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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the Quarterly Period Ended September 30, 2008

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-13677

MID PENN BANCORP, INC.
(Exact Name of Registrant as Specified in its Charter)

Pennsylvania
(State or Other Jurisdiction of
Incorporation or Organization)

349 Union Street
Millersburg, Pennsylvania 17061

(Address of Principal Executive Offices) (Zip Code)

25-1666413

(I.R.S. Employer Identification Number)

(717) 692-2133
(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to such
filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an
accelerated filer, a non-accelerated filer, or a smaller reporting company. See
definition of "accelerated filer, large accelerated filer and smaller reporting
company" in Rule 12b-2 of the Exchange Act. (Check One):

Large accelerated filer Accelerated filer
Non-accelerated filer Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in
Rule 12b-2 of the Act). Yes No

As of November 1, 2008, there were 3,479,780 shares of the registrant's common
stock outstanding, par value \$1.00 per share.

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MID PENN BANCORP, INC.
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Exhibit 31.1-Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.....

Exhibit 31.2-Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002.....

Exhibit 32-Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Added by Section 906 of the Sarbanes-Oxley Act of 2002.....

Unless the context otherwise requires, the terms "Mid Penn," "we," "us," and "our" refer to Mid Penn Bancorp, Inc. and its consolidated subsidiaries.

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PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

MID PENN BANCORP, INC.

CONSOLIDATED BALANCE SHEETS

(DOLLARS IN THOUSANDS, EXCEPT SHARE DATA)

<TABLE>

<CAPTION>

	September 30, 2008	December 31, 2007
	----- (Unaudited) <C>	----- (Audited) <C>
ASSETS		
Cash and due from banks	\$ 7,711	\$ 10,599
Federal funds sold	--	--
Interest-bearing balances with other financial institutions	50,404	46,830
Available-for-sale investment securities	47,517	54,072
Loans and leases	424,450	377,128
Less: Allowance for loan and lease losses	(5,067)	(4,790)
	-----	-----
Net loans and leases	419,383	372,338
	-----	-----
Bank premises and equipment, net	11,083	10,638
Foreclosed assets held for sale	1,374	529
Accrued interest receivable	2,743	2,818
Deferred income taxes	2,309	2,053
Goodwill	1,016	1,016
Core deposit and other intangibles, net	420	362
Cash surrender value of life insurance	7,360	6,961
Other assets	1,092	1,541
	-----	-----
Total Assets	\$ 552,412	\$ 509,757
	=====	=====
LIABILITIES & STOCKHOLDERS' EQUITY		
Deposits:		
Noninterest bearing demand	\$ 49,788	\$ 46,478

Interest bearing demand	35,119	36,627
Money Market	71,795	62,596
Savings	25,342	24,844
Time	235,853	202,272
	-----	-----
Total Deposits	417,897	372,817
Short-term borrowings	31,998	37,349
Long-term debt	55,264	54,581
Accrued interest payable	3,314	1,990
Other liabilities	3,243	2,576
	-----	-----
Total Liabilities	511,716	469,313
Stockholders' Equity:		
Common stock, par value \$1 per share; authorized 10,000,000 shares; 3,533,340 shares issued at September 30, 2008 and December 31, 2007, respectively	3,533	3,533
Additional paid-in capital	31,107	31,107
Retained earnings	7,648	6,660
Accumulated other comprehensive income (loss)	(200)	284
Treasury stock, at cost (53,560 and 43,706 shares at September 30, 2008 and December 31, 2007, respectively)	(1,392)	(1,140)
	-----	-----
Stockholders' Equity, Net	40,696	40,444
	-----	-----
Total Liabilities and Stockholders' Equity	\$ 552,412	\$ 509,757
	=====	=====

The accompanying notes are an integral part of
these consolidated financial statements

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MID PENN BANCORP, INC.

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

<TABLE>

<CAPTION>

(Dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
INTEREST INCOME				
Interest & fees on loans and leases	\$ 6,869	\$ 6,686	\$20,176	\$19,622
Interest on interest-bearing balances	592	637	1,961	1,894
Interest and dividends on investment securities:				
U.S. Treasury and government agencies	193	225	631	723
State and political subdivision obligations, tax-exempt	297	352	960	1,012
Other securities	35	50	121	150
Interest on federal funds sold and securities purchased under agreements to resell	--	--	--	33
	-----	-----	-----	-----
Total Interest Income	7,986	7,950	23,849	23,434
	-----	-----	-----	-----
INTEREST EXPENSE				
Interest on deposits	2,841	2,879	8,623	8,571
Interest on short-term borrowings	132	305	557	649
Interest on long-term debt	721	708	2,030	2,165
	-----	-----	-----	-----
Total Interest Expense	3,694	3,892	11,210	11,385
	-----	-----	-----	-----
Net Interest Income	4,292	4,058	12,639	12,049
PROVISION FOR LOAN AND LEASE LOSSES	275	175	530	375
	-----	-----	-----	-----
Net Interest Income After Provision for Loan and Lease Losses	4,017	3,883	12,109	11,674
	-----	-----	-----	-----
NONINTEREST INCOME				
Trust department income	69	69	204	225
Service charges on deposits	455	386	1,303	1,115
Investment securities gains (losses), net	8	--	8	--
Increase in bank-owned life insurance	65	66	192	201
Mortgage banking income	32	18	114	109
Other income	369	210	979	803
	-----	-----	-----	-----
Total Noninterest Income	998	749	2,800	2,453
	-----	-----	-----	-----
NONINTEREST EXPENSE				

NONINTEREST EXPENSE

Salaries and employee benefits	1,832	1,670	5,428	4,982
Occupancy expense, net	227	202	754	640
Equipment expense	208	215	634	633
Pennsylvania Bank Shares tax expense	93	83	277	246
ATM and debit card processing expense	53	38	142	112
Professional fees	220	105	516	425
Director fees and benefits expense	77	73	245	266
Advertising expense	155	86	337	311
Computer expense	135	138	383	372
Stationery and supplies expense	61	68	188	193
Other expenses	464	372	1,544	1,360
	-----	-----	-----	-----
Total Noninterest Expense	3,525	3,050	10,448	9,540
	-----	-----	-----	-----
INCOME BEFORE PROVISION FOR INCOME TAXES	1,490	1,582	4,461	4,587
Provision for income taxes	368	372	1,106	1,114
	-----	-----	-----	-----
NET INCOME	\$ 1,122	\$ 1,210	\$ 3,355	\$ 3,473
	=====	=====	=====	=====

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

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MID PENN BANCORP, INC.
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED) - CONTINUED

<TABLE>

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2008	2007	2008	2007
	----	----	----	----
<S>	<C>	<C>	<C>	<C>
PER SHARE INFORMATION				
Net Income	\$0.32	\$0.35	\$0.96	\$0.99
Cash Dividends	\$0.20	\$0.20	\$0.60	\$0.60
Weighted Average Number of Shares Outstanding	3,479,780	3,494,195	3,484,210	3,499,812

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

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MID PENN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

<TABLE>

<CAPTION>

(Dollars in Thousands)

	For the Nine Months Ended September 30,	
	2008	2007
	----	----
<S>	<C>	<C>
Operating Activities:		
Net Income	\$ 3,355	\$ 3,473
Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for loan and lease losses	530	375
Depreciation	625	593

(Accretion) amortization of core deposit intangible	(58)	98
Increase in cash surrender value of life insurance	(399)	(201)
Investment securities gains, net	(8)	--
Loss on sale of other real estate	32	21
Gain on sale of loans	--	(21)
Change in deferred income taxes	(7)	92
Change in accrued interest receivable	75	47
Change in other assets	449	(389)
Change in accrued interest payable	1,324	1,047
Change in other liabilities	393	45

Net Cash Provided By Operating Activities	6,311	5,180
---	-------	-------

Investing Activities:

Net (increase) decrease in interest-bearing balances	(3,574)	(1,918)
Proceeds from the maturity of investment securities	17,238	6,918
Purchases of investment securities	(11,408)	(4,144)
Net increase in loans and leases	(48,504)	(14,407)
Purchases of bank premises and equipment	(1,070)	(1,753)
Proceeds from sale of foreclosed assets	52	205

Net Cash Used In Investing Activities	(47,266)	(15,099)
---------------------------------------	----------	----------

Financing Activities:

Net increase in demand deposits and savings accounts	11,499	5,304
Net increase (decrease) in time deposits	33,581	(7,586)
Net increase (decrease) in short-term borrowings	(5,351)	17,154
Cash dividend paid	(2,091)	(2,073)
Long-term debt repayment	(15,113)	(5,098)
Purchase of treasury stock	(253)	(401)
Proceeds from long-term borrowings	15,795	--

Net Cash Provided By Financing Activities	38,067	7,300
---	--------	-------

Net increase (decrease) in cash and due from banks	(2,888)	(2,619)
Cash and due from banks, beginning of period	10,599	9,498
Cash and due from banks, end of period	\$ 7,711	\$ 6,879

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

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MID PENN BANCORP, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED) - CONTINUED

(Dollars in Thousands)	For the Nine Months Ended September 30,	
	2008	2007
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$ 9,886	\$10,338
Income taxes paid	\$ 1,295	\$ 1,405
Supplemental Noncash Disclosures:		
Loan chargeoffs	\$ 352	\$ 251
Transfers to foreclosed assets held for sale	\$ 929	\$ 525

The accompanying notes are an integral part of these consolidated financial statements.

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MID PENN BANCORP, INC.

1. BASIS OF PRESENTATION

The consolidated financial statements for 2008 and 2007 include the accounts of Mid Penn Bancorp ("Mid Penn"), its subsidiaries Mid Penn Bank (the "Bank"), Mid Penn Insurance Services, LLC, and Mid Penn Investment Corporation (collectively the "Corporation"). All material intercompany accounts and transactions have been eliminated in consolidation.

Certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") have been condensed or omitted pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). We believe the information presented is not misleading and the disclosures are adequate. The financial information included herein, with the exception of the consolidated balance sheet dated December 31, 2007, is unaudited; however, such information reflects all adjustments (consisting only of normal recurring accruals and adjustments) necessary to present fairly our financial position, results of operations and cash flows for the interim periods. The results of operations for interim periods are not necessarily indicative of operating results expected for the full year. These interim consolidated financial statements should be read in conjunction with the audited financial statements and notes thereto included in Mid Penn's Annual Report on Form 10-K for the year ended December 31, 2007, and with Mid Penn's Forms 8-K, that were filed during 2008 with the SEC.

2. USE OF ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. A material estimate that is particularly susceptible to significant change relates to the determination of the allowance for loan and lease losses.

3. SHORT-TERM BORROWINGS

Short-term borrowings as of September 30, 2008, and December 31, 2007 consisted of:

(Dollars in thousands)

	September 30, 2008	December 31, 2007
	-----	-----
Federal funds purchased	\$23,650	\$29,600
Securities sold under repurchase agreements	7,602	7,156
Treasury tax and loan note	746	593
	-----	-----
	\$31,998	\$37,349
	=====	=====

Federal funds purchased represent overnight funds. Securities sold under repurchase agreements generally mature between one day and one year. Treasury tax and loan notes are open-ended interest bearing notes payable to the U.S. Treasury upon call. All tax deposits accepted by the Bank are placed in the Treasury note option account.

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4. LONG-TERM DEBT

During the quarter ended September 30, 2008, the Bank entered into no additional long-term borrowings with the Federal Home Loan Bank of Pittsburgh.

5. DEFINED BENEFIT PLANS

Mid Penn has an unfunded noncontributory defined benefit retirement plan for directors. The plan provides defined benefits based on years of service. In addition, Mid Penn sponsors a defined benefit health care plan that provides post-retirement medical benefits and life insurance to full-time employees. These health care and life insurance plans are noncontributory. A December 31 measurement date for our plans is used.

The components of net periodic benefit costs from these benefit plans are as follows:

<TABLE>
<CAPTION>

(Dollars in thousands)	Three months ended September 30:		
	Pension Benefits		Other Benefit
	2008	2007	2008
<S>	<C>	<C>	<C>
Service cost	\$ 6	\$ 6	\$ 12
Interest cost	15	15	9
Amortization of transition obligation	--	--	4
Amortization of prior service cost	5	7	--
Amortization of net (gain) loss	--	--	(1)
Net periodic benefit cost	\$ 26	\$ 28	\$ 24

</TABLE>
<TABLE>
<CAPTION>

(Dollars in thousands)	Nine months ended September 30:		
	Pension Benefits		Other Benefit
	2008	2007	2008
<S>	<C>	<C>	<C>
Service cost	\$ 18	\$ 19	\$ 36
Interest cost	45	45	27
Amortization of transition obligation	--	--	12
Amortization of prior service cost	15	20	--
Amortization of net (gain) loss	--	--	(3)
Net periodic benefit cost	\$ 78	\$ 84	\$ 72

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6. Earnings per Share

Basic earnings per share is computed by dividing net income by the weighted average number of common shares outstanding during each of the periods presented, giving retroactive effect to stock dividends and splits. The basic and diluted earnings per share are the same since there are no potentially dilutive securities outstanding.

(Dollars in thousands, except per share data)

<TABLE>
<CAPTION>

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2008	2007	2008	2007
<S>	<C>	<C>	<C>	<C>
Net Income	\$ 1,122	\$ 1,210	\$ 3,355	\$ 3,499
Weighted average number of common shares outstanding	3,479,780	3,494,195	3,484,210	3,499,780
Basic earnings per share	\$ 0.32	\$ 0.35	\$ 0.96	\$ 1.00

</TABLE>

7. COMPREHENSIVE INCOME

The purpose of reporting comprehensive income is to report a measure of all changes in Mid Penn's equity resulting from economic events other than transactions with stockholders in their capacity as stockholders. For Mid Penn, comprehensive income includes traditional income statement amounts as well as unrealized gains and losses on certain investments in debt and equity securities (i.e. available-for-sale securities). Because unrealized gains and losses are part of comprehensive income, comprehensive income may vary substantially between reporting periods due to fluctuations in the market prices of securities held. Other comprehensive income also includes a pension component in accordance with Financial Accounting Standards Board No. 158. The components of comprehensive income, and the related tax effects, are as follows:

<TABLE>
<CAPTION>

(Dollars in thousands)	Three Months Ended	Nine Months Ended
	September 30,	September 30,

	2008	2007	2008
	----	----	----
<S>	<C>	<C>	<C>
Net Income	\$ 1,122	\$ 1,210	\$ 3,355
	-----	-----	-----
Other Comprehensive Income (Loss):			
Unrealized holding gains (losses) on available-for-sale investment securities arising during the period	(368)	480	(725)
Reclassification adjustment for (gains) losses included in net income	(8)	--	(8)
	-----	-----	-----
Other comprehensive income (loss) before income tax (provision) benefit	(376)	480	(733)
Amortization of net transition obligation, prior service cost, and net actuarial gain included in net benefit cost	--	--	--
Income tax (provision) benefit related to other comprehensive income (loss)	128	(163)	249
	-----	-----	-----
Total Other Comprehensive Income (Loss)	(248)	317	(484)
	-----	-----	-----
Total Comprehensive Income (Loss)	\$ 874	\$ 1,527	2,871
	=====	=====	=====

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8. GUARANTEES

In the normal course of business, Mid Penn makes various commitments and incurs certain contingent liabilities, which are not reflected in the accompanying consolidated financial statements. The commitments include various guarantees and commitments to extend credit. Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Mid Penn evaluates each customer's credit-worthiness on a case-by-case basis. The amount of collateral

obtained, if deemed necessary upon extension of credit, is based on management's credit evaluation of the customer. Standby letters of credit and financial guarantees written are conditional commitments to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support public and private borrowing arrangements. The credit risk involved in issuing letters of credit is essentially the same as that involved in extending loans to customers. Mid Penn had \$11,251,000 and \$11,480,000 of standby letters of credit outstanding as of September 30, 2008 and December 31, 2007, respectively. The Company does not anticipate any losses as a result of these transactions.

9. SPLIT DOLLAR LIFE INSURANCE POSTRETIREMENT BENEFITS

Effective January 1, 2008, Mid Penn Bank adopted the provisions of Emerging Issues Task Force ("EITF") Issue No. 06-4, "Accounting for Deferred Compensation and Postretirement Benefit Aspects of Endorsement Split Dollar Life Insurance Arrangements" ("EITF 06-4"). EITF 06-4 requires the recognition of a liability related to the postretirement benefits covered by an endorsement split-dollar life insurance arrangement, and the liability for the future death benefit should be recognized by following the guidance in SFAS No. 106 or Accounting Principles Board Opinion No. 12, as appropriate. In adopting EITF 06-4, Mid Penn recorded a cumulative effect adjustment to the balance of retained earnings of \$276,000 as of January 1, 2008.

10. FAIR VALUE MEASUREMENT OF ASSETS AND LIABILITIES

Effective January 1, 2008, Mid Penn adopted Statement of Financial Accounting Standards ("SFAS") No. 157, "Fair Value Measurements" for financial assets and financial liabilities. In accordance with Financial Accounting Standards Board Staff Position (FSP) No. 157-2, "Effective Date of FASB Statement No. 157," Mid Penn will delay application of SFAS No. 157 for non-financial assets and non-financial liabilities, until January 1, 2009. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles, and expands disclosures about fair value measurements.

