

Consolidated Balance Sheet

Unaudited

(in thousands)

	September 30, 2011	September 30, 2010
ASSETS		
Cash and due from banks	\$ 8,073	\$ 7,078
Interest-bearing deposits with other institutions	18,784	46,286
Cash and cash equivalents	26,857	53,364
Certificates of deposit in other financial institutions	1,613	2,723
Investment securities available for sale	115,390	101,831
Loans held for sale	344	1,356
Loans	375,551	374,247
Less allowance for loan losses	6,897	6,289
Net Loans	368,654	367,958
Premises and equipment	14,135	13,711
Goodwill	1,669	1,669
Regulatory stock	4,029	4,144
Bank-owned life insurance	11,996	11,581
Accrued interest and other assets	12,173	8,774
TOTAL ASSETS	\$ 556,860	\$ 567,111
LIABILITIES		
Noninterest-bearing deposits	\$ 50,250	\$ 42,803
Interest-bearing deposits	392,489	399,541
Total Deposits	442,739	442,344
Short-term borrowings	12,009	12,348
Other borrowings	56,882	70,370
Accrued interest and other liabilities	4,629	4,422
TOTAL LIABILITIES	516,259	529,484
STOCKHOLDERS' EQUITY		
Common stock, \$.50 par value; 2,000,000 shares authorized, 625,935 and 610,000 shares issued	313	305
Additional paid-in capital	788	77
Retained earnings	43,288	41,383
Accumulated other comprehensive income	2,211	2,355
Treasury stock, at cost (68,064 and 72,372 shares)	(5,999)	(6,493)
TOTAL STOCKHOLDERS' EQUITY	40,601	37,627
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 556,860	\$ 567,111

Consolidated Statement of Income

Unaudited

(in thousands)

	Nine Months Ended		Three Months Ended	
	Sept. 30, 2011	Sept. 30, 2010	Sept. 30, 2011	Sept. 30, 2010
INTEREST AND DIVIDEND INCOME				
Interest and fees on loans:				
Taxable	\$ 14,904	\$ 15,578	\$ 4,959	\$ 5,174
Exempt from federal income tax	767	812	249	283
Investment securities:				
Taxable	1,407	1,419	446	477
Exempt from federal income tax	1,018	979	328	351
Interest-bearing deposits with other institutions	57	83	11	21
Other dividend income	44	57	8	19
TOTAL INTEREST AND DIVIDEND INCOME	18,197	18,928	6,001	6,325
INTEREST EXPENSE				
Deposits	3,266	3,709	1,050	1,213
Short-term borrowings	155	81	50	28
Other borrowings	1,852	2,526	608	779
TOTAL INTEREST EXPENSE	5,273	6,316	1,708	2,020
NET INTEREST INCOME	12,924	12,612	4,293	4,305
Provision for loan losses	650	1,200	150	400
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	12,274	11,412	4,143	3,905
NONINTEREST INCOME				
Service fees on deposit accounts	1,101	1,066	381	351
Investment securities gains, net	629	449	236	52
Gain on sale of loans, net	515	658	210	338
Earnings on bank-owned life insurance	313	299	106	101
Insurance commissions	696	663	255	237
Travel agency commissions	170	192	67	69
Business property income	1,586	—	756	—
Other	936	852	307	287
TOTAL NONINTEREST INCOME	5,946	4,179	2,318	1,435
NONINTEREST EXPENSE				
Salaries and employee benefits	7,427	6,516	2,534	2,201
Occupancy and equipment	2,189	1,612	730	525
Data processing	1,208	1,135	414	429
Professional fees	258	177	80	57
Advertising	331	265	112	86
Federal deposit insurance	808	480	261	167
Other	2,817	2,261	931	620
TOTAL NONINTEREST EXPENSE	15,038	12,446	5,062	4,085
INCOME BEFORE INCOME TAXES	3,182	3,145	1,399	1,255
Income taxes	367	424	242	227
NET INCOME	\$ 2,815	\$ 2,721	\$ 1,157	\$ 1,028

To Our Shareholders

Kish Bancorp, Inc. is presenting unaudited financial results for the period ending September 30, 2011. The Corporation's total assets increased modestly during the quarter, to \$557 million from \$555 million as of June 30, 2011, an increase of \$2 million. Total deposits grew by \$8 million to \$443 million from \$435 million, and loans outstanding increased by \$3 million to \$375 million from \$372 million during the same period. These increases translate into annualized growth rates of 1.1%, 3.5%, and 6.8% for assets, loans, and deposits, respectively.

Net income for the third quarter of 2011 equaled \$1.157 million, an increase of \$129 thousand, or 12.6%, compared to \$1.028 million as of September 30, 2010. For the nine months ending September 30, 2011, net income increased 3.5%, or \$94 thousand, to \$2.815 million from \$2.721 million in 2010.

Net interest income in the third quarter was \$4.293 million, a decrease of \$12 thousand, or 0.3%, compared to \$4.305 million for the quarter ending September 30, 2010. Net interest income for the first nine months of 2011 was \$12.924 million, an increase of \$312 thousand, or 2.5%, compared to the first nine months of 2010.

