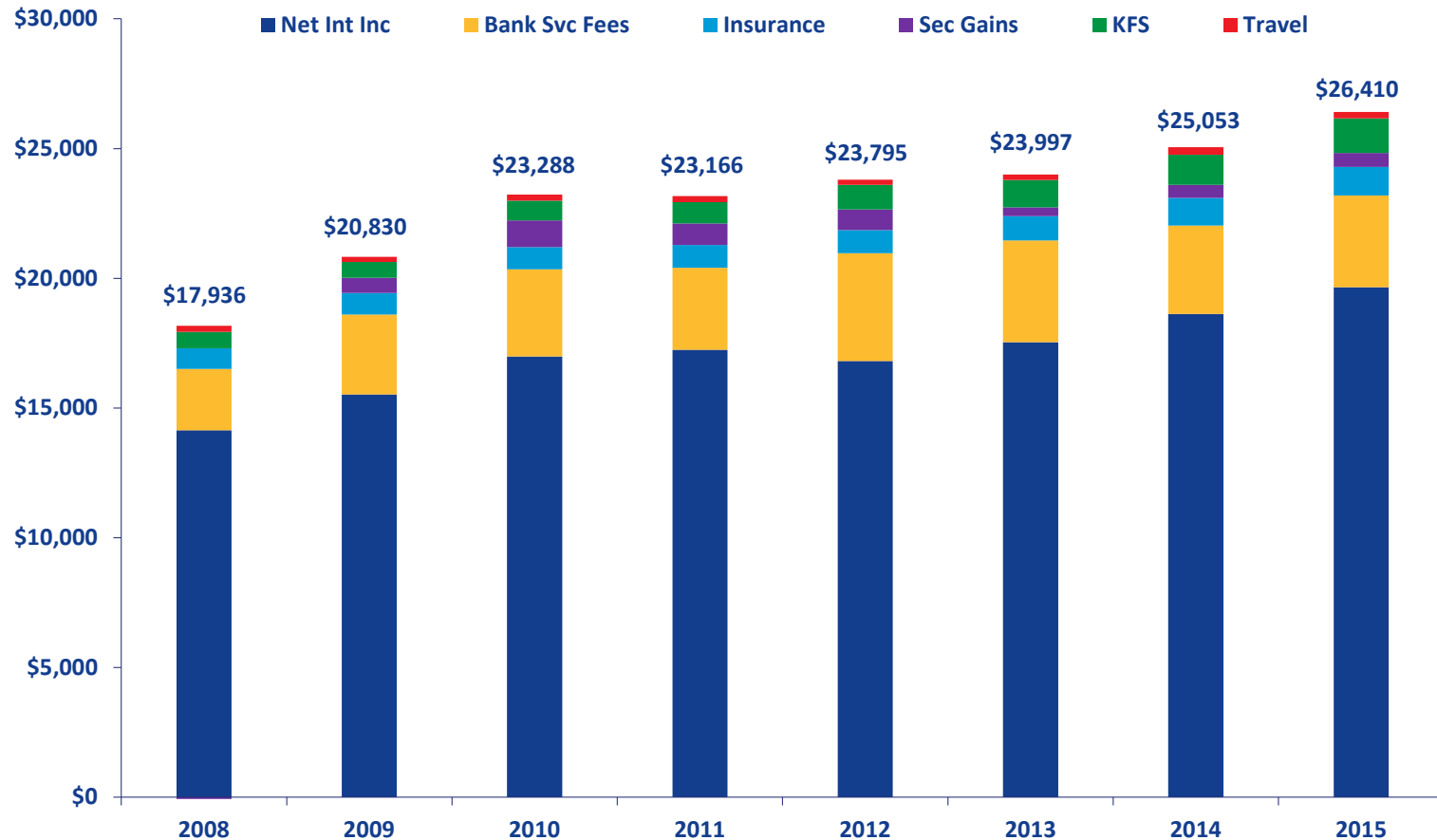
Definition: The amount of money the Bank receives from interest on assets minus the amount of money the Bank pays out to service deposits and other liabilities.

Examples: $\{(Total\ Loans \times Yield\ on\ Loans) + (Total\ Securities \times Yield\ on\ Securities)\}$ minus $\{(Total\ Deposits \times Rate\ on\ Deposits) + (Borrowings \times Borrowing\ Cost)\}$

Noninterest Income (\$ in thousands)



Total Revenue (\$ in thousands)



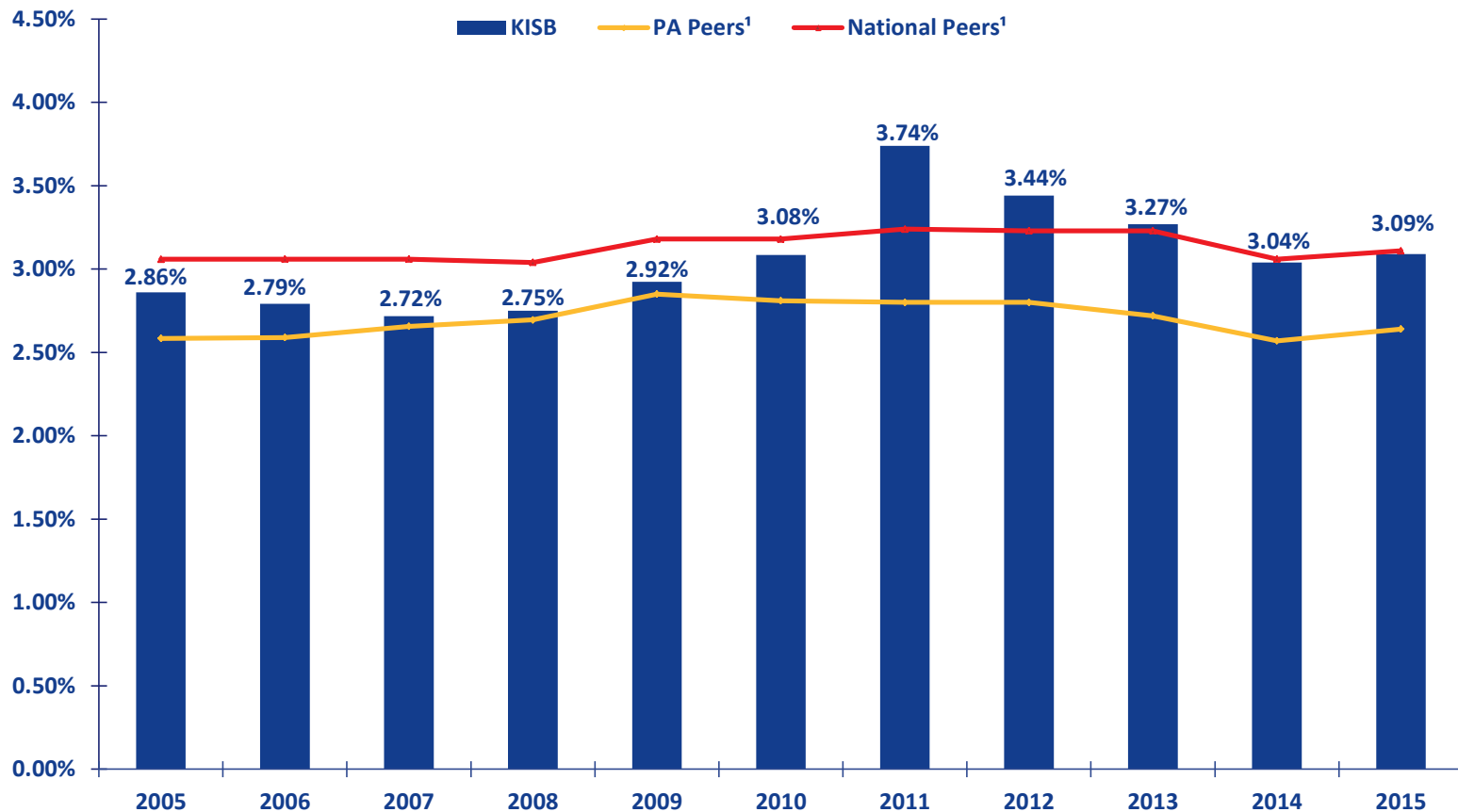
Noninterest Expense (\$ in thousands)



Definition: Operating expenses of the Bank not directly associated with the payment of interest on deposits.

Examples: Almost all operating and overhead expenses such as salaries and employee benefits, insurance, operation and maintenance of facilities, equipment, furniture, and vehicles, as well as FDIC premiums, processing fees, and marketing expenses.

