



# GREAT AMERICAN BANCORP, INC.

## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

**July 13, 2010**

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### **GREAT AMERICAN BANCORP, INC.**

#### **UNAUDITED RESULTS FOR SECOND QUARTER 2010 – NET INCOME OF \$627,000**

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 \$627,000 for the six months ended June 30, 2010, which is a decrease of \$89,000, or 12.4% from the \$716,000 reported for the six months ended June 30, 2009. Basic earnings per share were \$1.24 for the period ended June 30, 2010 compared to \$1.35 for the six months ended June 30, 2009, while fully diluted earnings per share were \$1.23 for the first six months of 2010 and \$1.34 for the same period in 2009.

Net income for the first six months of 2010 was lower compared to the same period in 2009 primarily due to a decrease in noninterest income, mainly gains on the sale of residential home mortgage loans, offset by an increase in net interest income and reductions in the provision for loan losses and noninterest expenses.

Net interest income was \$2,829,000 for the six months ended June 30, 2010; increasing \$127,000 or 4.7% from \$2,702,000 reported for the first six months of 2009. Interest income was \$3,420,000 for the six months ended June 30, 2010 compared to \$3,653,000 for the same period in 2009, decreasing \$233,000 or 6.4%, due mainly to a decrease in interest income from loans.

Total loan income decreased \$239,000 or 6.6% from \$3,618,000 for the six months ended June 30, 2009 to \$3,379,000 for the first six months of 2010. This decrease was primarily in interest income generated on 1-4 family owner-occupied residential mortgage loans. Interest income on 1-4 family owner-occupied home loans was \$834,000 for the first six months of 2010, decreasing \$309,000 from the \$1,143,000 in interest income generated by this loan category in the first six months of

2009. The reduction in interest income on 1-4 family owner-occupied residential loans was mainly due to a decline in the average total outstanding balance of these loans during 2010 compared to 2009. Total 1-4 family owner-occupied residential mortgage loans averaged \$28.43 million during the first six months of 2010 compared to an average of \$38.22 million during the first six months of 2009. This was a decrease of \$9.79 million and was mainly due to the Company selling the majority of 1-4 family owner-occupied home loans originated during 2009 and 2010 to the secondary market.

The reduction in the average balance of total 1-4 family owner-occupied residential mortgage loans was partially offset by growth in total 1-4 family non-owner-occupied mortgage loans, multi-family mortgage loans and commercial mortgage loans during 2010. Total net loans during the first six months of 2010 averaged \$108.70 million compared to \$112.81 for the first six months of 2009, decreasing \$4.11 million. The yield on average total net loans outstanding decreased from 6.47% in 2009 to 6.27% in 2010.

Interest expense decreased \$360,000 or 37.9%, from \$951,000 for the six months ended June 30, 2009 to \$591,000 for the six months ended June 30, 2010. Interest expense on deposits decreased \$253,000 or 40.5%, due primarily to decreases in interest expense on Insured Money Market Accounts (“IMMA”) and certificates of deposit. Interest expense on IMMA deposits decreased \$34,000 in 2010 due to management lowering the offering rates on these deposits during 2009 and 2010 in response to declining market interest rates. The average rate paid on IMMA deposits decreased from 1.03% for the first six months of 2009 to 0.60% for the first six months of 2010. Interest expense on certificates of deposit decreased \$204,000 in 2010, 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 \$35.80 million during the six months ended June 30, 2009 to \$33.86 million for the first six months of 2010. This decline was mainly due to depositors transferring maturing longer-term certificates to IMMA and NOW accounts during the latter part of 2009 and in 2010 due to declining certificate of deposit offering rates. The average rate accrued on certificates of deposit was 1.57% for the first six months of 2010 compared to 2.63% for the same period in 2009. The average balance of total IMMA accounts increased from \$23.78 million for the first six months of 2009 to \$29.58 million during the first six months of 2010, while the average balance of total NOW deposits increased from \$25.12 million for the first six months of 2009 to \$27.87 million for the same period in 2010.

Interest expense on Federal Home Loan Bank advances decreased \$106,000 or 33.3% from \$318,000 for the six months ended June 30, 2009 to \$212,000 for the same period in 2010 due to advances maturing in the latter half of 2009. Total Federal Home Loan Bank advances averaged \$9.00 million during the six months ended June 30, 2010 compared to an average of \$13.20 million for the same period in 2009. The average rate accrued on Federal Home Loan Bank advances was 4.75% for the first six months of 2010 and 4.86% for the same period in 2009.

The Company recorded no provision for loan losses in the first six months of 2010 compared to \$60,000 for the same period in 2009. The provision recorded in 2009 resulted from management’s analyses of potential losses related to nonperforming and other problem loans identified during the period.

Noninterest income totaled \$1,712,000 for the six months ended June 30, 2010, \$491,000 or 22.3% lower than the \$2,203,000 recorded for the six months ended June 30, 2009. This decrease occurred primarily in net gains on sales of loans. Net gains on sales of loans were \$487,000 lower in 2010 due to the Company selling \$8.35 million in residential home loans during the first six months of 2010 compared to \$34.60 million in the first six months of 2009. Home mortgage interest rates were at historical lows during both 2009 and 2010, which spurred tremendous growth in home mortgage refinancing activity.

