



## **For Immediate Release**

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### **American Community Bancorp Reports Record 2006 Earnings**

Evansville, IN, February 1, 2007 – American Community Bancorp, Inc. (the “Company”) (OTCBB: ACBP), the holding company for Bank of Evansville, today reported consolidated net income for the 2006 fiscal year of \$1,736,011, a 2.8 percent increase over 2005 results of \$1,688,925. Diluted earnings per share, adjusted for the 5 percent stock dividend declared in April 2006, were \$.95 per share for 2006 and 2005. Net income before income taxes for fiscal 2006 increased 20.8 percent over 2005, growing from \$2,433,225 to \$2,938,211. Income tax expense for 2005 was reduced by approximately \$240,000 due to the carryover of tax losses from start up operations which were fully utilized in 2005.

For the quarter ended December 31, net income for 2006 was \$400,778 versus \$367,707 for 2005, a 9.0 percent increase. Diluted earnings per share for the 2006 quarter were \$.22 per share, compared to \$.20 per share for the fourth quarter of 2005, an increase of 10.0 percent. Earnings were supported by a higher level of average earning assets, coupled with a 41.4 percent increase in fees on residential real estate loans originated for sale in the secondary market.

Michael S. Sutton, President and CEO, commented, “We are very pleased with our 2006 performance. The best measure of our earnings on a comparable basis is the 20.8 percent pre tax increase. These results are gratifying given the challenges affecting the banking industry as a result of the prolonged inversion of the yield curve. Record earnings were driven by an 11.3 percent increase in net interest income, which reflects solid growth in our loan portfolio, funded by strong core deposit growth.”

Total revenues for 2006 were \$8,807,163, increasing \$947,412 or 12.1 percent, compared to the same period in the prior year. Net interest income for 2006 was \$7,347,593, \$747,648 or 11.3 percent higher than the \$6,599,945 reported for 2005. The growth of net interest income is credited to the growth of the loan portfolio. Non interest income for 2006 increased \$199,764 or 15.9 percent, closing the year at \$1,459,570. The growth was attributable to continued expansion of the merchant processing portfolio and an increase in service charges on a growing deposit base.

Non interest expense for 2006 was \$5,471,534, compared to \$4,821,526 for 2005. Salaries and benefits, the largest component of non interest expense, increased \$319,524 in 2006, a 12.3 percent increase over 2005. Included in this increase was the first time reporting of employee stock option expense per the provisions of Statement of Financial Accounting Standards No. 123R, *Share-Based Payment*, in the amount of \$72,704, as well as a continued investment in personnel to support the growth of the Company.

Total revenues, consisting of net interest income and non interest income, were \$2,273,473 for the fourth quarter of 2006, reflecting an increase of \$177,935, or 8.5 percent, compared to the same period in 2005. Net interest income in the fourth quarter of 2006 was \$1,883,586, increasing \$103,231, or 5.8 percent, compared to the same quarter of 2005. The increase in net interest income in the fourth quarter of 2006, as compared with 2005, was primarily due to the higher level of average earning assets in 2006, which were \$25,821,952 higher than in 2005.

Non interest expense for the fourth quarter of 2006 was \$1,459,595, increasing 12.4 percent from \$1,298,131 in the same period a year ago. The increase in non interest expense was due to additional staffing infrastructure, fees related to the merchant processing portfolio, and the expensing of stock options.

Total assets at December 31, 2006, were \$242,759,305, compared to \$222,074,893 at the same date a year ago, an increase of \$20,684,412 or 9.3 percent. Loans grew \$34,243,045 or 19.2 percent and reached \$212,711,590 at December 31, 2006, compared to \$178,468,545 at December 31, 2005. Total deposits at December 31, 2006, were \$214,813,431, reflecting an increase of \$19,286,605, or 9.9 percent over the corresponding total a year ago.

Loan charge-offs remained well below peer, totaling \$55,000 during 2006. Non performing loans at December 31, 2006, were \$21,000, or less than .01 percent of total loans, and, except for a single non performing loan, the Company had no loans 30 days past due at year end. The allowance for loan losses was \$3,063,600 at December 31, 2006, or 1.44 percent of total outstanding loans.