Noninterest Expense/ Average Assets (%)



¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

Total Assets (\$ in thousands)

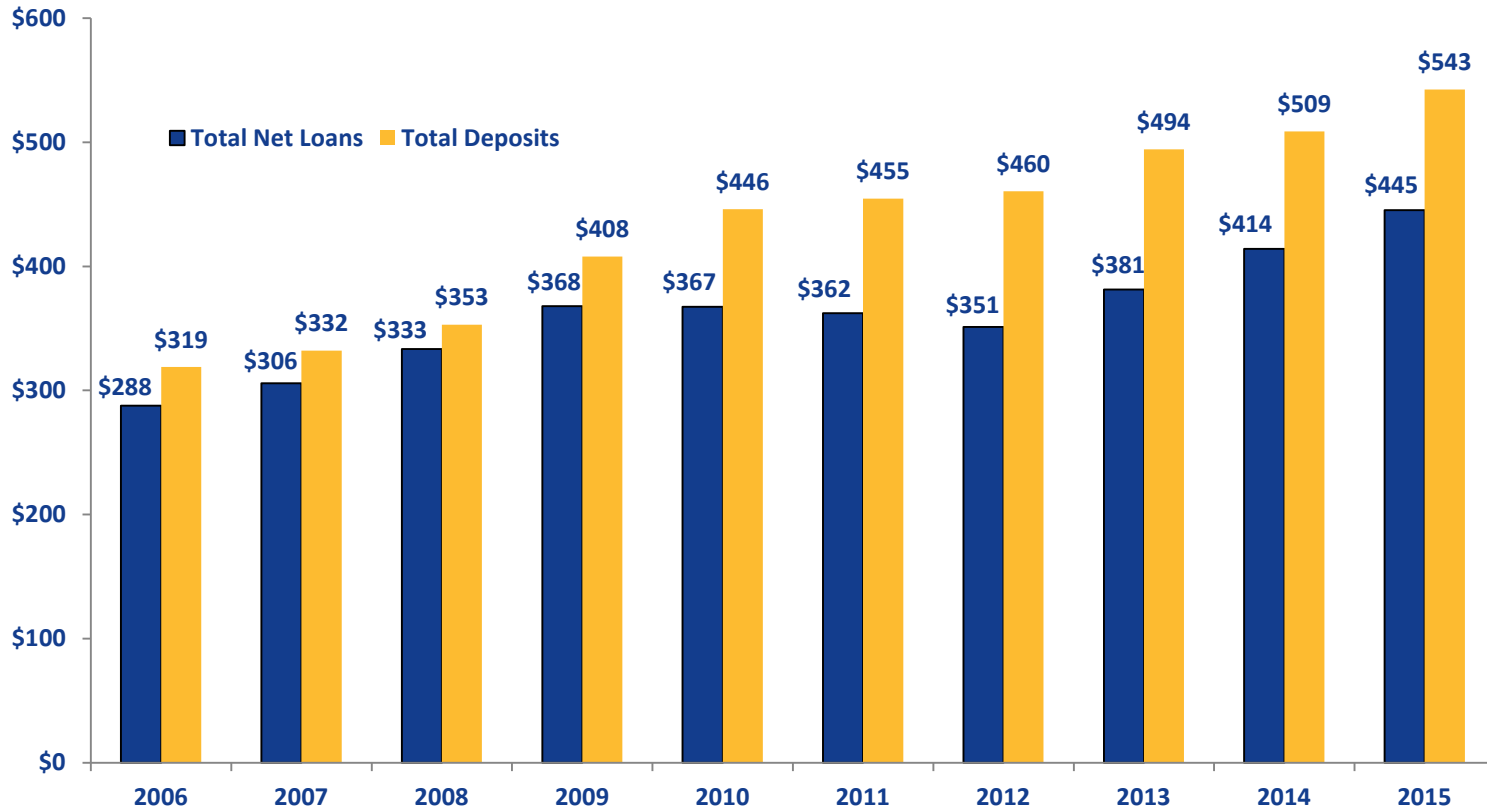


Definition: Everything that Kish owns that has a monetary value.

Examples: Cash, buildings and equipment, loans, and investment securities.

Total Net Loans & Deposits

(\$ in thousands)



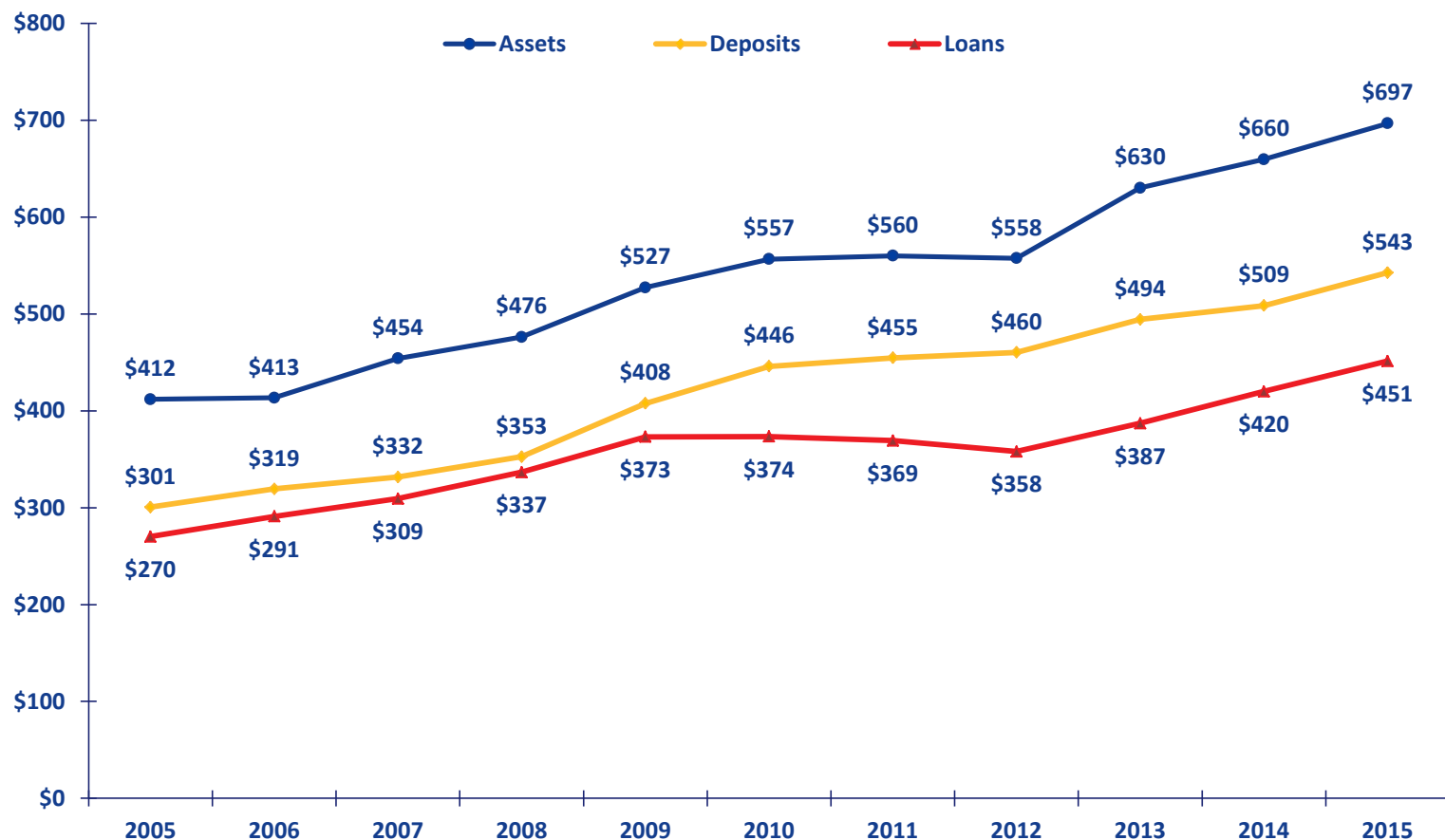
Total Net Loans

Definition: Total loans minus allowance for loan losses.
Examples: Commercial loans, mortgage loans, lines of credit and home equity loans.

Total Deposits

Definition: The sum of all accounts that allow money to be deposited and withdrawn by the account holder.
Examples: Demand deposits, time deposits, savings accounts, and money market accounts.

