



Holding Company for  
**BANK of EVANSVILLE**

## **For Immediate Release**

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### **American Community Bancorp Reports 21 Percent Increase in Second Quarter Net Income**

Evansville, IN, July 24, 2007 – American Community Bancorp, Inc. (the “Company”) (OTCBB: ACBP), the holding company for Bank of Evansville, today reported consolidated net income for the second quarter of 2007 of \$439,200, an increase of 20.7 percent over the same quarter in 2006. Diluted earnings per share, adjusted for the 5 percent stock dividend declared in April 2007, were \$0.24 and \$0.20 for the second quarter of 2007 and 2006, respectively.

For the first six months of 2007, consolidated net income was \$940,924 compared to \$808,037 for the first six months of 2006, an increase of 16.5 percent. Diluted earnings per share, adjusted for the 5 percent stock dividend declared in April 2007, for the first six months of 2007 were \$0.50 compared to \$0.44 for the same period in 2006.

Total assets at June 30, 2007 were \$255,619,127 compared to \$227,913,978 at the same date a year ago, an increase of \$27,705,149 or 12.2 percent. Loans grew \$24,128,466 or 12.4 percent and reached \$218,554,263 at June 30, 2007 compared to \$194,425,797 reported at June 30, 2006. Total deposits at June 30, 2007 were \$222,853,635, reflecting an increase of \$28,392,066 or 14.6 percent over the corresponding total a year ago. The Company remains “well capitalized” with a Tier I capital ratio of 10.7 percent at June 30, 2007.

Michael S. Sutton, President and Chief Executive Officer commented, “We are pleased to report a double digit increase year over year in both our loan and deposit portfolios. Our profitability increase is a reflection of the continued growth of our balance sheet, strong asset quality, and a disciplined approach to managing operating expenses. These trends demonstrate the support of our business model and a commitment to offering competitive products and providing quality service by our team of local, experienced bankers.”

Total revenues, consisting of net interest income and non interest income, were \$2,354,161 for the second quarter of 2007, \$195,001 or 9.0 percent higher than the same period last year. Net interest income was \$1,952,184 for the second quarter of 2007, increasing \$152,383 or 8.5 percent over the same quarter of 2006. The growth of net interest income is primarily attributable to an increase in average earning assets of \$26,371,897 year over year. Non interest income of \$401,977 for the second quarter of 2007 grew \$42,618 or 11.9 percent compared to the same period in 2006. Continued growth in our retail and commercial deposits contributed to an increase in service charges and other deposit fee income for the quarter. Non interest expense for the second quarter of 2007 was \$1,567,861, compared to \$1,449,743 for the second quarter of 2006.

Total revenues for the first six months of 2007 were \$4,587,739, increasing \$303,332 or 7.1 percent compared to the same period in the prior year. Net interest income for the first six months of 2007 was \$3,846,020, \$232,602 or 6.4 percent higher than the \$3,613,418 reported for the first six months of 2006. This increase in net interest income was due to strong loan growth, offset by a decrease in net interest margin. Non interest income for the first six months of 2007 increased \$70,730 or 10.5 percent. Non interest expense for the first six months of 2007 was \$2,912,415 compared to \$2,688,152 for the same

period in 2006. The primary increase in non interest expense was generated by an increase in salaries and benefits due to expanding our loan staff to support our growing commercial client base.

Mr. Sutton said, "Our banking office in the Grant Hills Subdivision at the corner of Hwy. 41 North and Boonville-New Harmony Road is under construction and should open mid fourth quarter. This will provide added convenience to our existing clients as well as expand our footprint in the Evansville market and provide additional growth opportunities in the North Side area."

Mr. Sutton concluded, "In spite of a challenging interest rate environment and increased competition in our marketplace, we are optimistic about our performance goals for the remainder 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.*

