



## **For Immediate Release**

April 22, 2008

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### **American Community Bancorp, Inc. Announces Loan Growth of 19 Percent Revenues Increase 10 Percent**

**Evansville, IN, April 22, 2008 – American Community Bancorp, Inc. (“the Company”) (OTCBB: ACBP), the holding company for Bank of Evansville,** today announced first quarter results for 2008. The Company generated net income for the first quarter of \$361,585 compared to \$501,724 for the same quarter a year ago, a decrease of \$140,139, or 27.9 percent. Diluted earnings per share were \$0.20 for 2008, compared to \$0.27 for 2007, a 25.9 percent decrease of \$0.07 per share.

Michael S. Sutton, President and Chief Executive Officer, commented, “We are extremely pleased with our first quarter results. Although net income is lower compared to last year, the decrease is attributable to two specific areas. First, the Company’s provision for loan losses for the quarter, on a pre-tax basis, was \$184,345 higher than last year. This increase was driven by loan growth and not by deterioration in the quality of our loan portfolio, as evidenced by net charge-offs of only \$2,416 during the quarter. Secondly, the first quarter of 2008 results contain personnel and occupancy expenses related to our new branch, which opened November 13, 2007.”

Total revenues, consisting of net interest income and non interest income, were \$2,465,044 for the first quarter of 2008, an increase of \$231,466 or 10.4 percent, compared to \$2,233,578 for the first quarter of 2007. Net interest income for the first quarter was \$2,069,358, reflecting an increase of \$175,522 or 9.3 percent over the same period a year ago. The increase in net interest income for the first quarter of 2008 over the same quarter in the prior year was attributable to an increase in average loans of \$29,868,129, offset by a decrease in net interest margin resulting from competitive loan and deposit environments, and the short-term impact of the 2.0 percent reduction of the Federal Reserve’s key inter-bank borrowing rate during the first quarter. Non interest income for the first quarter of 2008 increased by \$55,944 or 16.5 percent over the same quarter last year, primarily due to increased merchant processing revenue, gains on sale of loans, and debit card interchange income.

Non interest expense for the first quarter of 2008 was \$1,619,814, which was \$275,260 or 20.5 percent higher than the first quarter of 2007. Salaries and benefits, the largest component of non interest expense, for the current quarter increased \$137,996 or 18.6 percent over the prior year quarter. The increase in salaries and benefits includes the additional personnel costs related to our new branch. The new branch also impacted occupancy and equipment expense during the first quarter of 2008, which was \$166,445, an increase of \$44,693 or 36.7 percent over the same quarter last year.

The provision for loan losses for the first quarter was \$230,345 in 2008 and \$46,000 in 2007. The increased provision was directly related to the Company's loan growth of \$17,793,944 during the first quarter of 2008. Net charge-offs were \$2,416 for the current quarter, compared to \$0 for the first quarter of 2007. The ratio of the allowance for loan losses to total loans was 1.30 percent at March 31, 2008, and 1.44 percent at March 31, 2007.

Total assets at March 31, 2008, were \$301,744,193, increasing \$49,649,386 or 19.7 percent from \$252,094,807 at the same date a year ago. Loans increased \$40,747,598 or 18.8 percent and reached \$257,186,070 at March 31, 2008, compared to \$216,438,472 at March 31, 2007. Deposits at March 31, 2008, were \$262,672,084, increasing \$39,291,292 compared to \$223,380,792 at March 31, 2007.

Mr. Sutton concluded, "In spite of a challenging banking environment and a softening of the economy, we are encouraged by the growth of our loan portfolio. Of equal importance is our increase in core deposits. Year over year balances and accounts increased 12.6 percent and 14.0 percent, respectively. Contributing to those increases was the successful opening of our new Grant Hills Banking Center at Highway 41 North and Boonville-New Harmony Road. This office has added convenience to our client base and allowed us to expand our footprint in the growing North Side of Vanderburgh County. Asset quality continues to be the key driver in measuring our performance. We will always have a disciplined approach in underwriting our credits. The minimal net charge-offs for the quarter confirm our commitment to sound credit quality."

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 certain forward-looking statements. These forward-looking statements may be identified by the use of such forward-looking terminology as "expect," "believe," "plan," "anticipate," "may," "will," or similar statements or variations of such terms or otherwise express views concerning trends and the future. Forward-looking statements involve risks and uncertainties which could cause our results to differ materially from such forward-looking statements. We assume no obligation for updating any such forward-looking statement at any time.*