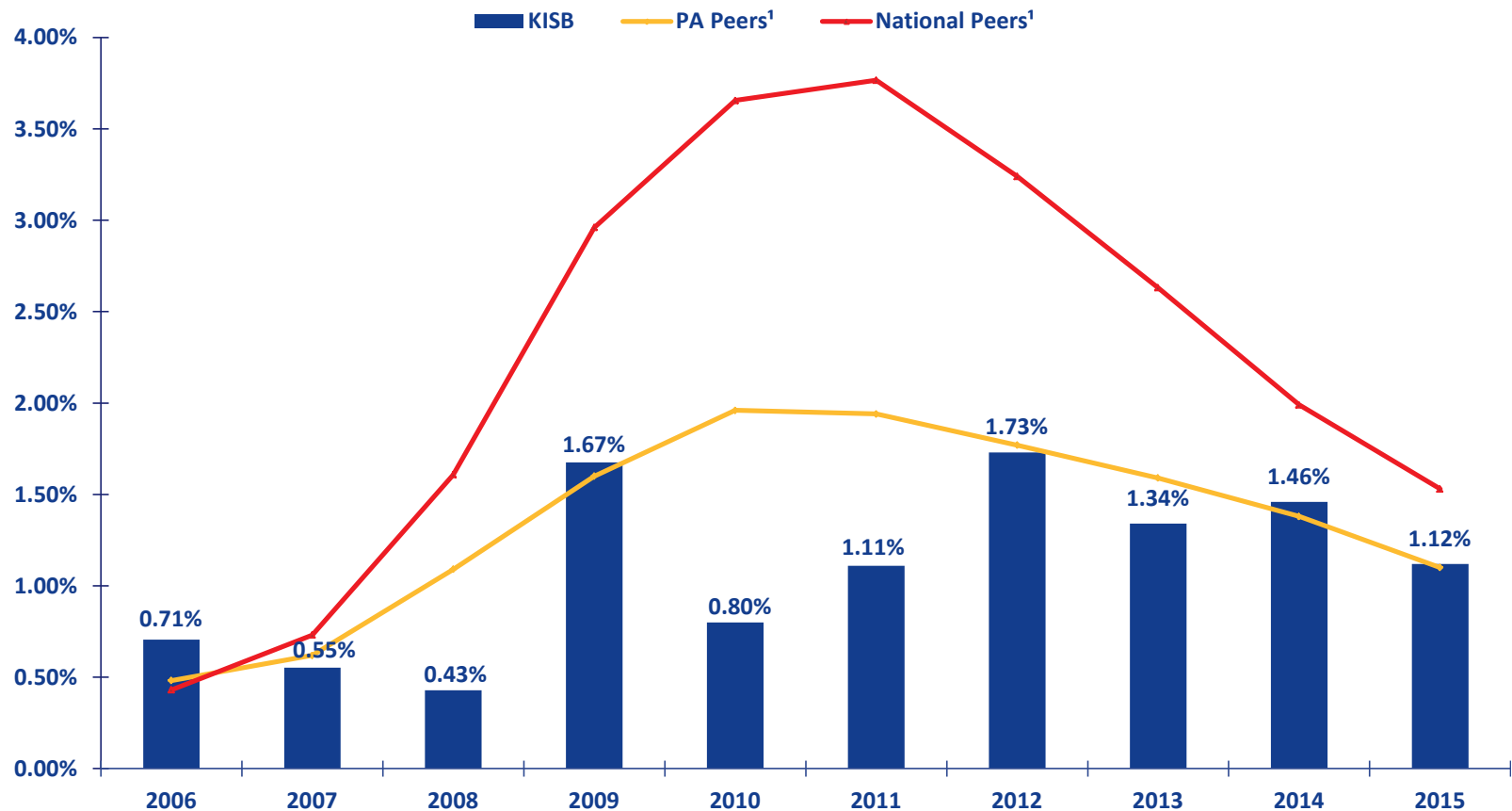
Balance Sheet Trends (\$ in millions)





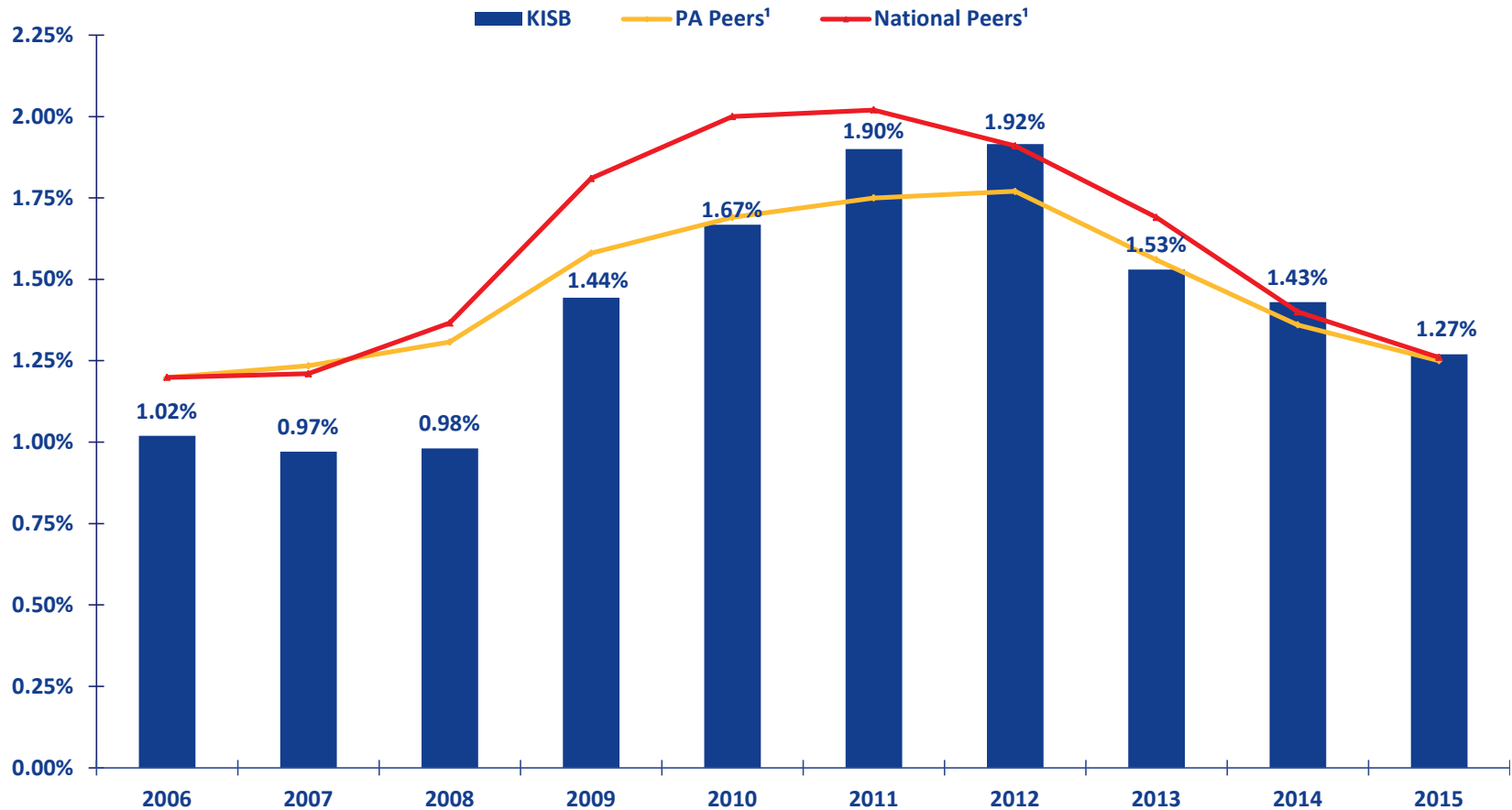
Asset Quality

Nonperforming Assets/ Total Assets



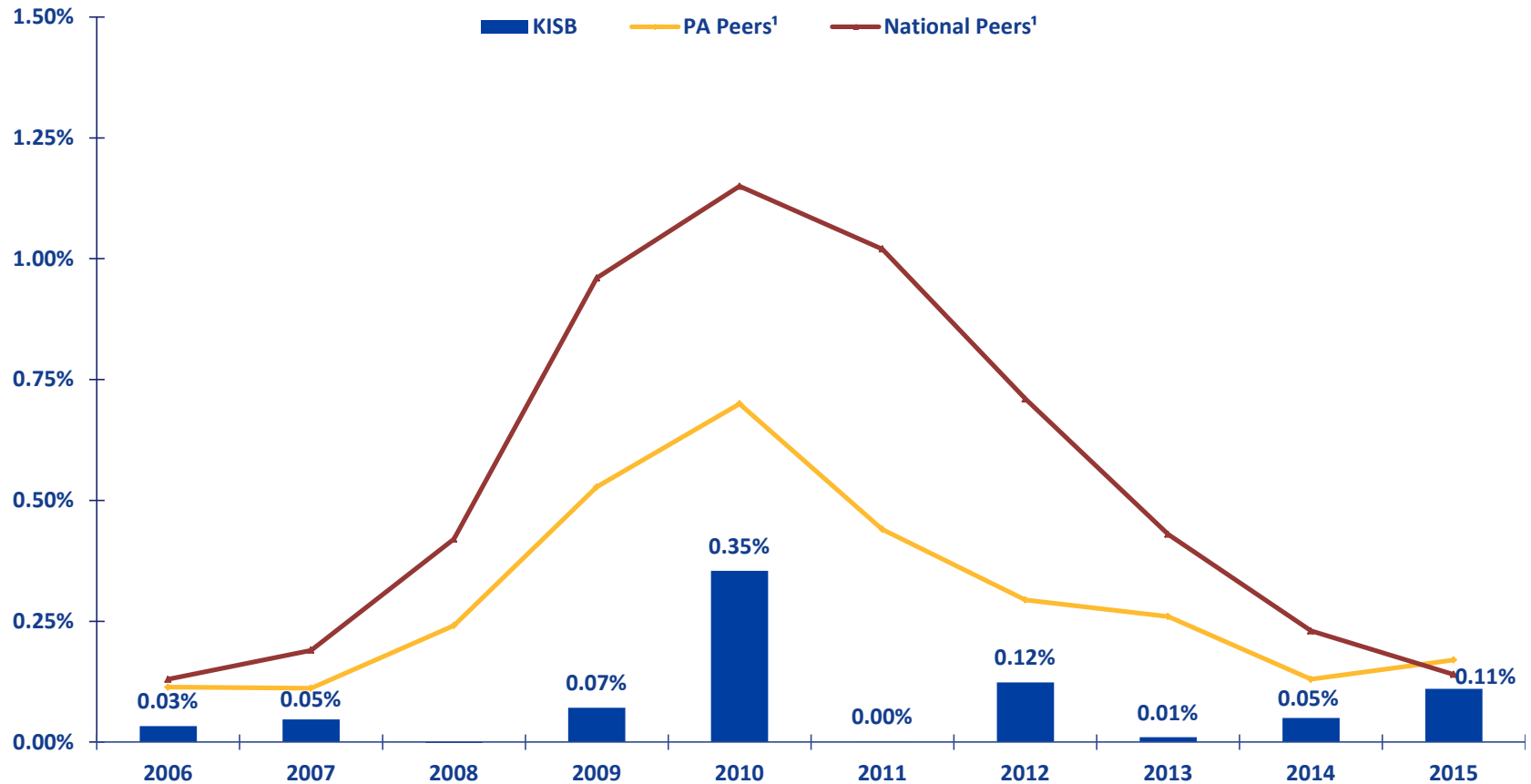
¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

