

## Report to Stockholders

ACNB Corporation reported year-to-date net income of \$3,550,000 for the six months ended June 30, 2009, compared to \$4,538,000 over the same six-month period in 2008, a decrease of \$988,000 or 22%. Net income on a per share basis amounted to \$.60 for the first half of 2009 and was \$.76 for the same period in 2008.

The Corporation reported net income of \$1,433,000 for the three months ended June 30, 2009, compared to \$2,330,000 for the same quarter in 2008, a decrease of \$897,000 or 38%. Net income on a per share basis amounted to \$.24 for the second quarter of 2009 and was \$.39 for the same period in 2008.

The corporate balance sheet continued to produce solid net interest income, which improved by \$1,892,000, or nearly 14%, when comparing the first half of 2009 to the first half of 2008. However, earnings were negatively impacted by increases of \$1,680,000 in the provision for loan losses and \$1,128,000 in FDIC insurance expense when comparing these same periods.

In maintaining the payment of regular quarterly cash dividends in support of ACNB Corporation stockholders, dividends paid for the second quarter of 2009 totaled more than \$1,100,000, or \$.19 per share. This cash dividend of \$.19 per share was paid on June 15, 2009, to stockholders of record on June 1, 2009. Aggregate dividends paid to stockholders year-to-date in 2009 were more than \$2,200,000, or \$.38 per share, as of June 30, 2009. In comparison to a year ago, ACNB Corporation also paid \$.38 in dividends per share during the first six months of 2008.

Total assets of ACNB Corporation on June 30, 2009, were \$961 million, an increase of 3% from June 30, 2008. Total deposits increased by 4% over the previous year to \$726 million. Total loans not held for sale rose by 8% to \$647 million, as compared to June 30, 2008. An increase of 1% in stockholders'

equity resulted in an aggregate of \$85.1 million on June 30, 2009—fortifying the position of the banking subsidiary as remaining well capitalized by regulatory standards.

Working each business day within ACNB Corporation's subsidiaries, there are more than 300 people. These are people who serve our organization with dedication and energy. We sincerely thank our coworkers for their daily endeavors to further the mission of ACNB Corporation.

We also commend the members of the Board of Directors for their individual and collective contributions in guiding the path of ACNB Corporation's future. Their continued commitment is essential during these times.

To you, as stockholders in our business, we also extend our humble gratitude. Thank you for your investment and confidence in ACNB Corporation as we move forward.



**Ronald L. Hankey**  
Chairman



**Thomas A. Ritter**  
President & Chief Executive Officer



**Lynda L. Glass**  
Executive Vice President & Secretary



**David W. Cathell**  
Executive Vice President,  
Treasurer & Chief Financial Officer

## Boards of Directors

### **ACNB CORPORATION AND ADAMS COUNTY NATIONAL BANK BOARDS OF DIRECTORS**

Philip P. Asper	John R. Schnitzer
Frank Elsner, III	Marian B. Schultz
Ronald L. Hankey	Alan J. Stock
James J. Lott	Jennifer L. Weaver
Robert W. Miller	Harry L. Wheeler
Daniel W. Potts	James E. Williams
Thomas A. Ritter	

### **ADAMS COUNTY NATIONAL BANK DIRECTORS EMERITI**

Guy F. Donaldson	Edgar S. Heberlig
D. Richard Guise	Wayne E. Lau

### **ADAMS COUNTY NATIONAL BANK HONORARY DIRECTORS**

Dana P. Brandt	William B. Lower
J. Thomas Derick	Mervin J. Morrison
Frank C. Egger	W. Irvin Nelson
Richard L. Galusha	Ralph S. Sandoe
Philip M. Jones	L. Robert Snyder

### **RUSSELL INSURANCE GROUP, INC. BOARD OF DIRECTORS**

Lynda L. Glass	Thomas A. Ritter
Ronald L. Hankey	Frank C. Russell, Jr.
Daniel W. Potts	

## Officers

### **ACNB CORPORATION**

Ronald L. Hankey, Chairman  
Thomas A. Ritter, President & Chief Executive Officer  
Lynda L. Glass, Executive Vice President & Secretary  
David W. Cathell, Executive Vice President, Treasurer & Chief Financial Officer

### **ADAMS COUNTY NATIONAL BANK**

Ronald L. Hankey, Chairman  
Thomas A. Ritter, President & Chief Executive Officer  
David W. Cathell, Executive Vice President, Cashier & Chief Financial Officer  
Lynda L. Glass, Executive Vice President & Chief Operating Officer  
James P. Helt, Executive Vice President/Banking Services  
Sandra A. Deaner, Senior Vice President/Human Resources  
Paul H. Ketterman, Jr., Senior Vice President & Senior Trust Officer  
John M. Kiehl, Senior Vice President & Chief Risk Officer  
Laurie A. Laub, Senior Vice President & Chief Credit Officer  
Dorothy K. Puhl, Senior Vice President/Information Systems  
Carl L. Ricker, Senior Vice President/Retail Lending  
Douglas A. Seibel, Senior Vice President/Commercial Lending  
Thomas R. Stone, Senior Vice President/Retail Banking

