

**ACNB Corporation reported year-to-date net income of \$6,746,000 for the nine months ended September 30, 2011, compared to \$6,791,000 over the same nine-month period in 2010, a slight decrease of \$45,000 or less than 1%. Net income on a per share basis was \$1.14 for the first nine months of 2011 and was \$1.15 for the same period in 2010.**

The Corporation reported net income of \$2,180,000 for the three months ended September 30, 2011, compared to \$2,304,000 for the same quarter in 2010, a decrease of \$124,000 or 5%. Net income on a per share basis amounted to \$0.37 for the third quarter of 2011 and was \$0.39 for the same period in 2010.

Quarterly cash dividends paid to ACNB Corporation stockholders for the first nine months of 2011 totaled \$3,382,000, or \$0.57 per share. This is the same per share amount that was paid in the first nine months of 2010.

Total assets of ACNB Corporation at September 30, 2011, were \$1.0 billion, an increase of 3% from September 30, 2010. Total deposits increased by 5% over the previous year to \$801 million. Total loans rose by 2% to \$682 million, as compared to September 30, 2010. A 6% increase in stockholders' equity resulted in an aggregate of \$99.5 million at September 30, 2011, compared to \$93.8 million at September 30, 2010.

During the quarter, ACNB Bank, the Corporation's wholly-owned banking subsidiary, opened its newest retail banking office in Spring Grove, PA, on August 22, 2011. Located at 221 North Main Street in Spring Grove, this full-service office expands the Bank's presence in York County and provides an additional banking location for the Bank's greater Hanover market.

At ACNB Corporation, we recognize the continued challenges facing our organization and our industry. The sustained low interest rate environment, uncertainty in economic conditions, slack loan demand, asset quality issues, and extensive regulatory reform remain significant factors impacting the banking environment. However, ACNB Corporation's strength comes from solid community banking principles, firmly rooted in a history of independence for more than 150 years. This history is the foundation upon which we look to the future.

The continued loyalty and confidence of our Board of Directors, our stockholders, our customers, our employees and our communities provide the strength and stability supporting ACNB Corporation. The success of our endeavors reflects this commitment, for which we are grateful.

Sincerely,



**Ronald L. Hankey**  
Chairman



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



**Lynda L. Glass**  
Executive Vice President,  
Secretary & Chief Governance Officer



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

**ACNB Corporation and ACNB Bank Boards of Directors**

Frank Elsner, III	Marian B. Schultz
Ronald L. Hankey	David L. Sites
James J. Lott	Alan J. Stock
Robert W. Miller	Jennifer L. Weaver
Daniel W. Potts	Harry L. Wheeler
Thomas A. Ritter	James E. Williams

**ACNB Bank Directors Emeriti**

D. Richard Guise	Wayne E. Lau
Edgar S. Heberlig	

**ACNB Bank Honorary Directors**

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

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

**ACNB Bank**

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

**First Vice Presidents**

Karen B. Arthur	L. John Hicks
Barry C. Dillman	Dennis R. Hollinger
Kathy S. Hansel	R. Mark Purdy

**Vice Presidents**

Mark P. Bernier	Debra T. Little
Cara Lynn Clabaugh	Jill M. McNeil
Wayne G. Crum	Scott A. Miller
David W. Deaner	Jeffrey A. Pottorff
Michael D. Farley	Edward C. Price, Jr.
Stephen C. Hawbaker	Gary W. Rappoldt
Leslie R. Horn	Wendy D. Roth
Helen A. Jahn	James E. Showvaker
John E. Kashner	Debra T. Sites
William D. Kough, Jr.	Rhonda L. Winterstein
Beth W. Lesko	Merle J. Zehr

**Assistant Vice Presidents**

Kevin L. Cook	Douglas R. Lindsay
Andrée V. Dennis	George F. Marguglio
Carolyn M. Dull	Celeste M. Miller
Kim D. Elmo	Shelby L. Pentz
Kimberly S. Flickinger	Karen J. Redding
Jacqueline A. Grasley	Susan M. Saylor
Carolyn E. Groff	Christine R. Settle
Barbara D. Guise	Lisa A. Smith
Jane E. Gwyn	Tina M. Steckler
Scott E. Hartlaub	Ruby L. Sullivan
Nancy E. Helwig	Christina D. Ziser
William A. Kauffman	

**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*



## 2011 THIRD QUARTER REVIEW

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

Through its banking subsidiary of ACNB 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, ACNB Bank serves its marketplace via a network of 19 retail banking offices located throughout Adams County, PA, as well as in Dillsburg, Hanover and Spring Grove, York County, PA, and in Newville, Cumberland County, PA. In addition, the Bank operates loan offices in Hanover, York County, and Chambersburg, Franklin County, PA.