Reserves/Gross Loans



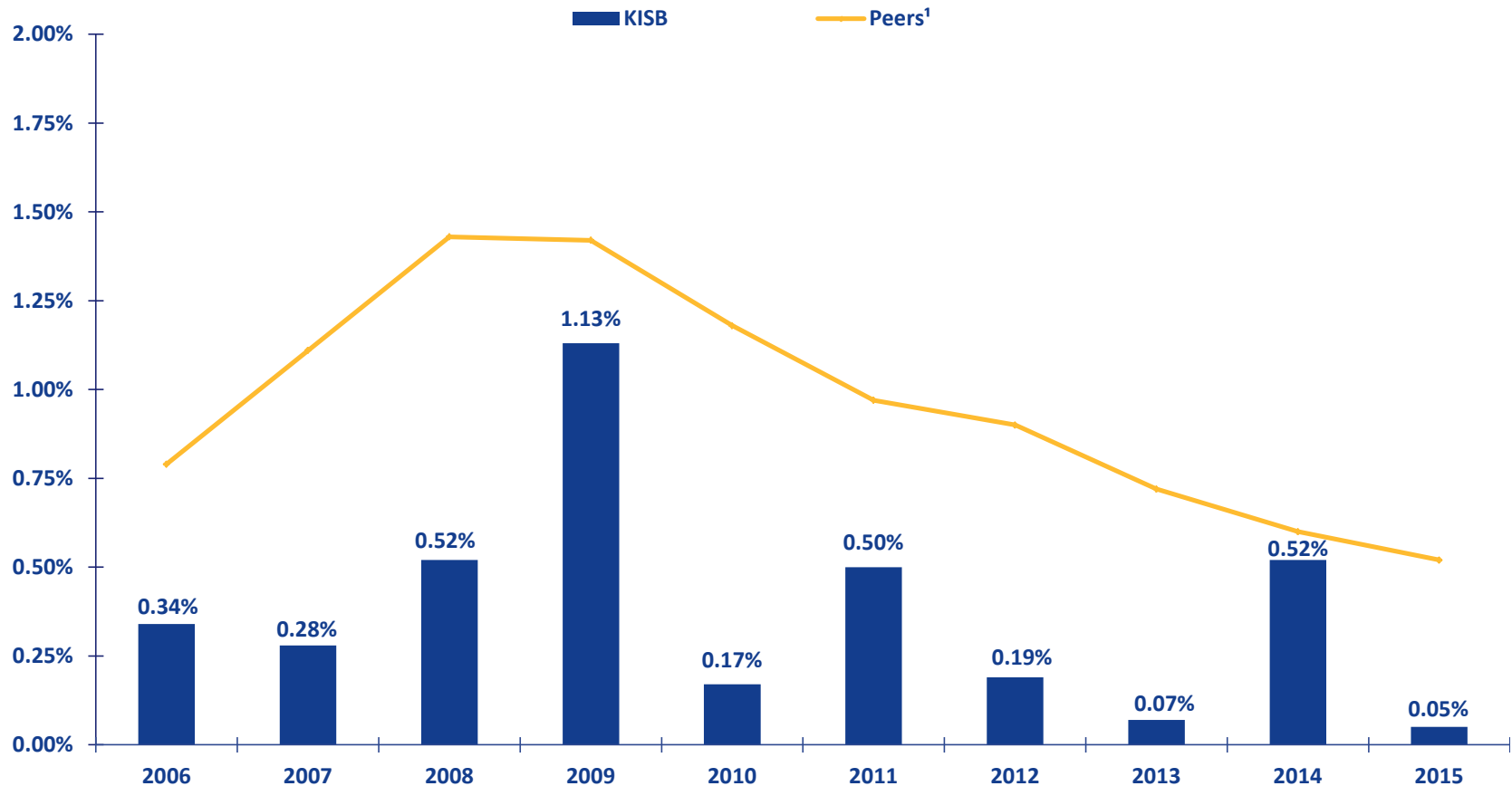
¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

Net Charge-Offs/Average Loans



¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

Loans 30-89 Days Past Due



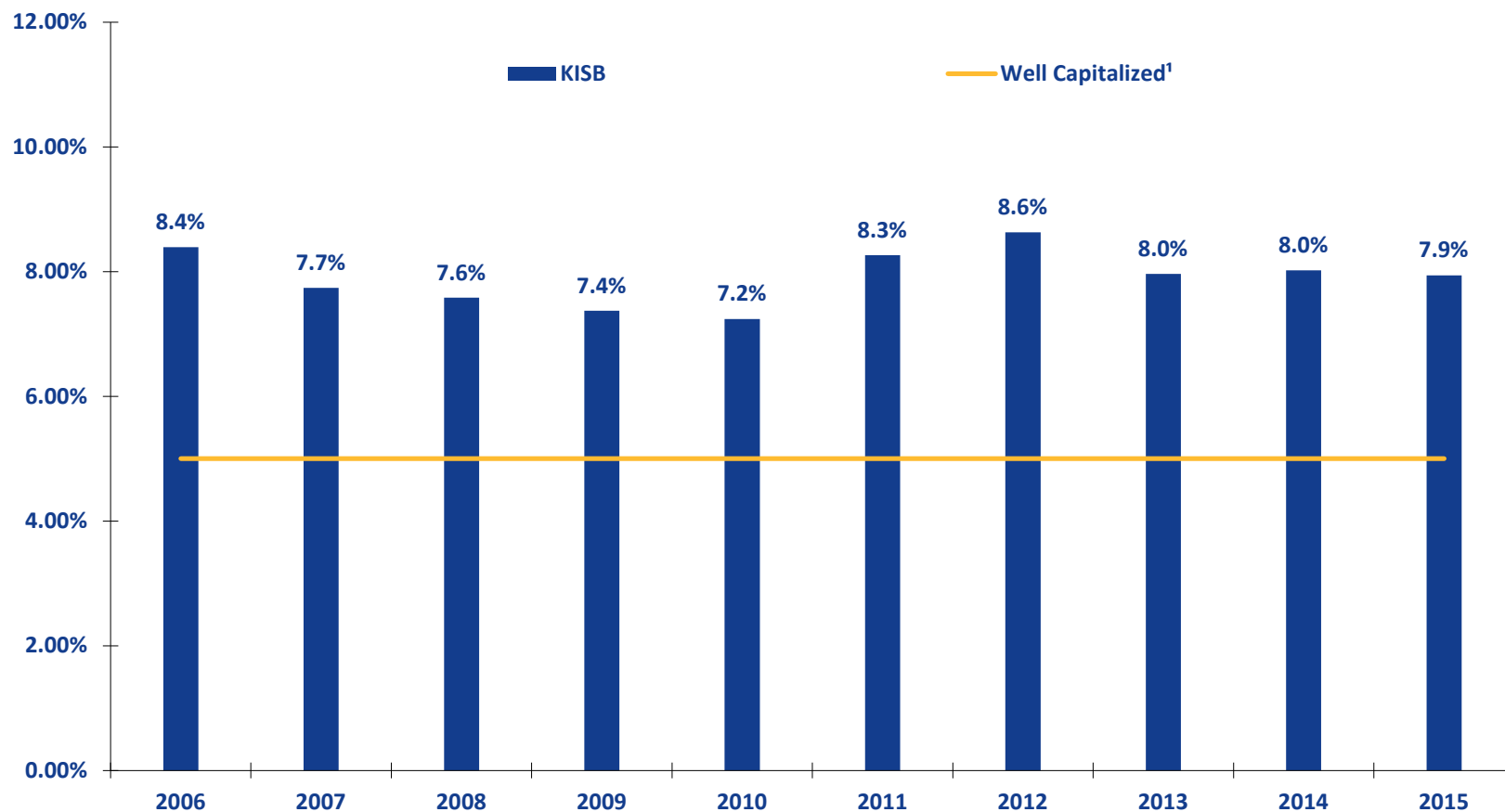
¹ Includes all public banks with assets between \$300mm to \$1B
Source: FFIEC Uniform Bank Performance Report



