



## **For Immediate Release**

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### **American Community Bancorp Announces Record Profits for Third Quarter**

**Evansville, IN, October 23, 2007 – American Community Bancorp, Inc. (the “Company”) (OTCBB: ACBP), the holding company for Bank of Evansville,** today reported consolidated net income for the third quarter of 2007 of \$569,690, an increase of 8.1 percent over the same quarter in 2006. Diluted earnings per share were \$0.31 and \$0.28 for the third quarter of 2007 and 2006, respectively.

For the first nine months of 2007, consolidated net income was \$1,510,613, an increase of 13.1 percent over net income of \$1,335,233 for the first nine months of 2006. Diluted earnings per share for the first nine months of 2007 were \$0.81 compared to \$0.72 for the same period in 2006.

Total assets at September 30, 2007, were \$260,244,955, compared to \$233,700,733 at the same date a year ago, an increase of \$26,544,222 or 11.4 percent. Loans grew \$27,338,978 or 13.6 percent and reached \$228,761,585 at September 30, 2007, compared to \$201,422,607 reported at September 30, 2006. Total deposits at September 30, 2007 were \$230,663,925, reflecting an increase of \$24,384,703, or 11.8 percent over the corresponding total a year ago. The Company remains “well capitalized” with a Tier I capital ratio of 10.9 percent at September 30, 2007.

Michael S. Sutton, President and Chief Executive Officer, commented, “We are once again gratified to report record quarterly earnings, a reflection of the dedication and commitment by our team of local professionals to core banking fundamentals. A slight improvement in the net interest margin, as well as double digit increases in both loans and deposits, were key contributors to not only our quarterly earnings increase but our year-over-year increase. While we saw a reduction in total non interest income, largely the result of reduced fee income from the sale of mortgage loans, we enjoyed an increase in service charge income of 16.3 percent driven by an increase of approximately 1,450 core deposit accounts over the period ended September 30, 2006. We continue to maintain a disciplined approach to controlling operating expenses, which has helped to offset the reduction in total non interest income.”

Total revenues, consisting of net interest income and non interest income, were \$2,465,086 for the third quarter of 2007, which was \$215,806 or 9.6 percent higher than the same period last year. Net interest income was \$2,107,421 for the third quarter of 2007, increasing \$256,835 or 13.9 percent over the same quarter of 2006. Non interest income of \$357,665 for the third quarter of 2007 was \$41,029 or 10.3 percent lower compared to the same period in 2006, primarily due to lower gains on the sale of residential real estate loans. Non interest expense for the third quarter of 2007 was \$1,429,375 compared to \$1,323,782 for the third quarter of 2006.

Total revenues for the first nine months of 2007 were \$7,052,825, increasing \$519,136 or 7.9 percent, compared to the same period in the prior year. Net interest income for the first nine months of 2007 was \$5,953,441, which was \$489,435 or 9.0 percent higher than the \$5,464,006 reported for the first nine months of 2006. The growth of net interest income is primarily attributable to the growth of the loan portfolio. Non interest income for the first nine months of 2007 increased \$29,701 or 2.8 percent. Non interest expense for the first nine months of 2007 was \$4,341,791, compared to \$4,011,938 for the same period in 2006.

Mr. Sutton continued, "Our consistently strong operating results continue to provide an endorsement of our business model. Average loans totaled \$223,727,291 for the third quarter of 2007, reflecting an increase of 14.4 percent compared to the third quarter of 2006. Average deposits for the third quarter of 2007 increased \$22,579,265 or 11.4 percent over the same period in 2006. Earlier this year, we introduced our Green and Gold deposit products which have been widely accepted and contributed to the growth of our core deposit base."

Mr. Sutton concluded, "Our banking office in the Grant Hills commercial subdivision at the corner of Highway 41 North and Boonville-New Harmony Road will open mid November. 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."

