



# GREAT AMERICAN BANCORP, INC.

## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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### **GREAT AMERICAN BANCORP, INC. UNAUDITED RESULTS FOR SECOND QUARTER 2009 YEAR-TO-DATE NET INCOME OF \$716,000**

Champaign, Illinois - Great American Bancorp, Inc. (Over-the-Counter Bulletin Board/GTPS), the holding company for First Federal Savings Bank of Champaign-Urbana (the "Bank"), reported net income of \$716,000 for the six months ended June 30, 2009, which is an increase of \$95,000, or 15.3% from the \$621,000 reported for the six months ended June 30, 2008. Basic earnings per share were \$1.35 for the period ended June 30, 2009 compared to \$1.05 for the six months ended June 30, 2008, while fully diluted earnings per share were \$1.34 for the first six months of 2009 and \$1.04 for the first six months of 2008.

Net income for the first six months of 2009 was higher compared to the same period in 2008 primarily due to an increase in noninterest income, mostly gains on the sale of residential mortgage loans. The increase in noninterest income, however, was partly offset by a decrease in net interest income and increases in the provision for loan losses and total noninterest expenses.

Net interest income was \$2,702,000 for the six months ended June 30, 2009; decreasing \$74,000 or 2.7% from \$2,776,000 reported for the first six months of 2008. Interest income was \$3,653,000 for the six months ended June 30, 2009 compared to \$4,129,000 for the same period in 2008, decreasing \$476,000 or 11.5%, due to decreases in interest income from loans and financial institutions and other.

Total loan income decreased \$277,000 or 7.1% from \$3,895,000 for the six months ended June 30, 2008 to \$3,618,000 for the first six months of 2009. This decrease was primarily in interest generated on 1-4 family and multi-family residential mortgage loans, commercial mortgage loans and revolving consumer loans. Interest income decreased in these loan categories mainly due to the sharp decline in market interest rates during the latter part of 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 5.25% on June 30, 2008 to a low of 3.25% in December 2008. The prime rate remained at 3.25% during the first six months of 2009. The yield on total average outstanding net loans decreased from 6.91% in 2008 to 6.47% in 2009.

Total net loans outstanding averaged \$112.81 million during the first six months of 2009 compared to \$113.27 million during the first six months of 2008, declining by \$460,000. This decline occurred primarily in 1-4 family residential mortgage loans, offset by increases in construction loans, commercial business loans and consumer loans.

Interest income from deposits with financial institutions and other, which are all over-night or short-term deposits, decreased \$192,000 due to significantly lower short-term market interest rates during 2009. The Federal Funds Target Rate, as established by the Federal Open Market Committee, declined from 2.00% on June 30, 2008 to a range of between zero and 25 basis points by December 31, 2008. The rate remained at this lower range during the first six months of 2009. The average yield on deposits with financial institutions and other declined from 2.60% for the first six months of 2008 to 0.13% for the same period in 2009, a decrease of 247 basis points.

Interest expense decreased \$402,000 or 29.7%, from \$1,353,000 for the six months ended June 30, 2008 to \$951,000 for the six months ended June 30, 2009. Interest expense on deposits decreased \$376,000 or 37.6%, due primarily to decreases in interest expense on Insured Money Market Accounts (“IMMA”) and certificates of deposit. Interest expense on IMMA deposits decreased \$98,000 in 2009 due to management lowering the offering rates on these deposits during 2008 and 2009 as market interest rates declined during this period. The average rate paid on IMMA deposits decreased from 2.20% for the first six months of 2008 to 1.03% for the first six months of 2009. Interest expense on certificates of deposit decreased \$265,000 in 2009, due partly to a decline in total certificates of deposit and a decrease in the offering rates on new and renewing certificates of deposit. Total certificates of deposit averaged \$35.80 million during the six months ended June 30, 2009 compared to \$37.45 million for the same period in 2008. This decline was mainly due to depositors transferring maturing longer-term certificates to IMMA and NOW accounts during the latter part of 2008 and in 2009 due to declining certificate of deposit offering rates. The average rate accrued on certificates of deposit was 2.63% for the first six months of 2009 compared to 3.93% for the same period in 2008. Total IMMA accounts averaged \$23.78 million for the first six months of 2009 compared to \$20.11 million during the first six months of 2008, while the total NOW deposits averaged \$25.12 million for the first six months of 2009 compared to \$22.82 million for the same period in 2008.

