



NEWS RELEASE

FOR IMMEDIATE RELEASE

January 23, 2018

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

Great American Bancorp, Inc. Announces Earnings – Fiscal 2017 and Fourth 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 \$484,000 for fiscal 2017, which is a decrease of \$185,000, or 27.7% from the \$669,000 reported for the year ended December 31, 2016. Basic and fully diluted earnings per share were \$1.10 for 2017 compared to \$1.50 for 2016. The return on average assets (“ROA”) and the return on average equity (“ROE”) were 0.27% and 2.77% for 2017, decreasing from a 0.37% ROA and 3.87% ROE for 2016.

On December 22, 2017, the President of the United States signed the Tax Cuts and Job Act of 2017, (the “Act”) into law. The Act represents one of the most significant overhauls to the United States Federal tax code since 1986. Accounting Standards Codification topic 740, (“ASC 740”) provides guidance for recognizing the effect of changes in tax laws or tax rates in the financial reporting period that includes the enactment date, i.e., the date the Act was signed into law. The accounting guidance under ASC 740 significantly impacted Great American Bancorp, Inc., (the “Company”) by requiring the Company to reduce the balance of deferred tax assets and deferred tax liabilities on the date the Act was enacted, December 22, 2017, to account for the change in the Federal tax rates under the Act. The accounting guidance stipulates that the net adjustment to the balance of deferred tax assets and deferred tax liabilities resulting from accounting for a change in tax rates is to be offset by an adjustment to tax expense during the same reporting period. As a result of the enactment of the Act in December 2017, the Company recorded a net credit adjustment to deferred tax assets and deferred tax liabilities of \$246,000 in December, which resulted in an additional Federal tax expense of \$246,000.

Prior to recording the additional Federal tax expense of \$246,000 in December, net income for fiscal 2017 was \$730,000, which is an increase of \$61,000, or 9.1% from the \$669,000 in net income reported for the year ended December 31, 2016. Basic and fully diluted earnings per share

based on net income of \$730,000 were \$1.65 for 2017 compared to \$1.50 reported for 2016. The return on average assets (“ROA”) and the return on average equity (“ROE”) for 2017 prior to recording the additional Federal tax expense of \$246,000 were 0.41% and 4.18% for 2017, increasing from the 0.37% ROA and 3.87% ROE reported for 2016.

Net income was higher in fiscal 2017 before recording the one-time Federal tax expense of \$246,000 primarily due to an increase in net interest income, offset by a decrease in total noninterest income and an increase in total noninterest expense.

Net interest income increased \$534,000, from \$4,944,000 for 2016 to \$5,478,000 for 2017, due to a \$347,000 increase in interest income and an \$187,000 decrease in interest expense. The increase in interest income was mainly due to higher income generated on deposits with banks and other financial institutions. Deposits with banks and other financial institutions are primarily overnight funds held at the Federal Reserve Bank and Federal Home Loan Bank and the interest generated from these deposits was \$346,000 higher in 2017 compared to 2016. The weighted average yield on these deposits increased from 49 basis points in 2016 to 1.09% in 2017. This higher yield mainly resulted from increases to the target Federal Funds Rate implemented by the Federal Open Market Committee of the Federal Reserve System in December 2016, March 2017, June 2017 and December 2017.

Total interest expense decreased \$187,000 in 2017 due primarily to a reduction in interest paid on Federal Home Loan Bank advances. During 2016, Federal Home Loan Bank advances were comprised of one \$4.00 million advance at a fixed rate of 5.17% which matured on October 31, 2016. The interest expense associated with this advance was \$175,000 in 2016.

Total noninterest income decreased \$93,000, from \$3,248,000 for 2016 to \$3,155,000 for the year ended December 31, 2017 due mainly to a decrease in the gains on the sale of 1-4 family residential mortgage loans.

Total noninterest expense increased \$242,000, from \$7,121,000 for the year ended December 31, 2016 to \$7,363,000 for 2017, primarily salaries and benefits expense, marketing expense, and other expenses.