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Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at

the measurement date. Inputs to valuation techniques refer to the assumptions that market participants would use in pricing the asset or liability. Inputs may be observable, meaning those that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from independent sources, or unobservable, meaning those that reflect the reporting entity's own belief about the assumptions market participants would use in pricing the asset or liability based upon the best information available in the circumstances. SFAS 157 establishes a fair value hierarchy for valuation inputs that gives the highest priority to quoted prices in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The fair value hierarchy is as follows:

- LEVEL 1 INPUTS - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
- LEVEL 2 INPUTS - Quoted prices in markets that are not active, or inputs that are observable either directly or indirectly, for substantially the full term of the asset or liability;
- LEVEL 3 INPUTS - Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

A description of the valuation methodologies used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. These valuation methodologies were applied to all of Mid Penn's financial assets and financial liabilities carried at fair value effective January 1, 2008.

SECURITIES AVAILABLE FOR SALE

Securities classified as available for sale are generally reported at fair value utilizing Level 2 inputs. For these securities, we obtain fair value measurements from an independent pricing service. These valuation services estimate fair value using pricing models and other accepted valuation methodologies, such as quotes for similar securities and observable yield curves and spreads. Level 3 inputs are used for investment security positions that are not traded in active markets or are subject to transfer restrictions. Such inputs are generally based on available market evidence. In the absence of such evidence, management's best estimate is used.

IMPAIRED LOANS

Certain loans are evaluated for impairment using the practical expedients permitted by SFAS No. 114, "Accounting by Creditors for Impairment of a Loan", including impaired loans measured at an observable market price (if available), or at the fair value of the loan's collateral (if the loan is collateral dependent). The value of the collateral is determined through appraisals performed by independent licensed appraisers. When the value of the collateral, less estimated costs to sell, is less than the principal balance of the loan, a specific reserve is established. Mid Penn considers the appraisals used in its impairment analysis to be Level 3 inputs. Impaired loans are reviewed and evaluated as needed for additional impairment, and reserves are adjusted accordingly.

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The following table illustrates the financial instruments measured at fair value on a recurring basis segregated by hierarchy fair value levels:

<TABLE>
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(Dollars in thousands)	Fair value measurements at September 30, 2008			
	Total carrying value at September 30, 2008	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Signifi
Assets:				
<S>	<C>	<C>	<C>	<C>
Securities available for sale	\$ 47,517		\$ 47,517	

</TABLE>

Certain financial assets and financial liabilities are measured at fair value on a nonrecurring basis; that is, the instruments are not measured at fair value on an ongoing basis, but are subject to fair value adjustments in certain circumstances (for example, when there is evidence of impairment). The following table illustrates the financial instruments measured at fair value on a

nonrecurring basis segregated by hierarchy fair value levels:

<TABLE>

<CAPTION>

(Dollars in thousands)	total carrying value at September 30, 2008	fair value measurements at september 30, 2008		
		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Signifi
assets:				
<S>	<C>	<C>	<C>	<C>
Impaired Loans	\$ 3,978			

</TABLE>

Effective January 1, 2008, Mid Penn adopted the provisions of SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities-Including an amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 expands the use of fair value accounting but does not affect existing standards, which require assets and liabilities to be carried at fair value. Under SFAS 159, a company may elect to use fair value to measure accounts and loans receivable, available-for-sale and held-to-maturity securities, accounts payable, guarantees, issued debt and other eligible financial instruments. At September 30, 2008, Mid Penn had made no elections to use fair value as an alternative measurement for financial assets and liabilities not previously carried at fair value.

11. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. No. 141 (R) "Business Combinations" ("SFAS 141(R)"). SFAS 141(R) establishes principles and requirements for how the acquirer of a business recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree. SFAS 141(R) also provides guidance for recognizing and measuring the goodwill acquired in the business combination and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. The guidance will become effective as of the beginning of a company's fiscal year beginning after December 15, 2008. SFAS 141(R) will impact the Corporation's accounting for business combinations beginning January 1, 2009.

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In December 2007, the FASB issued SFAS No. 160 "Noncontrolling Interests in Consolidated Financial Statements--an amendment of ARB No. 51" ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. The guidance will become effective as of the beginning of a company's fiscal year beginning after December 15, 2008. Management does not believe that SFAS 160 will have a material impact on its consolidated financial statements.

In February 2008, the FASB issued FASB Staff Position (FSP) FAS 140-3, "Accounting for Transfers of Financial Assets and Repurchase Financing Transactions." This FSP addresses the issue of whether or not these transactions should be viewed as two separate transactions or as one "linked" transaction. The FSP includes a "rebuttable presumption" that presumes linkage of the two transactions unless the presumption can be overcome by meeting certain criteria. The FSP will be effective for fiscal years beginning after November 15, 2008, and will apply only to original transfers made after that date; early adoption will not be allowed. Management is currently evaluating the potential impact the new pronouncement will have on the Corporation's consolidated financial statements.

In March 2008, the FASB issued Statement No. 161, "Disclosures about Derivative Instruments and Hedging Activities--an amendment of FASB Statement No. 133" ("Statement 161"). Statement 161 requires entities that utilize derivative instruments to provide qualitative disclosures about their objectives and strategies for using such instruments, as well as any details of credit-risk-related contingent features contained within derivatives. Statement 161 also requires entities to disclose additional information about the amounts and location of derivatives located within the financial statements, how the provisions of SFAS 133 have been applied, and the impact that hedges have on an entity's financial position, financial performance, and cash flows. Statement 161 is effective for fiscal years and interim periods beginning after November 15, 2008, with early application encouraged. Management does not believe that Statement 161 will have a material impact on its consolidated financial statements.

12. SUBSEQUENT EVENT

On October 30, 2008, the Corporation announced the resignation of Alan W. Dakey

as President and Chief Executive Officer of the Corporation. Mr. Dakey also resigned as a member of the Board of Directors of the Corporation and as Chairman, President and CEO of Mid Penn Bank, the Corporation's wholly owned banking subsidiary. Edwin D. Schlegel, the current Chairman of the Board of the Corporation, has been appointed as interim President and CEO of the Corporation and as Chairman, President and CEO of Mid Penn Bank. Mr. Schlegel has been a director of the Corporation since 1991 and served as Lead Director from 2006 until his appointment as Board Chairman in April 2008.

The Executive Committee of the Board is acting as a search committee to seek a permanent replacement for Mr. Dakey. The Committee will consider both internal and external candidates.

The cost of Mr. Dakey's package is anticipated to be approximately \$475,000 and will be accrued during the fourth quarter.

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ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is Management's Discussion of Consolidated Financial Condition as of September 30, 2008, compared to year-end 2007 and the Results of Operations for the third quarter and the first nine months of 2008 compared to the same periods in 2007.

This discussion should be read in conjunction with the financial tables, statistics, and the audited financial statements and notes thereto included in Mid Penn's Annual Report on Form 10-K for the year ended December 31, 2007, and with Mid Penn's Forms 8-K, that were filed during 2008 with the SEC. The results of operations for interim periods are not necessarily indicative of operating results expected for the full year.

Certain of the matters discussed in this document and in documents incorporated by reference herein, including matters discussed under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations," may constitute forward-looking statements for purposes of the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, and as such may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the corporation to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. The words "expect," "anticipates," "intend," "plan," "believe," "estimate," and similar expressions are intended to identify such forward-looking statements.

The Corporation's actual results may differ materially from the results anticipated in these forward-looking statements due to a variety of factors, including, without limitation:

- o The effects of future economic conditions on Mid Penn and its customers;
- o The costs and effects of litigation and of unexpected or adverse outcomes in such litigation;
- o Governmental monetary and fiscal policies, as well as legislative and regulatory changes;
- o The effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Financial Accounting Standards Board and other accounting standard setters;
- o The risks of changes in interest rates on the level and composition of deposits, loan demand, and the values of loan collateral, securities and interest rate protection agreements, as well as interest rate risks;
- o The effects of competition from other commercial banks, thrifts, mortgage banking firms, consumer finance companies, credit unions, securities brokerage firms, insurance companies, money market and other mutual funds and other financial institutions operating in Mid Penn's market area and elsewhere, including institutions operating locally, regionally, nationally and internationally, together with such competitors offering banking products and services by mail, telephone, computer and the internet;
- o Technological changes;
- o Acquisitions and integration of acquired businesses;
- o The failure of assumptions underlying the establishment of reserves for loan and lease losses and estimations of values of collateral and various financial assets and liabilities; and
- o Acts of war or terrorism.

Mid Penn undertakes no obligation to publicly revise or update these forward-looking statements to reflect events or circumstances that arise after the date of this report. Readers should carefully review the risk factors described in the Annual Report and other documents that we periodically file with the SEC, including Mid Penn's Annual Report on Form 10-K for the year ended

CRITICAL ACCOUNTING POLICIES

Management of the Corporation considers the accounting policy relating to the allowance for loan and lease losses to be a critical accounting policy given the uncertainty in evaluating the level of the allowance required to cover credit losses inherent in the loan and lease portfolio and the material effect that such judgments can have on the results of operations. While management's current evaluation of the allowance indicates that the allowance is adequate, under adversely different conditions or assumptions, the allowance may need to be increased. For example, if historical loan and lease loss experience significantly worsened or if current economic conditions significantly deteriorated, additional provisions for loan and lease losses may be required to increase the allowance. In addition, the assumptions and estimates used in the

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internal reviews of the Corporation's non-performing loans and leases and potential problem loans and leases have a significant impact on the overall analysis of the adequacy of the allowance. While management has concluded that the current evaluation of collateral values is reasonable under the circumstances, if collateral valuations were significantly lowered, the Corporation's allowance may also require additional provisions for loan and lease losses. Throughout the remainder of this presentation, the terms "loan" or "loans" refers to both loans and leases.

RESULTS OF OPERATIONS

OVERVIEW

Net income was \$1,122,000 or \$0.32 per share for the quarter ended September 30, 2008, as compared to net income of \$1,210,000 or \$0.35 per share for the quarter ended September 30, 2007. Net interest income in the third quarter increased from \$4,058,000 in 2007 to \$4,292,000 in 2008.

Higher personnel and professional expenses offset the increases in service charge income during the quarter as we added additional talent to our staff and as we continue to update our computer systems with a goal of continuing to improve our operational support capabilities.

The provision for loan and lease losses in the third quarter of 2008 was \$275,000, as compared to \$175,000 in the third quarter of 2007. The increased provision reflects both strong loan growth during the quarter as well as weakening economic conditions.

Net income as a percent of average assets, (return on average assets or "ROA"), and stockholders' equity, (return on average equity or "ROE"), were as follows on an annualized basis:

<TABLE>

<CAPTION>

	Three Months Ended September 30,		Nine Months Ended Sep
	2008	2007	2008
	----	----	----
<S>	<C>	<C>	<C>
Return on average assets	0.82%	0.97%	0.84%
Return on average equity	11.10%	12.31%	11.09%
Efficiency ratio	64.16%	60.63%	64.55%

</TABLE>

Total assets grew to \$552,412,000 at September 30, 2008, from \$509,757,000 on December 31, 2007. This asset growth was boosted by strong loan demand with net loans of \$419,383,000 at September 30, 2008 compared to \$372,338,000 at year-end, an increase of approximately \$47 million.

Deposit growth was also quite strong during the first nine months of 2008. Total deposits were \$417,897,000 at September 30, 2008, compared to \$372,817,000 at December 31, 2007, an increase of approximately \$45 million. This increase in deposits was boosted by a successful special-rate certificate of deposit promotion launched early in 2008 as well as an anniversary special, which took place throughout the third quarter.

NET INTEREST INCOME/FUNDING SOURCES

Net interest income, Mid Penn's primary source of revenue, is the amount by which interest income on loans and investments exceeds interest incurred on deposits and borrowings. The amount of net interest income is affected by

changes in interest rates and changes in the volume and mix of interest-sensitive assets and liabilities. Net interest income and corresponding yields are presented in the analysis below on a taxable-equivalent basis. Income from tax-exempt assets, primarily loans to or securities issued by state and local governments, is adjusted by an amount equivalent to the federal income taxes which would have been paid if the income received on these assets was taxable at the statutory rate of 34%.

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Average Balances, Effective Interest Differential and Interest Yields Interest rates and interest differential - taxable equivalent basis

<TABLE>

<CAPTION>

(Dollars in thousands)	for the Nine Months Ended September 30, 2008			for the Ni Septem	
	Average Balance	Interest	Rate (%)	Average Balance	
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS:					
Interest Earning Balances	\$ 56,211	\$ 1,961	4.66%	\$ 46,956	\$
Investment Securities:					
Taxable	23,490	752	4.28%	24,782	
Tax-Exempt	27,990	1,454	6.94%	29,726	
Total Investment Securities	51,480			54,508	
Federal Funds Sold	--	--	0.00%	624	
Loans and Leases, Net:					
Taxable	387,194	19,877	6.86%	356,579	
Tax-Exempt	8,487	453	7.13%	9,048	
Total Loans and Leases, Net	395,681			365,627	
Total Earning Assets	503,372	24,497	6.50%	467,715	
Cash and Due from Banks	7,826			7,559	
Other Assets	21,717			20,915	
Total Assets	\$532,915			\$496,189	
LIABILITIES & STOCKHOLDERS' EQUITY:					
Interest Bearing Deposits:					
NOW	\$ 36,265	86	0.32%	\$ 35,048	
Money Market	67,592	1,063	2.10%	63,927	
Savings	25,749	50	0.26%	26,067	
Time	227,488	7,424	4.36%	203,117	
Short-term Borrowings	30,533	557	2.44%	22,528	
Long-term Debt	52,038	2,030	5.21%	56,908	
Total Interest Bearing Liabilities	439,665	11,210	3.41%	407,595	
Demand Deposits	46,571			44,021	
Other Liabilities	6,252			5,696	
Stockholders' Equity	40,427			38,877	
Total Liabilities and Stockholders' Equity	\$532,915			\$496,189	
Net Interest Income		\$ 13,287			\$
Net Yield on Interest Earning Assets:					
Total Yield on Earning Assets			6.50%		
Rate on Supporting Liabilities			3.41%		
Average Interest Spread			3.09%		
Net Interest Margin			3.53%		

</TABLE>

For the nine months ended September 30, 2008, Mid Penn's taxable-equivalent net interest margin declined to 3.53% from 3.67% during the nine months ended September 30, 2007, driven primarily by the recent reduction in interest rates and the tightening spread between the yield on earning assets and the cost of supporting liabilities. In spite of this margin compression, net interest income, on a taxable-equivalent basis, in the first nine months of 2008 increased to \$13,287,000 from \$12,826,000 in the first nine months of 2007, due to the strong growth in average earning assets, which increased 7.62% from

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Although the effective interest rate impact on earning assets and funding sources can be reasonably estimated at current interest rate levels, the options selected by customers, and the future mix of the loan, investment and deposit products in the Bank's portfolios, may significantly change the estimates used in the simulation models. In addition, our net interest income may be impacted by further interest rate actions of the Federal Reserve Bank.

PROVISION FOR LOAN LOSSES

The provision for loan and lease losses is the expense necessary to maintain the allowance for loan and lease losses at a level adequate to absorb management's estimate of probable losses in the loan and lease portfolio. Mid Penn's provision for loan and lease losses is based upon management's quarterly review of the loan portfolio. The purpose of the review is to assess loan quality, identify impaired loans and leases, analyze delinquencies, ascertain loan and lease growth, evaluate potential charge-offs and recoveries, and assess general economic conditions in the markets we serve.

During the third quarter of 2008, we continued to experience a challenging operating environment. Given the economic pressures that impact some of our borrowers, we have increased our allowance for loan and lease losses in accordance with our assessment process, which took into consideration our increase in nonperforming loans from September 30, 2007. The provision for loan and lease losses was \$530,000 for the nine months ended September 30, 2008, as compared to \$375,000 for the nine months ended September 30, 2007. For further discussion of factors affecting the provision for loan and lease losses please see Credit Quality, Credit Risk, and Allowance for Loan and Lease Losses in the Financial Condition section of this Management Discussion and Analysis.

