



GREAT AMERICAN BANCORP, INC.

NEWS RELEASE

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GREAT AMERICAN BANCORP, INC. UNAUDITED RESULTS FOR FOURTH QUARTER 2008 NET INCOME FOR FISCAL 2008 - \$1,110,000

Champaign, Illinois - Great American Bancorp, Inc. (Over-the-Counter Bulletin Board/GTPS), the holding company for First Federal Savings Bank of Champaign-Urbana, reported net income of \$1,110,000 for the year ended December, 31 2008, which is a decrease of \$48,000, or 4.1% from the \$1,158,000 reported for 2007. Basic earnings per share were \$1.93 for the year ended December 31, 2008 and \$1.79 for the year ended December 31, 2007, while fully diluted earnings per share were \$1.91 for 2008 and \$1.78 for 2007. Earnings per share were higher in 2008 due to a reduction in average common shares outstanding in 2008 compared to 2007. Average common shares outstanding declined in 2008 due to the Company repurchasing treasury shares.

Net income was lower in 2008 compared to 2007 primarily due to a decrease in net interest income and an increase in the provision for loan losses, offset by lower noninterest expense and income tax expense.

Net interest income was \$5,501,000 for the year ended December 31, 2008; decreasing \$260,000 or 4.5% from \$5,761,000 reported for fiscal 2007. Interest income was \$8,005,000 for 2008 compared to \$8,678,000 for 2007, decreasing \$673,000 or 7.8%, due to decreases in interest income from loans, securities and financial institutions and other.

Total loan income decreased \$252,000 or 3.2% from \$7,932,000 for 2007 to \$7,680,000 for 2008. This decrease was primarily in interest generated on commercial mortgage loans, commercial

business loans and revolving consumer loans. The reductions in interest income in these loan categories were mainly due to the sharp decline in market interest rates during 2008, which affected both rates on new loans and adjustable rate loans where the interest rate is tied to the prime rate. The prime rate declined from a high of 7.25% on January 1, 2008 to a low of 3.25% in December 2008. The yield on total average outstanding net loans decreased from 7.04% in 2007 to 6.72% in 2008. The balance of total average net loans outstanding during 2008 increased \$1.64 million from \$112.62 million in 2007 to \$114.26 million in 2008. The growth in the balance of total average net loans occurred primarily in residential mortgage loans, commercial business loans and consumer loans, offset by a reduction in the balance of total average commercial mortgage loans.

Interest income from securities decreased \$54,000 in 2008 due partly to the maturity of a U.S. Agency security in October 2007 and also due to a decline in the balance of mortgage-backed securities in 2008. Interest income from deposits with financial institutions and other, which are all over-night or short-term deposits, decreased \$340,000 or 55.7% due mainly to the reduction in market interest rates during 2008. In 2008, the Federal Funds Target Rate, as established by the Federal Open Market Committee, declined by approximately 400 basis points. The average yield on deposits with financial institutions and other declined from 4.84% for 2007 to 2.06% for 2008, a decrease of 278 basis points.

Interest expense decreased \$413,000 or 14.2% in 2008, from \$2,917,000 for fiscal 2007 to \$2,504,000 for 2008. Interest expense on deposits decreased \$414,000 or 18.8% in 2008, due primarily to decreases in interest expense on Insured Money Market Accounts (“IMMA”) and certificates of deposit. Interest expense on IMMA deposits decreased \$118,000 in 2008 due to management lowering the offering rates on these deposits as market interest rates declined during 2008. The average rate paid on IMMA deposits decreased from 2.87% during 2007 to 1.94% in 2008. Interest expense on certificates of deposit decreased \$296,000 in 2008, due mainly to a reduction in the average balance of total certificates of deposit and a decrease in the offering rates on new and renewing certificates of deposit. The average balance of total certificates of deposit declined from \$38.54 million during 2007 to \$36.52 million during 2008. This decline was mainly due to depositors transferring maturing longer-term certificates to IMMA and NOW accounts during 2008 due to declining certificate of deposit offering rates. The average rate accrued on certificates of deposit was 3.58% for 2008 compared to 4.16% for 2007. The average balance of total IMMA accounts increased from \$17.65 million during 2007 to \$20.03 million during 2008, while the total average balance of NOW deposits increased from \$21.88 million for 2007 to \$22.74 million for 2008.