Noninterest expense was \$3,544,000 for the first six months of 2010, decreasing \$164,000 from the \$3,708,000 recorded for the six months ended June 30, 2009. This decrease was primarily in salaries and employee benefits expense, equipment expense; real estate owned expenses and FDIC deposit insurance expense. FDIC deposit insurance expense was higher in 2009 due mainly to an emergency one-time assessment that the FDIC imposed on each insured depository institution as of June 30, 2009. The Bank's total one-time emergency assessment was approximately \$67,000.

Income tax expense was \$370,000 for the six months ended June 30, 2010 compared to \$421,000 for the same period in 2009. The effective tax rates for the six months ended June 30, 2010 and 2009 were 37.1% and 37.0%, respectively.

Net income for the quarter ended June 30, 2010 was \$261,000, \$28,000 lower than net income for the quarter ended June 30, 2009 of \$289,000. Net interest income was \$1,438,000 for the quarter ended June 30, 2010, \$87,000 or 6.4% higher than the \$1,351,000 reported for the quarter ended June 30, 2009, mainly due to lower interest expense on deposits and FHLB advances, offset by a decrease in interest income from loans. Noninterest income for the second quarter of 2010 was \$727,000 compared to \$1,038,000 for the second quarter of 2009. This decrease was primarily in net gain on sales of loans and insurance sales commissions. Noninterest expense was \$1,751,000 for the second quarter of 2010 compared to \$1,932,000 for the three months ended June 30, 2009, decreasing \$181,000 or 9.4% mainly due to lower salaries and benefits expense, real estate owned expenses, FDIC deposit insurance expense and other expenses.

Total assets at June 30, 2010 were \$155.01 million compared to \$149.54 million at December 31, 2009. Total cash and cash equivalents increased \$2.10 million, from \$31.21 million at December 31, 2009 to \$33.31 million at June 30, 2010 mainly due to cash generated from growth in deposits. Total net loans increased from \$107.91 million at December 31, 2009 to \$111.36 million at June 30, 2010. The increase occurred mainly in 1-4 family non-owner occupied mortgage loans, multi-family mortgage loans and commercial mortgage loans, offset by declines in 1-4 family owner-occupied residential mortgage loans, construction loans and commercial loans. Total deposits increased from \$122.82 million at December 31, 2009 to \$128.21 million at June 30, 2010. This growth was primarily in short-term checking, NOW, IMMA, and savings accounts.

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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GTPS-pr-2010-04

**Great American Bancorp, Inc.**  
**Consolidated Balance Sheets**  
**June 30, 2010 and December 31, 2009**  
(in thousands, except share data)

	June 30, 2010 (Unaudited)	December 31, 2009
<b>Assets</b>		
Cash and due from banks	\$ 2,503	\$ 4,183
Interest-bearing demand deposits	30,806	27,029
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Cash and cash equivalents	33,309	31,212
Securities available for sale	678	736
Securities held to maturity	75	83
Federal Home Loan Bank stock, at cost	1,210	1,210
Loans held for sale	987	432
Loans, net of allowance for loan losses of \$934 and \$933	110,375	107,481
Premises and equipment, net	5,065	5,167
Goodwill	485	485
Real estate owned	140	140
Prepaid FDIC insurance premiums	441	522
Other assets	2,247	2,071
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Total assets	\$ 155,012	\$ 149,539
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<b>Liabilities and Stockholders' Equity</b>		
<b>Liabilities</b>		
<b>Deposits</b>		
Noninterest-bearing	\$ 16,843	\$ 15,192
Interest-bearing	111,364	107,628
Total deposits	128,207	122,820
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Federal Home Loan Bank advances	9,000	9,000
Advances from borrowers for taxes and insurance	220	235
Other liabilities	2,377	2,392
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Total liabilities	139,804	134,447
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<b>Commitments and contingencies</b>		
<b>Stockholders' Equity</b>		
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	27,896	27,411
Unearned incentive plan shares	(55)	(55)
Accumulated other comprehensive income (loss)	79	79
Common stock in treasury, at cost, (2010-498,480 shares; 2009-487,800 shares)	(16,032)	(15,663)
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Total stockholders' equity	15,208	15,092
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Total liabilities and stockholders' equity	\$ 155,012	\$ 149,539
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**GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY**  
**Consolidated Statements of Income**  
**For the Six Months Ended June 30, 2010 and 2009**  
(unaudited, in thousands, except share data)