NONINTEREST INCOME

Noninterest income increased by \$249,000 or 33.2% during the third quarter of 2008 versus the third quarter of 2007. During the first nine months of 2008, noninterest income increased \$347,000 or 14.1% over the same period in 2007. The net increases were a result of increases in the following components of noninterest income:

<TABLE>

<CAPTION>

(Dollars in thousands)

	Three Months Ended September 30,			
	2008	2007	\$ Variance	% Variance
	----	----	-----	-----
<S>	<C>	<C>	<C>	<C>
Service charges on deposits	\$ 455	\$ 386	\$ 69	17.9%
Miscellaneous income	132	-	132	100.0%

</TABLE>

<TABLE>

<CAPTION>

(Dollars in thousands)

	Nine Months Ended September 30,			
	2008	2007	\$ Variance	% Variance
	----	----	-----	-----
<S>	<C>	<C>	<C>	<C>
Service charges on deposits	\$ 1,303	\$ 1,115	\$ 188	16.9%
Retail investment sales commissions	151	121	30	24.8%
ATM and debit card income	358	320	38	11.9%
Miscellaneous income	167	48	119	247.9%

</TABLE>

The increases in service charges on deposits in both the three-month and nine-month periods reflect an increase in Mid Penn's overdraft fee during the first quarter of 2008. The jump in miscellaneous income is the result of the loan discount on the purchased loans from the Omega branch acquisition being incorrectly treated as a premium. This income represents the aggregate entry necessary to correct the cumulative accounting for these loan pools. Both increases in retail investment sales commissions and ATM and debit card income reflect the successful expansion of services in these areas. The costs associated with the expanding ATM and debit card programs are reflected below.

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NONINTEREST EXPENSES

Noninterest expenses increased by \$475,000 or 15.6% during the third quarter of 2008, versus the same period in 2007. During the first nine months of 2008, noninterest expenses increased \$908,000 or 9.5% over the same period in 2007. The net increases were a result of (increases) decreases in the following components of noninterest expense:

<TABLE>

<CAPTION>

(Dollars in thousands)

	Three Months Ended September 30,			
	2008	2007	\$ Variance	% Variance
<S>	<C>	<C>	<C>	<C>
Salaries and employee benefits	\$ 1,832	\$ 1,670	\$ (162)	-9.7%
Occupancy expense	227	202	(25)	-12.4%
Professional fees	220	105	(115)	-109.5%
Advertising expense	155	86	(69)	-80.2%
Check fraud	43	12	(31)	-258.3%

</TABLE>

<TABLE>

<CAPTION>

(Dollars in thousands)

	Nine Months Ended September 30,			
	2008	2007	\$ Variance	% Variance
<S>	<C>	<C>	<C>	<C>
Salaries and employee benefits	\$ 5,428	\$ 4,982	\$ (446)	-9.0%
Occupancy expense	754	640	(114)	-17.8%
Pennsylvania Bank Shares tax expense	277	246	(31)	-12.6%
ATM and debit card processing expense	142	112	(30)	-26.8%
Professional fees	516	425	(91)	-21.4%
Advertising expense	337	311	(26)	-8.4%
Check and debit card fraud	110	30	(80)	-266.7%

</TABLE>

The increases in salaries and employee benefits reflect the impact of the current initiative to add talented team members throughout the organization to position Mid Penn for handling current needs and future growth. Increased occupancy expenses reflect the first full year of operation of our Camp Hill office, opened in September of 2007. Advertising expenses are higher in 2008 as we promote our 140th anniversary. During the third quarter of 2008, Mid Penn experienced increasing incidents of substantially overdrawn deposit accounts and check fraud resulting in increased write-offs when compared to the same period in 2007. Professional Fees have increased in 2008 due to increased legal expenses surrounding loan workout activities.

FINANCIAL CONDITION

INVESTMENT SECURITIES

Securities to be held for indefinite periods of time, but not intended to be held to maturity, are classified as available for sale and carried at fair value. Securities held for indefinite periods of time include securities that management intends to use as part of its asset and liability management strategy and that may be sold in response to changes in interest rates, resultant prepayment risk, and other factors related to interest rate and resultant prepayment risk changes.

Realized gains and losses on dispositions are based on the net proceeds and the adjusted book value of the securities sold, using the specific identification method. Unrealized gains and losses on investment securities available for sale are based on the difference between book value and fair value of each security. These gains and losses are credited or charged to other comprehensive income, whereas realized gains and losses flow through the Corporation's results of operations.

Interest-bearing balances with other financial institutions is comprised mainly of certificates of deposit in other financial institutions. All of these investments are fully covered by FDIC Insurance.

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As of September 30, 2008 and December 31, 2007, all of Mid Penn's investment securities are classified as available-for-sale, with the stratification noted in the table below:

<TABLE>

<CAPTION>

(Dollars in thousands)

	September 30, 2008		December 31
	Amortized Cost	Fair Value	Amortized Cost
	<C>	<C>	<C>
Available-for-sale:			
U.S. Government agencies	\$ 13,365	\$ 13,155	\$ 12,044
Mortgage-backed U.S. government agencies	4,614	4,668	6,862
State and political subdivision obligations	25,301	25,395	30,437
Restricted equity securities	4,313	4,299	4,072
	-----	-----	-----
Total investment securities	\$ 47,593	\$ 47,517	\$ 53,415
	=====	=====	=====

</TABLE>

At December 31, 2007, fair value exceeded amortized cost by \$657,000 and at September 30, 2008, amortized cost exceeded fair value by \$76,000. In shareholders' equity, the balance of accumulated other comprehensive income decreased to \$(200,000) at September 30, 2008 from \$284,000 at December 31, 2007.

CREDIT QUALITY, CREDIT RISK AND ALLOWANCE FOR LOAN AND LEASE LOSSES

During the first nine months of 2008, Mid Penn had net charge-offs of \$253,000 as compared to net charge-offs of \$121,000 during the same period of 2007. We may need to make future adjustments to the allowance, and the provision for loan and lease losses, if economic conditions or loan credit quality differs substantially from the assumptions used in making our evaluation of the level of the allowance for loan losses as compared to the balance of outstanding loans.

ANALYSIS OF THE ALLOWANCE FOR LOAN AND LEASE LOSSES:

<TABLE>

<CAPTION>

(Dollars in thousands)

	Nine Months Ended	
	September 30, 2008	September 30, 2007
	<C>	<C>
Average total loans outstanding (net of unearned income)	\$ 395,681	\$ 395,681
Period ending total loans outstanding (net of unearned income)	\$ 424,450	\$ 424,450
Balance, beginning of period	\$ 4,790	\$ 4,790
Loans charged off during period	(352)	(352)
Recoveries of loans previously charged off	99	99
	-----	-----
Net chargeoffs	(253)	(253)
	-----	-----
Provision for loan and lease losses	530	530
	-----	-----
Balance, end of period	\$ 5,067	\$ 5,067
	=====	=====
Ratio of net loans charged off to average loans outstanding (annualized)	0.09%	0.09%
Ratio of allowance for loan losses to net loans at end of period	1.19%	1.19%

</TABLE>

Other than as described herein, we do not believe there are any trends, events or uncertainties that are reasonably expected to have a material impact on future results of operations, liquidity or capital resources. Further, based on known information, we believe that the effects of current and past economic conditions and other unfavorable business conditions may impact certain borrowers' abilities to comply with their repayment terms. We continue to closely monitor these borrowers' financial strength.

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At September 30, 2008, total nonperforming loans amounted to \$4,029,000, or .95% of loans and leases net of unearned income, as compared to levels of \$4,317,000, or 1.14%, at December 31, 2007 and \$2,350,000, or .63%, at September 30, 2007.

SCHEDULE OF NONPERFORMING ASSETS:

<TABLE>
<CAPTION>

(Dollars in thousands)

	September 30, 2008	December 31, 2007	Septem
<S>	<C>	<C>	<C>
Nonperforming Assets:			
Nonaccrual loans	\$ 3,978	\$ 4,317	
Loans renegotiated with borrowers	51	--	
Total nonperforming loans	4,029	4,317	
Foreclosed real estate	1,374	529	
Other repossessed property	--	58	
Total non-performing assets	5,403	4,904	
Accruing loans 90 days or more past due	3,971	2,439	
Total risk elements	\$ 9,374	\$ 7,343	
Nonperforming loans as a % of total loans outstanding	0.95%	1.14%	
Nonperforming assets as a % of total loans outstanding + other real estate	1.27%	1.30%	
Ratio of allowance for loan losses to nonperforming loans	125.76%	110.96%	

Mid Penn considers a loan or lease to be impaired when, based upon current information and events, it is probable that all interest and principal payments due according to the contractual terms of the loan or lease agreement will not be collected. An insignificant delay or shortfall in the amounts of payments would not cause a loan or lease to be considered impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan or lease and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. Larger groups of small-balance loans, such as residential mortgages and consumer installment loans, are collectively evaluated for impairment. Accordingly, individual consumer and residential loans are not separately identified for impairment disclosures unless such loans are the subject of a restructuring agreement. As previously discussed in Note 10 to the consolidated financial statements, Mid Penn determines the fair value of impaired loans on a case-by-case basis based primarily upon the fair value of the underlying collateral using Level 3 inputs comprised of customized collateral value discounting analyses. As of September 30, 2008, only the loans that were not accruing interest were considered to be impaired.

Mid Penn maintains the allowance for loan losses at a level believed adequate to absorb estimated probable loan losses. We are responsible for the adequacy of the allowance for loan losses, which is formally reviewed on a quarterly basis. The allowance is increased by a provision for loan and lease losses, which is charged to expense, and reduced by charge-offs, net recoveries. The evaluation of the adequacy of the allowance is based on our past loan loss experience, known and inherent risks in the portfolio, adverse situations that may affect the borrower's ability to repay (including the timing of future payments), the estimated value of any underlying collateral, composition of the loan portfolio, current economic conditions and other relevant factors. While we use available information to make such evaluations, future adjustments to the allowance may be necessary if economic conditions differ substantially from the assumptions used in making the evaluation.

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Various regulatory agencies, as an integral part of their examination process, review the Bank's allowance for loan losses. Such agencies may require us to recognize additions to the allowance based on their judgment of information available to them at the time of their examination. No adjustment to the allowance for loan losses was necessary as a result of our most recent regulatory examination.

Management believes, based on information currently available, that the current allowance for loan and lease losses of \$5,067,000 is adequate to meet potential loan and lease losses.

INCOME TAXES

The provision for income taxes was \$368,000 for the three months ended September 30, 2008, as compared to \$372,000 the same period of last year. The effective tax rate as of September 30, 2008 was 24.8%. Generally, our effective tax rate is below the statutory rate due to earnings on tax-exempt loans, investments, and bank-owned life insurance, and the impact of tax credits. The realization of deferred tax assets is dependent on future earnings. As a result of Mid Penn's adoption of FIN 48 and FIN 48-1 effective January 1, 2007, no significant income tax uncertainties were identified, therefore, Mid Penn recognized no adjustment for unrealized income tax benefits for the periods ended September 30, 2008 and December 31, 2007. We currently anticipate that future earnings will be adequate to fully utilize deferred tax assets.

LIQUIDITY

Mid Penn Bank's objective is to maintain adequate liquidity to meet funding needs at a reasonable cost and to provide contingency plans to meet unanticipated funding needs or a loss of funding sources, while minimizing interest rate risk. Adequate liquidity provides resources for credit needs of borrowers, for depositor withdrawals and for funding corporate operations. Sources of liquidity are as follows:

- o Agrowing core deposit base;
- o Proceeds from the sale or maturity of investment securities;
- o Proceeds from certificates of deposit in other financial institutions;
- o Payments received on loans and mortgage-backed securities; and,
- o Overnight correspondent bank borrowings on various credit lines, and borrowing capacity available from the FHLB.

We believe that our core deposits are fairly stable even in periods of changing interest rates like we are currently experiencing. Liquidity and funds management are governed by policies and are measured on a monthly basis. These measurements indicate that liquidity generally remains stable and exceeds our minimum defined levels of adequacy. Other than the trends of continued competitive pressures and volatile interest rates, there are no known demands, commitments, events or uncertainties that will result in, or that are reasonably likely to result in, liquidity increasing or decreasing in any material way.

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CAPITAL

Mid Penn Bancorp, Inc. is a financial holding company and, as such, chooses to maintain a well-capitalized status in its bank subsidiary. Quantitative measures established by regulation to ensure capital adequacy require Mid Penn to maintain minimum amounts and ratios (set forth below) of Tier 1 capital to average assets and of total capital (as defined in the regulations) to risk-weighted assets. As of September 30, 2008 and December 31, 2007, Mid Penn met all capital adequacy requirements to which the Bank is subject, and the Bank is considered "well-capitalized". Management is not aware of any current recommendations by regulatory authorities, which, if implemented, would have a material effect on Mid Penn's liquidity, capital resources or operations.

Mid Penn maintained the following regulatory capital levels and leverage and risk-based capital ratios in its bank subsidiary as of September 30, 2008, and December 31, 2007, as follows:

<TABLE>

<CAPTION>

(Dollars in thousands)

	September 30, 2008		December 31, 2007	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Leverage Ratio:				
Tier I capital to average total assets	\$ 39,416	7.30%	\$ 38,591	7.67%
Minimum required for capital adequacy purposes	21,588	4.00%	20,115	4.00%
To be well-capitalized under prompt corrective action provisions	26,985	5.00%	25,144	5.00%
Risk-based Capital Ratios:				
Tier I capital ratio - actual	39,416	9.15%	38,591	9.46%
Minimum required for capital adequacy purposes	17,222	4.00%	16,326	4.00%
To be well-capitalized under prompt corrective action provisions	25,834	6.00%	24,489	6.00%
Total capital ratio - actual	44,483	10.33%	43,381	10.63%
Minimum required for capital adequacy				

purposes	34,445	8.00%	32,652	8.00%
To be well-capitalized under prompt corrective action provisions	43,056	10.00%	40,815	10.00%

</TABLE>

RECENT DEVELOPMENTS

The global and U.S. economies are experiencing significantly reduced business activity as a result of, among other factors, disruptions in the financial system during the past year. Dramatic declines in the housing market during the past year, with falling home prices and increasing foreclosures and unemployment, have resulted in significant write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks. These write-downs, initially of mortgage-backed securities but spreading to credit default swaps and other derivative securities have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail.

Reflecting concern about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have reduced, and in some cases, ceased to provide funding to borrowers, including other financial institutions. The availability of credit, confidence in the financial sector, and level of volatility in the financial markets have been significantly adversely affected as a result. In recent weeks, volatility and disruption in the capital and credit markets has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength.

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In response to the financial crises affecting the banking system and financial markets and going concern threats to investment banks and other financial institutions, on October 3, 2008, the Emergency Economic Stabilization Act of 2008 (the "EESA") was signed into law. Pursuant to the EESA, the U.S. Treasury will have the authority to, among other things, purchase up to \$700 billion of mortgages, mortgage-backed securities and certain other financial instruments from financial institutions for the purpose of stabilizing and providing liquidity to the U.S. financial markets. The EESA included a provision for a temporary increase in FDIC insurance from \$100,000 to \$250,000 per depositor through December 31, 2009.

On October 14, 2008, Secretary Paulson, after consulting with the Federal Reserve and the FDIC, announced that the Department of the Treasury will purchase equity stakes in a wide variety of banks and thrifts. Under this program, known as the Troubled Asset Relief Program ("TARP") Capital Purchase Program, from the \$700 billion authorized by the EESA, the Treasury will make \$250 billion of capital available to U.S. financial institutions in the form of preferred stock. In conjunction with the purchase of preferred stock, the Treasury will receive warrants to purchase common stock with an aggregate market price equal to 15% of the preferred investment. Participating financial institutions will be required to adopt the Treasury's standards for executive compensation and corporate governance for the period during which the Treasury holds equity issued under TARP Capital Purchase Program.

Also on October 14, 2008, after receiving a recommendation from the boards of the FDIC and the Federal Reserve, and consulting with the President, Secretary Paulson signed the systemic risk exception to the FDIC Act, enabling the FDIC to temporarily provide a 100% guarantee of the senior debt of all FDIC-insured institutions and their holding companies, as well as deposits in non-interest bearing transaction deposit accounts under a Temporary Liquidity Guarantee Program. Coverage under the Temporary Liquidity Guarantee Program is available until November 12, 2008 without charge and thereafter at a cost of 75 basis points per annum for senior unsecured debt and 10 basis points per annum for non-interest bearing transaction deposits. [The Corporation is assessing its participation in both TARP Capital Purchase Program and the Temporary Liquidity Guarantee Program but has not yet made a definitive decision as to whether it will participate.]

It is not clear at this time what impact the EESA, TARP Capital Purchase Program, the Temporary Liquidity Guarantee Program, other liquidity and funding initiatives of the Federal Reserve and other agencies that have been previously announced, and any additional programs that may be initiated in the future will have on the financial markets and the other difficulties described above, including the extreme levels of volatility and limited credit availability currently being experienced, or on the U.S. banking and financial industries and the broader U.S. and global economies. Further adverse effects could have an adverse effect on the Corporation and its business.

ITEM 3 - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is defined as the exposure to interest rate risk, foreign currency exchange rate risk, commodity price risk, and other relevant market rate or price risks. For domestic banks, the majority of market risk is related to interest rate risk.

Interest rate sensitivity management requires the maintenance of an appropriate balance between interest sensitive assets and liabilities. Interest bearing assets and liabilities that are maturing or repricing should be adequately balanced to avoid fluctuating net interest margins and to enhance consistent growth of net interest income through periods of changing interest rates. Mid Penn has consistently followed a strategy of pricing assets and liabilities according to prevailing market rates while largely matching maturities, within the guidelines of sound marketing and competitive practices. Rate sensitivity is measured by monthly gap analysis, quarterly rate shocks, and periodic simulation.

