



BANCSHARES, INC.

October 28, 2011

Dear Shareholders and Friends:

I am happy to report again that Integrity Bank's earnings continue to reach new levels. For the third quarter of 2011 the bank reported our highest ever record earnings of \$1,343,000 and \$3,855,000 for the first three quarters of 2011. This consistent growth in earnings is important for increasing our shareholders' investment as well as for funding loans for the many new customers who choose Integrity Bank.

This growth is reflected in record earnings at the holding company as well. Our quarterly income to common shareholders was \$1,153,000 and through three quarters was \$3,290,000 (after paying preferred stock dividends and debt interest payments.) Shareholders, your return on equity for the first nine months was 15.85%, and for the month of September it increased to 16.91%! Total assets on September 30, 2011 were \$573 million and total loans reached a *record* \$504 million at quarter end.

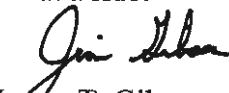
At our annual meeting in May we announced our eighth branch location which will be at 1401 Carlisle Road (Route 74) in York. In September, we entered into an agreement for our ninth branch also to be located in York between Wal-Mart and Giant at 2700 East Market Street. We expect to attain all approvals in 2012.

Today's economic environment has provided a slightly higher level of stock sales. I am glad to report Integrity Bancshares stock, with our consistently high level of return to shareholders, has sold at \$25 per share even after the 5% stock dividend. To be contacted when shares become available please call Laurel Leitzel at 920-3690.

I want to express my appreciation for the diligent efforts made by our directors and employees. In spite of today's increased regulations, they work hard to execute our mission. Without them we would not have this high level of success. Now, only one quarter to go until I report that we have had a *phenomenal year* in a difficult economy.

Almost a 16% return to Integrity Bancshares investors!

What a ride!

  
James T. Gibson  
President/CEO

More.

Better.