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

	<b>(Unaudited)</b> <b>March 31,</b> <b>2008</b>	<b>December 31,</b> <b>2007</b>	<b>(Unaudited)</b> <b>March 31,</b> <b>2007</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and due from banks	\$ 5,639,898	\$ 5,541,754	\$ 3,244,253
Interest bearing balances with banks	168,195	36,324	28,769
Federal funds sold	21,627,000	4,458,000	15,412,000
Total cash and cash equivalents	<u>27,435,093</u>	<u>10,036,078</u>	<u>18,685,022</u>
Securities available for sale, at fair value	8,542,271	9,202,756	9,834,624
Nonmarketable equity securities	1,194,150	1,168,150	1,060,450
Loans, net of deferred fees	257,186,070	239,392,126	216,438,472
Allowance for loan losses	<u>(3,344,696)</u>	<u>(3,116,767)</u>	<u>(3,109,600)</u>
Net loans	<u>253,841,374</u>	<u>236,275,359</u>	<u>213,328,872</u>
Premises and equipment	7,100,516	7,201,642	5,980,001
Other assets	3,630,789	3,944,700	3,205,838
Total assets	<u>\$ 301,744,193</u>	<u>\$ 267,828,685</u>	<u>\$ 252,094,807</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits			
Non interest bearing	\$ 36,286,017	\$ 18,356,944	\$ 18,536,225
NOW, MMDA and Savings	109,335,488	106,895,642	115,212,522
Time deposits	117,050,579	113,930,361	89,632,045
Total deposits	<u>262,672,084</u>	<u>239,182,947</u>	<u>223,380,792</u>
Long term debt	18,248,000	8,248,000	8,248,000
Accrued expenses and other liabilities	762,371	870,544	1,078,440
Total liabilities	<u>281,682,455</u>	<u>248,301,491</u>	<u>232,707,232</u>
 <b>SHAREHOLDERS' EQUITY</b>			
Common stock, no par value, 3,000,000 shares authorized; issued and outstanding 1,789,096 1,781,039, and 1,781,039	19,259,454	19,145,765	17,635,757
Undivided profits	781,494	419,910	1,881,046
Accumulated other comprehensive income (loss)	<u>20,790</u>	<u>(38,481)</u>	<u>(129,228)</u>
Total shareholders' equity	<u>20,061,738</u>	<u>19,527,194</u>	<u>19,387,575</u>
Total liabilities and shareholders' equity	<u>\$ 301,744,193</u>	<u>\$ 267,828,685</u>	<u>\$ 252,094,807</u>

**AMERICAN COMMUNITY BANCORP, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2008</b>	<b>2007</b>
<b>Interest income:</b>		
Interest and fees on loans	\$ 4,017,673	\$ 4,105,337
Securities		
U. S. government agencies and corporations	82,643	97,582
Other	16,087	14,938
Federal funds sold	132,042	140,001
Other	192	280
Total interest income	<u>4,248,637</u>	<u>4,358,138</u>
<b>Interest expense:</b>		
Deposits	2,011,583	2,316,262
Federal funds purchased	84	-
Borrowings	167,612	148,040
Total interest expense	<u>2,179,279</u>	<u>2,464,302</u>
Net interest income	2,069,358	1,893,836
<b>Provision for loan losses</b>	230,345	46,000
Net interest income after provision for loan losses	<u>1,839,013</u>	<u>1,847,836</u>
<b>Non interest income:</b>		
Service charges on deposit accounts	52,164	61,638
Gain on sale of loans	84,922	77,425
Merchant processing fees	189,870	153,041
Other	68,730	47,638
Total non interest income	<u>395,686</u>	<u>339,742</u>
<b>Non interest expense:</b>		
Salaries and benefits	878,160	740,164
Occupancy and equipment, net	166,445	121,752
Marketing	25,317	12,280
Data processing	100,853	90,545
Supplies, postage and printing	7,278	12,884
Legal and professional	83,076	56,876
Merchant processing expense	169,957	151,318
Other	188,728	158,735
Total non interest expense	<u>1,619,814</u>	<u>1,344,554</u>
<b>Income before income taxes</b>	614,885	843,024
Income taxes	253,300	341,300
<b>Net income</b>	<u>\$ 361,585</u>	<u>\$ 501,724</u>
<b>Basic earnings per common share</b>	\$ 0.20	\$ 0.28
<b>Diluted earnings per common share</b>	\$ 0.20	\$ 0.27
Average common shares outstanding	1,780,766	1,774,075
Average diluted shares outstanding	1,832,684	1,861,552