## Officers CONTINUED

### **FIRST VICE PRESIDENTS**

Gina D. Digirolamo	Dennis R. Hollinger
L. John Hicks	R. Mark Purdy

### **VICE PRESIDENTS**

Timothy A. Berwager	William D. Kough, Jr.
Wayne G. Crum	Barbara A. Lang
David W. Deaner	Beth W. Lesko
Barry C. Dillman	Scott A. Miller
Michael D. Farley	Jeffrey A. Pottorff
Ryan A. Fox	Gary W. Rappoldt
Robert A. Hahn	Wendy D. Roth
Kathy S. Hansel	Debra T. Sites
Stephen C. Hawbaker	Rhonda L. Winterstein
Helen A. Jahn	Merle J. Zehr

### **ASSISTANT VICE PRESIDENTS**

Karen B. Arthur	Ginny L. Huntsberry
Kevin L. Cook	William A. Kauffman
Steven E. Ebersole	George F. Marguglio
Kim D. Elmo	Celeste M. Miller
Kimberly S. Flickinger	Shelby L. Pentz
Carolyn E. Groft	Karen J. Redding
Barbara D. Guise	Susan M. Saylor
Jane E. Gwyn	Christine R. Settle
Scott E. Hartlaub	Lisa A. Smith
Nancy E. Helwig	Tina M. Steckler

### **FARMERS NATIONAL BANK OF NEWVILLE A DIVISION OF ADAMS COUNTY NATIONAL BANK**

Carolyn H. Kough, Executive Vice President  
James E. Showvaker, Vice President  
Douglas R. Lindsay, Assistant Vice President

### **RUSSELL INSURANCE GROUP, INC.**

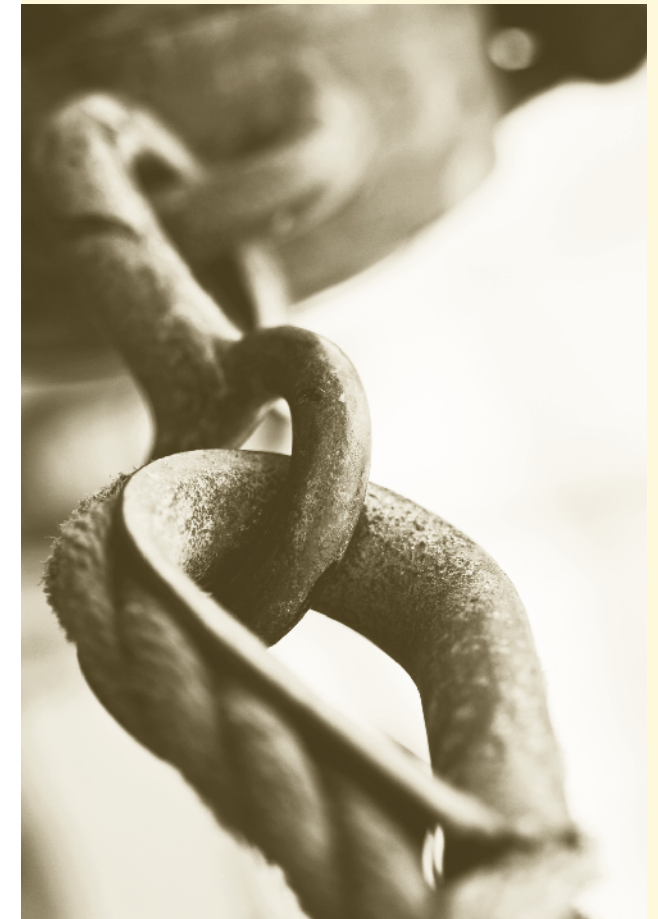
Frank C. Russell, Jr., President & Chief Executive Officer  
Daniel J. Coughlin, Vice President  
David W. Cathell, Vice President & Treasurer  
Lynda L. Glass, Vice President & Secretary



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**Q2**  
**2009**  
**REVIEW**





ACNB Corporation, headquartered in Gettysburg, PA, is the financial holding company for the wholly-owned subsidiaries of Adams County National Bank, Gettysburg, PA, and Russell Insurance Group, Inc., Westminster, MD.

Through its banking subsidiary of Adams County National Bank, ACNB Corporation provides a wide array of consumer, commercial and fiduciary services to fulfill the financial needs of individuals, businesses, public entities, and community organizations in its trading area. Originally founded in 1857, Adams County National Bank serves its marketplace via a network of 18 retail banking offices located throughout Adams County, PA, and in Dillsburg and Hanover, York County, PA. In addition, the Bank operates loan offices in Hanover, York County, and Chambersburg, Franklin County, PA. Farmers National Bank of Newville, a division of Adams County National Bank, serves customers at three retail banking offices in the Newville, Cumberland County, PA, area.