Interest expense on Federal Home Loan Bank advances was \$10,000 higher in 2008 due to an increase in average outstanding advances during 2008. Total Federal Home Loan Bank advances averaged \$13.94 million during 2008 compared to \$13.72 million during 2007. The average rate accrued on Federal Home Loan Bank advances was 4.92% for 2008 and 4.93% for 2007.

The Company recorded \$146,000 to the provision for loan losses in 2008 compared to zero in 2007. The provision recorded in 2008 resulted from losses incurred in the fourth quarter of 2008 related to one borrower in the residential construction business. This borrower’s business was greatly affected by a sharp decline in the local demand for new residential homes and condominiums during 2008. The borrower deeded his unsold inventory financed by the Bank to the Bank during the fourth

quarter of 2008. Because local real estate values had declined during 2008, the Bank charged off \$202,000 in loans related to this borrower and transferred \$900,000 to real estate owned. Management's analyses of the allowance for loan losses during 2007 determined that no additional allocation to the allowance was warranted.

Noninterest income totaled \$3,231,000 for 2008, \$29,000 higher than the \$3,202,000 recorded for fiscal 2007. This increase occurred primarily in customer service fees, net gains on sales of loans and other income, offset by a reduction in insurance sales commissions. Insurance sales commissions decreased \$257,000 in 2008 due to GTPS Insurance Agency losing several smaller commercial accounts to local competitors, a general decline in industry premiums which affects commission income, and a decrease in contingent commissions. A contingent commission is a commission paid by an insurance company that is based on the overall profit and/or volume of business placed with that insurance company. Customer service fees increased \$146,000 in 2008 due mainly to an increase in overdraft fees. Overdraft fees were \$139,000 higher in 2008 due to the Bank implementing an overdraft protection service in May 2007. For customers with this service, called "Overdraft Privilege," the Bank may elect to pay overdrawn items rather than returning the items unpaid. Net gains on sales of loans were \$82,000 higher in 2008 due to the Company selling \$11.91 million in loans during 2008 compared to \$8.05 million in fiscal 2007. The increase in other income of \$37,000 in 2008 was in brokerage commissions.

Noninterest expense was \$6,850,000 for 2008, decreasing \$252,000 from the \$7,102,000 recorded for fiscal 2007. This decrease was primarily in salary and benefits expense, professional fees, marketing expense, printing and office supplies, and real estate owned expenses.

Income tax expense was \$626,000 for fiscal 2008 compared to \$703,000 for 2007. The effective tax rates for 2008 and 2007 were 36.1% and 37.8% respectively.

Net income for the quarter ended December 31, 2008 was \$238,000, \$40,000 or 20.2% higher than net income for the quarter ended December 31, 2007 of \$198,000. Net interest income was \$1,346,000 for the quarter ended December 31, 2008, \$74,000 or 5.2% lower than the \$1,420,000 reported for the quarter ended December 31, 2007, mainly due to lower interest income from loans and deposits with financial institutions and other, offset by a decrease in interest expense on deposits. Noninterest income for the fourth quarter of 2008 was \$767,000, \$38,000 higher than the \$729,000 reported for the fourth quarter of 2007. This increase was primarily in insurance sales commissions and net gains on sales of loans. Noninterest expense was \$1,595,000 for the fourth quarter of 2008 compared to \$1,830,000 for the three months ended December 31, 2007.

Total assets at December 31, 2008 were \$142.55 million compared to \$144.25 million at December 31, 2007. Total cash and cash equivalents decreased \$2.37 million, from \$18.06 million at December 31, 2007 to \$15.69 million at December 31, 2008 mainly due to cash required to fund treasury stock repurchases. Treasury stock increased \$2.02 million in 2008. Total net loans increased slightly, from \$115.64 million at December 31, 2007 to \$115.78 million at December 31, 2008. Total deposits only decreased slightly, from \$110.80 million at December 31, 2007 to \$110.57 million at December 31, 2008.