	<b>Six months Ended June 30, 2010</b>	<b>Six months Ended June 30, 2009</b>
Interest and Dividend Income		
Loans	\$ 3,379	\$ 3,618
Securities	12	22
Deposits with financial institutions and other	29	13
Total interest and dividend income	<u>3,420</u>	<u>3,653</u>
Interest Expense		
Deposits	372	625
Federal Home Loan Bank advances	212	318
Other	7	8
Total interest expense	<u>591</u>	<u>951</u>
Net Interest Income	2,829	2,702
Provision for Loan Losses	--	60
Net Interest Income After Provision for Loan Losses	<u>2,829</u>	<u>2,642</u>
Noninterest Income		
Insurance sales commissions	802	876
Customer service fees	412	417
Other service charges and fees	187	156
Net gain on sales of loans	156	643
Loan servicing fees	110	78
Other	45	33
Total noninterest income	<u>1,712</u>	<u>2,203</u>
Noninterest Expense		
Salaries and employee benefits	2,125	2,245
Occupancy expense	313	309
Equipment expense	232	270
Professional fees	105	107
Marketing expense	137	123
Printing and office supplies	116	114
Directors and committee fees	78	69
Amortization of mortgage servicing rights	58	55
Real estate owned expenses	2	32
FDIC deposit insurance expense	92	121
Other	286	263
Total noninterest expenses	<u>3,544</u>	<u>3,708</u>
Income Before Income Taxes	997	1,137
Income tax expenses	370	421
Net Income	<u>\$ 627</u>	<u>\$ 716</u>
Basic Earnings per Share	<u>\$ 1.24</u>	<u>\$ 1.35</u>
Diluted Earnings per Share	<u>\$ 1.23</u>	<u>\$ 1.34</u>
Dividends Declared per Share	<u>\$ 0.28</u>	<u>\$ 0.28</u>

**GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY**  
**Consolidated Statements of Income**  
**For the Three Months Ended June 30, 2010 and 2009**  
(unaudited, in thousands, except share data)

	<b>Three months Ended June 30, 2010</b>	<b>Three months Ended June 30, 2009</b>
Interest and Dividend Income		
Loans	\$ 1,707	\$ 1,785
Securities	6	11
Deposits with financial institutions and other	16	9
Total interest and dividend income	<u>1,729</u>	<u>1,805</u>
Interest Expense		
Deposits	181	293
Federal Home Loan Bank advances	107	157
Other	3	4
Total interest expense	<u>291</u>	<u>454</u>
Net Interest Income	1,438	1,351
Provision for Loan Losses	--	--
Net Interest Income After Provision for Loan Losses	<u>1,438</u>	<u>1,351</u>
Noninterest Income		
Insurance sales commissions	250	360
Customer service fees	209	217
Other service charges and fees	92	87
Net gain on sales of loans	96	314
Loan servicing fees	55	42
Other	25	18
Total noninterest income	<u>727</u>	<u>1,038</u>
Noninterest Expense		
Salaries and employee benefits	1,035	1,100
Occupancy expense	158	157
Equipment expense	135	135
Professional fees	49	56
Marketing expense	68	76
Printing and office supplies	57	53
Directors and committee fees	40	35
Amortization of mortgage servicing rights	30	32
Real estate owned expenses	--	24
FDIC deposit insurance expense	45	96
Other	134	168
Total noninterest expenses	<u>1,751</u>	<u>1,932</u>
Income Before Income Taxes	414	457
Income tax expenses	153	168
Net Income	<u>\$ 261</u>	<u>\$ 289</u>
Basic Earnings per Share	<u>\$ 0.52</u>	<u>\$ 0.55</u>
Diluted Earnings per Share	<u>\$ 0.51</u>	<u>\$ 0.54</u>
Dividends Declared per Share	<u>\$ 0.14</u>	<u>\$ 0.14</u>

## GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

### Selected Financial Data

(unaudited, in thousands, except share data)

	As of <b>June 30, 2010</b>	As of Dec. 31, 2009
Total assets	<b>\$ 155,012</b>	\$ 149,539
Total loans, net	<b>111,362</b>	107,913
Loan loss reserve	<b>934</b>	933
Non-performing assets	<b>1,305</b>	537
Non-performing assets to total assets	<b>0.84%</b>	0.36%
Allowance for loan losses to total assets	<b>0.60%</b>	0.62%
Investment securities	<b>753</b>	819
Total deposits	<b>128,207</b>	122,820
Checking deposits	<b>43,754</b>	41,949
Money market deposits	<b>31,030</b>	28,560
Passbook savings deposits	<b>19,660</b>	17,496
Certificates of deposit	<b>33,763</b>	34,815
Federal Home Loan Bank advances	<b>9,000</b>	9,000
Total stockholders' equity	<b>15,208</b>	15,092

	<b>Three Months Ended June 30, 2010</b>	Three Months Ended June 30, 2009	<b>Six Months Ended June 30, 2010</b>	Six Months Ended June 30, 2009
		(unaudited)		
Net interest margin (annualized)	<b>4.04%</b>	3.94%	<b>4.05%</b>	4.03%
ROA (annualized)	<b>0.67%</b>	0.77%	<b>0.82%</b>	0.97%
ROE (annualized)	<b>6.86%</b>	7.70%	<b>8.31%</b>	9.62%