



July 27, 2011

Dear Shareholders and Friends:

I want to thank all of our shareholders, customers, and friends who have helped Integrity Bank have another phenomenal quarter. Integrity Bancshares reported a return to shareholders of 16.30%, and income of \$1,265,000 for the second quarter 2011, which is up from our first quarter 2011 return of 15.50%. In spite of difficult economic times and all banks operating with heavy regulatory burdens, Integrity was the exception, not only in profitability but we also saw total assets grow to over \$580 million, up 9% from June 30, 2010. During the same time period, loans reached \$498 million, up 9% from the prior year.

The Lancaster market welcomed us with open arms and both branches have reached break-even status at the end of only 8 months, in comparison to the industry average of 36 months. In May, we announced our next branch location on Route 74 in York which is nestled between Wal-Mart and McDonald's.

As a result of our continued high level of performance, the Board of Directors declared a 5% stock dividend to our shareholders in June of this year. This is our fourth consecutive year of paying a stock dividend.

We are pleased with our past performance and believe the recent sale of Tower Bancorp/ Graystone Bank will provide opportunity for further gains in market share and profitability. Every day we strive to be "Pennsylvania's Best Bank[®]" by delivering "More...Faster...Better" banking.

What a ride!

A handwritten signature in blue ink that reads 'Jim Gibson'.

James T. Gibson
President/CEO

More.

Better.