First Federal Savings Bank of Champaign-Urbana is head quartered in Champaign, Illinois, and operates through its administrative/branch office in Champaign and through two other full service branches located in Champaign and Urbana. The Bank also provides full service brokerage activities through a third-party broker-dealer. The Bank's subsidiary, Park Avenue Service Corporation, sells insurance products through the GTPS Insurance Agency. The Bank's deposits are insured by the Federal Deposit Insurance Corporation.

This earnings report may contain certain forward-looking statements which are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact the Company's earnings in future periods. Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, real estate values, and competition, changes in accounting principles, policies, or guidelines, changes in legislation or regulation, and other economic, competitive, governmental, regulatory and technological factors affecting the Company's operations, pricing, products and services. Great American Bancorp, Inc. stock is traded on the Over-the-Counter Bulletin Board system under the symbol "GTPS."

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Great American Bancorp, Inc.
Consolidated Balance Sheets
December 31, 2008 and 2007

(in thousands, except share data)

	December 31, 2008 (Unaudited)	December 31, 2007
Assets		
Cash and due from banks	\$ 4,433	\$ 5,259
Interest-bearing demand deposits	11,254	8,804
Federal Home Loan Bank term deposit	--	4,000
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Cash and cash equivalents	15,687	18,063
Securities available for sale	979	1,423
Securities held to maturity	104	120
Federal Home Loan Bank stock, at cost	1,210	1,210
Loans held for sale	870	402
Loans, net of allowance for loan losses of \$881 and \$953	114,906	115,237
Premises and equipment, net	5,298	5,321
Goodwill	485	485
Real estate owned	900	--
Other assets	2,112	1,989
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Total assets	\$ 142,551	\$ 144,250
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Liabilities and Stockholders' Equity		
Liabilities		
Deposits		
Noninterest-bearing	\$ 14,792	\$ 14,107
Interest-bearing	95,774	96,696
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Total deposits	110,566	110,803
Federal Home Loan Bank advances	14,000	14,000
Advances from borrowers for taxes and insurance	277	290
Other liabilities	2,396	2,897
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Total liabilities	127,239	127,990
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Commitments and contingencies		
Stockholders' Equity		
Preferred stock, \$0.01 par value; 1,000,000 shares authorized; none issued	--	--
Common stock, \$0.01 par value; 1,000,000 shares authorized and issued	10	10
Additional paid-in-capital	3,310	3,310
Retained earnings	26,382	25,583
Unearned incentive plan shares	(55)	(55)
Accumulated other comprehensive income (loss)	89	(182)
Common stock in treasury, at cost, (2008-447,825 shares; 2007-385,259 shares)	(14,424)	(12,406)
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Total stockholders' equity	15,312	16,260
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Total liabilities and stockholders' equity	\$ 142,551	\$ 144,250
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GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Income
Years Ended December 31, 2008 and 2007
(in thousands, except share data)

