



## NEWS RELEASE

**FOR IMMEDIATE RELEASE**

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### **Great American Bancorp, Inc. Announces Earnings for Second Quarter 2019**

Champaign, Illinois - Great American Bancorp, Inc. (OTC Pink®/GTPS), the holding company for First Federal Savings Bank of Champaign-Urbana, reported net income of \$964 thousand for the six months ended June 30, 2019, which is an increase of \$555 thousand, or 135.7% from \$409 thousand reported for the six months ended June 30, 2018. Basic and fully diluted earnings per share were \$2.24 for the six months ended June 30, 2019 compared to \$0.93 for the same period in 2018. The return on average assets ("ROA") and the return on average equity ("ROE") were 1.13% and 10.80% for the six months ended June 30, 2019, increasing from 0.47% ROA and 4.75% ROE for the same period in 2018.

Net income increased in the first six months of 2019 compared to the first six months of 2018 due to higher net interest income, increase in insurance sales commissions, and a decrease in noninterest expenses.

Net interest income was \$234 thousand higher in the first six months of 2019 due primarily to a \$227 thousand 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"). Interest income earned on deposits with financial institutions and other was higher in 2019 due to the Federal Open Market Committee ("FOMC") increasing the Federal funds target rate four times since December 2017. The FOMC increased the Federal funds target rate in March 2018, June 2018, September 2018, and December 2018.

Noninterest income increased \$294 thousand in the first six months of 2019, from \$1.56 million for the six months ended June 30, 2018 to \$1.86 million in the first six months of 2019. Insurance sales commissions increased \$217 thousand in the first six months of 2019 compared to the same period in 2018 primarily due to a \$150 thousand increase in contingency commission income. A contingent commission is a commission paid by an insurance company that is based on the overall profit and/or volume of business placed with the insurance company. Net gains on sales of loans increased \$40

thousand in the first six months of 2019 compared to the same period in 2018 due to the Company selling \$6.78 million in loans during the first six months of 2019 compared to \$5.69 million in loans sold in the first six months of 2018.

Total noninterest expense decreased \$246 thousand, from \$3.86 million for the first six months of 2018 to \$3.62 million for the first six months of 2019, primarily due a decrease in other real estate owned expenses.

Net income increased \$203 thousand for the three months ended June 30, 2019 compared to the three months ended June 30, 2018 primarily due to an increase in interest income from deposits with financial institutions and other, as well as, a decrease in salaries and employee benefits.

Total assets at June 30, 2019 were \$171.58 million compared to \$167.44 million at December 31, 2018, increasing \$4.14 million. Total net loans, including loans held for sale, were \$99.37 million at June 30, 2019, decreasing \$102 thousand or 0.10% from total net loans of \$99.48 million at December 31, 2018. Total deposits increased \$2.71 million, from \$146.25 million at December 31, 2018 to \$148.96 million at June 30, 2019.

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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GTPS-pr-2019-05

# GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

## Consolidated Balance Sheets

June 30, 2019 and December 31, 2018

(in thousands, except share data)

(unaudited except for amounts reported as of December 31, 2018)

	June 30, 2019	December 31, 2018
<i>Assets</i>		
Cash and due from banks	\$ 4,627	\$ 3,963
Interest-bearing demand deposits	60,142	56,342
Cash and cash equivalents	64,769	60,305
Securities available for sale	93	107
Securities held to maturity	10	12
Federal Home Loan Bank stock, at cost	258	273
Loans held for sale	686	-
Loans, net of allowance for loan losses of \$943 in 2019 and \$945 in 2018	98,688	99,476
Premises and equipment, net	3,927	4,090
Goodwill	485	485
Other real estate owned	418	582
Other assets	2,250	2,112
Total assets	<u>\$ 171,584</u>	<u>\$ 167,442</u>
<i>Liabilities and Stockholders' Equity</i>		
<i>Liabilities</i>		
<i>Deposits</i>		
Noninterest-bearing	\$ 33,840	\$ 28,886
Interest-bearing	115,122	117,364
Total deposits	148,962	146,250
Advances from borrowers for taxes and insurance	531	240
Other liabilities	3,705	3,245
Total liabilities	<u>153,198</u>	<u>149,735</u>
<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	33,246	32,428
Accumulated other comprehensive income	(19)	(19)
Common stock in treasury, at cost (2019 - 572,363 shares; 2018 - 568,129 shares)	(18,161)	(18,022)
Total stockholders' equity	<u>18,386</u>	<u>17,707</u>
Total liabilities and stockholders' equity	<u>\$ 171,584</u>	<u>\$ 167,442</u>

# GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

## Consolidated Statements of Income

Six Months Ended June 30, 2019 and 2018

(unaudited, in thousands, except share data)