No material changes in the market risk strategy occurred during the current period and no material changes have been noted in the Corporation's equity value at risk. A detailed discussion of market risk is provided in the Form 10-K for the year ended December 31, 2007. Mid Penn enjoys a closely balanced position that does not place it at undue risk under any interest rate scenario. Deposit dollars in transaction accounts are discretionarily priced so management maintains significant pricing flexibility.

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ITEM 4 - CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

Mid Penn maintains controls and procedures designed to ensure that information required to be disclosed in the reports that the Corporation files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the Securities and Exchange Commission. Based upon their evaluation of those controls and procedures as of September 30, 2008, the Corporation's Chief Executive Officer and Chief Financial Officer concluded that the disclosure controls and procedures were adequate.

CHANGES IN INTERNAL CONTROLS

During the three months ended September 30, 2008, there were no changes in Mid Penn's internal controls over financial reporting that have materially affected, or are reasonable likely to materially affect, these controls.

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PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Management is not aware of any litigation that would have a material adverse effect on the consolidated financial position of Mid Penn. There are no proceedings pending other than the ordinary routine litigation incident to the business of Mid Penn. In addition, management does not know of any material proceedings contemplated by governmental authorities against the Corporation or any of its properties.

ITEM 1A - RISK FACTORS

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2007.

THE SOUNDNESS OF OTHER FINANCIAL INSTITUTIONS MAY ADVERSELY AFFECT US.

Financial services institutions are interrelated as a result of trading,

clearing, counterparty, or other relationships. The Corporation has exposure to many different industries and counterparties, and routinely executes transactions with counterparties in the financial services industry, including commercial banks, brokers and dealers, investment banks, and other institutional clients. Many of these transactions expose the Corporation to credit risk in the event of a default by a counterparty or client. In addition, the Corporation's credit risk may be exacerbated when the collateral held by the Corporation cannot be realized upon or is liquidated at prices not sufficient to recover the full amount of the credit or derivative exposure due to the Corporation. Any such losses could have a material adverse affect on the Corporation's financial condition and results of operations.

CURRENT LEVELS OF MARKET VOLATILITY ARE UNPRECEDENTED AND MAY HAVE MATERIALLY ADVERSE EFFECTS ON OUR LIQUIDITY AND FINANCIAL CONDITION.

The capital and credit markets have been experiencing extreme volatility and disruption for more than 12 months. In recent weeks, the volatility and disruption have reached unprecedented levels. In some cases, the markets have exerted downward pressure on stock prices, security prices and credit capacity for certain issuers without regard to those issuers' underlying financial strength. If the current levels of market disruption and volatility continue or worsen, there can be no assurance that we will not experience adverse effects, which may be material, on our liquidity, financial condition and profitability.

ITEM 2 - UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

In September of 2005, Mid Penn Bancorp's Board of Directors approved a Stock Repurchase Program under which the Corporation could buy back up to 250,000 shares of Mid Penn Bancorp, Inc. common stock. The Board of Directors, at their June 25, 2008 meeting, voted to end the Stock Repurchase Program effective June 30, 2008. During the Stock Repurchase Program, 34,504 shares had been repurchased at an average price of \$24.75 per share.

On October 10, 2008, Mid Penn Bancorp's Board of Directors approved a Stock Repurchase Program under which the Corporation could buy back, in open market and privately negotiated transactions, up to 50,000 shares of Mid Penn Bancorp, Inc. common stock.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

None

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ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None

ITEM 6 - EXHIBITS

- o Exhibit No. 3(i) - The Registrant's Articles of Incorporation. (Incorporated by reference to Registrant's Annual Report on form 10-K filed with the Securities and Exchange Commission on March 10, 2008.)
- o Exhibit 3(ii) - The Registrant's By-laws. (Incorporated by reference to Registrant's Annual Report on form 10-K filed with the Securities and Exchange Commission on March 10, 2008.)
- o Exhibit 10.1 - Mid Penn Bank's Profit Sharing Retirement Plan. (Incorporated by reference to Registrant's Annual Report on form 10-K filed with the Securities and Exchange Commission on March 10, 2008.)
- o Exhibit 10.2 - Mid Penn Bank's Employee Stock Ownership Plan. (Incorporated by reference to Registrant's Annual Report on form 10-K filed with the Securities and Exchange Commission on March 10, 2008.)
- o Exhibit 10.3 - The Registrant's Dividend Reinvestment Plan, as amended and restated. (Incorporated by reference to Registrant's Registration Statement on Form S-3, filed with the Securities and Exchange Commission on October 12, 2005.)
- o Exhibit 10.4 - Salary Continuation Agreement between Mid Penn Bank and Alan W. Dakey. (Incorporated by reference to Registrant's Annual Report on form

10-K filed with the Securities and Exchange Commission on March 28, 2003.)

- o Exhibit 10.5 - Split Dollar Agreement between Mid Penn Bank and Eugene F. Shaffer. (Incorporated by reference to Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 14, 2005.)
- o Exhibit 10.6 - Death Benefit Plan and Agreement between Mid Penn Bank and the Trustee of the Eugene F. Shaffer Irrevocable Trust. (Incorporated by reference to Registrant's Annual Report on Form 10-K filed with the Securities and Exchange Commission on March 14, 2005.)
- o Exhibit 10.7 - Executive Employment Agreement between Mid Penn Bank and Alan W. Dakey dated as of August 31, 2007. Incorporated by reference to Registrant's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 6, 2007.)
- o Exhibit 10.8 - Key Executive Management Change of Control between Mid Penn Bancorp, Inc. and Kevin W. Laudenslager dated as of April 1, 2008. (Incorporated by reference to Registrant's Current Report on form 8-K filed with the Securities and Exchange Commission on April 4, 2008.)
- o Exhibit 10.9 - Revised Directors' Retirement Plan (Incorporated by reference to Registrant's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2008.)
- o Exhibit 10.10 - Executive Deferred Compensation Agreement by and between Mid Pen Bank and Alan W. Dakey dated as of July 24, 2002.
- o Exhibit 10.11 - Split Dollar Agreement between Mid Penn Bank and Alan W. Dakey effective January 1, 1999.
- o Exhibit 10.12 - Executive Deferred Bonus Agreement between Mid Penn Bank and Alan W. Dakey dated as of January 15, 1999.

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- o Exhibit 10.13 - Amended and Restated Director Deferred Fee Agreement effective January 1, 2005 between Mid Penn Bank and Alan W. Dakey.
- o Exhibit 11.1 - Statement regarding the computation of Per Share Earnings. (Included in body of 10-Q.)
- o Exhibit No. 31.1 - Certification of Principal Executive Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002
- o Exhibit No. 31.2 - Certification of Principal Financial Officer Pursuant to Exchange Act Rules 13a-14(a)/15d-14(a) as added by Section 302 of the Sarbanes-Oxley Act of 2002
- o Exhibit No. 32 - Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as added by Section 906 of the Sarbanes-Oxley Act of 2002

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Mid Penn Bancorp, Inc.
(Registrant)

By /s/ Edwin D. Schlegel

Edwin D. Schlegel
Interim President and CEO
(Principal Executive Officer)

Date: November 5, 2008

By /s/ Kevin W. Laudenslager

Kevin W. Laudenslager
Treasurer
(Principal Financial and
Accounting Officer)

Date: November 5, 2008

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MID PENN BANK
EXECUTIVE DEFERRED COMPENSATION AGREEMENT

THIS AGREEMENT is made this 24th day of July, 2002, by and between Mid Penn Bank, a state commercial bank located in Millersburg, Pennsylvania (the "Company"), and ALAN DAKEY (the "Executive").

INTRODUCTION

To encourage the Executive to remain an employee of the Company, the Company is willing to provide to the Executive a deferred compensation opportunity. The Company will pay the Executive's benefits from the Company's general assets.

AGREEMENT

The Executive and the Company agree as follows:

ARTICLE 1
DEFINITIONS

1.1 DEFINITIONS. Whenever used in this Agreement, the following words and phrases shall have the meanings specified:

1.1.1 "CHANGE OF CONTROL" shall mean any of the following:

(A) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than the Corporation, a subsidiary of the Corporation, an employee benefit plan (or related trust) of the Corporation or a direct or indirect subsidiary of the Corporation, or affiliates of the Corporation (as defined in Rule 12b-2 under the Exchange Act), becomes the beneficial owner (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing more than 20% of the

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combined voting power of the Corporation's then outstanding securities or announces a tender offer or exchange offer for securities of the Corporation representing more than 20% of the combined voting power of the Corporation's then outstanding securities; or

(B) the liquidation or dissolution of the Corporation or the Company or the occurrence of, or execution of an agreement providing for, a sale of all or substantially all of the assets of the Corporation or the Company to an entity which is not a direct or indirect subsidiary of the Corporation; or

(C) the occurrence of, or execution of an agreement providing for, a reorganization, merger, consolidation or other similar transaction or connected series of transactions of the Corporation as a result of which either (a) the Corporation does not survive or (b) pursuant to which shares of the Corporation common stock ("Common Stock") would be converted into cash, securities or other property, UNLESS, in case of either (a) or (b), the holders of Corporation Common Stock immediately prior to such transaction will, following the consummation of the transaction, beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation surviving, continuing or resulting from such transaction; or

(D) the occurrence of, or execution of an agreement providing for, a reorganization, merger, consolidation, or similar transaction of the Corporation, or before any connected series of such transactions, if, upon consummation of such transaction or transactions, the persons who are members of the Board of Directors of the Corporation immediately before such transaction or transactions cease or, in the case of the execution of an agreement for such transaction or transactions, it is contemplated in such agreement that upon consummation such persons would cease, to constitute a majority of the Board of Directors of the Corporation or, in a case where the Corporation

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does not survive in such transaction, of the corporation surviving, continuing or resulting from such transaction or transactions; or

(E) any other event which is at any time designated as a "Change of Control" for purposes of this Agreement by a resolution adopted by the Board of Directors of the Corporation with the affirmative vote of a majority of the non-employee directors in office at the time the resolution is adopted; in the event any such resolution is adopted, the Change of Control event specified thereby shall be deemed incorporated herein by reference and thereafter may not be amended, modified or revoked without the written agreement of Executive.

Notwithstanding anything else to the contrary set forth in this Agreement, if (i) an agreement is executed by the Corporation or the Company providing for any of the transactions or events constituting a Change of Control as defined herein, and the agreement subsequently expires or is terminated without the transaction or event being consummated, and (ii) Director's membership on the Company's Board did not terminate during the period after the agreement and prior to such expiration or termination, for purposes of this Agreement it shall be as though such agreement was never executed and no Change of Control event shall be deemed to have occurred as a result of the execution of such agreement.

1.1.2 "CODE" means the Internal Revenue Code of 1986, as amended.

1.1.3 "COMPENSATION" means the total salary and bonus paid to the Executive during a Plan Year.

1.1.4 "CORPORATION" means Mid Penn Bancorp, Inc.

1.1.5 "DISABILITY" means the Executive's suffering a sickness, accident or injury which has been determined by the carrier of any individual or group disability insurance

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policy covering the Executive, or by the Social Security Administration, to be a disability rendering the Executive totally and permanently disabled. The Executive must submit proof to the Company of the carrier's or Social Security Administration's determination upon the request of the Company.

1.1.6 "ELECTION FORM" means the Form attached as Exhibit A.

1.1.7 "DEFERRALS" means the amount of the Executive's Compensation, which the Executive elects to defer according to this Agreement.

1.1.8 "NORMAL BENEFIT AGE" means the Executive's 62nd birthday.

1.1.9 "NORMAL BENEFIT DATE" means the later of the Normal Benefit Age or the Executive's Termination of Employment.

1.1.10 "TERMINATION OF EMPLOYMENT" means that the Executive ceases to be employed by the Company for any reason, voluntary or involuntary, other than by reason of a leave of absence approved by the Company.

ARTICLE 2
DEFERRAL ELECTION

2.1 INITIAL ELECTION. The Executive shall make an initial deferral election under this Agreement by filing with the Company a signed Election Form within 30 days after the Effective Date of this Agreement. The Election Form shall set forth the amount of Compensation to be deferred and shall be effective to defer only Compensation earned after the date the Election Form is received by the Company.

2.2 ELECTION CHANGES

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2.2.1 GENERALLY. UPON THE COMPANY'S APPROVAL, the Executive may modify the amount of Compensation to be deferred annually by filing a new Election Form with the Company prior to the beginning of the Plan Year in which the Compensation is to be deferred. The modified deferral election shall not be effective until the calendar year following the year in which the subsequent Election Form is received and approved by the Company.

2.2.2 HARDSHIP. If an unforeseeable financial emergency arising from the death of a family member, divorce, sickness, injury, catastrophe or similar event outside the control of the Executive occurs, the Executive, by written instructions to the Company, may reduce future deferrals under this Agreement.

ARTICLE 3
DEFERRAL ACCOUNT

3.1 ESTABLISHING AND CREDITING. The Company shall establish a Deferral Account on its books for the Executive, and shall credit to the Deferral Account the following amounts:

3.1.1 DEFERRALS. The Compensation deferred by the Executive as of the time the Compensation would have otherwise been paid to the Executive.

3.1.2 INTEREST. Interest is to be compounded semi-annually on the account balance using an annual rate equal to 8%.

3.2 STATEMENT OF ACCOUNTS. The Company shall provide to the Executive, within one hundred twenty (120) days after each anniversary of this Agreement, a statement setting forth the Deferral Account balance.

3.3 ACCOUNTING DEVICE ONLY. The Deferral Account is solely a device for measuring amounts to be paid under this Agreement. The Deferral Account is not a trust fund of any kind. The Executive is a general unsecured creditor of the Company for the payment of benefits. The benefits represent the mere Company promise to pay such benefits. The

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Executive's rights are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by the Executive's creditors.

ARTICLE 4
LIFETIME BENEFITS

4.1 NORMAL TERMINATION BENEFIT. Upon the Executive's Normal Benefit Date, the Company shall pay to the Executive the benefit described in this Section 4.1 in lieu of any other benefit under this Agreement.

4.1.1 AMOUNT OF BENEFIT. The benefit under this Section 4.1 is the Deferral Account balance at the Executive's Termination of Employment.

4.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [OPTION 1] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's Normal Benefit Date. The Company shall amortize the Deferral Account balance using the interest rate described in Section 3.1.2.

4.2 EARLY TERMINATION BENEFIT. If the Executive terminates Employment as an Executive before the Normal Benefit Age for reasons other than death or Disability, the Company shall pay to the Executive the benefit described in this Section 4.2. in lieu of any other benefit under this Agreement.

4.2.1 AMOUNT OF BENEFIT. The benefit under this Section 4.2 is Deferral Account balance at the Executive's Normal Benefit Age. Interest shall be credited to the account between the Executive's date of Termination of Employment and his Normal Benefit Age as specified in Section 3.1.2.

4.2.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive

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[OPTION 1] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's Normal Benefit Age. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.3 DISABILITY BENEFIT. Upon Termination of Employment for Disability prior to the Normal Benefit Age, the Company shall pay to the Executive the benefit described in this Section 4.3 in lieu of any other benefit under this Agreement.

4.3.1 AMOUNT OF BENEFIT. The benefit under this Section 4.3 is the Deferral Account balance at the Executive's Termination of Employment.

4.3.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [OPTION 1] in a lump sum [OPTION 2] in equal monthly installments over 15 years commencing on the first day of the month following the Executive's Termination of Employment. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.4 CHANGE OF CONTROL BENEFIT. Upon a Change of Control while the Executive is in the active employment of the Company, the Company shall pay to the Executive the benefit described in this Section 4.4 in lieu of any other benefit under this Agreement.

4.4.1 AMOUNT OF BENEFIT. The benefit under this Section 4.4 is the Deferral Account balance at the date of the Executive's Termination of Employment.

4.4.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [OPTION 1] in a lump sum [OPTION 2] in equal monthly installments over 15 years commencing on the first day of the month following the Executive's Termination of Employment. The Company shall continue to credit interest as described in Section 3.1.2

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on the balance of the Deferral Account until all payments have been

distributed.

4.5 HARDSHIP DISTRIBUTION. Upon the Company's determination (following petition by the Executive) that the Executive has suffered an unforeseeable financial emergency as described in Section 2.2.2, the Company shall distribute to the Executive all or a portion of the Deferral Account balance as determined by the Company, but in no event shall the distribution be greater than is necessary to relieve the financial hardship.

ARTICLE 5 DEATH BENEFITS

5.1 DEATH PRIOR TO COMMENCEMENT OF BENEFIT PAYMENTS. If the Executive dies prior to commencement of benefit payments, the Company shall pay to the Executive's beneficiary the benefit described in this Section 5.1 in lieu of any other benefit under this Agreement.

5.1.1 AMOUNT OF BENEFIT. The benefit amount under Section 5.1 is the Deferral Account balance at the time of the Executive's death.

