



GREAT AMERICAN BANCORP, INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

October 22, 2019

**Contact: Mr. Patrick McWilliams
Chief Financial Officer and Investor Relations
(217) 356-2265**

Great American Bancorp, Inc. Announces Earnings for Third 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 \$1.31 million for the nine months ended September 30, 2019, which is an increase of \$687 thousand, or 111.0% from \$619 thousand reported for the nine months ended September 30, 2018. Basic and fully diluted earnings per share were \$3.05 for the nine months ended September 30, 2019 compared to \$1.42 for the same period in 2018. The return on average assets (“ROA”) and the return on average equity (“ROE”) were 1.02% and 9.61% for the nine months ended September 30, 2019, increasing from 0.48% ROA and 4.75% ROE for the same period in 2018.

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

Net interest income was \$241 thousand higher in the first nine months of 2019 due primarily to a \$282 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 in 2018 slightly offset by the two Federal funds target rate decreases in 2019.

Noninterest income increased \$365 thousand in the first nine months of 2019, from \$2.34 million for the nine months ended September 30, 2018 to \$2.70 million in the first nine months of 2019. Insurance sales commissions increased \$207 thousand in the first nine 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 \$97 thousand in the first nine months of 2019 compared to the same period in 2018

due to the Company selling \$12.38 million in loans during the first nine months of 2019 compared to \$8.22 million in loans sold in the first nine months of 2018.

Total noninterest expense decreased \$354 thousand, from \$5.82 million for the first nine months of 2018 to \$5.47 million for the first nine months of 2019, primarily due a decrease in other real estate owned expenses.

Net income increased \$132 thousand for the three months ended September 30, 2019 compared to the three months ended September 30, 2018 primarily due to an increase in net gain on sales of loans and a decrease in other real estate owned expenses.

Total assets at September 30, 2019 were \$167.78 million compared to \$167.44 million at December 31, 2018, decreasing \$341 thousand. Total net loans, including loans held for sale, were \$96.54 million at September 30, 2019, decreasing \$2.94 million or 2.96% from total net loans of \$99.48 million at December 31, 2018. Total deposits decreased \$548 thousand, from \$146.25 million at December 31, 2018 to \$145.70 million at September 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[®], under the symbol, "GTPS."

GTPS-pr-2019-06

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

September 30, 2019 and December 31, 2018

(in thousands, except share data)

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

	September 30, 2019	December 31, 2018
<i>Assets</i>		
Cash and due from banks	\$ 3,926	\$ 3,963
Interest-bearing demand deposits	59,989	56,342
Cash and cash equivalents	63,915	60,305
Securities available for sale	88	107
Securities held to maturity	10	12
Federal Home Loan Bank stock, at cost	258	273
Loans held for sale	206	-
Loans, net of allowance for loan losses of \$943 in 2019 and \$945 in 2018	96,330	99,476
Premises and equipment, net	3,878	4,090
Goodwill	485	485
Other real estate owned	371	582
Other assets	2,242	2,112
Total assets	<u>\$ 167,783</u>	<u>\$ 167,442</u>
<i>Liabilities and Stockholders' Equity</i>		
<i>Liabilities</i>		
<i>Deposits</i>		
Noninterest-bearing	\$ 29,935	\$ 28,886
Interest-bearing	115,767	117,364
Total deposits	145,702	146,250
Advances from borrowers for taxes and insurance	60	240
Other liabilities	3,367	3,245
Total liabilities	<u>149,129</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	33,514	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>18,654</u>	<u>17,707</u>
Total liabilities and stockholders' equity	<u>\$ 167,783</u>	<u>\$ 167,442</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

Nine Months Ended September 30, 2019 and 2018

(unaudited, in thousands, except share data)