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

	(Unaudited) June 30, 2007	December 31, 2006	(Unaudited) June 30, 2006
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and due from banks	\$ 3,822,913	\$ 4,351,163	\$ 5,490,683
Interest bearing balances with banks	25,315	23,967	17,204
Federal funds sold	16,041,000	8,465,000	11,801,000
Total cash and cash equivalents	<u>19,889,228</u>	<u>12,840,130</u>	<u>17,308,887</u>
Securities available for sale, at fair value	9,656,608	9,886,563	9,860,195
Nonmarketable equity securities	1,168,150	1,060,450	1,060,450
Loans, net of deferred fees	218,554,263	212,711,590	194,425,797
Allowance for loan losses	<u>(3,146,600)</u>	<u>(3,063,600)</u>	<u>(2,901,600)</u>
Net loans	<u>215,407,663</u>	<u>209,647,990</u>	<u>191,524,197</u>
Premises and equipment	6,308,312	5,962,624	5,460,520
Other assets	<u>3,189,166</u>	<u>3,361,548</u>	<u>2,699,729</u>
Total assets	<u><u>\$ 255,619,127</u></u>	<u><u>\$ 242,759,305</u></u>	<u><u>\$ 227,913,978</u></u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits			
Non interest bearing	\$ 20,755,602	\$ 19,765,202	\$ 17,023,108
NOW, MMDA and Savings	118,770,106	110,148,954	92,408,027
Time deposits	<u>83,327,927</u>	<u>84,899,275</u>	<u>85,030,434</u>
Total deposits	<u>222,853,635</u>	<u>214,813,431</u>	<u>194,461,569</u>
Borrowings	12,248,000	8,248,000	15,248,000
Accrued expenses and other liabilities	<u>728,607</u>	<u>941,250</u>	<u>732,308</u>
Total liabilities	<u>235,830,242</u>	<u>224,002,681</u>	<u>210,441,877</u>
 <b>SHAREHOLDERS' EQUITY</b>			
Common stock, no par value, 3,000,000 shares authorized; issued and outstanding 1,781,039 1,772,404, and 1,765,881	19,113,185	17,532,198	17,319,634
Undivided profits	856,979	1,379,322	451,348
Accumulated other comprehensive income (loss)	<u>(181,279)</u>	<u>(154,896)</u>	<u>(298,881)</u>
Total shareholders' equity	<u>19,788,885</u>	<u>18,756,624</u>	<u>17,472,101</u>
Total liabilities and shareholders' equity	<u><u>\$ 255,619,127</u></u>	<u><u>\$ 242,759,305</u></u>	<u><u>\$ 227,913,978</u></u>

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

	Three months ended June 30,		Six months ended June 30,	
	2007	2006	2007	2006
<b>Interest income:</b>				
Interest and fees on loans	\$ 4,222,754	\$ 3,670,630	\$ 8,328,091	\$ 7,033,133
Securities:				
U. S. government agencies and corp.	96,691	100,122	194,273	219,462
Other securities	14,895	15,542	29,833	14,161
Federal funds sold	133,067	94,361	273,068	216,883
Deposits with other banks	277	150	557	239
Total interest income	<u>4,467,684</u>	<u>3,880,805</u>	<u>8,825,822</u>	<u>7,483,878</u>
<b>Interest expense:</b>				
Deposits	2,364,843	1,936,507	4,681,105	3,594,461
Borrowings	150,657	144,497	298,697	275,999
Total interest expense	<u>2,515,500</u>	<u>2,081,004</u>	<u>4,979,802</u>	<u>3,870,460</u>
Net interest income	1,952,184	1,799,801	3,846,020	3,613,418
<b>Provision for loan losses</b>	<u>37,000</u>	<u>95,446</u>	<u>83,000</u>	<u>232,418</u>
Net interest income after provision for loan losses	1,915,184	1,704,355	3,763,020	3,381,000
<b>Non interest income:</b>				
Service charges on deposit accounts	59,084	52,937	120,722	96,893
Gain on sale of loans	115,728	113,419	193,153	202,571
Merchant processing fees	180,546	155,620	333,587	302,486
Other	46,619	37,383	94,257	69,039
Total non interest income	<u>401,977</u>	<u>359,359</u>	<u>741,719</u>	<u>670,989</u>
<b>Non interest expense:</b>				
Salaries and benefits	817,104	750,630	1,557,268	1,435,849
Occupancy and equipment, net	162,491	146,901	284,243	276,585
Marketing	25,384	39,063	37,664	47,759
Data processing	90,982	82,682	181,527	158,579
Supplies, postage and printing	26,085	20,939	38,969	38,173
Legal and professional	71,091	53,798	127,967	104,563
Merchant processing expense	174,909	147,243	326,227	282,673
Other	199,815	208,487	358,550	343,971
Total non interest expense	<u>1,567,861</u>	<u>1,449,743</u>	<u>2,912,415</u>	<u>2,688,152</u>
<b>Income before income taxes</b>	749,300	613,971	1,592,324	1,363,837
Income taxes	310,100	250,100	651,400	555,800
<b>Net income</b>	<u>\$ 439,200</u>	<u>\$ 363,871</u>	<u>\$ 940,924</u>	<u>\$ 808,037</u>
<b>Basic earnings per common share*</b>	\$ 0.25	\$ 0.21	\$ 0.53	\$ 0.46
<b>Diluted earnings per common share*</b>	\$ 0.24	\$ 0.20	\$ 0.50	\$ 0.44
Average common shares outstanding*	1,776,907	1,765,881	1,778,350	1,765,322
Average diluted shares outstanding*	1,867,285	1,863,814	1,867,278	1,855,248