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**

	<b>(Unaudited) September 30, 2007</b>	<b>December 31, 2006</b>	<b>(Unaudited) September 30, 2006</b>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>			
Cash and due from banks	\$ 4,593,283	\$ 4,351,163	\$ 3,256,493
Interest bearing balances with banks	30,780	23,967	21,396
Federal funds sold	9,179,000	8,465,000	11,955,000
Total cash and cash equivalents	<u>13,803,063</u>	<u>12,840,130</u>	<u>15,232,889</u>
Securities available for sale, at fair value	9,693,283	9,886,563	9,948,904
Nonmarketable equity securities	1,168,150	1,060,450	1,060,450
Loans, net of deferred fees	228,761,585	212,711,590	201,422,607
Allowance for loan losses	<u>(3,202,543)</u>	<u>(3,063,600)</u>	<u>(2,941,600)</u>
Net loans	<u>225,559,042</u>	<u>209,647,990</u>	<u>198,481,007</u>
Premises and equipment	6,711,136	5,962,624	5,460,390
Other assets	<u>3,310,281</u>	<u>3,361,548</u>	<u>3,517,093</u>
Total assets	<u><u>\$ 260,244,955</u></u>	<u><u>\$ 242,759,305</u></u>	<u><u>\$ 233,700,733</u></u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Deposits			
Non interest bearing	\$ 19,229,518	\$ 19,765,202	\$ 20,562,929
NOW, MMDA and Savings	120,448,274	110,148,954	103,853,089
Time deposits	<u>90,986,133</u>	<u>84,899,275</u>	<u>81,863,204</u>
Total deposits	<u>230,663,925</u>	<u>214,813,431</u>	<u>206,279,222</u>
Borrowings	8,248,000	8,248,000	8,248,000
Accrued expenses and other liabilities	<u>878,301</u>	<u>941,250</u>	<u>1,015,831</u>
Total liabilities	<u>239,790,226</u>	<u>224,002,681</u>	<u>215,543,053</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	19,129,474	17,532,198	17,359,428
Undivided profits	1,426,668	1,379,322	978,546
Accumulated other comprehensive income (loss)	<u>(101,413)</u>	<u>(154,896)</u>	<u>(180,294)</u>
Total shareholders' equity	<u>20,454,729</u>	<u>18,756,624</u>	<u>18,157,680</u>
Total liabilities and shareholders' equity	<u><u>\$ 260,244,955</u></u>	<u><u>\$ 242,759,305</u></u>	<u><u>\$ 233,700,733</u></u>

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

	Three months ended September 30,		Nine months ended September 30,	
	2007	2006	2007	2006
<b>Interest income:</b>				
Interest and fees on loans	\$ 4,331,049	\$ 3,859,648	\$ 12,659,140	\$ 10,892,780
Securities:				
U. S. government agencies and corp.	95,822	99,096	290,095	303,018
Other securities	16,597	13,966	46,430	43,668
Federal funds sold	71,747	110,087	344,815	326,970
Deposits with other banks	278	207	835	447
Total interest income	<u>4,515,493</u>	<u>4,083,004</u>	<u>13,341,315</u>	<u>11,566,883</u>
<b>Interest expense:</b>				
Deposits	2,255,477	2,077,980	6,936,582	5,672,441
Borrowings	152,595	154,438	451,292	430,436
Total interest expense	<u>2,408,072</u>	<u>2,232,418</u>	<u>7,387,874</u>	<u>6,102,877</u>
Net interest income	2,107,421	1,850,586	5,953,441	5,464,006
<b>Provision for loan losses</b>	75,000	40,000	158,000	272,418
Net interest income after provision for loan losses	<u>2,032,421</u>	<u>1,810,586</u>	<u>5,795,441</u>	<u>5,191,588</u>
<b>Non interest income:</b>				
Service charges on deposit accounts	63,453	54,564	184,175	151,458
Gain on sale of loans	73,367	131,535	266,520	334,106
Merchant processing fees	170,801	174,044	504,388	476,530
Other	50,044	38,551	144,301	107,589
Total non interest income	<u>357,665</u>	<u>398,694</u>	<u>1,099,384</u>	<u>1,069,683</u>
<b>Non interest expense:</b>				
Salaries and benefits	776,175	724,747	2,333,442	2,160,596
Occupancy and equipment, net	133,685	134,943	417,929	411,528
Marketing	18,347	10,063	56,011	57,822
Data processing	91,972	83,980	273,499	242,560
Supplies, postage and printing	18,861	14,868	57,830	53,040
Legal and professional	58,442	36,371	186,409	140,934
Merchant processing expense	163,718	157,478	489,945	440,151
Other	168,175	161,332	526,726	505,307
Total non interest expense	<u>1,429,375</u>	<u>1,323,782</u>	<u>4,341,791</u>	<u>4,011,938</u>
<b>Income before income taxes</b>	960,711	885,498	2,553,034	2,249,333
Income taxes	391,021	358,300	1,042,421	914,100
<b>Net income</b>	<u>\$ 569,690</u>	<u>\$ 527,198</u>	<u>\$ 1,510,613</u>	<u>\$ 1,335,233</u>
<b>Basic earnings per common share*</b>	\$ 0.32	\$ 0.30	\$ 0.85	\$ 0.76
<b>Diluted earnings per common share*</b>	\$ 0.31	\$ 0.28	\$ 0.81	\$ 0.72
Average common shares outstanding*	1,776,845	1,765,880	1,775,953	1,765,512
Average diluted shares outstanding*	1,865,609	1,864,995	1,864,826	1,858,533