5.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the beneficiary [OPTION 1] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's death. The Company shall amortize the Deferral Account balance as described in 3.1.2.

5.2 DEATH DURING BENEFIT PERIOD. If the Executive dies after benefit payments have commenced under this Agreement but before receiving all such payments, the Company shall pay the remaining benefits to the Executive's beneficiary at the same time and in the same amounts they would have been paid to the Executive had the Executive survived.

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ARTICLE 6 BENEFICIARIES

6.1 BENEFICIARY DESIGNATIONS. The Executive shall designate a beneficiary by filing a written designation with the Company. The Executive may revoke or modify the designation at any time by filing a new designation. However, designations will only be effective if signed by the Executive and accepted by the Company during the Executive's lifetime. The Executive's beneficiary designation shall be deemed automatically revoked if the beneficiary predeceases the Executive, or if the Executive names a spouse as beneficiary and the marriage is subsequently dissolved. If the Executive dies without a valid beneficiary designation, all payments shall be made to the Executive's estate.

6.2 FACILITY OF PAYMENT. If a benefit is payable to a minor, to a person declared incompetent, or to a person incapable of handling the disposition of his or her property, the Company may pay such benefit to the guardian, legal representative or person having the care or custody of such minor, incompetent person or incapable person. The Company may require proof of incompetence, minority or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Company from all liability with respect to such benefit.

ARTICLE 7 GENERAL LIMITATIONS

In lieu of any other benefit under this Agreement, the Company shall pay the Executive (or his beneficiary if applicable) the Executive's Deferral Account Balance in a lump sum within 60 days following Executive's Termination of Employment under the following conditions:

7.1 TERMINATION FOR CAUSE. If the Company terminates the Executive's employment as a Executive for:

7.1.1 Gross negligence or gross neglect of duties;

7.1.2 Commission of a felony or of a gross misdemeanor involving moral turpitude; or

7.1.3 Fraud, disloyalty, dishonesty or willful violation of any law or significant Company policy committed in connection with the Executive's Employment and resulting in an adverse financial effect on the Company.

7.2 SUICIDE. If the Executive commits suicide within two years after the date of this Agreement, or if the Executive has made any material misstatement of fact on any application for life insurance purchased by the Company.

ARTICLE 8
CLAIMS AND REVIEW PROCEDURES

8.1 CLAIMS PROCEDURE. A Participant or beneficiary ("claimant") who has not received benefits under the Plan that he or she believes should be paid shall make a claim for such benefits as follows:

8.1.1 INITIATION - WRITTEN CLAIM. The claimant initiates a claim by submitting to the Company a written claim for the benefits.

8.1.2 TIMING OF COMPANY RESPONSE. The Company shall respond to such claimant within 90 days after receiving the claim. If the Company determines that special circumstances require additional time for processing the claim, the Company can extend the response period by an additional 90 days by notifying the claimant in writing, prior to the end of the initial 90-day period, that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Company expects to render its decision.

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8.1.3 NOTICE OF DECISION. If the Company denies part or all of the claim, the Company shall notify the claimant in writing of such denial. The Company shall write the notification in a manner calculated to be understood by the claimant. The notification shall set forth:

- (a) The specific reasons for the denial,
- (b) A reference to the specific provisions of the Plan on which the denial is based,
- (c) A description of any additional information or material necessary for the claimant to perfect the claim and an explanation of why it is needed,
- (d) An explanation of the Plan's review procedures and the time limits applicable to such procedures, and
- (e) A statement of the claimant's right to bring a civil action under ERISA Section 502(a) following an adverse benefit determination on review.

8.2 REVIEW PROCEDURE. If the Company denies part or all of the claim, the claimant shall have the opportunity for a full and fair review by the Company of the denial, as follows:

8.2.1 INITIATION - WRITTEN REQUEST. To initiate the review, the claimant, within 60 days after receiving the Company's notice of denial, must file with the Company a written request for review.

8.2.2 ADDITIONAL SUBMISSIONS - INFORMATION ACCESS. The claimant shall then have the opportunity to submit written comments, documents,

records and other information relating to the claim. The Company shall also provide the claimant, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim for benefits.

8.2.3 CONSIDERATIONS ON REVIEW. In considering the review, the Company shall take into account all materials and information the claimant submits relating to the claim,

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without regard to whether such information was submitted or considered in the initial benefit determination.

8.2.4 TIMING OF COMPANY RESPONSE. The Company shall respond in writing to such claimant within 60 days after receiving the request for review. If the Company determines that special circumstances require additional time for processing the claim, the Company can extend the response period by an additional 60 days by notifying the claimant in writing, prior to the end of the initial 60-day period, that an additional period is required. The notice of extension must set forth the special circumstances and the date by which the Company expects to render its decision.

8.2.5 NOTICE OF DECISION. The Company shall notify the claimant in writing of its decision on review. The Company shall write the notification in a manner calculated to be understood by the claimant. The notification shall set forth:

- (a) The specific reasons for the denial,
- (b) A reference to the specific provisions of the Plan on which the denial is based,
- (c) A statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant (as defined in applicable ERISA regulations) to the claimant's claim for benefits, and
- (d) A statement of the claimant's right to bring a civil action under ERISA Section 502(a).

ARTICLE 9 AMENDMENTS AND TERMINATION

This Agreement may be amended or terminated only by a written agreement signed by the Company and the Executive.

ARTICLE 10 MISCELLANEOUS

10.1 BINDING EFFECT. This Agreement shall bind the Executive and the Company, and their beneficiaries, survivors, executors, administrators and transferees.

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10.2 NO GUARANTEE OF EMPLOYMENT. This Agreement is not a contract for employment. It does not give the Executive the right to remain an employee of the Company, nor does it interfere with the Company's right to discharge the Executive. It also does not require the Executive to remain an employee nor interfere with the Executive's right to terminate employment at any time.

10.3 NON-TRANSFERABILITY. Benefits under this Agreement cannot be sold,

transferred, assigned, pledged, attached or encumbered in any manner.

10.4 TAX WITHHOLDING. The Company shall withhold any taxes that are required to be withheld from the benefits provided under this Agreement.

10.5 APPLICABLE LAW. The Agreement and all rights hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the laws of the United States of America.

10.6 UNFUNDED ARRANGEMENT. The Executive and beneficiary are general unsecured creditors of the Company for the payment of benefits under this Agreement. The benefits represent the mere promise by the Company to pay such benefits. The rights to benefits are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors. Any insurance on the Executive's life is a general asset of the Company to which the Executive and beneficiary have no preferred or secured claim.

10.7 REORGANIZATION. The Company shall not merge or consolidate into or with another company, or reorganize, or sell substantially all of its assets to another company, firm, or person unless such succeeding or continuing company, firm, or person agrees to assume and discharge the obligations of the Company under this Agreement.

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10.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Company and the Executive as to the subject matter hereof. No rights are granted to the Executive by virtue of this Agreement other than those specifically set forth herein.

10.9 ADMINISTRATION. The Company shall have powers which are necessary to administer this Agreement, including but not limited to:

10.9.1 Interpreting the provisions of the Agreement;

10.9.2 Establishing and revising the method of accounting for the Agreement;

10.9.3 Maintaining a record of benefit payments; and

10.9.4 Establishing rules and prescribing any forms necessary or desirable to administer the Agreement.

IN WITNESS WHEREOF, the Executive and a duly authorized Company officer have signed this Agreement.

EXECUTIVE:

COMPANY:

/s/ Alan Dakey

By /s/ [ILLEGIBLE]

Alan Dakey

Title Director

By execution hereof, Mid Penn Bancorp, Inc. consents to and agrees to be bound by the terms and condition of this Agreement.

ATTEST:

CORPORATION:
MID PENN BANCORP, INC.

/s/ [ILLEGIBLE]

By /s/ [ILLEGIBLE]

Title

EXHIBIT A
MID PENN BANK
EXECUTIVE DEFERRED COMPENSATION AGREEMENT

DEFERRAL ELECTION

I elect to defer my compensation received from the Company, as follows:

AMOUNT OF DEFERRAL

[INITIAL AND COMPLETE ONE]

- I elect to defer _____% of my compensation each year (excluding bonuses)
- I elect to defer _____% of my compensation and bonuses each year
- I elect to defer \$20000 per year
- I elect not to defer any of my compensation

I understand that I may change the amount and duration of my deferrals by filing a new election form with the Company; provided, however, that any subsequent election will not be effective until the calendar year following the year in which the new election is received by the Company.

Signature /s/ Alan Dakey

Date 7-24-02

Accepted by the Company this 24th day of July, 2002.

By /s/ [ILLEGIBLE]

Title Director

BENEFICIARY DESIGNATION

MID PENN BANK
EXECUTIVE DEFERRED COMPENSATION AGREEMENT

I designate the following as beneficiary of benefits under the Executive Deferred Compensation Agreement payable following my death:

- Primary: DIANA G. DAKEY
- Contingent: JANET DAKEY 50%
- ERIC DAKEY 50%

NOTE: TO NAME A TRUST AS BENEFICIARY, PLEASE PROVIDE THE NAME OF THE TRUSTEE(S) AND THE EXACT NAME AND DATE OF THE TRUST AGREEMENT.

I understand that I may change these beneficiary designations by filing a new written designation with the Company. I further understand that the designations

will be automatically revoked if the beneficiary predeceases me, or, if I have named my spouse as beneficiary, in the event of the dissolution of our marriage.

Signature /s/ Alan Dakey

Date 7-24-02

Accepted by the Company this 24th day of July, 2002.

By /s/ [ILLEGIBLE]

Title

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MID PENN BANK
SPLIT DOLLAR LIFE INSURANCE PLAN

THIS PLAN, hereby made effective this 1st day of January 1999, by and between MID PENN BANK, a state commercial bank located in Millersburg, Pennsylvania (the "Company") and the Participant selected to participate in this Plan (the "Participant").

INTRODUCTION

The Company wishes to attract, retain and reward highly qualified executives and directors. To further this objective, the Company is willing to divide the death proceeds of certain life insurance policies which are owned by the Company on the lives of the selected participants with their designated beneficiary. The Company will pay the life insurance premiums from its general assets.

ARTICLE 1
GENERAL DEFINITIONS

The following terms shall have the meanings specified:

1.1 "CHANGE OF CONTROL" means any of the following:

(A) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than the Corporation, a subsidiary of the Corporation, an employee benefit plan (or related trust) of the Corporation or a direct or indirect subsidiary of the Corporation, or affiliates of the Corporation (as defined in Rule 12b-2 under the Exchange Act), becomes the beneficial owner (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing more than 20% of the combined voting power of the Corporation's then outstanding securities or announces a tender offer or exchange offer for securities of the Corporation representing more than 20% of the combined voting power of the Corporation's then outstanding securities; or

(B) the liquidation or dissolution of the Corporation or the Company or the occurrence of, or execution of an agreement providing for, a sale of all or substantially all of the assets of the Corporation or the Company to an entity which is not a direct or indirect subsidiary of the Corporation; or

(C) the occurrence of, or execution of an agreement providing for, a reorganization, merger, consolidation or other similar transaction or connected series of transactions of the Corporation as a result of which either (a) the Corporation does not survive or (b) pursuant to which shares of the Corporation common stock ("Common Stock") would be converted into cash, securities or other property, unless, in case of

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either (a) or (b), the holders of Corporation Common Stock immediately prior to such transaction will, following the consummation of the transaction, beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation surviving, continuing or resulting from such transaction; or

(D) the occurrence of, or execution of an agreement providing for, a reorganization, merger, consolidation, or similar transaction of the Corporation, or before any connected series of such transactions, if, upon consummation of such transaction or transactions, the persons who are members of the Board of Directors of the Corporation immediately before

such transaction or transactions cease or, in the case of the execution of an agreement for such transaction or transactions, it is contemplated in such agreement that upon consummation such persons would cease, to constitute a majority of the Board of Directors of the Corporation or, in a case where the Corporation does not survive in such transaction, of the corporation surviving, continuing or resulting from such transaction or transactions; or

(E) any other event which is at any time designated as a "Change of Control" for purposes of this Agreement by a resolution adopted by the Board of Directors of the Corporation with the affirmative vote of a majority of the non-employee directors in office at the time the resolution is adopted; in the event any such resolution is adopted, the Change of Control event specified thereby shall be deemed incorporated herein by reference and thereafter may not be amended, modified or revoked without the written agreement of Executive.

Notwithstanding anything else to the contrary set forth in this Agreement, if (i) an agreement is executed by the Corporation or the Company providing for any of the transactions or events constituting a Change of Control as defined herein, and the agreement subsequently expires or is terminated without the transaction or event being consummated, and (ii) Participant's employment did not terminate during the period after the agreement and prior to such expiration or termination, for purposes of this Agreement it shall be as though such agreement was never executed and no Change of Control event shall be deemed to have occurred as a result of the execution of such agreement.

1.2 "CORPORATION" means Mid Penn Bancorp, Inc.

1.3 "COMPENSATION COMMITTEE" means either the Compensation Committee designated from time to time by the Company's Board of Directors or a majority of the Company's Board of Directors, either of which shall hereinafter be referred to as the Compensation Committee.

1.4 "DISABILITY" means the Participant's inability to perform substantially all normal duties of an employee, as determined by the Company's Board of Directors in its sole discretion. As a condition to any benefits, the Company may require the Participant to submit

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to such physical or mental evaluations and tests as the Board of Directors deems appropriate.

1.5 "INSURED" means the individual whose life is insured.

1.6 "INSURER" means the insurance company issuing the life insurance policy on the life of the insured.

1.7 "NORMAL RETIREMENT AGE" means the Participant attaining age 65.

1.8 "NORMAL RETIREMENT DATE" means the later of the Normal Retirement Age or the date that the Participant terminates or is terminated for any reason other than being Terminated for Cause.

1.9 "PARTICIPANT" means the executive who is designated by the Compensation Committee as eligible to participate in the Plan, elects in writing to participate in the Plan using the form attached hereto as Exhibit A, and signs a Split Dollar Endorsement for the Policy in which he or she is the Insured.

1.10 "POLICY" or "POLICIES" means the individual insurance policy (or policies) adopted by the Compensation Committee for purposes of insuring a Participant's life under this Plan.

1.11 "PLAN" means this instrument, including all amendments thereto.

1.12 "PLAN YEAR" means each twelve months from the effective date of this Plan.

1.13 "THREE TIMES BASE ANNUAL SALARY" means the current base annual salary of the Participant at the earliest of: (1) the date of the Participant's death; (2) the date of the Participant's Disability; or (3) the Participant's Termination of Employment, multiplied by a factor of three, but not in excess of the maximum dollar amount of the Participant's interest set forth in Exhibit B.

1.14 "TERMINATION OF EMPLOYMENT" means the date of termination as a full-time employee.

1.15 "TERMINATED FOR CAUSE" means that the Company has terminated the Participant's employment for any of the following reasons:

1.15.1 Gross negligence or gross neglect of duties;

1.15.2 Commission of a felony or of a gross misdemeanor involving moral turpitude; or

1.15.3 Fraud, disloyalty, dishonesty or willful violation of any law or significant Company policy committed in connection with the Participant's employment and

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resulting in an adverse effect on the Company.

1.16 "VESTED INSURANCE BENEFIT" means the Company will provide the Participant with continued insurance coverage after the Participant's Termination of Employment.

1.17 "YEARS OF SERVICE" means total years of employment with the Company including any approved leaves of absences.

ARTICLE 2 PARTICIPATION

2.1 ELIGIBILITY TO PARTICIPATE. The Compensation Committee in its sole discretion shall designate from time to time Participants that are eligible to participate in this Plan.

2.2 PARTICIPATION. The eligible executive may participate in this Plan by executing an Election to Participate and a Split Dollar Endorsement. The Split Dollar Endorsement shall bind the Participant and his or her beneficiaries, assigns and transferees, to the terms and conditions of this Plan. An executive's participation is limited to only Policies where he or she is the Insured. Exhibit B attached hereto sets forth the original Insured participants and the Policies on their lives.

2.3 TERMINATION OF PARTICIPATION. A Participant's rights under this Plan shall cease and his or her participation in this Plan shall terminate if any of the following events occur: (1) the Participant's employment with the Company is terminated prior the Participant meeting any of the criteria for a Vested Insurance Benefit under section 5.1; (2) the Participant's employment with the Company is Terminated for Cause; or (3) the Plan or any Participant's rights under the Plan are terminated in accordance with Section 12.1 of this Agreement. In the event that the Company decides to maintain the Policy after the Participant's termination of participation in the Plan, the Company shall be the direct beneficiary of the entire death proceeds of the Policy.

ARTICLE 3 PREMIUM PAYMENTS

The Company shall pay all premiums due on all Policies.

ARTICLE 4 POLICY OWNERSHIP/INTERESTS

4.1 COMPANY OWNERSHIP. The Company shall own the Policies and shall have the right to exercise all incidents of ownership and, subject to section 7.1, the Company may terminate a

Policy without the consent of the Insured. With respect to each Policy, the Company shall be the direct beneficiary of an amount of death proceeds equal to the greatest of: (1) the cash surrender value of the policy; (2) the aggregate premiums paid on the Policy by the Company less any outstanding indebtedness to the Insurer; or (3) the amount in excess of Three Times Base Annual Salary of the Insured/Participant. If the Company owns more than one policy on a Participant, the Policies shall be aggregated with respect to item (3) of this section.