Mr. Sutton commented, "As our Company grows, superior asset quality continues to be a top priority. Our credit quality reflects our strong underwriting standards and continued commitment to high quality loan growth. Our team of experienced lenders and credit administration staff work closely to achieve this goal."

Shareholders' equity increased 12.5 percent during 2006, ending the year at \$18,756,624. The Company remains "well capitalized" with a Tier I capital ratio of 10.8 percent at December 31, 2006.

Mr. Sutton concluded, "2006 was a year of accomplishment for the Company with record earnings, payment of a five percent stock dividend, celebration of our fifth anniversary, and the announcement of a new facility to serve Evansville's North Side. Construction will begin shortly on a full service banking center in the Grant Hills subdivision with an expected opening in the fourth quarter of 2007."

American Community Bancorp, Inc., through its wholly owned subsidiary, Bank of Evansville, provides a full range of commercial and consumer banking services in the Evansville, Indiana, area.

*This news release contains forward looking statements within the meaning of the safe harbor provisions of the Private Securities Act of 1995. Such statements are based on management's current expectations and are subject to a number of risk factors and uncertainties which could cause actual results to differ materially from those described in the forward looking statements.*

**AMERICAN COMMUNITY BANCORP, INC.  
CONSOLIDATED BALANCE SHEETS**

	<b>(Unaudited) December 31, 2006</b>	<b>December 31, 2005</b>
	<u>2006</u>	<u>2005</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 4,351,163	\$ 6,811,769
Interest bearing balances with banks	23,967	8,637
Federal funds sold	8,465,000	19,119,000
Total cash and cash equivalents	<u>12,840,130</u>	<u>25,939,406</u>
Securities available for sale, at fair value	9,886,563	10,779,027
Nonmarketable equity securities	1,060,450	1,007,350
Loans, net of deferred fees	212,711,590	178,468,545
Allowance for loan losses	<u>(3,063,600)</u>	<u>(2,721,000)</u>
Net loans	209,647,990	175,747,545
Premises and equipment	5,962,624	5,519,786
Other assets	3,361,548	3,081,779
Total assets	<u>\$ 242,759,305</u>	<u>\$ 222,074,893</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Non interest bearing	\$ 19,765,202	\$ 25,390,342
NOW, MMDA and Savings	110,148,954	94,500,911
Time deposits	84,899,275	75,635,573
Total deposits	<u>214,813,431</u>	<u>195,526,826</u>
Long term debt	8,248,000	8,248,000
Accrued expenses and other liabilities	941,250	1,633,499
Total liabilities	<u>224,002,681</u>	<u>205,408,325</u>
 <b>SHAREHOLDERS' EQUITY</b>		
Common stock, no par value, 3,000,000 shares authorized; issued and outstanding 1,688,091 and 1,678,600	17,532,198	15,707,938
Undivided profits	1,379,322	1,145,044
Accumulated other comprehensive income (loss)	<u>(154,896)</u>	<u>(186,414)</u>
Total shareholders' equity	<u>18,756,624</u>	<u>16,666,568</u>
Total liabilities and shareholders' equity	<u>\$ 242,759,305</u>	<u>\$ 222,074,893</u>

**AMERICAN COMMUNITY BANCORP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited, except Year Ended December 31, 2005)