Capital Management

Consolidated Capital Ratios

Leverage Ratio



¹ FDIC minimum to be considered "Well Capitalized"



Capital Management at Kish

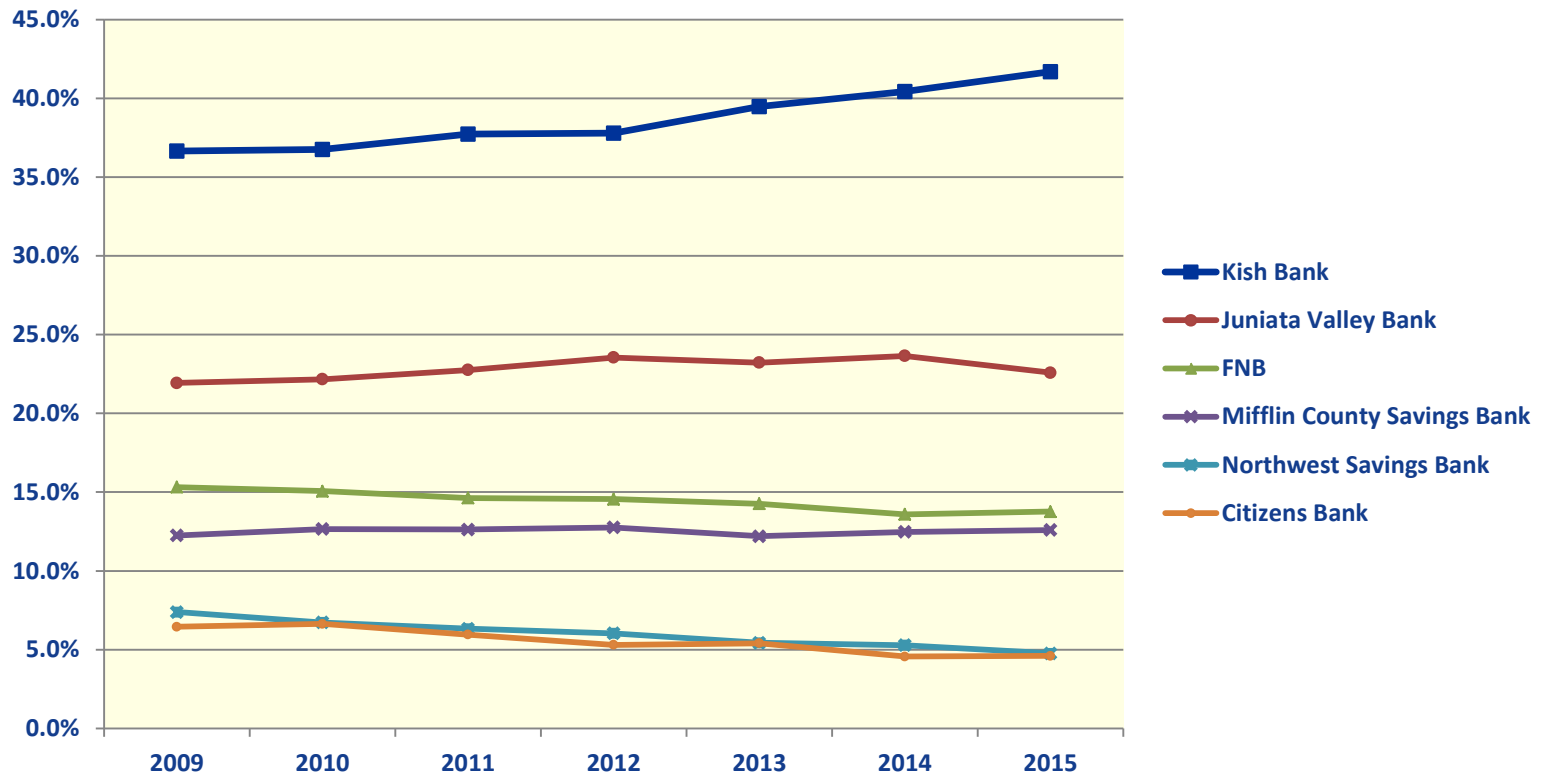
- Steady and sustainable growth while maintaining dividend payouts
- Maintenance of strong capital ratios required under regulations
- Capital raise despite economic headwinds
 - Kish Bank raised common stock in 2011, reaffirming the focus of HC as a source of strength to the Bank
 - Raised subordinated debt and senior debt to boost capital without diluting the existing shareholders