\* 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	2007	2006	2006	Years ended December 31	
	3rd Qtr	2nd Qtr	1st Qtr	4th Qtr	3rd Qtr	2006	2005
<b>EARNINGS</b>							
Net interest income	\$ 2,107	\$ 1,952	\$ 1,894	\$ 1,884	\$ 1,851	\$ 7,348	\$ 6,600
Provision for loan losses	\$ 75	\$ 37	\$ 46	\$ 125	\$ 40	\$ 397	\$ 605
Non interest income	\$ 358	\$ 402	\$ 340	\$ 390	\$ 398	\$ 1,459	\$ 1,260
Non interest expense	\$ 1,429	\$ 1,568	\$ 1,345	\$ 1,460	\$ 1,324	\$ 5,472	\$ 4,822
Income taxes	\$ 391	\$ 310	\$ 341	\$ 288	\$ 358	\$ 1,202	\$ 744
Net income	\$ 570	\$ 439	\$ 502	\$ 401	\$ 527	\$ 1,736	\$ 1,689
Basic earnings per share*	\$ 0.32	\$ 0.25	\$ 0.28	\$ 0.23	\$ 0.30	\$ 0.98	\$ 0.96
Diluted earnings per share*	\$ 0.31	\$ 0.24	\$ 0.26	\$ 0.22	\$ 0.28	\$ 0.94	\$ 0.91
Average shares outstanding*	1,776,845	1,776,907	1,774,075	1,768,007	1,765,881	1,766,133	1,754,490
Average diluted shares outstanding*	1,865,609	1,867,285	1,861,553	1,859,010	1,864,995	1,856,138	1,857,779
<b>PERFORMANCE RATIOS</b>							
Return on average assets	0.90%	0.71%	0.84%	0.68%	0.93%	0.77%	0.88%
Return on average common equity	11.17%	8.97%	10.61%	8.47%	11.58%	9.74%	10.66%
Net interest margin (fully tax equivalent)	3.45%	3.27%	3.29%	3.34%	3.41%	3.42%	3.64%
Efficiency ratio	57.98%	66.60%	60.20%	64.20%	58.85%	62.13%	61.34%
Full time equivalent employees	46	43	42	42	42	42	40
<b>CAPITAL</b>							
Average equity to average assets	8.08%	7.88%	7.89%	8.06%	8.01%	7.91%	8.30%
Tier 1 leverage capital ratio	10.94%	10.69%	10.71%	10.81%	10.83%	10.81%	10.79%
Tier 1 risk based capital ratio	12.09%	12.25%	11.99%	11.96%	12.07%	11.96%	12.35%
Total risk based capital ratio	13.84%	14.12%	13.93%	14.01%	14.25%	14.01%	14.91%
Book value per share*	\$ 11.51	\$ 11.14	\$ 10.91	\$ 10.58	\$ 10.28	\$ 10.58	\$ 9.46
Cash dividend per share	-	-	-	-	-	-	-
<b>ASSET QUALITY</b>							
Gross loan charge offs	\$ 19	\$ -	\$ -	\$ 3	\$ -	\$ 55	\$ -
Net loan charge offs	\$ 19	\$ -	\$ -	\$ 3	\$ -	\$ 55	\$ -
Net loan charge offs to average loans	0.01%	-	-	-	-	0.03%	-
Allowance for loan losses	\$ 3,203	\$ 3,147	\$ 3,110	\$ 3,064	\$ 2,942	\$ 3,064	\$ 2,721
Allowance for losses to total loans	1.40%	1.44%	1.44%	1.44%	1.46%	1.44%	1.52%
Nonperforming loans	\$ 347	\$ 136	\$ 136	\$ 21	\$ -	\$ 21	\$ 182
Other real estate and repossessed assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Nonperforming loans to total assets	0.13%	0.05%	0.05%	0.01%	-	0.01%	0.08%
<b>END OF PERIOD BALANCES</b>							
Loans	\$ 228,762	\$ 218,554	\$ 216,438	\$ 212,712	\$ 201,423	\$ 212,712	\$ 178,469
Total earning assets	\$ 249,001	\$ 245,746	\$ 242,988	\$ 232,380	\$ 224,686	\$ 232,380	\$ 209,683
Total assets	\$ 260,245	\$ 255,619	\$ 252,095	\$ 242,759	\$ 233,701	\$ 242,759	\$ 222,075
Deposits	\$ 230,664	\$ 222,854	\$ 223,381	\$ 214,813	\$ 206,279	\$ 214,813	\$ 195,527
Shareholders' equity	\$ 20,455	\$ 19,789	\$ 19,388	\$ 18,757	\$ 18,158	\$ 18,757	\$ 16,667
<b>AVERAGE BALANCES</b>							
Loans	\$ 223,727	\$ 217,776	\$ 211,193	\$ 205,103	\$ 195,498	\$ 194,640	\$ 160,230
Total earning assets	\$ 240,434	\$ 239,208	\$ 233,207	\$ 223,704	\$ 215,279	\$ 214,938	\$ 181,559
Total assets	\$ 250,576	\$ 249,139	\$ 243,024	\$ 233,011	\$ 225,558	\$ 225,379	\$ 191,064
Deposits	\$ 221,106	\$ 220,231	\$ 214,595	\$ 205,222	\$ 198,527	\$ 198,491	\$ 169,836
Shareholders' equity	\$ 20,242	\$ 19,644	\$ 19,175	\$ 18,769	\$ 18,063	\$ 17,830	\$ 15,850

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