

Consolidated Balance Sheet

Unaudited

(in thousands)

	March 31, 2011	March 31, 2010
ASSETS		
Cash and due from banks	\$ 5,701	\$ 5,770
Interest-bearing deposits with other institutions	21,708	17,693
Cash and cash equivalents	27,409	23,463
Certificates of deposit in other financial institutions	2,745	4,274
Investment securities available for sale	125,959	109,228
Loans held for sale	254	564
Loans	372,295	378,307
Less allowance for loan losses	6,552	5,710
Net Loans	365,743	372,597
Premises and equipment	13,747	13,301
Goodwill	1,669	1,669
Regulatory stock	3,959	4,144
Bank-owned life insurance	11,787	11,372
Accrued interest and other assets	16,840	10,523
TOTAL ASSETS	\$ 570,112	\$ 551,135
LIABILITIES		
Noninterest-bearing deposits	\$ 44,554	\$ 40,222
Interest-bearing deposits	408,393	388,695
Total Deposits	452,947	428,917
Short-term borrowings	16,028	9,237
Other borrowings	59,459	74,161
Accrued interest and other liabilities	5,203	4,169
TOTAL LIABILITIES	533,637	516,484
STOCKHOLDERS' EQUITY		
Common stock, \$.50 par value; 2,000,000 shares authorized		
610,000 shares issued	305	305
Additional paid-in capital	135	287
Retained earnings	42,206	40,174
Accumulated other comprehensive income	270	690
Treasury stock, at cost (72,493 and 75,843 shares)	(6,441)	(6,805)
TOTAL STOCKHOLDERS' EQUITY	36,475	34,651
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 570,112	\$ 551,135

Consolidated Statement of Income

Unaudited

(in thousands)

	Three Months Ended	
	March 31, 2011	March 31, 2010
INTEREST AND DIVIDEND INCOME		
Interest and fees on loans:		
Taxable	\$ 5,063	\$ 5,166
Exempt from federal income tax	261	261
Investment securities:		
Taxable	497	442
Exempt from federal income tax	352	288
Interest-bearing deposits with other institutions	21	34
Other dividend income	11	24
TOTAL INTEREST AND DIVIDEND INCOME	6,205	6,215
INTEREST EXPENSE		
Deposits	1,117	1,262
Short-term borrowings	52	27
Other borrowings	625	892
TOTAL INTEREST EXPENSE	1,794	2,181
NET INTEREST INCOME	4,411	4,034
Provision for loan losses	300	400
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,111	3,634
NONINTEREST INCOME		
Service fees on deposit accounts	351	346
Investment securities gains (losses), net	172	50
Gain on sale of loans, net	175	106
Earnings on bank-owned life insurance	103	98
Insurance commissions	199	232
Travel agency commissions	46	59
Business property income	342	-
Other	273	286
TOTAL NONINTEREST INCOME	1,661	1,177
NONINTEREST EXPENSE		
Salaries and employee benefits	2,410	2,135
Occupancy and equipment	720	555
Data processing	365	355
Professional fees	108	53
Advertising	114	95
Federal Deposit Insurance	253	149
Other	869	775
TOTAL NONINTEREST EXPENSE	4,839	4,117
INCOME BEFORE INCOME TAXES	933	694
Income taxes	75	53
NET INCOME	\$ 858	\$ 641

To Our Shareholders

Kish Bancorp, Inc. is presenting unaudited financial results for the period ending March 31, 2011. The Corporation's total assets ended the first quarter at \$570 million, an increase of \$19 million, or 3.4%, compared to total assets of \$551 million as of March 31, 2010. Total deposits grew by \$24 million to \$453 million, an increase of 5.6% from \$429 million a year ago. Loans outstanding declined 1.8% from \$373 million as of March 31, 2010 to \$366 million in 2011.

Net income during the first quarter of 2011 was \$858 thousand, an increase of \$217 thousand, or 33.9%, from \$641 thousand during the same period in 2010. Consistent with the change in net income, earnings per share increased 33.9%, to \$1.62, from \$1.21 in 2010. The core element of net income, net interest income, grew 9.3% to \$4.411 million during the first quarter of 2011 compared to \$4.034 million during the same period of 2010.

Contributions to the allowance for potential loan losses decreased to \$300 thousand during the quarter, from \$400 thousand in 2010. Rigorous analysis of the adequacy of the loan loss reserve remains a priority during this extended period of difficult economic conditions and we are pleased to be able to note improving credit quality metrics. While classified loans remain at elevated levels, loan delinquencies are very low by historical measures as business borrowers are experiencing generally improving conditions. The Corporation received \$7 thousand in net recoveries during the quarter as payments on charged-off loans exceeded minimal new charge-offs. As a result, the allowance for loan losses rose to \$6.552 million at quarter end, an increase of \$842 thousand, or 14.7%, from March 31, 2010. The reserve as a percentage of total loans reached 1.76% at quarter end, compared to 1.67% at year end 2010 and 1.51% a year ago.