Market Share

Market Presence

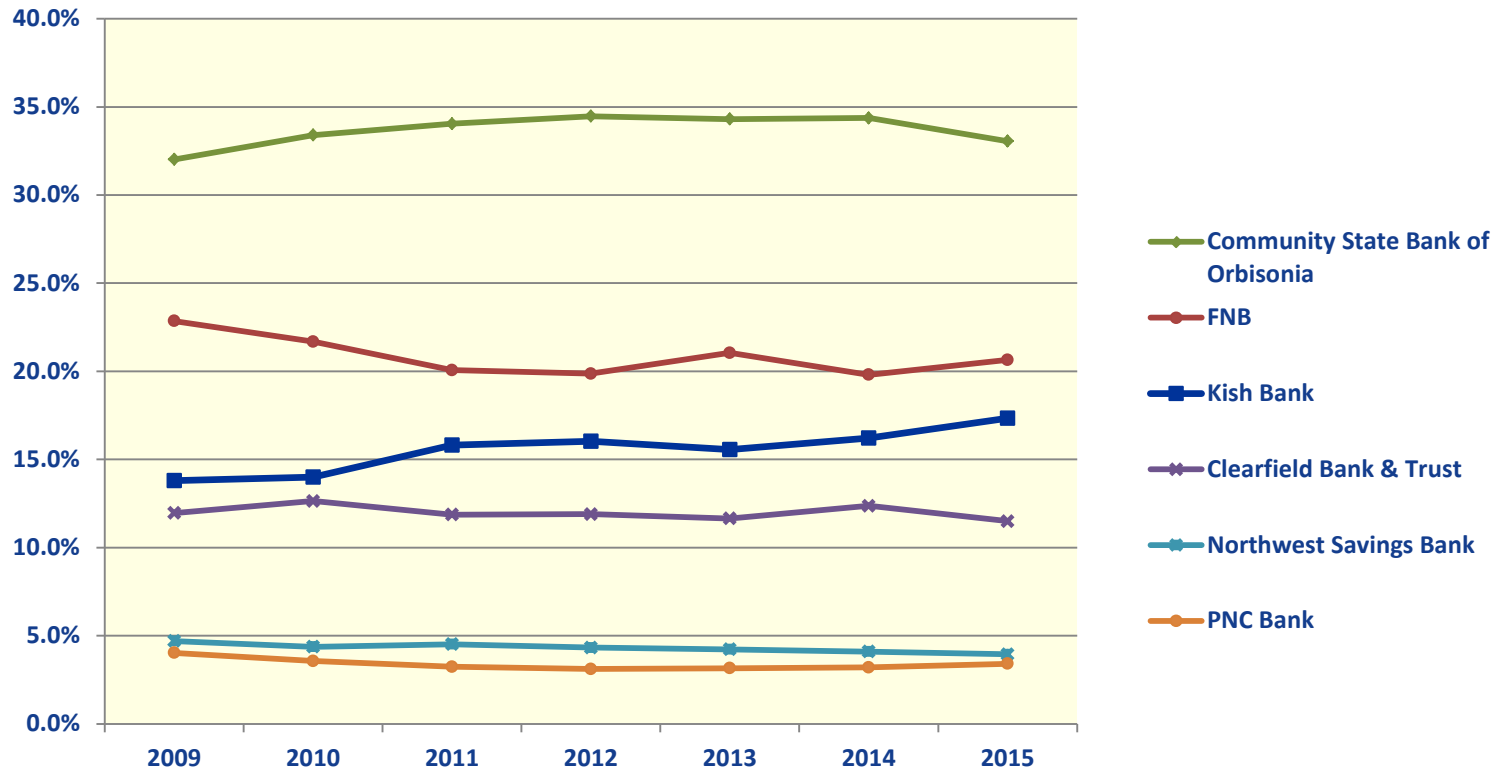
Mifflin County - #1 Ranking



Source: www.snl.com, Data as of 12/31/2015

Market Presence

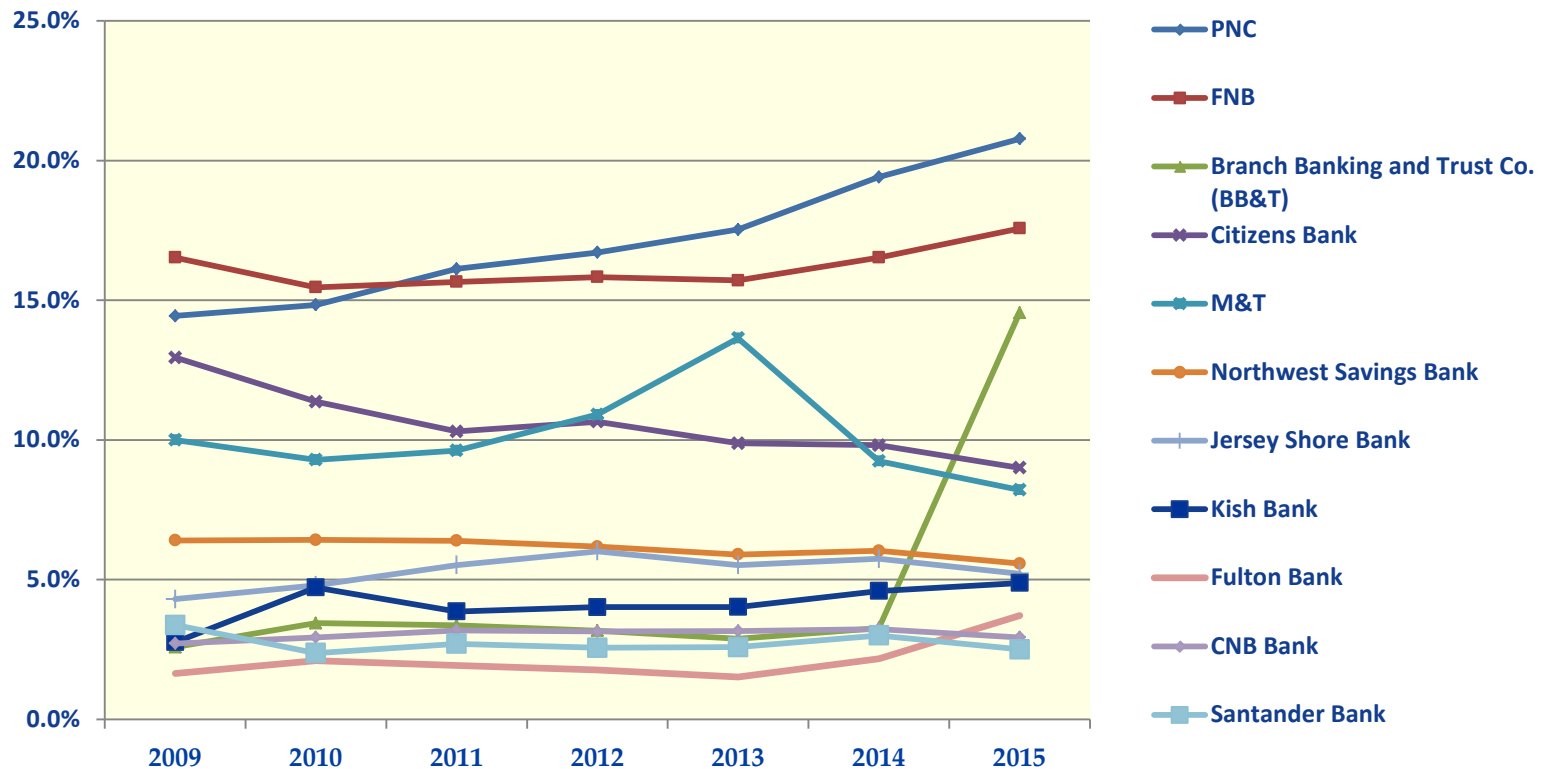
Huntingdon County - #3 Ranking



Source: www.snl.com, Data as of 12/31/2015

Market Presence

Centre County - #8 Ranking



Source: www.snl.com, Data as of 12/31/2015



Mergers, Acquisitions, and Branch Closings



Community Alignment



Power of Pink



Teach Children to Save



Family Fun Day



Celebrating Community





Building the Team



Additions to the Management Team

- Art J. Dangel – Sr. VP, Director of Trust Services and Private Banking
- Thomas Minichiello – VP, Regional Market Manager
- Terry Horner – VP, Business Development Officer
- Tammy Larimer – Bellefonte Branch Manager
- Brad Huyck – AVP, Information Technology Manager



Senior Management Promotions & Alignment

- Suzanne White – Sr. VP, Human Resources and Organizational Development
- Carol Herrmann – Sr. VP, Administration and Communications, CEO of Kish Travel
- Gregory Hayes – EVP, Retail Banking and Client Solutions



Standout Performers

- Cheryl Shope
- Wade Keiffer
- Kayelene Sunderland
- Kristie McKnight
- Sandy Berardis
- Daryl Hartzler
- Megan Diemert and Gina Perrin
- Lauren Pringle