	Year Ended Dec. 31, 2008 (unaudited)	Year Ended Dec. 31, 2007
Interest and Dividend Income		
Loans	\$ 7,680	\$ 7,932
Securities	55	109
Federal Home Loan Bank stock	--	27
Deposits with financial institutions and other	270	610
Total interest and dividend income	<u>8,005</u>	<u>8,678</u>
Interest Expense		
Deposits	1,793	2,207
Federal Home Loan Bank advances	686	676
Other	25	34
Total interest expense	<u>2,504</u>	<u>2,917</u>
Net Interest Income	5,501	5,761
Provision for Loan Losses	146	--
Net Interest Income After Provision for Loan Losses	<u>5,355</u>	<u>5,761</u>
Noninterest Income		
Insurance sales commissions	1,553	1,810
Customer service fees	913	767
Other service charges and fees	310	290
Net gain on sales of loans	189	107
Loan servicing fees	135	134
Other	131	94
Total noninterest income	<u>3,231</u>	<u>3,202</u>
Noninterest Expense		
Salaries and employee benefits	4,148	4,215
Occupancy expense	610	610
Equipment expense	525	507
Professional fees	284	326
Marketing expense	270	314
Printing and office supplies	228	249
Directors and committee fees	137	137
Amortization of mortgage servicing rights	41	38
Real estate owned expenses	2	124
Other	605	582
Total noninterest expenses	<u>6,850</u>	<u>7,102</u>
Income Before Income Taxes	1,736	1,861
Income tax expenses	626	703
Net Income	<u>\$ 1,110</u>	<u>\$ 1,158</u>
Basic Earnings per Share	<u>\$ 1.93</u>	<u>\$ 1.79</u>
Diluted Earnings per Share	<u>\$ 1.91</u>	<u>\$ 1.78</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY
Consolidated Statements of Income

For the Three Months Ended December 31, 2008 and 2007

(unaudited, in thousands, except share data)

	Three Months Ended Dec. 31, 2008	Three Months Ended Dec. 31, 2007
Interest and Dividend Income		
Loans	\$ 1,874	\$ 2,035
Securities	13	20
Deposits with financial institutions and other	12	115
Total interest and dividend income	<u>1,899</u>	<u>2,170</u>
Interest Expense		
Deposits	374	557
Federal Home Loan Bank advances	173	185
Other	6	8
Total interest expense	<u>553</u>	<u>750</u>
Net Interest Income	<u>1,346</u>	1,420
Provision for Loan Losses	<u>146</u>	--
Net Interest Income After Provision for Loan Losses	<u>1,200</u>	<u>1,420</u>
Noninterest Income		
Insurance sales commissions	381	339
Customer service fees	235	238
Other service charges and fees	77	78
Net gain on sales of loans	30	13
Loan servicing fees	35	34
Other	9	27
Total noninterest income	<u>767</u>	<u>729</u>
Noninterest Expense		
Salaries and employee benefits	926	1,022
Occupancy expense	159	156
Equipment expense	130	138
Professional fees	58	85
Marketing expense	62	78
Printing and office supplies	54	68
Directors and committee fees	34	34
Amortization of mortgage servicing rights	12	10
Real estate owned expenses	2	96
Other	158	143
Total noninterest expenses	<u>1,595</u>	<u>1,830</u>
Income Before Income Taxes	<u>372</u>	319
Income tax expenses	<u>134</u>	121
Net Income	<u>\$ 238</u>	<u>\$ 198</u>
Basic Earnings per Share	<u>\$ 0.43</u>	<u>\$ 0.32</u>
Diluted Earnings per Share	<u>\$ 0.42</u>	<u>\$ 0.32</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Selected Financial Data

(unaudited, in thousands, except share data)

	As of Dec. 31, 2008	As of Dec. 31, 2007
Total assets	\$ 142,551	\$ 144,250
Total loans, net	115,776	115,639
Loan loss reserve	881	953
Non-performing assets	331	11
Non-performing assets to total assets	0.23%	0.01%
Allowance for loan losses to total assets	0.62%	0.66%
Investment securities	1,083	1,543
Total deposits	110,566	110,803
Checking deposits	38,623	37,023
Money market deposits	20,241	20,666
Passbook savings deposits	15,592	15,338
Certificates of deposit	36,110	37,776
Federal Home Loan Bank advances	14,000	14,000
Total stockholders' equity	15,312	16,260

	Three Months Ended Dec. 31, 2008	Three Months Ended Dec. 31, 2007	Year Ended Dec. 31, 2008	Year Ended Dec. 31, 2007
	(unaudited)			
Net interest margin (annualized)	4.17%	4.43%	4.24%	4.46%
ROA (annualized)	0.67%	0.56%	0.78%	0.81%
ROE (annualized)	6.23%	4.74%	7.13%	6.77%