Interest expense on Federal Home Loan Bank (“FHLB”) advances was slightly lower for the six months ended June 30, 2009 compared to the same period in 2008 due to a decrease in average outstanding advances during 2009. Total FHLB advances averaged \$13.20 million during the six months ended June 30, 2009 compared to an average of \$14.00 million for the same period in 2008. The average rate accrued on FHLB advances was 4.86% for the first six months of 2009 and 4.87% for the same period in 2008.

The Company recorded \$60,000 to the provision for loan losses in the first six months of 2009 compared to zero for the same period in 2008. 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 \$2,203,000 for the six months ended June 30, 2009, \$461,000 higher than the \$1,742,000 recorded for the six months ended June 30, 2008. This increase occurred primarily in net gains on sales of loans. Net gains on sales of loans were \$521,000 higher in 2009 due to the Company selling \$34.60 million in loans during the first six months of 2009 compared to \$7.48 million in the first six months of 2008. The majority of loans sold during 2009 were refinanced single family residential mortgage loans that had been previously sold into the secondary market. Home mortgage interest rates were at historical lows during the first six months of 2009, which spurred tremendous growth in home mortgage refinancing activity.

Noninterest expense was \$3,708,000 for the first six months of 2009, increasing \$166,000 from the \$3,542,000 recorded for the six months ended June 30, 2008. This increase was primarily in FDIC deposit insurance expense and salaries and employee benefits expense.

FDIC deposit insurance expense was \$121,000 for the first six months of 2009, compared to \$11,000 for the six months ending June 30, 2008. The \$110,000 increase includes \$67,000 related to an emergency one-time assessment that the FDIC imposed on each insured depository institution as of June 30, 2009. This emergency special assessment, which equaled 5 basis points times the Bank's total assets less Tier 1 capital as of June 30, 2009, was required to be accrued by the Bank in the second quarter of 2009 and will be collected by the FDIC on September 30, 2009. The remaining increase in FDIC deposit insurance expense is due partly to the FDIC increasing the initial base assessment rates for all insured depository institutions effective beginning with the insured period of January 1, 2009 through March 31, 2009. The initial base assessment rate for each insured financial institution is dependent on the risk category assigned to the institution by the institution's regulator. FDIC deposit insurance expense was also higher in 2009 because the Bank exhausted all remaining credits to offset a portion of the assessment for the quarter ending March 31, 2009. Therefore, no credits were available to offset the estimated assessment for the quarter ending June 30, 2009. These credits had reduced the Bank's quarterly assessments for each quarter beginning with the assessment paid in June 2007. The credits related to the Federal Deposit Insurance Reform Act of 2005 which mandated that "eligible insured depository institutions" would be allowed to share in a one-time credit pool of approximately \$4.7 billion.

Salaries and employee benefits expense was \$70,000 higher for the six months ended June 30, 2009 due primarily to normal salary and wage increases.

Income tax expense was \$421,000 for the six months ended June 30, 2009 compared to \$355,000 for the same period in 2008. The effective tax rates for the six months ended June 30, 2009 and 2008 were 37.0% and 36.4% respectively.

