



# GREAT AMERICAN BANCORP, INC.

## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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**Contact: Ms. Jane F. Adams  
Chief Financial Officer and Investor Relations  
(217) 356-2265**

### **Great American Bancorp, Inc. Announces Earnings for Third Quarter 2017**

Champaign, Illinois - Great American Bancorp, Inc. (OTC Pink®/GTPS), the holding company for First Federal Savings Bank of Champaign-Urbana, reported net income of \$572,000 for the nine months ended September 30, 2017, which is an increase of \$51,000, or 9.8% from the \$521,000 reported for the nine months ended September 30, 2016. Basic and fully diluted earnings per share were \$1.29 for the nine months ended September 30, 2017 compared to \$1.16 for the same period in 2016. The return on average assets ("ROA") and the return on average equity ("ROE") were 0.43% and 4.38% for the nine months ended September 30, 2017, increasing from a 0.38% ROA and 4.04% ROE for the nine months ended September 30, 2016.

Net income increased in the nine months ended September 30, 2017 compared to the same period in 2016 due mainly to higher net interest income, offset by a decrease in total noninterest income and increases in total noninterest expense and income tax expense.

Net interest income was \$419,000 higher in the nine months ended September 30, 2017 compared to the same period in 2016 due primarily to a \$237,000 increase in interest income from deposits with financial institutions and other, which are mostly overnight deposits maintained at the Federal Reserve Bank and the Federal Home Loan Bank ("FHLB"), and a \$157,000 decrease in interest expense on FHLB advances. Interest income earned on deposits with financial institutions and other was higher in 2017 due to the Federal Open Market Committee ("FOMC") increasing the Federal funds target rate three times since September 2016. The FOMC increased the Federal funds target rate by 25 basis points each in December 2016, March 2017 and June 2017. Interest expense on FHLB advances decreased due to a \$4.00 million FHLB advance maturing in October 2016 which was outstanding during the first nine months of 2016.

Noninterest income decreased \$27,000 in 2017, from \$2,509,000 for the nine months ended September 30, 2016 to \$2,482,000 for the first nine months of 2017 due primarily to a decrease in the

net gain on sales of loans. Net gain on the sales of loans decreased \$68,000 in 2017 due to the Company selling \$12.7 million in loans during the first nine months of 2017 compared to \$17.2 million in loans sold in the first nine months of 2016.

Total noninterest expense increased \$293,000, from \$5,270,000 for the first nine months of 2016 to \$5,563,000 for the first nine months of 2017, primarily salaries and employee benefits, equipment expense, marketing expense, other real estate owned net expenses, and other expenses.

Net income was \$9,000 lower in the three months ended September 30, 2017 compared to the third quarter of 2016 primarily due to an increase in net interest income, offset by lower noninterest income and higher noninterest expenses. The ROA and ROE were 0.49% and 4.88% for the three months ended September 30, 2017 compared to a 0.49% ROA and 5.15% ROE for the three months ended September 30, 2016.

Total assets at September 30, 2017 were \$173.78 million compared to \$180.60 million at December 31, 2016, decreasing \$6.82 million or 3.8%. Total net loans, including loans held for sale, were \$103.13 million at September 30, 2017, decreasing \$2.54 million or 2.4% from total net loans of \$105.67 million at December 31, 2016. This decrease was primarily in one-to-four family non-owner occupied residential mortgage loans, commercial loans and consumer loans. Total deposits decreased \$6.92 million or 4.3%, from \$159.97 million at December 31, 2016 to \$153.05 million at September 30, 2017. This decrease occurred primarily in checking and insured money market demand deposits and time deposits, offset by an increase in savings deposits.

First Federal Savings Bank of Champaign-Urbana is headquartered in Champaign, Illinois, and operates through its administrative/branch office in Champaign and through one additional full service branch located in Urbana, Illinois. 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 OTC Pink<sup>®</sup>, under the symbol, "GTPS."

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**GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY**  
**Consolidated Balance Sheets**  
**September 30, 2017 and December 31, 2016**

(in thousands, except share data)

	September 30, 2017 (Unaudited)	December 31, 2016
<i>Assets</i>		
Cash and due from banks	\$ 3,573	\$ 6,007
Interest-bearing demand deposits	58,136	59,689
Cash and cash equivalents	61,709	65,696
Certificates of deposit investments	249	--
Securities available for sale	149	168
Securities held to maturity	17	20
Federal Home Loan Bank stock, at cost	278	704
Loans held for sale	489	326
Loans, net of allowance for loan losses of \$941 in 2017 and \$946 in 2016	102,824	105,347
Premises and equipment, net	4,335	4,527
Goodwill	485	485
Other real estate owned	947	1,140
Other assets	2,299	2,185
Total assets	\$ 173,781	\$ 180,598
<i>Liabilities and Stockholders' Equity</i>		
<i>Liabilities</i>		
<i>Deposits</i>		
Noninterest-bearing	\$ 28,054	\$ 29,541
Interest-bearing	124,997	130,427
Total deposits	153,051	159,968
Advances from borrowers for taxes and insurance	147	273
Other liabilities	3,025	3,022
Total liabilities	156,223	163,263
<i>Stockholders' Equity</i>		
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	31,866	31,479
Accumulated other comprehensive income	182	182
Common stock in treasury, at cost (2017 – 561,794 shares; 2016 – 556,323 shares)	(17,810)	(17,646)
Total stockholders' equity	17,558	17,335
Total liabilities and stockholders' equity	\$ 173,781	\$ 180,598