	2019	2018
Interest and Dividend Income		
Loans	\$ 2,454	\$ 2,455
Securities	3	3
Dividends on Federal Home Loan Bank stock	3	2
Deposits with financial institutions and other	723	496
Total interest and dividend income	<u>3,183</u>	<u>2,956</u>
Interest Expense		
Deposits	55	62
Other	2	2
Total interest expense	<u>57</u>	<u>64</u>
Net Interest Income	3,126	2,892
Provision (Credit) for Loan Losses	-	-
Net Interest Income After Provision (Credit) for Loan Losses	<u>3,126</u>	<u>2,892</u>
Noninterest Income		
Insurance sales commissions	987	770
Customer service fees	280	305
Other service charges and fees	180	178
Net gain on sales of loans	150	110
Loan servicing fees, net of amortization of mortgage servicing rights	69	74
Net gain (loss) on sale of other real estate owned	98	(4)
Other	92	129
Total noninterest income	<u>1,856</u>	<u>1,562</u>
Noninterest Expense		
Salaries and employee benefits	2,214	2,228
Occupancy expense	322	306
Equipment expense	397	394
Professional fees	123	134
Marketing expense	113	149
Printing and office supplies	60	99
Directors and committee fees	89	83
Other real estate owned expense, net	10	81
FDIC deposit insurance expense	(22)	27
Other	311	362
Total noninterest expense	<u>3,617</u>	<u>3,863</u>
Income Before Income Taxes	1,365	591
Income tax expense	<u>401</u>	<u>182</u>
Net Income	<u>\$ 964</u>	<u>\$ 409</u>
Earnings per share, basic and diluted	<u>\$ 2.24</u>	<u>\$ 0.93</u>

## GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

### Consolidated Statements of Income

**Three Months Ended June 30, 2019 and 2018**

(unaudited, in thousands, except share data)

	<u>2019</u>		<u>2018</u>
Interest and Dividend Income			
Loans	\$ 1,241	\$	1,257
Securities	2		2
Dividends on Federal Home Loan Bank stock	2		1
Deposits with financial institutions and other	373		268
Total interest and dividend income	<u>1,618</u>		<u>1,528</u>
Interest Expense			
Deposits	28		31
Other	1		1
Total interest expense	<u>29</u>		<u>32</u>
Net Interest Income	1,589		1,496
Provision (Credit) for Loan Losses	-		-
Net Interest Income After Provision (Credit) for Loan Losses	<u>1,589</u>		<u>1,496</u>
Noninterest Income			
Insurance sales commissions	356		337
Customer service fees	146		148
Other service charges and fees	95		90
Net gain on sales of loans	112		73
Loan servicing fees, net of amortization of mortgage servicing rights	34		36
Other	41		66
Total noninterest income	<u>784</u>		<u>750</u>
Noninterest Expense			
Salaries and employee benefits	1,066		1,119
Occupancy expense	160		162
Equipment expense	201		203
Professional fees	62		67
Marketing expense	63		80
Printing and office supplies	27		45
Directors and committee fees	44		43
Other real estate owned expense, net	4		36
FDIC deposit insurance expense, net	11		13
Other	160		185
Total noninterest expense	<u>1,798</u>		<u>1,953</u>
Income Before Income Taxes	575		293
Income tax expense	169		90
Net Income	<u>\$ 406</u>	<u>\$</u>	<u>203</u>
Earnings per share, basic and diluted	<u>\$ 0.95</u>	<u>\$</u>	<u>0.46</u>
Dividends Declared per Share	<u>\$ 0.17</u>	<u>\$</u>	<u>0.14</u>

## GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

### Selected Financial Data

(unaudited, in thousands, except share data)

	<b>As of</b>		<b>As of</b>
	<b>June 30,</b>		<b>December 31,</b>
	<b>2019</b>		<b>2018</b>
Total assets	\$ 171,584	\$	167,442
Total loans, net	99,374		99,476
Loan loss reserve	943		945
Non-performing loans	1,106		932
Non-performing loans to total assets	0.64%		0.56%
Allowance for loan losses to total non-performing loans	85.26%		101.39%
Allowance for loan losses to total assets	0.55%		0.56%
Other real estate owned	418		582
Investment securities	103		119
Total deposits	148,962		146,250
Checking deposits	75,991		72,453
Money market deposits	24,809		25,340
Savings deposits	33,768		32,854
Certificates of deposit	14,394		15,603
Total stockholders' equity	18,386		17,707

	<b>Three Months</b>	Three Months	<b>Six Months</b>	Six Months
	<b>Ended</b>	Ended	<b>Ended</b>	Ended
	<b>June 30, 2019</b>	June 30, 2018	<b>June 30, 2019</b>	June 30, 2018
Net interest margin (annualized)	3.92%	3.64%	3.90%	3.56%
Return on average assets (annualized)	0.94%	0.46%	1.13%	0.47%
Return on average equity (annualized)	8.96%	4.67%	10.80%	4.75%