\* Adjusted for 5 percent stock dividends paid on June 9, 2006 and June 8, 2007

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

(dollars in thousands except per share data)	2008	2007	2007	2007	2007	Years ended December 31	
	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	1st Qtr	2007	2006
<b>EARNINGS</b>							
Net interest income	\$ 2,069	\$ 2,197	\$ 2,107	\$ 1,952	\$ 1,894	\$ 8,150	\$ 7,348
Provision for loan losses	\$ 230	\$ 2,449	\$ 75	\$ 37	\$ 46	\$ 2,607	\$ 397
Non interest income	\$ 396	\$ 400	\$ 358	\$ 402	\$ 340	\$ 1,499	\$ 1,459
Non interest expense	\$ 1,620	\$ 1,792	\$ 1,429	\$ 1,568	\$ 1,345	\$ 6,133	\$ 5,472
Income taxes	\$ 253	\$ (637)	\$ 391	\$ 310	\$ 341	\$ 405	\$ 1,202
Net income	\$ 362	\$ (1,007)	\$ 570	\$ 439	\$ 502	\$ 504	\$ 1,736
Basic earnings per share*	\$ 0.20	\$ (0.57)	\$ 0.32	\$ 0.25	\$ 0.28	\$ 0.28	\$ 0.98
Diluted earnings per share*	\$ 0.20	\$ (0.54)	\$ 0.31	\$ 0.24	\$ 0.26	\$ 0.27	\$ 0.94
Average shares outstanding*	1,780,766	1,776,845	1,776,845	1,776,907	1,774,075	1,776,178	1,766,133
Average diluted shares outstanding*	1,832,684	1,860,762	1,865,609	1,867,285	1,861,553	1,863,812	1,856,138
<b>PERFORMANCE RATIOS</b>							
Return on average assets	0.52%	-1.53%	0.90%	0.71%	0.84%	0.20%	0.77%
Return on average common equity	7.28%	-19.23%	11.17%	8.97%	10.61%	2.52%	9.74%
Net interest margin (fully tax equivalent)	3.12%	3.47%	3.45%	3.27%	3.29%	3.38%	3.42%
Efficiency ratio	65.71%	68.99%	57.98%	66.60%	60.20%	63.56%	62.13%
Full time equivalent employees	46	46	46	43	42	46	42
<b>CAPITAL</b>							
Average equity to average assets	7.17%	7.94%	8.08%	7.88%	7.89%	7.95%	7.91%
Tier 1 leverage capital ratio	9.59%	9.97%	10.94%	10.69%	10.71%	9.97%	10.81%
Tier 1 risk based capital ratio	10.57%	11.17%	12.09%	12.25%	11.99%	11.17%	11.96%
Total risk based capital ratio	12.35%	13.05%	13.84%	14.12%	13.93%	13.05%	14.01%
Book value per share*	\$ 11.25	\$ 10.96	\$ 11.51	\$ 11.14	\$ 10.91	\$ 10.96	\$ 10.58
Cash dividend per share	-	-	-	-	-	-	-
<b>ASSET QUALITY</b>							
Gross loan charge offs	\$ 13	\$ 2,535	\$ 19	\$ -	\$ -	\$ 2,554	\$ 55
Net loan charge offs	\$ 2	\$ 2,535	\$ 19	\$ -	\$ -	\$ 2,554	\$ 55
Net loan charge offs to average loans	0.00%	1.08%	0.01%	-	-	1.15%	0.03%
Allowance for loan losses	\$ 3,345	\$ 3,117	\$ 3,203	\$ 3,147	\$ 3,110	\$ 3,117	\$ 3,064
Allowance for losses to total loans	1.30%	1.30%	1.40%	1.44%	1.44%	1.30%	1.44%
Nonperforming loans	\$ 3,696	\$ 2,243	\$ 347	\$ 136	\$ 136	\$ 2,243	\$ 21
Other real estate and repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonperforming loans to total assets	1.22%	0.84%	0.13%	0.05%	0.05%	0.84%	0.01%
<b>END OF PERIOD BALANCES</b>							
Loans	\$ 257,186	\$ 239,392	\$ 228,762	\$ 218,554	\$ 216,438	\$ 239,392	\$ 212,712
Total earning assets	\$ 288,683	\$ 254,321	\$ 249,001	\$ 245,746	\$ 242,988	\$ 254,321	\$ 232,380
Total assets	\$ 301,744	\$ 267,829	\$ 260,245	\$ 255,619	\$ 252,095	\$ 267,829	\$ 242,759
Deposits	\$ 262,672	\$ 239,183	\$ 230,664	\$ 222,854	\$ 223,381	\$ 239,183	\$ 214,813
Shareholders' equity	\$ 20,062	\$ 19,527	\$ 20,455	\$ 19,789	\$ 19,388	\$ 19,527	\$ 18,757
<b>AVERAGE BALANCES</b>							
Loans	\$ 241,061	\$ 235,708	\$ 223,727	\$ 217,776	\$ 211,193	\$ 222,114	\$ 194,640
Total earning assets	\$ 266,820	\$ 251,198	\$ 240,434	\$ 239,208	\$ 233,207	\$ 241,036	\$ 214,938
Total assets	\$ 278,666	\$ 261,713	\$ 250,576	\$ 249,139	\$ 243,024	\$ 251,136	\$ 225,379
Deposits	\$ 244,982	\$ 231,622	\$ 221,106	\$ 220,231	\$ 214,595	\$ 221,913	\$ 198,491
Shareholders' equity	\$ 19,970	\$ 20,775	\$ 20,242	\$ 19,644	\$ 19,175	\$ 19,960	\$ 17,830

\* Adjusted for 5 percent stock dividends paid June 9, 2006 and June 8, 2007