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.

16 LINCOLN SQUARE • PO BOX 3129 • GETTYSBURG, PA 17325 • ACNB.COM

*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, 2010, 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 CONDITION *Unaudited*

	SEPTEMBER 30	
	2011	2010
<b>ASSETS</b> <i>In thousands, except per share data</i>		
Cash and due from banks	\$ 13,270	\$ 15,317
Interest bearing deposits with banks	41,725	17,547
Total Cash and Cash Equivalents	54,995	32,864
Securities available for sale	209,335	205,534
Securities held to maturity (fair value \$10,758 and \$10,844)	10,035	10,048
Loans held for sale	80	3,761
Loans, net of allowance for loan losses (\$15,412 and \$15,278)	666,597	654,542
Premises and equipment	14,625	14,344
Restricted investment in bank stocks	7,507	9,170
Investment in bank-owned life insurance	28,175	27,200
Investments in low-income housing partnerships	3,866	4,189
Goodwill	5,972	5,972
Intangible assets	3,209	3,848
Foreclosed assets held for resale	4,076	7,934
Other assets	16,146	13,790
<b>TOTAL ASSETS</b>	<b>\$1,024,618</b>	<b>\$993,196</b>
<b>LIABILITIES</b>		
Deposits:		
Non-interest bearing	\$ 121,068	\$106,087
Interest bearing	680,105	658,776
Total Deposits	801,173	764,863
Short-term borrowings	44,195	41,785
Long-term borrowings	71,248	81,611
Other liabilities	8,533	11,113
<b>TOTAL LIABILITIES</b>	<b>925,149</b>	<b>899,372</b>
<b>STOCKHOLDERS' EQUITY</b>		
Common stock (\$2.50 par value; 20,000,000 shares authorized; 6,003,982 and 5,990,943 shares issued; 5,941,382 and 5,928,343 shares outstanding)	15,010	14,977
Treasury stock, at cost (62,600 shares)	(728)	(728)
Additional paid-in capital	8,951	8,787
Retained earnings	72,900	69,035
Accumulated other comprehensive income	3,336	1,753
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b>99,469</b>	<b>93,824</b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$1,024,618</b>	<b>\$993,196</b>

## CONSOLIDATED STATEMENTS OF INCOME *Unaudited*

	NINE MONTHS ENDED SEPTEMBER 30	
	2011	2010
<i>In thousands, except per share data</i>		
Interest income	\$31,389	\$33,915
Less: Interest expense	5,673	7,425
Net interest income	25,716	26,490
Less: Provision for loan losses	3,610	4,610
Net interest income after provision for loan losses	22,106	21,880
Add: Other income	8,846	8,944
Less: Other expenses	22,370	22,260
Income before income taxes	8,582	8,564
Less: Provision for income taxes	1,836	1,773
<b>NET INCOME</b>	<b>\$ 6,746</b>	<b>\$ 6,791</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 1.14</b>	<b>\$ 1.15</b>
<b>DIVIDENDS PER SHARE</b>	<b>\$ 0.57</b>	<b>\$ 0.57</b>

## COMMON STOCK MARKET PRICES AND DIVIDENDS

ACNB Corporation's common stock trades on The NASDAQ Capital Market under the symbol ACNB. As of September 30, 2011, the approximate number of shareholders of record of the Corporation's common stock was 2,477.

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.

QUARTER ENDED	PRICE RANGE PER SHARE HIGH	PER SHARE LOW	PER SHARE DIVIDEND
September 30, 2011	\$15.99	\$13.70	\$0.19
June 30, 2011	16.50	14.85	0.19
March 31, 2011	16.50	15.00	0.19
December 31, 2010	16.00	14.01	0.19
September 30, 2010	15.10	13.60	0.19
June 30, 2010	14.70	12.80	0.19
March 31, 2010	13.30	11.85	0.19
December 31, 2009	13.70	12.40	0.19