Russell Insurance Group, Inc., the insurance subsidiary of ACNB Corporation, offers a broad range of commercial and personal insurance lines through licenses in 36 states, including Maryland and Pennsylvania. This full-service insurance agency has office locations in Westminster, Carroll County, MD, and Germantown, Montgomery County, MD.

## Consolidated Statements of Condition UNAUDITED

	<b>JUNE 30</b>	
<b>ASSETS</b> DOLLARS IN THOUSANDS	<b>2009</b>	<b>2008</b>
Cash and due from banks	\$ 19,424	\$ 21,458
Investment securities:		
Securities held-to-maturity, fair value (\$10,191 and \$0 in 2009 and 2008, respectively)	10,064	—
Securities available-for-sale	211,504	246,347
Total investment securities	221,568	246,347
Loans	653,290	599,380
Less: Allowance for possible loan losses	9,860	6,337
Net loans	643,430	593,043
Premises and equipment	14,892	14,375
Restricted investments in bank stocks	9,170	7,401
Investment in bank-owned life insurance	25,798	24,799
Other assets	26,665	23,973
<b>TOTAL ASSETS</b>	<b>\$960,947</b>	<b>\$931,396</b>

### **LIABILITIES**

Deposits:		
Non-interest bearing	\$ 90,568	\$ 90,526
Interest bearing	634,949	604,498
<b>TOTAL DEPOSITS</b>	<b>725,517</b>	<b>695,024</b>
Short-term borrowings	52,017	39,351
Long-term borrowings	85,496	105,100
Other liabilities	12,789	7,738
<b>TOTAL LIABILITIES</b>	<b>875,819</b>	<b>847,213</b>

### **STOCKHOLDERS' EQUITY**

Common stock (par value \$2.50; 20,000,000 shares authorized; 5,990,943 shares issued; 5,928,343 and 5,990,943 shares outstanding for 2009 and 2008, respectively)	14,977	14,977
Treasury stock, at cost (62,600 and 0 shares in 2009 and 2008, respectively)	(728)	—
Additional paid-in capital	8,787	8,787
Retained earnings	64,206	62,955
Accumulated other comprehensive loss	(2,114)	(2,536)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>85,128</b>	<b>84,183</b>
<b>TOTAL LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>	<b>\$960,947</b>	<b>\$931,396</b>

In addition to historical information, this Quarterly Review may contain forward-looking statements which can be identified by the use of forward-looking terminology such as "believes," "expects," "may," "intends," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. Actual results may differ materially from those projected in such forward-looking statements due to various risks and uncertainties such as economic conditions, competitive factors, and regulatory limitations. For a discussion of specific factors that may adversely affect financial results and condition and cause actual results to differ from expectations, please refer to ACNB Corporation's Annual Report on Form 10-K for the year ended December 31, 2008, and the most recent Quarterly Report on Form 10-Q, as filed with the Securities and Exchange Commission and available on the SEC's website at [www.sec.gov](http://www.sec.gov).

## Consolidated Statements of Income UNAUDITED

	<b>SIX MONTHS ENDED JUNE 30</b>	
DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA	<b>2009</b>	<b>2008</b>
Interest income	\$23,195	\$23,977
Less: Interest expense	7,356	10,030
Net interest income	15,839	13,947
Less: Provision for possible loan losses	2,350	670
Net interest income after provision for possible loan losses	13,489	13,277
Add: Other income	6,211	5,321
Less: Other expense	15,463	12,919
Income before income taxes	4,237	5,679
Less: Applicable income taxes	687	1,141
<b>NET INCOME</b>	<b>\$ 3,550</b>	<b>\$ 4,538</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 0.60</b>	<b>\$ 0.76</b>
<b>DIVIDENDS PER SHARE</b>	<b>\$ 0.38</b>	<b>\$ 0.38</b>

## Common Stock Market Prices and Dividends

ACNB Corporation's common stock trades on the Over The Counter Bulletin Board under the symbol ACNB. As of June 30, 2009, the approximate number of stockholders of record of the Corporation's common stock was 2,598.

The following table reflects the quarterly high and low prices of ACNB Corporation's common stock for the last eight quarters and the cash dividends paid on the common stock for the same periods.

<b>QUARTER ENDED</b>	<b>PRICE RANGE PER SHARE</b>		<b>PER SHARE DIVIDEND</b>
	<b>HIGH</b>	<b>LOW</b>	
June 30, 2009	\$12.10	\$ 9.25	\$ 0.19
March 31, 2009	12.48	7.75	0.19
December 31, 2008	15.00	10.40	0.19
September 30, 2008	16.40	14.50	0.19
June 30, 2008	16.40	13.52	0.19
March 31, 2008	15.75	14.12	0.19
December 31, 2007	16.85	14.80	0.19
September 30, 2007	17.60	15.95	0.19

All 2007 amounts restated for the 5% common stock dividend distributed in December 2007.