Net income for the quarter ended June 30, 2009 was \$289,000, \$7,000 higher than net income for the quarter ended June 30, 2008 of \$282,000. Net interest income was \$1,351,000 for the quarter ended June 30, 2009, \$35,000 or 2.5% lower than the \$1,386,000 reported for the quarter ended June 30, 2008, 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 second quarter of 2009 was \$1,038,000 compared to \$803,000 for the second quarter of 2008. This increase was primarily in net gain on sales of loans, offset by a reduction in other income, primarily brokerage commissions. Noninterest expense was \$1,932,000 for the second quarter of 2009 compared to \$1,748,000 for the three months ended June 30, 2008, increasing \$184,000 mainly due to higher FDIC deposit insurance expense and salary and employee benefits expense.

Total assets at June 30, 2009 were \$148.00 million compared to \$142.55 million at December 31, 2008. Total cash and cash equivalents increased \$11.89 million, from \$15.69 million at December 31, 2008 to \$27.58 million at June 30, 2009 mainly due to growth in deposits and loan repayments exceeding loan originations. Total net loans decreased from \$115.78 million at December 31, 2008 to \$109.54 million at June 30, 2009. The decrease occurred mainly in 1-4 family residential loans. Total deposits increased from \$110.57 million at December 31, 2008 to \$116.74 million at June 30, 2009. This growth was primarily in short-term 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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**Great American Bancorp, Inc.**  
**Consolidated Balance Sheets**  
**June 30, 2009 and December 31, 2008**

(in thousands, except share data)

|  | June 30, 2009<br>(Unaudited) | December 31, 2008 |
|--|------------------------------|-------------------|
| <b>Assets</b>  |                              |                   |
| Cash and due from banks  | \$ 3,673                     | \$ 4,433          |
| Interest-bearing demand deposits   | 23,907                       | 11,254            |
| Cash and cash equivalents  | 27,580                       | 15,687            |
| Securities available for sale  | 842                          | 979               |
| Securities held to maturity  | 92                           | 104               |
| Federal Home Loan Bank stock, at cost  | 1,210                        | 1,210             |
| Loans held for sale  | 1,253                        | 870               |
| Loans, net of allowance for loan losses of \$936 and \$881                       | 108,282                      | 114,906           |
| Premises and equipment, net  | 5,217                        | 5,298             |
| Goodwill   | 485                          | 485               |
| Real estate owned  | 755                          | 900               |
| Other assets   | 2,285                        | 2,112             |
| Total assets   | <b>\$ 148,001</b>            | <b>\$ 142,551</b> |
| <b>Liabilities and Stockholders' Equity</b>                                      |                              |                   |
| <b>Liabilities</b>   |                              |                   |
| <b>Deposits</b>  |                              |                   |
| Noninterest-bearing  | \$ 16,572                    | \$ 14,792         |
| Interest-bearing   | 100,170                      | 95,774            |
| Total deposits   | 116,742                      | 110,566           |
| Federal Home Loan Bank advances  | 13,000                       | 14,000            |
| Advances from borrowers for taxes and insurance                                  | 235                          | 277               |
| Other liabilities  | 2,839                        | 2,396             |
| Total liabilities  | <b>132,816</b>               | <b>127,239</b>    |
| <b>Commitments and contingencies</b>   |                              |                   |
| <b>Stockholders' Equity</b>  |                              |                   |
| Preferred stock, \$0.01 par value;<br>1,000,000 shares authorized; none issued   | --                           | --                |
| Common stock, \$0.01 par value;<br>1,000,000 shares authorized and issued        | 10                           | 10                |
| Additional paid-in-capital   | 3,310                        | 3,310             |
| Retained earnings  | 26,949                       | 26,382            |
| Unearned incentive plan shares   | (55)                         | (55)              |
| Accumulated other comprehensive income (loss)                                    | 89                           | 89                |
| Common stock in treasury, at cost,<br>(2009-470,325 shares; 2008-447,825 shares) | (15,118)                     | (14,424)          |
| Total stockholders' equity   | <b>15,185</b>                | <b>15,312</b>     |
| Total liabilities and stockholders' equity                                       | <b>\$ 148,001</b>            | <b>\$ 142,551</b> |

**GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY**  
**Consolidated Statements of Income**  
**For the Six months Ended June 30, 2009 and 2008**  
(unaudited, in thousands, except share data)

|   | <b>Six months<br/>Ended<br/>June 30, 2009</b> | <b>Six months<br/>Ended<br/>June 30, 2008</b> |
|---|---|---|
| Interest and Dividend Income                        |   |   |
| Loans   | \$ 3,618                                      | \$ 3,895                                      |
| Securities  | 22  | 29  |
| Deposits with financial institutions and other      | 13  | 205   |
| Total interest and dividend income                  | <u>3,653</u>                                  | <u>4,129</u>                                  |
| Interest Expense                                    |   |   |
| Deposits  | 625   | 1,001   |
| Federal Home Loan Bank advances                     | 318   | 339   |
| Other   | 8   | 13  |
| Total interest expense                              | <u>951</u>                                    | <u>1,353</u>                                  |
| Net Interest Income                                 | 2,702   | 2,776   |
| Provision for Loan Losses                           | 60  | --  |
| Net Interest Income After Provision for Loan Losses | <u>2,642</u>                                  | <u>2,776</u>                                  |
| Noninterest Income                                  |   |   |
| Insurance sales commissions                         | 876   | 869   |
| Customer service fees                               | 417   | 437   |
| Other service charges and fees                      | 156   | 156   |
| Net gain on sales of loans                          | 643   | 122   |
| Loan servicing fees                                 | 78  | 66  |
| Other   | 33  | 92  |
| Total noninterest income                            | <u>2,203</u>                                  | <u>1,742</u>                                  |
| Noninterest Expense                                 |   |   |
| Salaries and employee benefits                      | 2,245   | 2,175   |
| Occupancy expense                                   | 309   | 297   |
| Equipment expense                                   | 270   | 251   |
| Professional fees                                   | 107   | 165   |
| Marketing expense                                   | 123   | 136   |
| Printing and office supplies                        | 114   | 120   |
| Directors and committee fees                        | 69  | 69  |
| Amortization of mortgage servicing rights           | 55  | 20  |
| Real estate owned expenses                          | 32  | --  |
| FDIC deposit insurance expense                      | 121   | 11  |
| Other   | 263   | 298   |
| Total noninterest expenses                          | <u>3,708</u>                                  | <u>3,542</u>                                  |
| Income Before Income Taxes                          | 1,137   | 976   |
| Income tax expenses                                 | 421   | 355   |
| Net Income  | <u>\$ 716</u>                                 | <u>\$ 621</u>                                 |
| Basic Earnings per Share                            | <u>\$ 1.35</u>                                | <u>\$ 1.05</u>                                |
| Diluted Earnings per Share                          | <u>\$ 1.34</u>                                | <u>\$ 1.04</u>                                |
| Dividends Declared per Share                        | <u>\$ 0.28</u>                                | <u>\$ 0.26</u>                                |

**GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY**  
**Consolidated Statements of Income**  
**For the Three Months Ended June 30, 2009 and 2008**  
(unaudited, in thousands, except share data)