Earnings have been aided during the first nine months by a decrease in the contribution to the provision for loan losses during 2011. \$650 thousand has been set aside from earnings through the loan loss provision in 2011 as compared to \$1.2 million in 2010. Although the Bank has continued to experience sustained higher levels of classified loans, other loan quality indicators remain very positive. For the first nine months of the year, loan losses have been negligible, with losses more than offset by recoveries on previously charged-off loans. Loan delinquencies remain at historic lows. The reserve for loan losses, the Bank's buffer against possible future charge-offs, has increased 9.7% to \$6.897 million at September 30, 2011 from \$6.289 million at September 30, 2010. While the Corporation's provision expenses have declined, its reserve ratio has increased substantially, to 1.84% of total loans as of September 30, 2011 from 1.68% at September 30, 2010.

Noninterest income increased \$883 thousand, or 61.5%, to \$2.318 million for the quarter ending September 30, 2011 from \$1.435 million in 2010. 2011 results include the addition of business property income from a foreclosed business loan that continues to operate profitably. Also, gains on the sale of investment securities totaled \$236 thousand during the third quarter of 2011 as compared to gains of \$52 thousand during the same period in 2010. These factors translated into a year-over-year increase of \$1.767 million, or 42.3%, in noninterest income as of September 30, 2011. With these factors set aside, noninterest income has remained level year over year.

Noninterest expense was \$5.062 million during the third quarter of 2011, an increase of \$977 thousand, or 23.9%, over the same period in 2010, based in large part on costs related to operating the business property discussed above. Excluding the impact of these expenses, core noninterest expenses grew by \$495 thousand, or 12.1%, in 2011 as FDIC insurance assessments, consulting fees, and salaries and benefits all increased. During the nine month period ending September 30, 2011, noninterest expenses increased \$2.592 million, or 20.8%. These expenses are higher than usual primarily due to the business property expenses and costs associated with the resolution of regulatory matters announced earlier this year. We expect these expenses to be nonrecurring.

Selected Financial Highlights

Unaudited	Nine Months Ended	
	Sept. 2011	Sept. 2010
(\$ in thousands, except per share data)		
Net Income	\$ 2,815	\$ 2,721
Total Assets	\$ 556,860	\$ 567,111
Loans Outstanding	\$ 375,551	\$ 374,247
Total Deposits	\$ 442,739	\$ 442,344
ROA (annual)	0.68%	0.67%
ROE (annual)	10.37%	10.61%
Earnings per Share	\$ 5.30	\$ 5.14
Dividends per Share	\$ 2.43	\$ 2.43

The Corporation's Board of Directors approved a quarterly dividend in the amount of \$0.81 per share payable October 31, 2011, to shareholders of record as of October 1, 2011. Dividends per share remain unchanged from the same period last year.

We are pleased to note that the Corporation has continued to implement strategic initiatives to further enhance its capital position. Continued profitability, implementation of the previously announced dividend reinvestment plan, and issuance of common stock through a private placement, have all served to strengthen the balance sheet. By attracting and developing long-term shareholder relationships, we are providing a reliable source of capital that will support future growth opportunities for the Corporation.

Finally, we are pleased to announce the addition of Sangeeta Kishore as Executive Vice President and Chief Financial Officer. Sangeeta received her graduate business degree from the University of Chicago and brings with her broad experience as a senior bank executive and CFO. Her executive management background and expertise developed with a number of regional community banks will be invaluable as Kish continues to grow.

As always, we thank you for your continued loyalty and support.

Sincerely,

William P. Hayes
Chairman, President and CEO

Branch Locations

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

Board of Directors

William P. Hayes
Chairman, President &
Chief Executive Officer

James J. Lakso
Vice Chairman

William L. Dancy
Secretary

Richard L. Kalin
Director

Alison B. Kurtz
Director

Alan J. Metzler
Director

Phyllis L. Palm
Director

Delmont R. Sunderland
Director

Senior Officers

Amy M. Muchler
Senior Vice President,
Service Quality &
Operations

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

Kathleen M. Boop
Vice President,
Personal Lines Insurance
Manager

Larry E. Burger
Vice President,
Commercial Relationship
Manager

John P. Cunningham
Vice President,
Branch Manager

Wade E. Curry
Vice President,
Investment Services

Ann K. Guss
Vice President,
Consumer Lender

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

Carol M. Herrmann
Vice President for
Administration

Christopher P. Kelly
Vice President,
Information Technology
Manager

Marsha K. Kuhns
Vice President,
Branch Administration

Executive Officers

William P. Hayes
Chairman, President &
Chief Executive Officer

Michael F. Allen
Executive Vice President,
Chief Credit Officer

John E. Arrington
Executive Vice President,
Sales & Retail Banking

Robert S. McMinn
Executive Vice President
& General Counsel

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

James L. Shilling, Jr.
Executive Vice President,
Business Services & Senior
Lending Officer

Michael T. Lehmer
Vice President,
Trust Department Manager

John Q. Massie
Regional Vice President,
Agricultural Loan Officer

Scott R. Reigle
Vice President,
Accounting & Controls
Manager

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

Gerhard Royer
Vice President,
Senior Commercial Lender

Cheryl E. Shope
Vice President,
Mortgage & Consumer
Lender

Lana M. Walker
Vice President,
Commercial Relationship
Manager

Debra K. Weikel
Vice President,
Mortgage Underwriting

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

2011

THIRD
QUARTER

FINANCIAL
REPORT