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

**For the Nine Months Ended September 30, 2017 and 2016**

(unaudited, in thousands, except share data)

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
Interest and Dividend Income		
Loans	\$ 3,682	\$ 3,665
Securities	4	5
Dividends on Federal Home Loan Bank stock	4	6
Deposits with financial institutions and other	491	254
Total interest and dividend income	<u>4,181</u>	<u>3,930</u>
Interest Expense		
Deposits	101	112
Federal Home Loan Bank advances	--	157
Other	3	3
Total interest expense	<u>104</u>	<u>272</u>
Net Interest Income	4,077	3,658
Provision for Loan Losses	--	--
Net Interest Income After Provision for Loan Losses	<u>4,077</u>	<u>3,658</u>
Noninterest Income		
Insurance sales commissions	1,171	1,161
Customer service fees	495	491
Other service charges and fees	259	256
Net gain on sales of loans	277	345
Loan servicing fees, net of amortization of mortgage servicing rights	103	93
Other	177	163
Total noninterest income	<u>2,482</u>	<u>2,509</u>
Noninterest Expense		
Salaries and employee benefits	3,155	3,011
Occupancy expense	439	425
Equipment expense	647	587
Professional fees	191	189
Marketing expense	213	161
Printing and office supplies	120	176
Directors and committee fees	120	120
Other real estate owned expenses, net	54	13
FDIC deposit insurance expense	43	94
Other	581	494
Total noninterest expense	<u>5,563</u>	<u>5,270</u>
Income Before Income Taxes	996	897
Income tax expense	424	376
Net Income	<u>\$ 572</u>	<u>\$ 521</u>
Earnings per Share, Basic and Diluted	<u>\$ 1.29</u>	<u>\$ 1.16</u>
Dividends Declared per Share	<u>\$ 0.42</u>	<u>\$ 0.42</u>

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

**For the Three Months Ended September 30, 2017 and 2016**

(unaudited, in thousands, except share data)

	<b>Three Months Ended September 30, 2017</b>	<b>Three Months Ended September 30, 2016</b>
Interest and Dividend Income		
Loans	\$ 1,269	\$ 1,256
Securities	1	2
Dividends on Federal Home Loan Bank stock	1	2
Deposits with financial institutions and other	192	84
Total interest and dividend income	<u>1,463</u>	<u>1,344</u>
Interest Expense		
Deposits	33	37
Federal Home Loan Bank advances	--	53
Other	1	1
Total interest expense	<u>34</u>	<u>91</u>
Net Interest Income	1,429	1,253
Provision for Loan Losses	--	--
Net Interest Income After Provision for Loan Losses	<u>1,429</u>	<u>1,253</u>
Noninterest Income		
Insurance sales commissions	356	395
Customer service fees	177	176
Other service charges and fees	86	85
Net gain on sales of loans	107	206
Loan servicing fees, net of amortization of mortgage servicing rights	31	28
Other	58	59
Total noninterest income	<u>815</u>	<u>949</u>
Noninterest Expense		
Salaries and employee benefits	1,057	1,016
Occupancy expense	150	147
Equipment expense	213	210
Professional fees	57	62
Marketing expense	78	57
Printing and office supplies	42	50
Directors and committee fees	40	40
Other real estate owned expenses, net	10	29
FDIC deposit insurance expense	14	32
Other	204	176
Total noninterest expense	<u>1,865</u>	<u>1,819</u>
Income Before Income Taxes	379	383
Income tax expense	164	159
Net Income	<u>\$ 215</u>	<u>\$ 224</u>
Earnings per Share, Basic and Diluted	<u>\$ 0.49</u>	<u>\$ 0.50</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 September 30, 2017	As of December 31, 2016
Total assets	\$ 173,781	\$ 180,598
Total loans, net	103,313	105,673
Loan loss reserve	941	946
Non-performing loans	319	486
Non-performing loans to total assets	0.18%	0.27%
Allowance for loan losses to total non-performing loans	294.98%	194.65%
Allowance for loan losses to total assets	0.54%	0.52%
Other real estate owned	947	1,140
Investment securities	166	188
Total deposits	153,051	159,968
Checking deposits	70,327	74,299
Money market deposits	30,497	31,995
Savings deposits	32,660	31,982
Certificates of deposit	19,567	21,692
Total stockholders' equity	17,558	17,335

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
	(unaudited)			
Net interest margin (annualized)	3.46%	2.92%	3.26%	2.86%
ROA (annualized)	0.49%	0.49%	0.43%	0.38%
ROE (annualized)	4.88%	5.15%	4.38%	4.04%