\* 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)	2007	2007	2006	2006	2006	Years ended December 31	
	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2nd Qtr	2006	2005
<b>EARNINGS</b>							
Net interest income	\$ 1,952	\$ 1,894	\$ 1,884	\$ 1,851	\$ 1,800	\$ 7,348	\$ 6,600
Provision for loan losses	\$ 37	\$ 46	\$ 125	\$ 40	\$ 95	\$ 397	\$ 605
Non interest income	\$ 402	\$ 340	\$ 390	\$ 398	\$ 359	\$ 1,459	\$ 1,260
Non interest expense	\$ 1,568	\$ 1,345	\$ 1,460	\$ 1,324	\$ 1,450	\$ 5,472	\$ 4,822
Income taxes	\$ 310	\$ 341	\$ 288	\$ 358	\$ 250	\$ 1,202	\$ 744
Net income	\$ 439	\$ 502	\$ 401	\$ 527	\$ 364	\$ 1,736	\$ 1,689
Basic earnings per share*	\$ 0.25	\$ 0.28	\$ 0.23	\$ 0.30	\$ 0.21	\$ 0.98	\$ 0.96
Diluted earnings per share*	\$ 0.24	\$ 0.26	\$ 0.22	\$ 0.28	\$ 0.20	\$ 0.94	\$ 0.91
Average shares outstanding*	1,776,907	1,774,075	1,768,007	1,765,881	1,765,881	1,766,133	1,754,490
Average diluted shares outstanding*	1,867,285	1,861,553	1,859,010	1,864,995	1,863,814	1,856,138	1,857,779
<b>PERFORMANCE RATIOS</b>							
Return on average assets	0.71%	0.84%	0.68%	0.93%	0.65%	0.77%	0.88%
Return on average common equity	8.97%	10.61%	8.47%	11.58%	8.36%	9.74%	10.66%
Net interest margin (fully tax equivalent)	3.27%	3.29%	3.34%	3.41%	3.39%	3.42%	3.64%
Efficiency ratio	66.60%	60.20%	64.20%	58.85%	67.14%	62.13%	61.34%
Full time equivalent employees	43	42	42	42	40	42	40
<b>CAPITAL</b>							
Average equity to average assets	7.88%	7.89%	8.06%	8.01%	7.78%	7.91%	8.30%
Tier 1 leverage capital ratio	10.69%	10.71%	10.81%	10.83%	10.55%	10.81%	10.79%
Tier 1 risk based capital ratio	12.25%	11.99%	11.96%	12.07%	12.07%	11.96%	12.35%
Total risk based capital ratio	14.12%	13.93%	14.01%	14.25%	14.39%	14.01%	14.91%
Book value per share*	\$ 11.14	\$ 10.91	\$ 10.58	\$ 10.28	\$ 9.89	\$ 10.58	\$ 9.46
Cash dividend per share	-	-	-	-	-	-	-
<b>ASSET QUALITY</b>							
Gross loan charge offs	\$ -	\$ -	\$ 3	\$ -	\$ 14	\$ 55	\$ -
Net loan charge offs	\$ -	\$ -	\$ 3	\$ -	\$ 14	\$ 55	\$ -
Net loan charge offs to average loans	-	-	-	-	0.01%	0.03%	-
Allowance for loan losses	\$ 3,147	\$ 3,110	\$ 3,064	\$ 2,942	\$ 2,902	\$ 3,064	\$ 2,721
Allowance for losses to total loans	1.44%	1.44%	1.44%	1.46%	1.49%	1.44%	1.52%
Nonperforming loans	\$ 136	\$ 136	\$ 21	\$ -	\$ -	\$ 21	\$ 182
Other real estate and repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonperforming loans to total assets	0.05%	0.05%	0.01%	-	-	0.01%	0.08%
<b>END OF PERIOD BALANCES</b>							
Loans	\$ 218,554	\$ 216,438	\$ 212,712	\$ 201,423	\$ 194,426	\$ 212,712	\$ 178,469
Total earning assets	\$ 245,746	\$ 242,988	\$ 232,380	\$ 224,686	\$ 217,642	\$ 232,380	\$ 209,683
Total assets	\$ 255,619	\$ 252,095	\$ 242,759	\$ 233,701	\$ 227,914	\$ 242,759	\$ 222,075
Deposits	\$ 222,854	\$ 223,381	\$ 214,813	\$ 206,279	\$ 194,462	\$ 214,813	\$ 195,527
Shareholders' equity	\$ 19,789	\$ 19,388	\$ 18,757	\$ 18,158	\$ 17,472	\$ 18,757	\$ 16,667
<b>AVERAGE BALANCES</b>							
Loans	\$ 217,776	\$ 211,193	\$ 205,103	\$ 195,498	\$ 193,384	\$ 194,640	\$ 160,230
Total earning assets	\$ 239,208	\$ 233,207	\$ 223,704	\$ 215,279	\$ 212,837	\$ 214,938	\$ 181,559
Total assets	\$ 249,139	\$ 243,024	\$ 233,011	\$ 225,558	\$ 224,236	\$ 225,379	\$ 191,064
Deposits	\$ 220,231	\$ 214,595	\$ 205,222	\$ 198,527	\$ 197,852	\$ 198,491	\$ 169,836
Shareholders' equity	\$ 19,644	\$ 19,175	\$ 18,769	\$ 18,063	\$ 17,455	\$ 17,830	\$ 15,850

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