2015 MVP

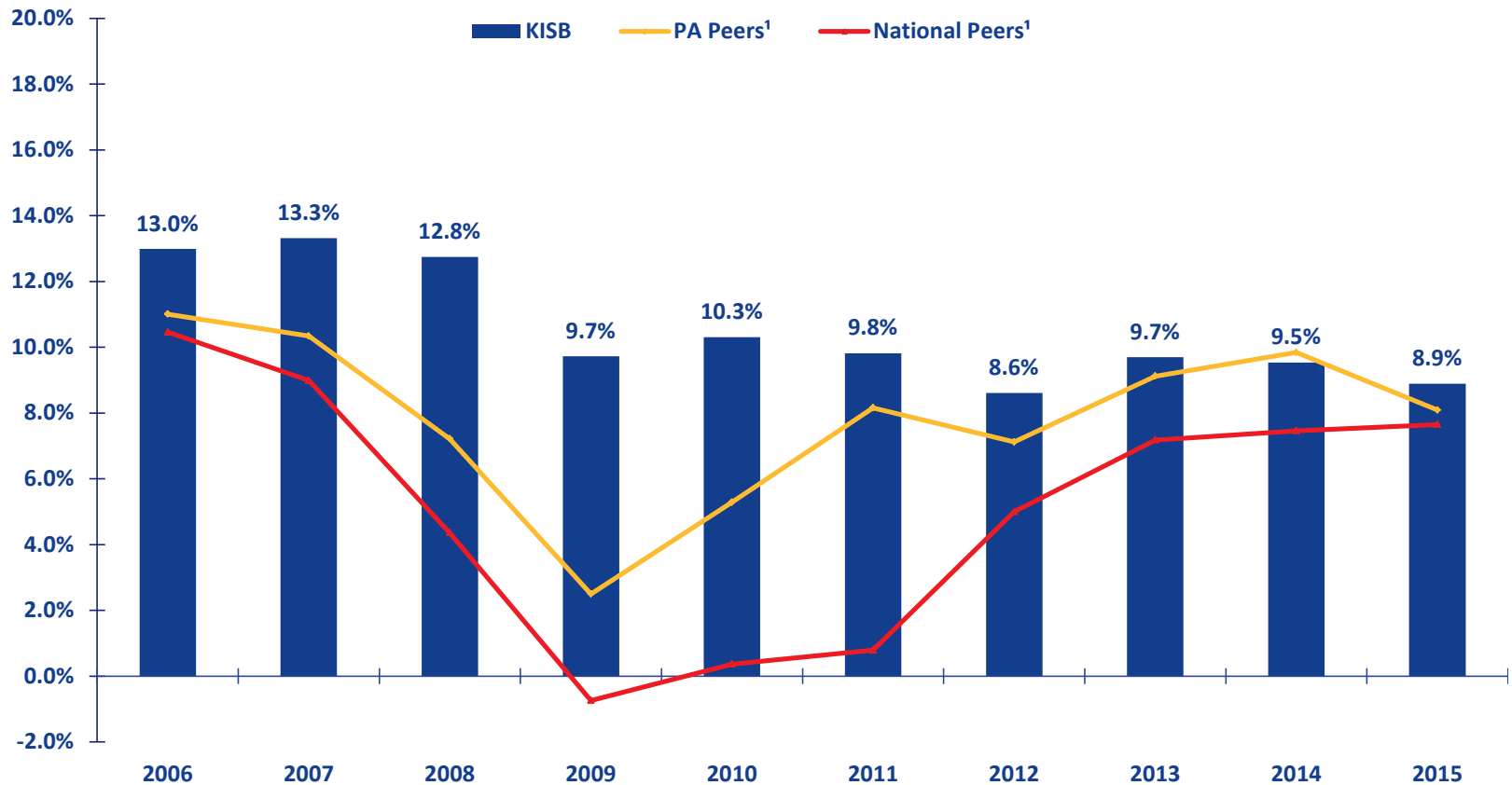


Jackson McDonald



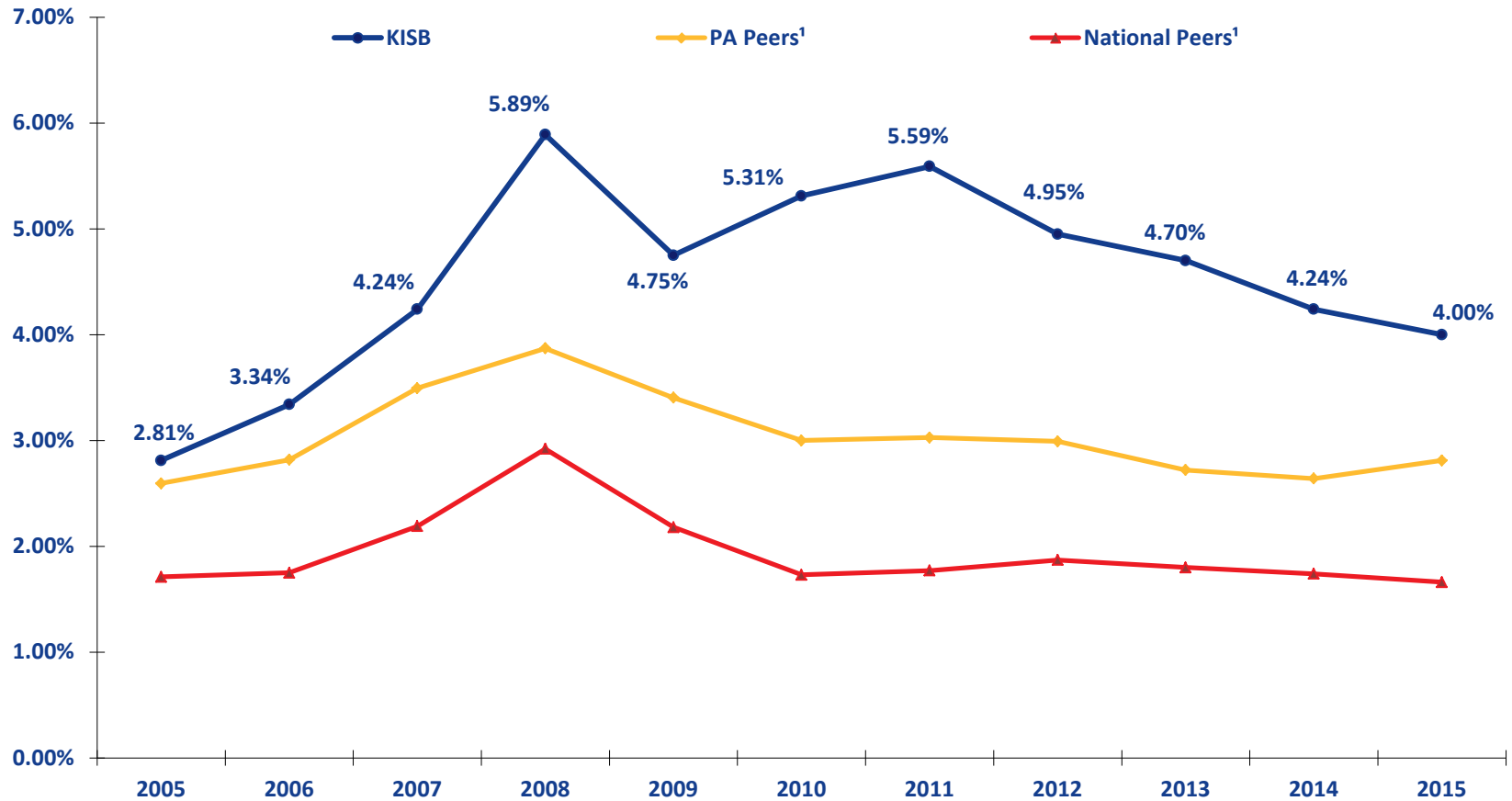
Shareholder Performance

Return on Average Equity



¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

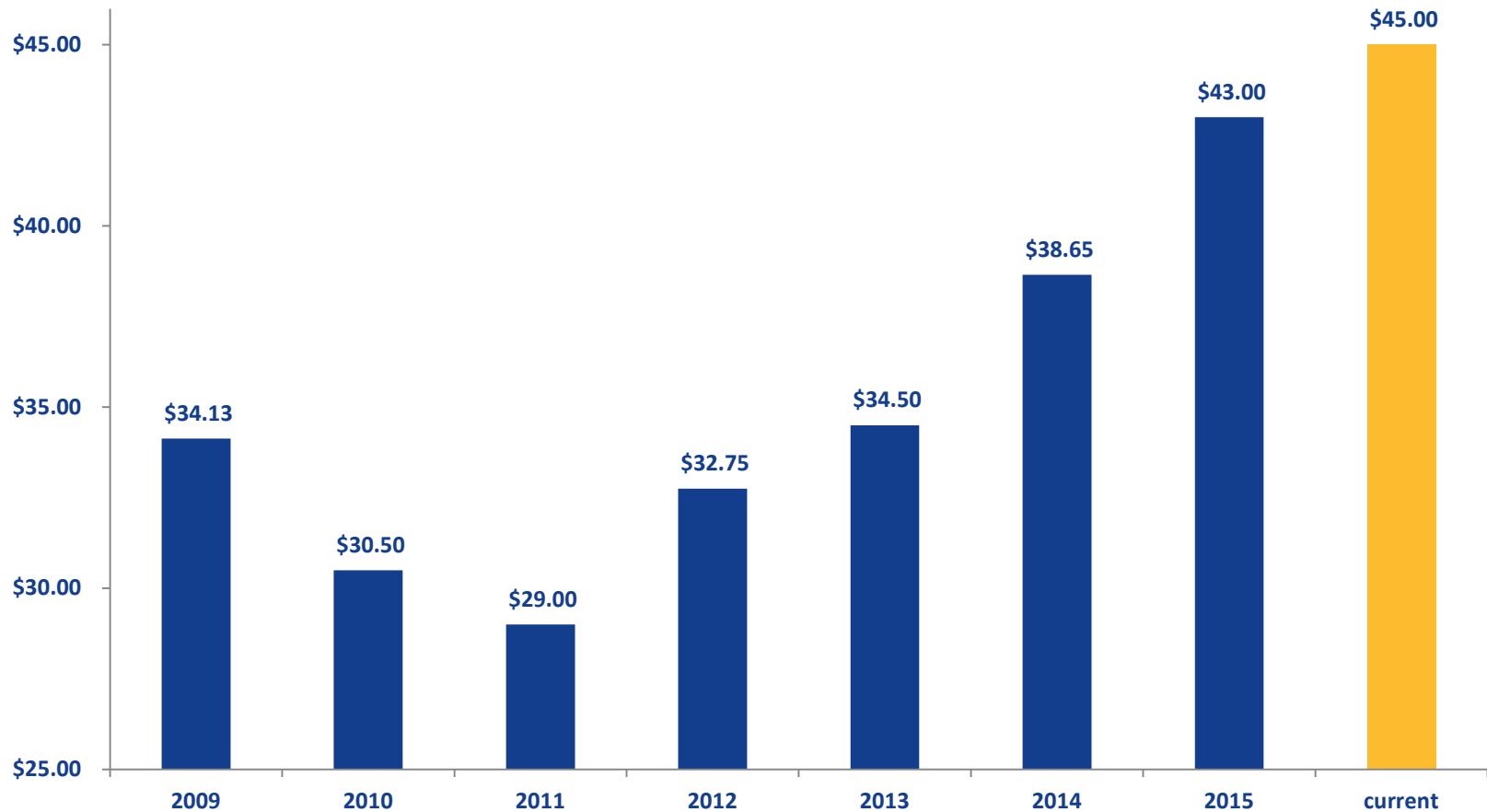
Dividend Yield on Common Stock



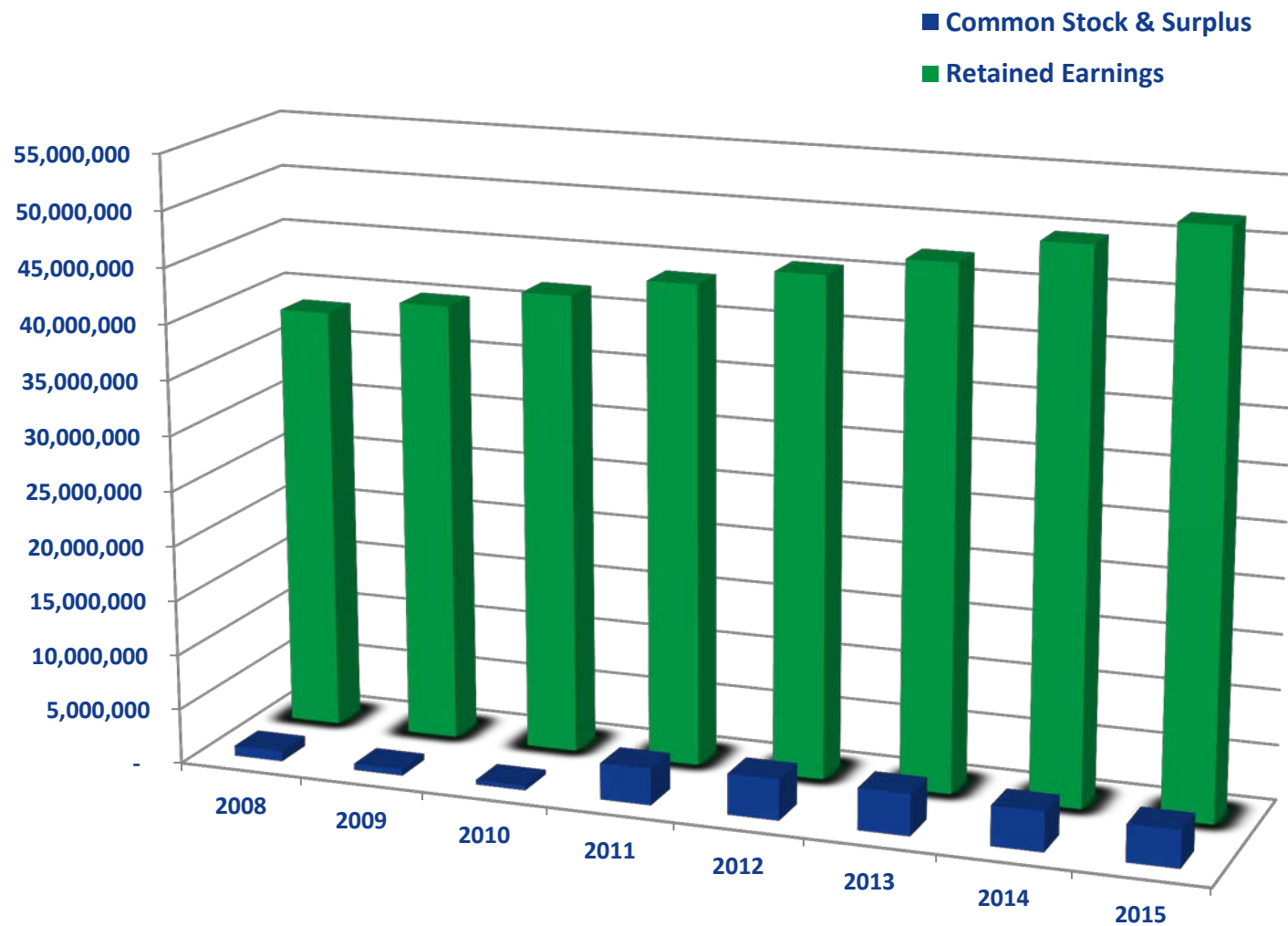
¹ Includes Bank Operating Companies in PA and Nationally with \$500mm to \$1B in Assets
Source: SNL Financial

Stock Performance

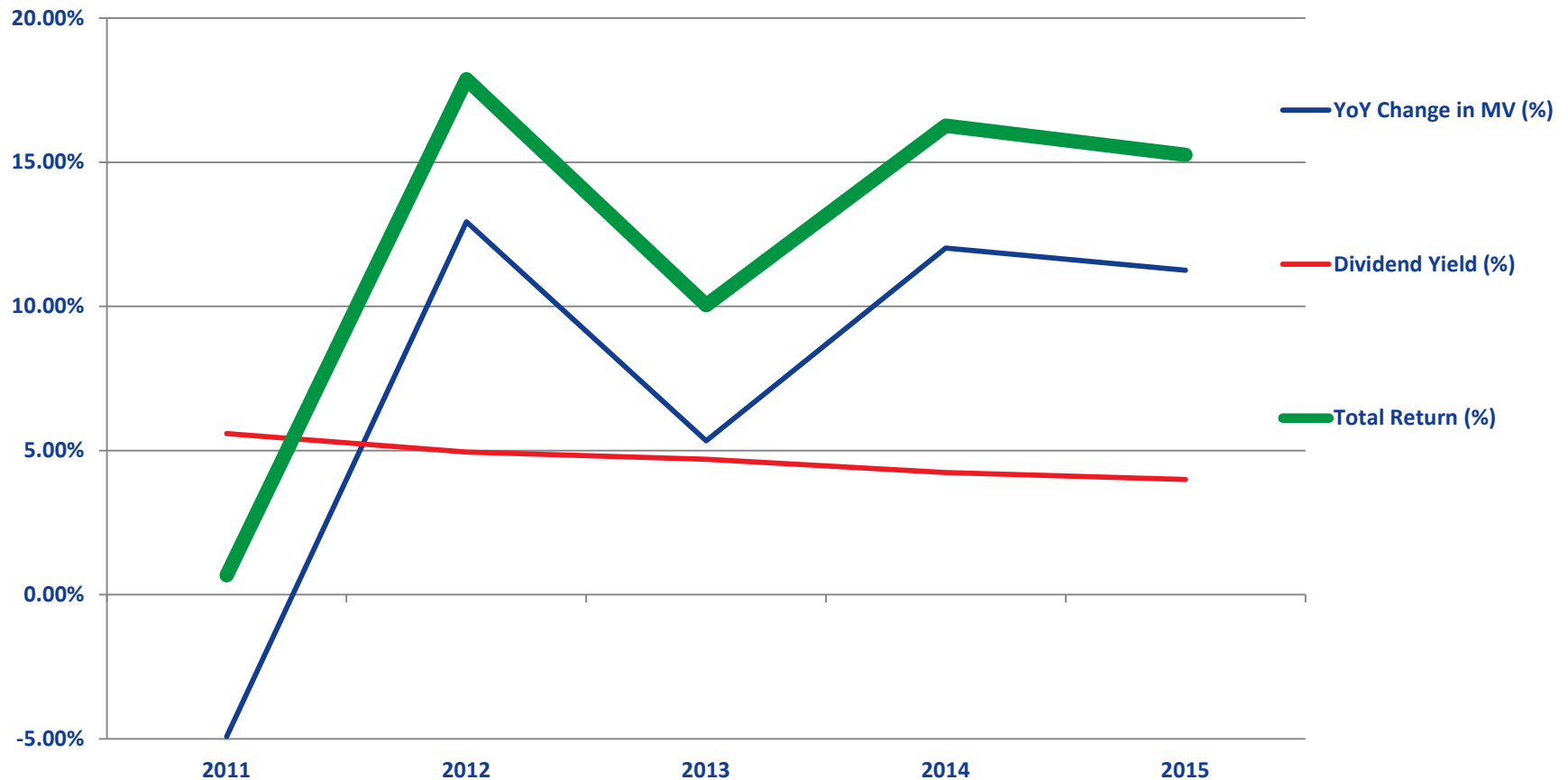
Year-End 2009 – 2015



Capital Mix



Kish Bancorp Stock – Annual Total Return Analysis





Investing in Kish Bancorp

- Attractive, diversified business model
 - Strong, sustained net interest margin and income
 - Fee revenue from banking & non-banking units
- Participate in long-term growth dynamics in central PA
- Conservative balance sheet
 - Low-risk, high quality loan accounts and investment grade liquid securities portfolio
 - Negligible charge offs
 - Assets funded by low cost core deposits
- Detailed capital and liquidity contingency plans in place
- Positive economic impact on the region



Financial Summary

- Continued growth in assets
- Record net income
- Diversified revenue mix and strong business unit performance
- Improved efficiencies and reduced operating expenses
- Improved risk profile
- Client-focused business model



National Recognition

- Ranked in *American Banker* magazine's list of Top 200 Community Banks in the United States
- Ten consecutive years
- Blue Ribbon Bank Commendation of Excellence indicating that we have “met exceptionally high standards”
- Bauer 5 Star Rating



Strategic Opportunities



Building for the Future



Mission

With an unwavering focus on fulfilling client needs, we will achieve superior, long-term shareholder returns.



Key Tactics of Our Strategic Plan

- Frame the experience with Hospitality
- Develop staff across all services creating a more inclusive Kish Experience
- Elevate client relationship management