|   | <b>Three Months<br/>Ended<br/>June 30, 2009</b> | <b>Three Months<br/>Ended<br/>June 30, 2008</b> |
|---|---|---|
| Interest and Dividend Income                        |   |   |
| Loans   | \$ 1,785  | \$ 1,929  |
| Securities  | 11  | 14  |
| Deposits with financial institutions and other      | 9   | 77  |
| Total interest and dividend income                  | <u>1,805</u>                                    | <u>2,020</u>                                    |
| Interest Expense                                    |   |   |
| Deposits  | 293   | 452   |
| Federal Home Loan Bank advances                     | 157   | 176   |
| Other   | 4   | 6   |
| Total interest expense                              | <u>454</u>                                      | <u>634</u>                                      |
| Net Interest Income                                 | 1,351   | 1,386   |
| Provision for Loan Losses                           | --  | --  |
| Net Interest Income After Provision for Loan Losses | <u>1,351</u>                                    | <u>1,386</u>                                    |
| Noninterest Income                                  |   |   |
| Insurance sales commissions                         | 360   | 350   |
| Customer service fees                               | 217   | 221   |
| Other service charges and fees                      | 87  | 78  |
| Net gain on sales of loans                          | 314   | 57  |
| Loan servicing fees                                 | 42  | 34  |
| Other   | 18  | 63  |
| Total noninterest income                            | <u>1,038</u>                                    | <u>803</u>                                      |
| Noninterest Expense                                 |   |   |
| Salaries and employee benefits                      | 1,100   | 1,053   |
| Occupancy expense                                   | 157   | 148   |
| Equipment expense                                   | 135   | 120   |
| Professional fees                                   | 56  | 101   |
| Marketing expense                                   | 76  | 64  |
| Printing and office supplies                        | 53  | 63  |
| Directors and committee fees                        | 35  | 35  |
| Amortization of mortgage servicing rights           | 32  | 8   |
| Real estate owned expenses                          | 24  | --  |
| FDIC deposit insurance expense                      | 96  | 7   |
| Other   | 168   | 149   |
| Total noninterest expenses                          | <u>1,932</u>                                    | <u>1,748</u>                                    |
| Income Before Income Taxes                          | 457   | 441   |
| Income tax expenses                                 | <u>168</u>                                      | <u>159</u>                                      |
| Net Income  | <u>\$ 289</u>                                   | <u>\$ 282</u>                                   |
| Basic Earnings per Share                            | <u>\$ 0.55</u>                                  | <u>\$ 0.48</u>                                  |
| Diluted Earnings per Share                          | <u>\$ 0.54</u>                                  | <u>\$ 0.48</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<br><b>June 30, 2009</b> | As of<br>Dec. 31, 2008 |
|---|-------------------------------|------------------------|
| Total assets                              | \$ <b>148,001</b>             | \$ 142,551             |
| Total loans, net                          | <b>109,535</b>                | 115,776                |
| Loan loss reserve                         | <b>936</b>                    | 881                    |
| Non-performing assets                     | <b>267</b>                    | 331                    |
| Non-performing assets to total assets     | <b>0.18%</b>                  | 0.23%                  |
| Allowance for loan losses to total assets | <b>0.63%</b>                  | 0.62%                  |
| Investment securities                     | <b>934</b>                    | 1,083                  |
| Total deposits                            | <b>116,742</b>                | 110,566                |
| Checking deposits                         | <b>40,664</b>                 | 38,623                 |
| Money market deposits                     | <b>24,862</b>                 | 20,241                 |
| Passbook savings deposits                 | <b>16,859</b>                 | 15,592                 |
| Certificates of deposit                   | <b>34,357</b>                 | 36,110                 |
| Federal Home Loan Bank advances           | <b>13,000</b>                 | 14,000                 |
| Total stockholders' equity                | <b>15,185</b>                 | 15,312                 |

|                                  | <b>Three Months<br/>Ended<br/>June 30, 2009</b> | Three Months<br>Ended<br>June 30, 2008 | <b>Six Months<br/>Ended<br/>June 30, 2009</b> | Six Months<br>Ended<br>June 30, 2008 |
|----------------------------------|---|--|---|--------------------------------------|
|                                  | (unaudited)                                     |  |   |                                      |
| Net interest margin (annualized) | <b>3.94%</b>                                    | 4.25%                                  | <b>4.03%</b>                                  | 4.24%                                |
| ROA (annualized)                 | <b>0.77%</b>                                    | 0.79%                                  | <b>0.97%</b>                                  | 0.86%                                |
| ROE (annualized)                 | <b>7.70%</b>                                    | 7.23%                                  | <b>9.62%</b>                                  | 7.90%                                |