4.2 PARTICIPANT'S INTEREST. Each Participant, or the Participant's assignee, shall have the right to designate the beneficiary of the death proceeds of the Policy remaining after the payment to the Company of its interests. The Participant shall also have the right to elect and change settlement options with the consent of the Company and the Insurer.

ARTICLE 5
VESTING

5.1 VESTED INSURANCE BENEFIT. The Participant shall have a Vested Insurance Benefit equal to Three Times Base Annual Salary at the earliest of the following events:

- 5.1.1 Reaching Normal Retirement Age while employed by the Company;
- 5.1.2 Reaching a total of 70 when the Participant's age and Years of Service are combined;
- 5.1.3 Termination of Employment due to Disability; or
- 5.1.4 Termination of Employment following a Change of Control.

5.2 LOSS OF BENEFIT. Notwithstanding the provisions of Section 5.1, the Participant will lose his or her Vested Insurance Benefit if: (1) the Participant is Terminated for Cause; (2) the Participant violates the non-competition provisions described in Article 8; (3) the Participant commits suicide within two years of the date of this Agreement, (4) the Participant has made any material misstatement of fact on any application for life insurance purchased by the Company; or (5) in the case of a Disabled Participant, if such Participant becomes gainfully employed by an entity other than the Company.

ARTICLE 6
IMPUTED INCOME/REIMBURSEMENT

6.1 IMPUTED INCOME. The Company shall impute income to the Participant in an amount equal to the current term rate for the Participant's age multiplied by the aggregate death benefit payable to the Participant's beneficiary. The "current term rate" is the minimum amount required to be imputed under Revenue Rulings 64-328 and 66-110, or any subsequent

applicable authority. The Company will provide each participant with an annual statement of the amount of income reportable by the participant for federal and state income tax purposes as a result of such imputed income.

6.2 REIMBURSEMENT. If a Participant has a Vested Insurance Benefit, he or she will be entitled to certain annual cash reimbursements from the Company. Such payments will be made pursuant to Exhibit C, but will cease upon the death of the insured.

ARTICLE 7
COMPARABLE COVERAGE

7.1 INSURANCE POLICIES. If a Participant has a Vested Insurance Benefit, the Company may provide such benefit through the Policies purchased at the commencement of this Plan or may provide comparable insurance coverage to the Participant through whatever means the Company deems appropriate. If the

Participant waives his or her right to the benefit, the Company can choose to cancel the Policy or Policies on the Participant, or may continue such coverage and become the direct beneficiary of the entire death proceeds.

7.2 OFFER TO PURCHASE. If the Company discontinues a Policy on an active or vested the Participant for any reason, the Company shall give the Participant at least thirty (30) days to purchase such Policy. The purchase price shall be the cash surrender value of the Policy. Such notification shall be in writing.

ARTICLE 8 COMPETITION AFTER TERMINATION OF EMPLOYMENT

No benefit shall be provided if the Participant, without the prior written consent of the Company, engages in, becomes interested in, directly or indirectly, as a sole proprietor, as a partner in a partnership, or as a substantial shareholder in a corporation, or becomes associated with, in the capacity of employee, director, officer, principal, agent, trustee or in any other capacity whatsoever, any enterprise conducted in the trading area (a 50 mile radius of the main office of the Company), which enterprise is, or may be deemed to be, competitive with any business carried on by the Company as of the date of termination of the Participant's employment or his retirement. This section shall not apply following a Change of Control.

ARTICLE 9 ASSIGNMENT

Any Participant may assign without consideration all interests in his or her Policy and in this Plan to any person, entity or trust. In the event a Participant shall transfer all of his/her

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interest in the Policy, then all of that Participant's interest in his or her Policy and in the Plan shall be vested in his/her transferee, subject to such transferee executing agreements binding them to the provisions of this Plan, who shall be substituted as a party hereunder, and that Participant shall have no further interest in his or her Policy or in this Plan.

ARTICLE 10 INSURER

The Insurer shall be bound only by the terms of their corresponding Policy. Any payments the Insurer makes or actions it takes in accordance with a Policy shall fully discharge it from all claims, suits and demands of all persons relating to that Policy. The Insurer shall not be bound by the provisions of this Plan, except to the extent of any endorsement filed with the Insurer. The Insurer shall have the right to rely on the Company's representations with regard to any definitions, interpretations, or Policy interests as specified under this Plan.

ARTICLE 11 CLAIMS PROCEDURE

11.1 CLAIMS PROCEDURE. The Company shall notify any person or entity that makes a claim against this Plan (the "Claimant"), in writing, within ninety (90) days of Claimant's written application for benefits, of Claimant's eligibility or ineligibility for benefits under this Plan. If the Company determines that Claimant is not eligible for benefits or full benefits, the notice shall set forth (1) the specific reasons for such denial, (2) a specific reference to the provisions of this Plan on which the denial is based, (3) a description of any additional information or material necessary for the Claimant to perfect Claimant's claim, and a description of why it is needed, and (4) an explanation of this Plan's claims review procedure and other appropriate information as to the steps to be taken if the Claimant wishes to have the claim reviewed. If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional ninety-day period. Upon resolution of all open issues, the Company shall receive the proceeds and upon recovering the share of the proceeds to which it is entitled, shall distribute the Claimant's

proceeds.

11.2 REVIEW PROCEDURE. If a Claimant is determined by the Company not to be eligible for benefits, or if the Claimant believes that Claimant is entitled to greater or different benefits, the Claimant shall have the opportunity to have such claim reviewed by the Company by filing a petition for review with the Company within sixty (60) days after receipt of the notice issued by the Company. Said petition shall state the specific reasons which the Claimant believes entitle Claimant to benefits or to greater or different benefits. Within sixty (60) days after receipt by the Company of the petition, the Company shall afford the Claimant (and counsel, if any) an opportunity to present Claimant's position to the Company verbally or in writing, and

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the Claimant (or counsel) shall have the right to review the pertinent documents. The Company shall notify the Claimant of its decision in writing within the sixty-day period, stating specifically the basis of its decision, written in a manner calculated to be understood by the Claimant and the specific provisions of this Plan on which the decision is based. If, because of the need for a hearing, the sixty-day period is not sufficient, the decision may be deferred for up to another sixty-day period at the election of the Company, but notice of this deferral shall be given to the Claimant.

ARTICLE 12
AMENDMENT OR TERMINATION OF PLAN

12.1 NON-VESTED INSURANCE BENEFIT. Unless a Participant has a Vested Insurance Benefit pursuant to Section 5.1, the Company may amend or terminate the Plan at any time, or may amend or terminate a Participant's rights under the Plan at any time prior to a Participant's death by written notice to the Participant.

12.2 VESTED INSURANCE BENEFIT. If a Participant has a Vested Insurance Benefit, the Company may amend or terminate the Plan only if (1) continuation of the Plan would cause significant financial harm to the Company and (2) the Participant agrees to such action.

ARTICLE 13
MISCELLANEOUS

13.1 BINDING EFFECT. This Plan in conjunction with each Split Dollar Endorsement shall bind each Participant and the Company, their beneficiaries, survivors, executors, administrators and transferees and any Policy beneficiary.

13.2 NO GUARANTEE OF EMPLOYMENT. This Plan is not an employment policy or contract. It does not give a Participant the right to remain an employee of the Company, nor does it interfere with the Company's right to discharge a Participant. It also does not require a Participant to remain an employee nor interfere with a Participant's right to terminate employment at any time.

13.3 NAMED FIDUCIARY. For purposes of the Employee Retirement Income Security Act of 1974, if applicable, the Company shall be the named fiduciary and plan administrator under the Plan. The named fiduciary may delegate to others certain aspects of the management and operation responsibilities of the plan including the employment of advisors and the delegation of ministerial duties to qualified individuals.

13.4 APPLICABLE LAW. The Plan and all rights hereunder shall be governed by and construed according to the laws of the Commonwealth of Pennsylvania, except to the extent

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preempted by the laws of the United States of America.

13.5 NOTICE. Any notice, consent or demand required or permitted to be given under the provisions of this Plan by one party to another shall be in writing, shall be signed by the party giving or making the same, and may be given either by delivering the same to such other party personally, or by

mailing the same, by United States certified mail, postage prepaid, to such party, addressed to his/her last known address as shown on the records of the Company. The date of such mailing shall be deemed the date of such mailed notice, consent or demand.

13.6 ENTIRE AGREEMENT. This Plan constitutes the entire agreement between the Company and the Participant as to the subject matter hereof. No rights are granted to the Participant by virtue of this Plan other than those specifically set forth herein.

13.7 ADMINISTRATION. The Company shall have powers which are necessary to administer this Plan, including but not limited to:

13.7.1 Interpreting the provisions of the Plan;

13.7.2 Establishing and revising the method of accounting for the Plan;

13.7.3 Maintaining a record of benefit payments; and

13.7.4 Establishing rules and prescribing any forms necessary or desirable to administer the Plan.

13.8 DESIGNATED FIDUCIARY. For purposes of the Employee Retirement Income Security Act of 1974, if applicable, the Company shall be the named fiduciary and plan administrator under the Agreement. The named fiduciary may delegate to others certain aspects of the management and operation responsibilities of the plan including the employment of advisors and the delegation of ministerial duties to qualified individuals.

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IN WITNESS WHEREOF, the Company executes this Plan as of the date indicated above.

COMPANY:

MID PENN BANK

By /s/ [ILLEGIBLE]

Title VP

By execution hereof, Mid Penn Bancorp, Inc. consents to and agrees to be bound by the terms and condition of this Agreement.

ATTEST:

CORPORATION:
MID PENN BANCORP, INC.

/s/ [ILLEGIBLE]

By /s/ [ILLEGIBLE]

Title Treas

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(C) 1999 BANK COMPENSATION STRATEGIES GROUP

THIS DOCUMENT IS PROVIDED TO ASSIST YOUR LEGAL COUNSEL IN DOCUMENTING YOUR SPECIFIC ARRANGEMENT. IT IS NOT A FORM TO BE SIGNED, NOR IS IT TO BE CONSTRUED AS LEGAL ADVICE. FAILURE TO ACCURATELY DOCUMENT YOUR ARRANGEMENT COULD RESULT IN SIGNIFICANT LOSSES, WHETHER FROM CLAIMS OF THOSE PARTICIPATING IN THE ARRANGEMENT, FROM THE HEIRS AND BENEFICIARIES OF PARTICIPANTS, OR FROM REGULATORY AGENCIES SUCH AS THE INTERNAL REVENUE SERVICE AND THE DEPARTMENT OF LABOR. LICENSE IS HEREBY GRANTED TO YOUR LEGAL COUNSEL TO USE THESE MATERIALS IN DOCUMENTING SOLELY YOUR ARRANGEMENT.

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MID PENN BANK

EXECUTIVE DEFERRED BONUS AGREEMENT

THIS AGREEMENT is made this 15 day of January, 1999, by and between Mid Penn Bank, a state commercial bank located in Millersburg, Pennsylvania (the "Company"), and Alan W. Dakey (the "Executive").

INTRODUCTION

To encourage the Executive to remain a member of the Company's Board of Executives, the Company is willing to provide to the Executive a deferred Bonus opportunity. The Company will pay the benefits from its general assets.

AGREEMENT

The Executive and the Company agree as follows:

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ARTICLE 1

DEFINITIONS

1.1 DEFINITIONS. Whenever used in this Agreement, the following words and phrases shall have the meanings specified:

1.1.1 "CHANGE OF CONTROL" shall mean any of the following:

(A) any person (as such term is used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), other than the Corporation, a subsidiary of the Corporation, an employee benefit plan (or related trust) of the Corporation or a direct or indirect subsidiary of the Corporation, or affiliates of the Corporation (as defined in Rule 12b-2 under the Exchange Act), becomes the beneficial owner (as determined pursuant to Rule 13d-3 under the Exchange Act), directly or indirectly, of securities of the Corporation representing more than 20% of the combined voting power of the Corporation's then outstanding securities or announces a tender offer or exchange offer for securities of the Corporation representing more than 20% of the combined voting power of the Corporation's then outstanding securities; or

(B) the liquidation or dissolution of the Corporation or the Company or the occurrence of, or execution of an agreement providing for, a sale of all or substantially all of the assets of the Corporation or the Company to an entity which is not a direct or indirect subsidiary of the Corporation; or

(C) the occurrence of, or execution of an agreement providing

for, a reorganization, merger, consolidation or other similar transaction or connected series of transactions of the Corporation as a result of which either (a) the Corporation does not survive or (b) pursuant to which shares of the Corporation

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common stock ("Common Stock") would be converted into cash, securities or other property, UNLESS, in case of either (a) or (b), the holders of Corporation Common Stock immediately prior to such transaction will, following the consummation of the transaction, beneficially own, directly or indirectly, more than 50% of the combined voting power of the then outstanding voting securities entitled to vote generally in the election of directors of the corporation surviving, continuing or resulting from such transaction; or

(D) the occurrence of, or execution of an agreement providing for, a reorganization, merger, consolidation, or similar transaction of the Corporation, or before any connected series of such transactions, if, upon consummation of such transaction or transactions, the persons who are members of the Board of Directors of the Corporation immediately before such transaction or transactions cease or, in the case of the execution of an agreement for such transaction or transactions, it is contemplated in such agreement that upon consummation such persons would cease, to constitute a majority of the Board of Directors of the Corporation or, in a case where the Corporation does not survive in such transaction, of the corporation surviving, continuing or resulting from such transaction or transactions; or

(E) any other event which is at any time designated as a "Change of Control" for purposes of this Agreement by a resolution adopted by the Board of Directors of the Corporation with the affirmative vote of a majority of the non-employee directors in office at the time the resolution is adopted; in the event any such resolution is adopted, the Change of Control event specified thereby shall be deemed incorporated herein by reference and thereafter may not be amended, modified or revoked without the written agreement of Executive.

Notwithstanding anything else to the contrary set forth in this Agreement, if (i) an agreement is executed by the Corporation or the Company providing for any of

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the transactions or events constituting a Change of Control as defined herein, and the agreement subsequently expires or is terminated without the transaction or event being consummated, and (ii) Executive's employment with the Company did not terminate during the period after the agreement and prior to such expiration or termination, for purposes of this Agreement it shall be as though such agreement was never executed and no Change of Control event shall be deemed to have occurred as a result of the execution of such agreement.

1.1.2 "CODE" means the Internal Revenue Code of 1986, as amended.

1.1.3 "CORPORATION" means Mid Penn Bancorp, Inc.

1.1.4 "DISABILITY" means the Executive's inability to perform substantially all the normal duties of an executive, as determined by the Company's Board of Directors in its sole discretion. As a condition to any benefits, the Company may require the Executive to submit to such physical or mental evaluations and tests as the Board of Directors deems appropriate.

1.1.5 "ELECTION FORM" means the Form attached as Exhibit A.

1.1.6 "BONUSES" means the total bonuses payable to the Executive.

1.1.7 "NORMAL BENEFIT AGE" means the Executive's 62nd birthday.

1.1.8 "NORMAL BENEFIT DATE" means the later of the Normal Benefit Age or the Executive's Termination of Service.

1.1.9 "TERMINATION OF SERVICE" means the Executive's ceasing to be a member of the Company's Board of Directors for any reason other than death.

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ARTICLE 2

DEFERRAL ELECTION

2.1 INITIAL ELECTION. The Executive shall make an initial deferral election under this Agreement by filing with the Company a signed Election Form within thirty (30) days after the date of this Agreement. The Election Form shall set forth the amount of Bonuses to be deferred, provided such deferral shall not exceed a cumulative total of \$100,000. The Election Form shall be effective to defer only bonuses earned after the date the Election Form is received by the Company.

2.2 ELECTION CHANGES

2.2.1 GENERALLY. The Executive may modify the amount of bonuses to be deferred annually by filing a new Election Form with the Company. The modified deferral shall not be effective until the calendar year following the year in which the subsequent Election Form is received by the Company. The Executive may not change the form of benefit payment initially elected under Section 2.1 without the written approval of the Board of Directors of the Company.

2.2.2 HARDSHIP. If an unforeseeable financial emergency arising from the death of a family member, divorce, sickness, injury, catastrophe or similar event outside the control of the Executive occurs, the Executive, by written instructions to the Company may reduce future deferrals under this Agreement.

ARTICLE 3

DEFERRAL ACCOUNT

3.1 ESTABLISHING AND CREDITING. The Company shall establish a Deferral Account

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on its books for the Executive, and shall credit to the Deferral Account the following amounts:

3.1.1 DEFERRALS. The Bonuses deferred by the Executive as of the time the Bonuses would have otherwise been paid to the Executive.