- Engage with clients through technology
- Engineer products that reward and build profitable relationships
- Define the future of our Branch Network



Affirmation of Our Focus

- Penn State's Smeal College of Business
- Four Schreyer's honors students
- Sapphire APEX Program
 - Applied Professional Experience Program
- The result of their analysis of Kish and the industries in which we do business



The Team's Conclusion

“Although Kish identifies with varying industries including Banking, Travel, Insurance, and Wealth Management, the company's core values as a whole align with institutions that foster customer relationships and focus on delivering client value. As such, we are classifying Kish within the Service Industry.”



Clear Focus Leads to the Future

- How do we continue to differentiate?
- Is a “Branch of the Future” really the Future?
- When does relationship suffer at the expense of efficiency?
- A Client Centric model leads to a very different future!





**The Future is Now,
The Expect More Store is Here**



Evolution and Expansion

- Execution of our Strategic Plan tactics
- Development of “scalability” across the platform
- Evolution of technology and our new delivery model
- Transformation of our financial centers
- Development of a rural service model for our entire market



Summary



Strategic Focus

- Growth
 - Evolve delivery channels
 - Expand the bank franchise in designated growth markets
 - Pursue opportunities for non-bank business expansion
 - Achieve market share objectives
- Leverage the technology platform
- Maintain a strong balance sheet
 - Focus on asset quality metrics
 - Sustained profitability and performance
- Grow the team



Strategic Focus, cont'd.

- Stay close to our customers and communities
- Position the company to pursue strategic opportunities
 - Target bank and non-bank acquisitions in attractive markets
- Promote the brand
 - Tell the Kish story
- Manage risk profile
 - Maintain strong enterprise-wide risk management program



Congratulations Directors!