	Three months ended December 31,		Years ended December 31,	
	2006	2005	2006	2005
<b>Interest income:</b>				
Interest and fees on loans	\$ 4,028,576	\$ 3,094,951	\$14,921,356	\$10,586,291
Securities:				
U. S. government agencies and corporations	98,377	109,994	401,394	474,644
Other securities	14,862	13,517	58,531	42,494
Federal funds sold	96,086	110,281	423,056	269,228
Deposits with other banks	244	52	692	5,363
Total interest income	<u>4,238,145</u>	<u>3,328,795</u>	<u>15,805,029</u>	<u>11,378,020</u>
<b>Interest expense:</b>				
Deposits	2,199,844	1,424,223	7,872,285	4,499,929
Federal funds purchased	53	-	1,727	855
Borrowings	154,662	124,217	583,424	277,291
Total interest expense	<u>2,354,559</u>	<u>1,548,440</u>	<u>8,457,436</u>	<u>4,778,075</u>
Net interest income	1,883,586	1,780,355	7,347,593	6,599,945
<b>Provision for loan losses</b>	<u>125,000</u>	<u>168,300</u>	<u>397,418</u>	<u>605,000</u>
Net interest income after provision for loan losses	1,758,586	1,612,055	6,950,175	5,994,945
<b>Non interest income:</b>				
Service charges on deposit accounts	56,198	44,644	207,655	175,738
Gain on sale of loans	114,414	80,899	448,520	508,758
Merchant processing fees	174,148	156,965	650,678	450,548
Other	45,127	32,675	152,717	124,762
Total non interest income	<u>389,887</u>	<u>315,183</u>	<u>1,459,570</u>	<u>1,259,806</u>
<b>Non interest expense:</b>				
Salaries and benefits	758,090	653,738	2,918,687	2,599,163
Occupancy and equipment, net	133,753	127,543	545,284	528,839
Marketing	21,987	22,197	79,808	84,045
Data processing	87,302	82,022	329,862	299,900
Supplies, postage and printing	27,613	25,225	80,653	92,812
Legal and professional	54,464	60,477	195,398	198,669
Merchant processing expense	165,026	134,259	605,177	405,789
Other	211,360	192,670	716,665	612,309
Total non interest expense	<u>1,459,595</u>	<u>1,298,131</u>	<u>5,471,534</u>	<u>4,821,526</u>
<b>Income before income taxes</b>	688,878	629,107	2,938,211	2,433,225
Income taxes	288,100	261,400	1,202,200	744,300
<b>Net income</b>	<u>\$ 400,778</u>	<u>\$ 367,707</u>	<u>\$ 1,736,011</u>	<u>\$ 1,688,925</u>
<b>Basic earnings per common share*</b>	\$ 0.24	\$ 0.22	\$ 1.03	\$ 1.01
<b>Diluted earnings per common share*</b>	\$ 0.22	\$ 0.20	\$ 0.95	\$ 0.95
Average common shares outstanding*	1,683,816	1,678,600	1,682,031	1,670,944
Average diluted shares outstanding*	1,828,979	1,796,285	1,829,456	1,769,313