Noninterest income increased by \$484 thousand, or 41.1%, to \$1.661 million during the first quarter of 2011, from \$1.177 million in 2010. 2011 results include the addition of \$342 thousand of business property income related to a large problem loan that has moved into other real estate. Excluding this revenue, as well as gains from investing, core noninterest income rose by \$20 thousand, or 1.8%, primarily due to continued strength in residential mortgage origination activities.

Noninterest expense was \$4.839 million during 2011, an increase of \$722 thousand, or 17.5%, from \$4.117 million in 2010. Primary drivers of the increase in 2011 expenses were budgeted salaries and benefit increases, higher FDIC insurance assessments, and occupancy and operating expenses that include the cost of managing the business property described above.

The Corporation's Board of Directors approved a quarterly dividend in the amount of \$0.81 per share, payable April 30, 2011 to shareholders of record as of April 1, 2011. Dividends per share remain unchanged from the same period last year.

Finally, I am pleased to report that we continue to build for the future through key additions to our leadership team. In the past 6 months, we have welcomed Bill Yaudes, John Arrington, and Carol Herrmann to Kish Bank. Bill Yaudes is serving Kish Bank as Vice President, Huntingdon Regional Market Manager. He was

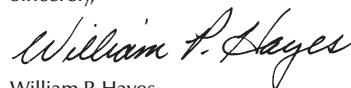
Selected Financial Highlights

Unaudited (\$ in thousands, except per share data)	Three Months Ended	
	March 2011	March 2010
Net Income	\$ 858	\$ 641
Total Assets	\$ 570,112	\$ 551,135
Net Loans	\$ 365,743	\$ 372,597
Total Deposits	\$ 452,947	\$ 428,917
ROA (annual)	0.62%	0.48%
ROE (annual)	9.75%	7.70%
Earnings per Share	\$ 1.62	\$ 1.21
Dividends per Share	\$ 0.81	\$ 0.81

previously a Regional Manager for Citizens Bank, responsible for all of Citizens' community banking offices in Blair, Centre, and Mifflin counties. John Arrington is serving Kish as Senior Vice President, Regional Market Manager for Centre County. A founding member of the Nittany Bank management team and subsequently with National Penn, John brings us experience in retail banking; commercial, residential and retail lending; and retail investment services. Carol Herrmann is serving the bank in the new role of Vice President for Administration. She brings administrative and executive leadership experience from S&A Homes and Penn State University, where she served as Vice President for Administration and Senior Vice President for Administration, respectively.

As always, we appreciate the loyalty of our shareholders and we thank you for your continued support.

Sincerely,



William P. Hayes
Chairman, President and CEO

Board of Directors

William P. Hayes
Chairman, President and
Chief Executive Officer

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Vice Chairman

William L. Dancy
Secretary

Richard L. Kalin
Director

Alison B. Kurtz
Director

James J. Lakso
Director

Alan J. Metzler*
Director

Phyllis L. Palm
Director

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Chairman, President and
Chief Executive Officer

Michael F. Allen
Executive Vice President,
Chief Credit Officer

Robert S. McMinn
Executive Vice President
and General Counsel

J. Bradley Scovill
Executive Vice President,
Chief Financial Officer and
Chief Operating Officer

James L. Shilling, Jr.
Executive Vice President,
Market Manager and Senior
Lending Officer for Mifflin Co.

*Serves as a member of the Board of Directors of Kish Bank and not Kish Bancorp.

Senior Officers

John E. Arrington
Senior Vice President,
Market Manager for
Centre County

Amy M. Muchler
Senior Vice President,
Service Quality/Retail
Banking

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

Kathleen M. Boop
Vice President,
Personal Lines Insurance
Manager

Larry E. Burger
Vice President,
Commercial Relationship
Manager

Cynthia A. Campbell
Vice President,
Residential Mortgage Sales

Michael L. Confer
Vice President,
Branch Manager

John P. Cunningham
Vice President,
Branch Manager

Wade E. Curry
Vice President,
Investment Services

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Vice President,
Mortgage Originator

Gregory T. Hayes
Vice President,
Branch Manager and
Commercial Lender

Carol M. Herrmann
Vice President for
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Scott R. Reigle
Vice President,
Accounting and Controls
Manager

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

Gerhard Royer
Vice President,
Senior Commercial Lender

Cheryl E. Shope
Vice President,
Mortgage and Consumer
Lender

Lynn A. Thompson
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Insurance Services

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Commercial Relationship
Manager

Debra K. Weikel
Vice President,
Mortgage Underwriter

Suzanne M. White
Vice President,
Human Resources

Jeffrey D. Wilson
Chief Executive Officer,
Insurance Services

William W. Yaudes
Vice President,
Market Manager for
Huntingdon County

Branch Locations

Belleville
(717) 935-2191

Reedsville
(717) 667-3974

Lewistown-Electric Avenue
(717) 242-5474

Lewistown-S. Main Street
(717) 242-2500

McVeytown
(717) 899-7733

Huntingdon
(814) 641-5474

Mill Creek
(814) 643-4400

McAlevy's Fort
(814) 667-3500

State College-North
(814) 861-4747

State College-South
(814) 861-5500

Bellefonte
(814) 353-1770



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