	2019	2018
Interest and Dividend Income		
Loans	\$ 3,648	\$ 3,698
Securities	4	4
Dividends on Federal Home Loan Bank stock	4	3
Deposits with financial institutions and other	1,055	773
Total interest and dividend income	4,711	4,478
Interest Expense		
Deposits	83	91
Other	4	4
Total interest expense	87	95
Net Interest Income	4,624	4,383
Provision (Credit) for Loan Losses	-	-
Net Interest Income After Provision (Credit) for Loan Losses	4,624	4,383
Noninterest Income		
Insurance sales commissions	1,375	1,168
Customer service fees	438	450
Other service charges and fees	273	269
Net gain on sales of loans	262	165
Loan servicing fees, net of amortization of mortgage servicing rights	92	111
Net gain (loss) on sale of other real estate owned	97	2
Other	163	170
Total noninterest income	2,700	2,335
Noninterest Expense		
Salaries and employee benefits	3,326	3,331
Occupancy expense	480	466
Equipment expense	597	586
Professional fees	183	194
Marketing expense	168	211
Printing and office supplies	83	139
Directors and committee fees	133	123
Other real estate owned expense, net	26	198
FDIC deposit insurance expense	(10)	40
Other	483	535
Total noninterest expense	5,469	5,823
Income Before Income Taxes	1,855	895
Income tax expense	549	276
Net Income	\$ 1,306	\$ 619
Earnings per share, basic and diluted	\$ 3.05	\$ 1.42
Dividends Declared per Share	\$ 0.51	\$ 0.42

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

Three Months Ended September 30, 2019 and 2018

(unaudited, in thousands, except share data)

	2019	2018
Interest and Dividend Income		
Loans	\$ 1,194	\$ 1,244
Securities	1	1
Dividends on Federal Home Loan Bank stock	1	1
Deposits with financial institutions and other	332	277
Total interest and dividend income	<u>1,528</u>	<u>1,523</u>
Interest Expense		
Deposits	28	29
Other	2	2
Total interest expense	<u>30</u>	<u>31</u>
Net Interest Income	1,498	1,492
Provision (Credit) for Loan Losses	-	-
Net Interest Income After Provision (Credit) for Loan Losses	<u>1,498</u>	<u>1,492</u>
Noninterest Income		
Insurance sales commissions	388	398
Customer service fees	158	145
Other service charges and fees	93	91
Net gain on sales of loans	112	55
Loan servicing fees, net of amortization of mortgage servicing rights	23	37
Net gain (loss) on sale of other real estate owned	(1)	6
Other	71	41
Total noninterest income	<u>844</u>	<u>773</u>
Noninterest Expense		
Salaries and employee benefits	1,112	1,103
Occupancy expense	158	160
Equipment expense	200	192
Professional fees	60	60
Marketing expense	55	62
Printing and office supplies	23	40
Directors and committee fees	44	40
Other real estate owned expense, net	16	117
FDIC deposit insurance expense, net	12	13
Other	172	174
Total noninterest expense	<u>1,852</u>	<u>1,961</u>
Income Before Income Taxes	490	304
Income tax expense	<u>148</u>	<u>94</u>
Net Income	<u>\$ 342</u>	<u>\$ 210</u>
Earnings per share, basic and diluted	<u>\$ 0.80</u>	<u>\$ 0.48</u>
Dividends Declared per Share	<u>\$ 0.17</u>	<u>\$ 0.14</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Selected Financial Data

(unaudited, in thousands, except share data)

	As of September 30, 2019	As of December 31, 2018
Total assets	\$ 167,783	\$ 167,442
Total loans, net	96,536	99,476
Loan loss reserve	943	945
Non-performing loans	3,594	932
Non-performing loans to total assets	2.14%	0.56%
Allowance for loan losses to total non-performing loans	26.24%	101.39%
Allowance for loan losses to total assets	0.56%	0.56%
Other real estate owned	371	582
Investment securities	98	119
Total deposits	145,702	146,250
Checking deposits	73,514	72,453
Money market deposits	25,721	25,340
Savings deposits	32,967	32,854
Certificates of deposit	13,500	15,603
Total stockholders' equity	18,654	17,707

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Net interest margin (annualized)	3.74%	3.75%	3.85%	3.62%
Return on average assets (annualized)	0.80%	0.49%	1.02%	0.48%
Return on average equity (annualized)	7.34%	4.76%	9.61%	4.75%