3.1.2 INTEREST. Interest is to be compounded semi-annually on the account balance using an annual rate equal to 8.00%.

3.2 STATEMENT OF ACCOUNTS. The Company shall provide to the Executive, within one hundred twenty (120) days after each anniversary of this Agreement, a statement setting forth the Deferral Account balance.

3.3 ACCOUNTING DEVICE ONLY. The Deferral Account is solely a device for measuring amounts to be paid under this Agreement. The Deferral Account is not a trust fund of any kind. The Executive is a general unsecured creditor of the

Company for the payment of benefits. The benefits represent the mere Company promise to pay such benefits. The Executive's rights are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by the Executive's creditors.

ARTICLE 4

LIFETIME BENEFITS

4.1 NORMAL TERMINATION BENEFIT. Upon the Executive's Normal Benefit Date, the Company shall pay to the Executive the benefit described in this Section 4.1 in lieu of any other benefit under this Agreement.

4.1.1 AMOUNT OF BENEFIT. The benefit under this Section 4.1 is the Deferral

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Account balance at the Executive's Termination of Service.

4.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [X] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's Normal Benefit Date. The Company shall amortize the Deferral Account balance using the interest rate described in Section 3.1.2.

4.2 EARLY TERMINATION BENEFIT. If the Executive terminates service as an executive before the Normal Benefit Age for reasons other than death or Disability, the Company shall pay to the Executive the benefit described in this Section 4.2. in lieu of any other benefit under this Agreement.

4.2.1 AMOUNT OF BENEFIT. The benefit under this Section 4.2 is Deferral Account balance at the Executive's Normal Benefit Age. Interest shall be credited to the account between the Executive's date of Termination of Service and his Normal Benefit Age as specified in Section 3.1.2.

4.2.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [X] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's Normal Benefit Age. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferred Account until all payments have been distributed.

4.3 DISABILITY BENEFIT. Upon Termination of Service for Disability prior to the Normal Benefit Age, the Company shall pay to the Executive the benefit described in this Section 4.3 in lieu of any other benefit under this Agreement.

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4.3.1 AMOUNT OF BENEFIT. The benefit under this Section 4.3 is the Deferral Account balance at the Executive's Termination of Service.

4.3.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [X] in a lump sum [OPTION 2] in equal monthly installments over 15 years commencing on the first day of the month following the Executive's Termination of Service. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferred Account until all payments have been distributed.

4.4 CHANGE OF CONTROL BENEFIT. Upon a Change of Control while the Executive is in the active service of the Company, the Company shall pay to the Executive the benefit described in this Section 4.4 in lieu of any other benefit under this Agreement.

4.4.1 AMOUNT OF BENEFIT. The benefit under this Section 4.4 is the

Deferral Account balance at the date of the Executive's Termination of Service.

4.4.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Executive [X] in a lump sum [OPTION 2] in equal monthly installments over 15 years commencing on the first day of the month following the Executive's Termination of Service. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferred Account until all payments have been distributed.

4.5 HARDSHIP DISTRIBUTION. Upon the Company's determination (following petition by the Executive) that the Executive has suffered an unforeseeable financial emergency as described in Section 2.2.2, the Company shall distribute to the Executive all or a portion of the Deferral Account balance as determined by the Company, but in

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no event shall the distribution be greater than is necessary to relieve the financial hardship.

ARTICLE 5

DEATH BENEFITS

5.1 DEATH PRIOR TO COMMENCEMENT OF BENEFIT PAYMENTS. If the Executive dies prior to commencement of benefit payments, the Company shall pay to the Executive's beneficiary the benefit described in this Section 5.1 in lieu of any other benefit under this Agreement.

5.1.1 AMOUNT OF BENEFIT. The benefit amount under Section 5.1 is the greater of the Deferral Account balance or \$274,000.

5.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the beneficiary [X] in a lump sum [OPTION 2] in equal monthly installments over 10 years commencing on the first day of the month following the Executive's death. The Company shall amortize the Deferral Account balance as described in 3.1.2.

5.2 DEATH DURING BENEFIT PERIOD. If the Executive dies after benefit payments have commenced under this Agreement but before receiving all such payments, the Company shall pay the remaining benefits to the Executive's beneficiary at the same time and in the same amounts they would have been paid to the Executive had the Executive survived.

ARTICLE 6

BENEFICIARIES

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6.1 BENEFICIARY DESIGNATIONS. The Executive shall designate a beneficiary by filing a written designation with the Company. The Executive may revoke or modify the designation at any time by filing a new designation. However, designations will only be effective if signed by the Executive and accepted by the Company during the Executive's lifetime. The Executive's beneficiary designation shall be deemed automatically revoked if the beneficiary predeceases the Executive, or if the Executive names a spouse as beneficiary and the marriage is subsequently dissolved. If the Executive dies without a valid beneficiary designation, all payments shall be made to the Executive's estate.

6.2 FACILITY OF PAYMENT. If a benefit is payable to a minor, to a person declared incompetent, or to a person incapable of handling the disposition of his or her property, the Company may pay such benefit to the guardian, legal representative or person having the care or custody of such minor, incompetent person or incapable person. The Company may require proof of incompetence,

minority or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Company from all liability with respect to such benefit.

ARTICLE 7

GENERAL LIMITATIONS

In lieu of any other benefit under this Agreement, the Company shall pay the Executive (or his beneficiary if applicable) the Executive's Deferral Account Balance in a lump sum within 60 days after Termination of Service under the following conditions:

7.1 TERMINATION FOR CAUSE. If the Company terminates the Executive's service as an executive for:

7.1.1 Gross negligence or gross neglect of duties;

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7.1.2 Commission of a felony or of a gross misdemeanor involving moral turpitude; or

7.1.3 Fraud, disloyalty, dishonesty or willful violation of any law or significant Company policy committed in connection with the Executive's service and resulting in an adverse financial effect on the Company.

7.2 SUICIDE. If the Executive commits suicide within two years after the date of this Agreement, or if the Executive has made any material misstatement of fact on any application for life insurance purchased by the Company.

ARTICLE 8

CLAIMS AND REVIEW PROCEDURES

8.1 CLAIMS PROCEDURE. The Company shall notify any person or entity that makes a claim against the Agreement (the "Claimant") in writing, within ninety (90) days of Claimant's written application for benefits, of Claimant's eligibility or ineligibility for benefits under the Agreement. If the Company determines that the Claimant is not eligible for benefits or full benefits, the notice shall set forth (1) the specific reasons for such denial, (2) a specific reference to the provisions of the Agreement on which the denial is based, (3) a description of any additional information or material necessary for the Claimant to perfect Claimant's claim, and a description of why it is needed, and (4) an explanation of the Agreement's claims review procedure and other appropriate information as to the steps to be taken if the Claimant wishes to have the claim reviewed. If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional ninety-day period.

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8.2 REVIEW PROCEDURE. If the Claimant is determined by the Company not to be eligible for benefits, or if the Claimant believes that Claimant is entitled to greater or different benefits, the Claimant shall have the opportunity to have such claim reviewed by the Company by filing a petition for review with the Company within sixty (60) days after receipt of the notice issued by the Company. Said petition shall state the specific reasons which the Claimant believes entitle Claimant to benefits or to greater or different benefits. Within sixty (60) days after receipt by the Company of the petition, the Company shall afford the Claimant (and counsel, if any) an opportunity to present Claimant's position to the Company orally or in writing, and the Claimant (or counsel) shall have the right to review the pertinent documents. The Company shall notify the Claimant of its decision in writing within the sixty-day

period, stating specifically the basis of its decision, written in a manner calculated to be understood by the Claimant and the specific provisions of the Agreement on which the decision is based. If, because of the need for a hearing, the sixty-day period is not sufficient, the decision may be deferred for up to another sixty-day period at the election of the Company, but notice of this deferral shall be given to the Claimant.

ARTICLE 9

AMENDMENTS AND TERMINATION

This Agreement may be amended or terminated only by a written agreement signed by the Company and the Executive.

ARTICLE 10

MISCELLANEOUS

10.1 BINDING EFFECT. This Agreement shall bind the Executive and the Company, and their beneficiaries, survivors, executors, administrators and transferees.

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10.2 NO GUARANTEE OF SERVICE. This Agreement is not a contract for services. It does not give the Executive the right to remain an executive of the Company, nor does it interfere with the shareholders' rights to replace the Executive. It also does not require the Executive to remain an executive nor interfere with the Executive's right to terminate services at any time.

10.3 NON-TRANSFERABILITY. Benefits under this Agreement cannot be sold, transferred, assigned, pledged, attached or encumbered in any manner.

10.4 TAX WITHHOLDING. The Company shall withhold any taxes that are required to be withheld from the benefits provided under this Agreement.

10.5 APPLICABLE LAW. The Agreement and all rights hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the laws of the United States of America.

10.6 UNFUNDED ARRANGEMENT. The Executive and beneficiary are general unsecured creditors of the Company for the payment of benefits under this Agreement. The benefits represent the mere promise by the Company to pay such benefits. The rights to benefits are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors. Any insurance on the Executive's life is a general asset of the Company to which the Executive and beneficiary have no preferred or secured claim.

10.7 REORGANIZATION. The Company shall not merge or consolidate into or with another company, or reorganize, or sell substantially all of its assets to another company, firm, or person unless such succeeding or continuing company, firm, or person agrees to assume and discharge the obligations of the Company under this Agreement.

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10.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the Company and the Executive as to the subject matter hereof. No rights are granted to the Executive by virtue of this Agreement other than those specifically set forth herein.

10.9 ADMINISTRATION. The Company shall have powers which are necessary to administer this Agreement, including but not limited to:

10.9.1 Interpreting the provisions of the Agreement;

10.9.2 Establishing and revising the method of accounting for the Agreement;

10.9.3 Maintaining a record of benefit payments; and

10.9.4 Establishing rules and prescribing any forms necessary or desirable to administer the Agreement.

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IN WITNESS WHEREOF, the Executive and a duly authorized Company officer have signed this Agreement.

EXECUTIVE:

COMPANY:

MID PENN BANK

/s/ Alan Dakey

By /s/ [ILLEGIBLE]

Title Chairman

By execution hereof, Mid Penn Bancorp, Inc. consents to and agrees to be bound by the terms and condition of this Agreement.

ATTEST:

CORPORATION:

MID PENN BANCORP, INC.

/s/ [ILLEGIBLE]

By /s/ [ILLEGIBLE]

Title Chairman

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SECOND AMENDMENT
TO THE
MID PENN BANK
AMENDED AND RESTATED DIRECTOR DEFERRED FEE AGREEMENT
DATED JANUARY 1, 2005
AND AMENDED JUNE 28, 2007
FOR
ALAN DAKEY

This Second Amendment is adopted this 26 day of March, 2008, by MID PENN BANK, a state-chartered commercial bank located in Millersburg, Pennsylvania (the "Company"), and ALAN DAKEY (the "Director").

The Company and the Director executed the Amended and Restated Director Deferred Fee Agreement effective as of January 1, 2005 and a First Amendment was executed on June 28, 2007 (the "Agreement").

The undersigned hereby amend the Agreement for the purpose of updating the death benefit. Therefore, the following changes shall be made:

SECTION 5.1.1 OF THE AGREEMENT SHALL BE DELETED IN ITS ENTIRETY AND REPLACED BY THE FOLLOWING:

5.1.1 AMOUNT OF BENEFIT. The benefit under this Section 5.1 is the Deferral Account balance at the Executive's death.

IN WITNESS OF THE ABOVE, the Company and the Director hereby consent to this First Amendment.

Director:

MID PENN BANK

/s/ Alan Dakey

By /s/ [ILLEGIBLE]

ALAN DAKEY

Title V. P.

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SECOND AMENDMENT
TO THE
MID PENN BANK
AMENDED AND RESTATED DIRECTOR DEFERRED FEE AGREEMENT
DATED JANUARY 1, 2005
AND AMENDED JUNE 28, 2007
FOR
ALAN DAKEY

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The Company and the Director executed the Amended and Restated Director Deferred Fee Agreement effective as of January 1, 2005 and a First Amendment was executed on June 28, 2007 (the "Agreement").

The undersigned hereby amend the Agreement for the purpose of updating the death benefit. Therefore, the following changes shall be made:

SECTION 5.1.1 OF THE AGREEMENT SHALL BE DELETED IN ITS ENTIRETY AND REPLACED BY THE FOLLOWING:

5.1.1 AMOUNT OF BENEFIT. The benefit under this Section 5.1 is the Deferral Account balance at the Executive's death.

IN WITNESS OF THE ABOVE, the Company and the Director hereby consent to this First Amendment.

Director:

MID PENN BANK

/s/ Alan Dakey

By /s/ [ILLEGIBLE]

ALAN DAKEY

Title V. P.

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MID PENN BANK

AMENDED AND RESTATED

DIRECTOR DEFERRED FEE AGREEMENT

THIS AMENDED AND RESTATED DIRECTOR DEFERRED FEE AGREEMENT ("Agreement") is effective the 1st day of January, 2005, by and among Mid Penn Bank, a state commercial bank located in Millersburg, Pennsylvania (the "Company"), Mid Penn Bancorp, Inc., a Pennsylvania corporation (the "Corporation") and Alan Dakey (the "Director").

WITNESSETH:

WHEREAS, the Company and the Director entered into a certain Director Deferred Fee Agreement dated December 30, 2005; and

WHEREAS, the Company and the Director wish to amend the Director Deferred Fee Agreement for compliance with Section 409A of the Internal Revenue Code ("Section 409A"); and

WHEREAS, the Company wishes to encourage the Director to remain a member of the Company's Board of Directors, and the Company is willing to provide to the Director a deferred fee opportunity, the benefits of which will be payable from the Company's general assets.

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

1.1 DEFINITIONS. Whenever used in this Agreement, the following words and phrases shall have the meanings specified:

1.1.1 A Change in Control (other than one occurring by reason of an acquisition of the Company by Employee) shall be deemed to have occurred if the Board of Directors of the Company certifies on an objective basis that one of the

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following has occurred:

(A) a sale or other transfer of ownership of all or substantially all (50% or more of the total gross fair market value) of the assets of Company to any individual, corporation, partnership, trust, or other entity or organization (a "Person") or group of Persons acting in concert as a partnership or other group, other than a Person controlling, controlled by, or under common control with Company;

(B) any Person or group of Persons acting in concert as a partnership or other group, other than a Person controlling,

controlled by, or under common control with Company, acquires ownership of stock in Company, that together with stock held by such Person or group, constitutes more than 50 percent of the total fair market value or total voting power of the stock of Company, provided such Person or group did not own more than 50 percent of the total fair market value or total voting power of the stock of Company prior to such acquisition; or

(C) the replacement of a majority of members of the Corporation's Board of Directors over any period of one year or less by directors whose appointment or election is not endorsed by a majority of the members of the Corporation's Board of Directors prior to the date of the appointment or election.

Notwithstanding anything else to the contrary set forth in this Agreement, if (i) an agreement is executed by the Corporation or the Company providing for any of the transactions or events constituting a Change in Control as defined herein, and the agreement subsequently expires or is terminated without the transaction or event being consummated, and (ii) Director's membership on the Company's Board did not terminate during the period after the agreement and prior to such expiration or termination, for purposes of this Agreement it shall be as though such agreement was never executed and no Change in Control event shall be deemed to have occurred as a result of the execution of such agreement.

1.1.2 "CODE" means the Internal Revenue Code of 1986, as amended.

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1.1.3 "CORPORATION" means Mid Penn Bancorp, Inc.

1.1.4 "DISABILITY" means the Director's inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than twelve (12) months.

1.1.5 "ELECTION FORM" means the Form attached as Exhibit A.

1.1.6 "FEES" means the total director fees payable to the Director.

1.1.7 "NORMAL BENEFIT AGE" means the Director's 70th birthday.

1.1.8 "NORMAL BENEFIT DATE" means the later of the Normal Benefit Age or the Director's Termination of Service.

1.1.9 "TERMINATION OF SERVICE" means the Director's ceasing to be a member of the Company's Board of Directors for any reason other than death.

ARTICLE 2 ELECTIONS

2.1 DEFERRAL ELECTION. The Director shall make a deferral election under this Agreement by filing with the Company a signed Election Form. The Election Form shall set forth the amount of Fees to be deferred. The Election Form shall be effective to defer only Fees earned in the calendar year following the date the Election Form is received by the Company and shall be irrevocable as of the last day of the calendar year preceding the year for which the election is made. For years after 2006, Fees may be deferred up to a maximum amount of Eight Thousand Dollars (\$8,000.00).

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2.2 DEFERRAL ELECTION CHANGES

2.2.1 GENERALLY. An Election Form on file with the Company shall

remain effective for future years, and shall become irrevocable as of December 31 of each immediately preceding year, until such time as the Director changes the deferral election by submitting a new Election Form; provided, however, that any such change shall not be effective until the calendar year following the year in which the new Election Form is received by the Company.