\* Adjusted for 5 percent stock dividend paid on June 9, 2006

**AMERICAN COMMUNITY BANCORP, INC.**  
**CONSOLIDATED FINANCIAL HIGHLIGHTS**  
(Unaudited)

(dollars in thousands except per share data)	2006	2006	2006	2006	2005	Years ended December 31	
	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	2006	2005
<b>EARNINGS</b>							
Net interest income	\$ 1,884	\$ 1,851	\$ 1,800	\$ 1,814	\$ 1,780	\$ 7,348	\$ 6,600
Provision for loan losses	\$ 125	\$ 40	\$ 95	\$ 137	\$ 168	\$ 397	\$ 605
Non interest income	\$ 390	\$ 398	\$ 359	\$ 311	\$ 315	\$ 1,459	\$ 1,260
Non interest expense	\$ 1,460	\$ 1,324	\$ 1,450	\$ 1,238	\$ 1,298	\$ 5,472	\$ 4,822
Income taxes	\$ 288	\$ 358	\$ 250	\$ 306	\$ 261	\$ 1,202	\$ 744
Net income	\$ 401	\$ 527	\$ 364	\$ 444	\$ 368	\$ 1,736	\$ 1,689
Basic earnings per share*	\$ 0.24	\$ 0.31	\$ 0.22	\$ 0.26	\$ 0.22	\$ 1.03	\$ 1.01
Diluted earnings per share*	\$ 0.22	\$ 0.29	\$ 0.20	\$ 0.24	\$ 0.20	\$ 0.95	\$ 0.95
Average shares outstanding*	1,683,816	1,681,791	1,681,791	1,680,727	1,678,600	1,682,031	1,670,944
Average diluted shares outstanding*	1,828,979	1,837,043	1,835,907	1,815,923	1,796,285	1,829,456	1,769,313
<b>PERFORMANCE RATIOS</b>							
Return on average assets	0.68%	0.93%	0.65%	0.82%	0.70%	0.77%	0.88%
Return on average common equity	8.47%	11.58%	8.36%	10.58%	8.83%	9.74%	10.66%
Net interest margin (fully tax equivalent)	3.34%	3.41%	3.39%	3.54%	3.57%	3.42%	3.64%
Efficiency ratio	64.20%	58.85%	67.14%	58.27%	61.95%	62.13%	61.34%
Full time equivalent employees	42	42	40	42	40	42	40
<b>CAPITAL</b>							
Average equity to average assets	8.06%	8.01%	7.78%	7.79%	7.93%	7.91%	8.30%
Tier 1 leverage capital ratio	10.81%	10.83%	10.55%	10.59%	10.79%	10.81%	10.79%
Tier 1 risk based capital ratio	11.96%	12.07%	12.07%	12.13%	12.35%	11.96%	12.35%
Total risk based capital ratio	14.01%	14.25%	14.39%	14.54%	14.91%	14.01%	14.91%
Book value per share*	\$ 11.11	\$ 10.80	\$ 10.39	\$ 10.18	\$ 9.93	\$ 11.11	\$ 9.93
Cash dividend per share	-	-	-	-	-	-	-
<b>ASSET QUALITY</b>							
Gross loan charge offs	\$ 3	\$ -	\$ 14	\$ 38	\$ -	\$ 55	\$ -
Net loan charge offs	\$ 3	\$ -	\$ 14	\$ 38	\$ -	\$ 55	\$ -
Net loan charge offs to average loans	-	-	0.01%	0.02%	-	0.03%	-
Allowance for loan losses	\$ 3,064	\$ 2,942	\$ 2,902	\$ 2,820	\$ 2,721	\$ 3,064	\$ 2,721
Allowance for losses to total loans	1.44%	1.46%	1.49%	1.50%	1.52%	1.44%	1.52%
Nonperforming loans	\$ 21	\$ -	\$ -	\$ -	\$ 182	\$ 21	\$ 182
Other real estate and repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonperforming loans to total assets	0.01%	-	-	-	0.08%	0.01%	0.08%
<b>END OF PERIOD BALANCES</b>							
Loans	\$ 212,712	\$ 201,423	\$ 194,426	\$ 187,861	\$ 178,469	\$ 212,712	\$ 178,469
Total earning assets	\$ 232,380	\$ 224,686	\$ 217,642	\$ 213,911	\$ 209,683	\$ 232,380	\$ 209,683
Total assets	\$ 242,759	\$ 233,701	\$ 227,914	\$ 225,753	\$ 222,075	\$ 242,759	\$ 222,075
Deposits	\$ 214,813	\$ 206,279	\$ 194,462	\$ 199,198	\$ 195,527	\$ 214,813	\$ 195,527
Shareholders' equity	\$ 18,757	\$ 18,158	\$ 17,472	\$ 17,122	\$ 16,667	\$ 18,757	\$ 16,667
<b>AVERAGE BALANCES</b>							
Loans	\$ 205,103	\$ 195,498	\$ 193,384	\$ 184,589	\$ 174,165	\$ 194,640	\$ 160,230
Total earning assets	\$ 223,704	\$ 215,279	\$ 212,837	\$ 207,850	\$ 197,882	\$ 214,938	\$ 181,559
Total assets	\$ 233,011	\$ 225,558	\$ 224,236	\$ 218,650	\$ 208,417	\$ 225,379	\$ 191,064
Deposits	\$ 205,222	\$ 198,527	\$ 197,852	\$ 192,302	\$ 182,786	\$ 198,491	\$ 169,836
Shareholders' equity	\$ 18,769	\$ 18,063	\$ 17,455	\$ 17,029	\$ 16,523	\$ 17,830	\$ 15,850

\* Adjusted for 5 percent stock dividend paid June 9, 2006