The Company recorded a net loss for the three months ended December 31, 2017 of \$88,000, which included the one-time Federal tax expense of \$246,000. Prior to recording the \$246,000 tax expense, net income for the final quarter of 2017 was \$158,000, which is an increase of \$10,000, or 6.8% from the \$148,000 reported for the three months ended December 31, 2016. Basic and fully diluted earnings per share prior to recording the additional \$246,000 tax expense were \$0.36 for the three months ended December 31, 2017 compared to \$0.33 earnings per share for the fourth quarter of 2016. The ROA and ROE prior to recording the additional \$246,000 tax expense were 0.36% and 3.57% for the three months ended December 31, 2017, increasing from a 0.33% ROA and 3.39% ROE for the three months ended December 31, 2016.

Total assets at December 31, 2017 were \$173.89 million compared to \$180.60 million at December 31, 2016, decreasing \$6.71 million or 3.7%. Total cash and cash equivalents decreased \$2.89 million, from \$65.70 million at December 31, 2016 to \$62.81 million at December 31, 2017 while

total net loans, including loans held for sale, decreased \$3.13 million, or 3.0%, from \$105.67 million at December 31, 2016 to \$102.54 million at December 31, 2017. Total deposits decreased \$6.84 million or 4.3%, from \$159.97 million at December 31, 2016 to \$153.13 million at December 31, 2017. The majority of the decrease in deposits was in interest bearing checking accounts and time 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[®], under the symbol, "GTPS."

GTPS-pr-2018-02

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

(in thousands, except share data)

	December 31, 2017 (Unaudited)	December 31, 2016
<i>Assets</i>		
Cash and due from banks	\$ 3,799	\$ 6,007
Interest-bearing demand deposits	59,006	59,689
Cash and cash equivalents	62,805	65,696
Certificates of deposit investments	249	--
Securities available for sale	138	168
Securities held to maturity	15	20
Federal Home Loan Bank stock, at cost	278	704
Loans held for sale	176	326
Loans, net of allowance for loan losses of \$943 in 2017 and \$946 in 2016	102,368	105,347
Premises and equipment, net	4,248	4,527
Goodwill	485	485
Other real estate owned	816	1,140
Other assets	2,311	2,185
Total assets	\$ 173,889	\$ 180,598
<i>Liabilities and Stockholders' Equity</i>		
<i>Liabilities</i>		
<i>Deposits</i>		
Noninterest-bearing	\$ 28,092	\$ 29,541
Interest-bearing	125,039	130,427
Total deposits	153,131	159,968
Advances from borrowers for taxes and insurance	300	273
Other liabilities	3,186	3,022
Total liabilities	156,617	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	31,716	31,479
Accumulated other comprehensive income	46	182
Common stock in treasury, at cost (2017 – 561,794 shares; 2016 – 556,323 shares)	(17,810)	(17,646)
Total stockholders' equity	17,272	17,335
Total liabilities and stockholders' equity	\$ 173,889	\$ 180,598

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

For the Twelve Months Ended December 31, 2017 and 2016

(unaudited, in thousands, except share data)