2.2.2 HARDSHIP. In the event of an unforeseeable emergency constituting a severe financial hardship of the Director or the Director's beneficiary resulting from an illness or accident of the Director or beneficiary, the Director's or beneficiary's spouse or the Director's or beneficiary's dependent (as defined in Code Section 152(a)); loss of the Director's or beneficiary's property due to casualty; or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Director or beneficiary, the Director, by written instructions to the Company, may cancel future deferrals under this Agreement. Subsequent to such cancellation, the Director may elect to make additional deferrals under this Agreement upon filing a new Election Form setting forth the amounts to be deferred; provided, however, that any such new election will not be effective before the beginning of the year following the year in which such election is made.

2.3 DISTRIBUTION ELECTIONS. The time at which benefits under this Agreement will be paid and their manner of distribution are specified below. The Director may not change the time or manner of benefit payment under this Agreement without the written approval of the Board of Directors of the Company. Any change in the time or form of benefit payment (i) may not take effect until at least 12 months after the date on which an election to make such change is received in writing by the Company and approved by the Board of Directors; (ii) in the case of an election related to a payment not attributable to death, disability or hardship, as provided in this Agreement, must defer payment for a period of not less than 5 years from the date such payment would otherwise have been made; and (iii) in the case of any election related

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to a payment based upon a specified time or fixed schedule may not be made less than 12 months prior to the date of the first scheduled payment. For purposes of changing the time or form of benefits distribution, if the Director has elected in this Agreement an installment form of payment, the installments shall be treated as a single payment occurring on the date of the first installment, and subject to the other rules for changes in distribution elections as set forth above, the Director may elect to receive a lump sum payment five years after the first installment payment would otherwise have been made. Notwithstanding the foregoing, a Director may, on or before December 31, 2006, make distribution elections different from those previously made by the Director without regard to the limitations described in (i), (ii) and (iii) of this Section 2.3; provided, however, that the Director may not make any election that would have the effect of deferring payment to a later year of an amount that would otherwise be payable in 2006 or that would have the effect of causing a payment to be made in 2006 that would otherwise be paid after 2006, and any such purported election by the Director shall be ineffective. Similarly, a Director may, on or before December 31, 2007, make distribution elections different from those previously made by the Director without regard to the limitations described in (i), (ii) and (iii) of this Section 2.3; provided, however, that the Director may not make any election that would have the effect of deferring payment to a later year of an amount that would otherwise be payable in 2007 or that would have the effect of causing a payment to be made in 2007 that would otherwise be paid after 2007, and any such purported election by the Director shall be ineffective.

ARTICLE 3 DEFERRAL ACCOUNT

3.1 ESTABLISHING AND CREDITING. The Company shall establish a Deferral Account on its books for the Director, and shall credit to the Deferral Account the following amounts:

3.1.1 DEFERRALS. The Fees deferred by the Director as of the time

the Fees would have otherwise been paid to the Director.

3.1.2 INTEREST. Effective December 31, 2006 interest shall be compounded semi-annually on the account balance using an annual rate equal to the 5-year Treasury rate as of the last day of the immediately preceding calendar year plus two percent (2%).

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3.2 STATEMENT OF ACCOUNTS. The Company shall provide to the Director, within one hundred twenty (120) days after each anniversary of this Agreement, a statement setting forth the Deferral Account balance.

3.3 ACCOUNTING DEVICE ONLY. The Deferral Account is solely a device for measuring amounts to be paid under this Agreement. The Deferral Account is not a trust fund of any kind. The Director is a general unsecured creditor of the Company for the payment of benefits. The benefits represent the mere Company promise to pay such benefits. The Director's rights are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by the Director's creditors.

ARTICLE 4
LIFETIME BENEFITS

4.1 NORMAL TERMINATION BENEFIT. Upon the Director's Termination of Service on or after attainment of Normal Benefit Age, the Company shall pay to the Director the benefit described in this Section 4.1 in lieu of any other benefit under this Agreement.

4.1.1 AMOUNT OF BENEFIT. The benefit under this Section 4.1 is the Deferral Account balance at the Director's Termination of Service.

4.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Director in [OPTION 1] a lump sum or [OPTION 2] equal monthly installments over _____ years commencing on the first day of the month following the Director's Normal Benefit Date. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.2 EARLY TERMINATION BENEFIT. If the Director terminates service as a director before the Normal Benefit Age for reasons other than death or Disability, the Company shall pay to the Director the benefit described in this Section 4.2. in lieu of any other benefit under this Agreement.

4.2.1 AMOUNT OF BENEFIT. The benefit under this Section 4.2 is the Deferral

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Account balance at the Director's Normal Benefit Age. Interest shall be credited to the account between the Director's date of Termination of Service and the Director's Normal Benefit Age as specified in Section 3.1.2.

4.2.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Director in [OPTION 1] a lump sum or [OPTION 2] equal monthly installments over _____ years commencing on the first day of the month following the Director's Normal Benefit Age. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.3 DISABILITY BENEFIT. Upon a certification of Disability as defined in Section 1.1.4 and prior to the Normal Benefit Age, the Company shall pay to the Director the benefit described in this Section 4.3 in lieu of any other benefit under this Agreement.

4.3.1 AMOUNT OF BENEFIT. The benefit under this Section 4.3 is the Deferral Account balance at the time of certification of Disability.

4.3.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Director in [OPTION 1] a lump sum or [OPTION 2] equal monthly installments over _____ years commencing on the first day of the month following certification of the Director's Disability. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.4 CHANGE IN CONTROL BENEFIT. Upon the Director's Termination of Service within two years after a Change in Control, the Company shall pay to the Director the benefit described in this Section 4.4 in lieu of any other benefit under this Agreement.

4.4.1 AMOUNT OF BENEFIT. The benefit under this Section 4.4 is the Deferral Account balance at the date of the Director's Termination of Service.

4.4.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the Director in

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[OPTION 1] a lump sum or [OPTION 2] equal monthly installments over _____ years commencing on the first day of the month following the Director's Termination of Service. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

4.5 HARDSHIP DISTRIBUTION. Upon the Company's determination (following petition by the Director) that the Director has suffered an unforeseeable emergency as described in Section 2.2.2, the Company shall distribute to the Director all or a portion of the Deferral Account balance as determined by the Company, but in no event shall the distribution amount exceed the amount reasonably necessary to satisfy the emergency need (which may include amounts necessary to pay any federal, state or local income taxes or penalties reasonably anticipated to result from the distribution). A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise, by liquidation of the Director's assets (to the extent the liquidation of such assets would not cause severe financial hardship) or by cessation of deferrals under Section 2.2.2, and determination of the amount reasonably necessary to satisfy the emergency need shall take into account any additional compensation available to the Director as a result of a cessation of deferrals.

4.6 Notwithstanding the foregoing, in the event that the Director is determined to be a specified employee, as defined in Section 409A, any payment that is made on account of a separation from service, as defined in Section 409A, shall be delayed to the date that is one day after six months from the date of the Director's separation from service. In the event that any installment payments are delayed pursuant to this Section 4.6, such delayed payments will be accumulated and paid in one lump sum on the delayed payment date and any remaining payments shall be made in accordance with the otherwise applicable schedule of payments.

ARTICLE 5 DEATH BENEFITS

5.1 DEATH PRIOR TO COMMENCEMENT OF BENEFIT PAYMENTS. If the Director dies prior to

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commencement of benefit payments, the Company shall pay to the Director's

beneficiary the benefit described in this Section 5.1 in lieu of any other benefit under this Agreement.

5.1.1 AMOUNT OF BENEFIT. The benefit amount under Section 5.1 is the greater of the Deferral Account balance at the Director's death or Two Hundred Three Thousand One Hundred Dollars (\$203,100).

5.1.2 PAYMENT OF BENEFIT. The Company shall pay the benefit to the beneficiary in [OPTION 1] a lump sum or [OPTION 2] equal monthly installments over _____ years commencing on the first day of the month following the Director's death. The Company shall continue to credit interest as described in Section 3.1.2 on the balance of the Deferral Account until all payments have been distributed.

5.2 DEATH DURING BENEFIT PERIOD. If the Director dies after benefit payments have commenced under this Agreement but before receiving all such payments, the Company shall pay the remaining benefits to the Director's beneficiary at the same time and in the same amounts they would have been paid to the Director had the Director survived.

ARTICLE 6 BENEFICIARIES

6.1. BENEFICIARY DESIGNATIONS. The Director shall designate a beneficiary by filing a written designation with the Company. The Director may revoke or modify the designation at any time by filing a new designation. However, designations will only be effective if signed by the Director and accepted by the Company during the Director's lifetime. The Director's beneficiary designation shall be deemed automatically revoked if the beneficiary predeceases the Director, or if the Director names a spouse as beneficiary and the marriage is subsequently dissolved. If the Director dies without a valid beneficiary designation, all payments shall be made to the Director's estate.

6.2 FACILITY OF PAYMENT. If a benefit is payable to a minor, to a person declared incompetent, or to a person incapable of handling the disposition of his or her property, the

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Company may pay such benefit to the guardian, legal representative or person having the care or custody of such minor, incompetent person or incapable person. The Company may require proof of incompetence, minority or guardianship as it may deem appropriate prior to distribution of the benefit. Such distribution shall completely discharge the Company from all liability with respect to such benefit.

ARTICLE 7 GENERAL LIMITATIONS

Notwithstanding anything in this Agreement to the contrary, all interest that would otherwise be credited to the Director's Deferral Account balance subsequent to the Director's Termination of Service or death, as applicable, shall be forfeited in the following circumstances:

7.1 TERMINATION FOR CAUSE. If the Company terminates the Director's service as a director for:

7.1.1 Gross negligence or gross neglect of duties;

7.1.2 Commission of a felony or of a gross misdemeanor involving moral turpitude; or

7.1.3 Fraud, disloyalty, dishonesty or willful violation of any law or significant Company policy committed in connection with the Director's service and resulting in an adverse financial effect on the Company.

7.2 SUICIDE. If the Director commits suicide within two years after the date of this Agreement, or if the Director has made any material misstatement of

fact on any application for life insurance purchased by the Company.

ARTICLE 8
CLAIMS AND REVIEW PROCEDURES

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8.1 CLAIMS PROCEDURE. The Company shall notify any person or entity that makes a claim for benefits under this Agreement (the "Claimant") in writing, within ninety (90) days (forty-five (45) days in the case of a claim for disability benefits) of Claimant's written application for benefits, of Claimant's eligibility or ineligibility for benefits under the Agreement. If the Company determines that the Claimant is not eligible for benefits or full benefits, the notice shall set forth (1) the specific reasons for such denial, (2) a specific reference to the provisions of the Agreement on which the denial is based, (3) a description of any additional information or material necessary for the Claimant to perfect Claimant's claim, and a description of why it is needed, and (4) an explanation of the Agreement's claims review procedure and other appropriate information as to the steps to be taken if the Claimant wishes to have the claim reviewed. If the Company determines that there are special circumstances requiring additional time to make a decision, the Company shall notify the Claimant of the special circumstances and the date by which a decision is expected to be made, and may extend the time for up to an additional ninety-day period (thirty-day period for disability claims).

8.2 REVIEW PROCEDURE. If the Claimant is determined by the Company not to be eligible for benefits, or if the Claimant believes that Claimant is entitled to greater or different benefits, the Claimant shall have the opportunity to have such claim reviewed by the Company by filing a petition for review with the Company within sixty (60) days after receipt of the notice issued by the Company. Said petition shall state the specific reasons which the Claimant believes entitle Claimant to benefits or to greater or different benefits. Within sixty (60) days after receipt by the Company of the petition, the Company shall afford the Claimant (and counsel, if any) an opportunity to present Claimant's position to the Company orally or in writing, and the Claimant (or counsel) shall have the right to review the pertinent documents. The Company shall notify the Claimant of its decision in writing within the sixty-day period (forty-five (45) days in the case of a claim for disability benefits), stating specifically the basis of its decision, written in a manner calculated to be understood by the Claimant and the specific provisions of the Agreement on which the decision is based. If, because of the need for a hearing, the sixty-day period is not sufficient, the decision may be deferred for up to another sixty-day period (forty-five (45) days for disability claims) at the election of the Company, but notice of this deferral shall be given to the Claimant.

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ARTICLE 9
AMENDMENTS AND TERMINATION

This Agreement may be amended or terminated only by a written agreement signed by the parties; provided, however, that in the event that this Agreement is terminated, benefit payments shall be made as though no such termination occurred unless the termination satisfies the requirements of Section 409A pertaining to plan terminations allowing a change in the form or timing of benefit distributions.

ARTICLE 10
MISCELLANEOUS

10.1 BINDING EFFECT. This Agreement shall bind the parties, and their beneficiaries, survivors, executors, administrators and transferees.

10.2 NO GUARANTEE OF SERVICE. This Agreement is not a contract for services. It does not give the Director the right to remain a director of the Company, nor does it interfere with the shareholders' rights to replace the

Director. It also does not require the Director to remain a director nor interfere with the Director's right to terminate services at any time.

10.3 NON-TRANSFERABILITY. Benefits under this Agreement cannot be sold, transferred, assigned, pledged, attached or encumbered in any manner.

10.4 TAX WITHHOLDING. The Company shall withhold any taxes that are required to be withheld from the benefits provided under this Agreement.

10.5 APPLICABLE LAW. The Agreement and all rights hereunder shall be governed by the laws of the Commonwealth of Pennsylvania, except to the extent preempted by the laws of the United States of America. The provisions of this Agreement shall be construed consistent with Section 409A of the Internal Revenue Code and all applicable guidance thereunder so as not to result in the inclusion in the Director's income of any benefit under this Agreement by reason of the application of such section.

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10.6 UNFUNDED ARRANGEMENT. The Director and beneficiary are general unsecured creditors of the Company for the payment of benefits under this Agreement. The benefits represent the mere promise by the Company to pay such benefits. The rights to benefits are not subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance, attachment, or garnishment by creditors. Any insurance policy on the Director's life obtained by the Company shall be owned by the Company and shall confer no preferred or secured claim status to such policy or policy benefits on the Director or beneficiary.

10.7 REORGANIZATION. The Company shall not merge or consolidate into or with another company, or reorganize, or sell substantially all of its assets to another company, firm, or person unless such succeeding or continuing company, firm, or person agrees to assume and discharge the obligations of the Company under this Agreement.

10.8 ENTIRE AGREEMENT. This Agreement constitutes the entire agreement between the parties as to the subject matter hereof and supersedes all prior agreements relating to such subject. No rights are granted to the Director by virtue of this Agreement other than those specifically set forth herein.

10.9 ADMINISTRATION. The Company shall have powers which are necessary to administer this Agreement, including but not limited to:

10.9.1 Interpreting the provisions of the Agreement;

10.9.2 Establishing and revising the method of accounting for the Agreement;

10.9.3 Maintaining a record of benefit payments; and

10.9.4 Establishing rules and prescribing any forms necessary or desirable to administer the Agreement.

IN WITNESS WHEREOF, the Director and a duly authorized Company officer have signed this Agreement.

<PAGE>

DIRECTOR:

COMPANY:
MID PENN BANK

/s/ Alan Dakey

By: /s/ [ILLEGIBLE]

Title: V. P. Human Resource Officer

By execution hereof, Mid Perm Bancorp, Inc. consents to and agrees to be

bound by the terms and conditions of this Agreement.

ATTEST:

CORPORATION:
MID PENN BANCORP, INC.

/s/ [ILLEGIBLE]

By: /s/ [ILLEGIBLE]

Title: Secretary

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EXHIBIT 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES
13A-14(A)/15D-14(A) AS ADDED BY SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION

I, Edwin D. Schlegel, Interim President and CEO, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mid Penn Bancorp.
2. Based on my knowledge, the quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. Mid Penn Bancorp's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. Mid Penn Bancorp's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the

design or operation of the internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

By /s/ Edwin D. Schlegel

Interim President and CEO

Date: November 5, 2008

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EXHIBIT 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES
13A-14(A)/15D-14(A) AS ADDED BY SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION

I, Kevin W. Laudenslager, Treasurer, certify, that:

1. I have reviewed this quarterly report on Form 10-Q of Mid Penn Bancorp.
2. Based on my knowledge, the quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report.
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report.
4. Mid Penn Bancorp's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and we have:
 - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this quarterly report based on such evaluation; and
 - (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. Mid Penn Bancorp's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - (a) all significant deficiencies and material weaknesses in the design or operation of the internal control over financial

reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

By /s/ Kevin W. Laudenslager

Treasurer

Date: November 5, 2008

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EXHIBIT 32

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER AND
PRINCIPAL FINANCIAL OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADDED BY SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report of Mid Penn Bancorp (the "Company") on Form 10-Q for the period ending September 30, 2008, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Edwin D. Schlegel, President and CEO, and I, Kevin W. Laudenslager, Treasurer, certify, pursuant to 18 U.S.C. Section 1350, as added pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934.
2. To my knowledge, the information contained in the Report fairly presents, in all material respects the financial condition and results of operations of Mid Penn as of the dates and for the periods expressed in the Report.

By /s/ Edwin D. Schlegel

Interim President and CEO

Date: November 5, 2008

By /s/ Kevin W. Laudenslager

Treasurer

Date: November 5, 2008

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