	Twelve Months Ended December 31, 2017	Twelve Months Ended December 31, 2016
Interest and Dividend Income		
Loans	\$ 4,922	\$ 4,918
Securities	6	6
Dividends on Federal Home Loan Bank stock	5	8
Deposits with financial institutions and other	683	337
Total interest and dividend income	<u>5,616</u>	<u>5,269</u>
Interest Expense		
Deposits	133	146
Federal Home Loan Bank advances	--	175
Other	5	4
Total interest expense	<u>138</u>	<u>325</u>
Net Interest Income	5,478	4,944
Provision (Credit) for Loan Losses	--	(82)
Net Interest Income After Provision (Credit) for Loan Losses	<u>5,478</u>	<u>5,026</u>
Noninterest Income		
Insurance sales commissions	1,456	1,446
Customer service fees	668	663
Other service charges and fees	345	341
Net gain on sales of loans	327	465
Loan servicing fees, net of amortization of mortgage servicing rights	140	125
Other	219	208
Total noninterest income	<u>3,155</u>	<u>3,248</u>
Noninterest Expense		
Salaries and employee benefits	4,136	3,981
Occupancy expense	581	576
Equipment expense	848	808
Professional fees	251	254
Marketing expense	300	212
Printing and office supplies	172	220
Directors and committee fees	160	160
Other real estate owned expense, net	74	159
FDIC deposit insurance expense	56	93
Other	785	658
Total noninterest expense	<u>7,363</u>	<u>7,121</u>
Income Before Income Taxes	1,270	1,153
Income tax expense	786	484
Net Income	<u>\$ 484</u>	<u>\$ 669</u>
Earnings per Share, Basic	<u>\$ 1.10</u>	<u>\$ 1.50</u>
Dividends Declared per Share	<u>\$ 0.56</u>	<u>\$ 0.56</u>

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

For the Three Months Ended December 31, 2017 and 2016

(unaudited, in thousands, except share data)

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016
Interest and Dividend Income		
Loans	\$ 1,240	\$ 1,253
Securities	2	1
Dividends on Federal Home Loan Bank stock	1	2
Deposits with financial institutions and other	192	83
Total interest and dividend income	<u>1,435</u>	<u>1,339</u>
Interest Expense		
Deposits	32	34
Federal Home Loan Bank advances	--	18
Other	2	1
Total interest expense	<u>34</u>	<u>53</u>
Net Interest Income	1,401	1,286
Provision (Credit) for Loan Losses	--	(82)
Net Interest Income After Provision (Credit) for Loan Losses	<u>1,401</u>	<u>1,368</u>
Noninterest Income		
Insurance sales commissions	285	285
Customer service fees	173	172
Other service charges and fees	86	85
Net gain on sales of loans	50	120
Loan servicing fees, net of amortization of mortgage servicing rights	37	32
Other	42	45
Total noninterest income	<u>673</u>	<u>739</u>
Noninterest Expense		
Salaries and employee benefits	981	970
Occupancy expense	142	151
Equipment expense	201	221
Professional fees	60	65
Marketing expense	87	51
Printing and office supplies	52	44
Directors and committee fees	40	40
Other real estate owned expense, net	20	146
FDIC deposit insurance expense	13	(1)
Other	204	164
Total noninterest expense	<u>1,800</u>	<u>1,851</u>
Income Before Income Taxes	274	256
Income tax expense	<u>362</u>	<u>108</u>
Net Income	<u>\$ (88)</u>	<u>\$ 148</u>
Earnings per Share, Basic	<u>\$ (0.20)</u>	<u>\$ 0.33</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 December 31, 2017	As of December 31, 2016
Total assets	\$ 173,889	\$ 180,598
Total loans, net	102,544	105,673
Loan loss reserve	943	946
Non-performing loans	317	486
Non-performing loans to total assets	0.18%	0.27%
Allowance for loan losses to total non-performing loans	297.48%	194.65%
Allowance for loan losses to total assets	0.54%	0.52%
Other real estate owned	816	1,140
Investment securities	153	188
Total deposits	153,131	159,968
Checking deposits	71,202	74,299
Money market deposits	30,356	31,995
Savings deposits	32,474	31,982
Certificates of deposit	19,099	21,692
Total stockholders' equity	17,272	17,335

	Three Months Ended December 31, 2017	Three Months Ended December 31, 2016	Year Ended December 31, 2017	Year Ended December 31, 2016
	(unaudited)			
Net interest margin (annualized)	3.44%	3.06%	3.30%	2.91%
ROA (annualized)	(0.20%)	0.33%	0.27%	0.37%
ROE (annualized)	(1.99%)	3.39%	2.77%	3.87%