



NEWS RELEASE

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July 21, 2020

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Great American Bancorp, Inc. Announces Earnings for Second Quarter 2020

Champaign, Illinois - Great American Bancorp, Inc. (OTC Pink®/GTPS), the holding company for First Federal Savings Bank of Champaign-Urbana, reported net income of \$569 thousand for the six months ended June 30, 2020, which is a decrease of \$395 thousand, or 41.0% from \$964 thousand reported for the six months ended June 30, 2019. Basic and fully diluted earnings per share were \$1.34 for the six months ended June 30, 2020 compared to \$2.24 for the same period in 2019. The return on average assets (“ROA”) and the return on average equity (“ROE”) were 0.62% and 6.20% for the six months ended June 30, 2020, decreasing from 1.13% ROA and 10.80% ROE for the same period in 2019.

Net interest income decreased \$578 thousand in the first six months of 2020 compared to the same period in 2019 due to a \$485 thousand decrease 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 lower in 2020 due to the Federal Open Market Committee (“FOMC”) decreasing the Federal funds target rate three times in 2019 (August, September, and October) as well as two times in March 2020 as a result of the COVID-19 pandemic.

Noninterest income increased \$52 thousand in the first six months of 2020, from \$1.856 million for the first six months of 2019 to \$1.908 million in the first six months of 2020. The increase in noninterest income is due to the increase in net gains on sales of loans offset by a decrease in most other categories. Net gain on sales of loans increased \$360 thousand in the first six months of 2020 compared to the same period in 2019 due to the Company selling \$21.283 million in loans during the first six months of 2020 compared to \$6.781 million in loans during the same period in 2019. Customer service fees were down \$75 thousand during the first six months of 2020 compared to the same period in 2019 due to less overdraft fees as a result of customers carrying higher average balances.

Total noninterest expense increased \$28 thousand, from \$3.617 million for the first six months in 2019 to \$3.645 million for the same period in 2020, primarily due to an increase in professional fees and FDIC deposit insurance expense. During the first six months of 2019, the Bank was notified by the FDIC that small banks (total consolidated assets of less than \$10 billion) were awarded assessment credit for the portion of their assessment that contributed to the growth in the reserve ratio. The one-time credit was recorded in the first six months of 2019. In addition, the Company incurred additional professional fees during the first six months of 2020 related to collection efforts regarding nonperforming loans.

Net income for the three months ended June 30, 2020 was \$289 thousand, which is a decrease of \$117 thousand from \$406 thousand reported for the same period in 2019 primarily due to a decrease in interest income and customer service fees offset by an increase in net gain on sales of loans. Interest income decreased \$396 thousand in the three months ended June 30, 2020 compared to the same period in 2019 primarily due to the decrease in the Federal funds target rate as a result of the COVID-19 pandemic. Customer service fees decreased \$66 thousand in the three months ended June 30, 2020 compared to the same period in 2019 due to fewer overdraft fees charged to customers. Net gain on sales of loans increased \$315 thousand in the three months ended June 30, 2020 compared to the same period in 2019 due to the Company selling \$17.646 million in loans during the three months ended June 30, 2020 compared to \$5.240 million in loans during the same period in 2019.

Total assets at June 30, 2020 were \$198.229 million compared to \$172.678 million at December 31, 2019, increasing \$25.551 million. Total net loans, including loans held for sale, were \$100.576 million at June 30, 2020, increasing \$5.254 million or 5.51% from total net loans of \$95.322 million at December 31, 2019. Total deposits increased \$21.402 million, from \$150.276 million at December 31, 2019 to \$171.678 million at June 30, 2020.

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-2020-04

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Balance Sheets

June 30, 2020 and December 31, 2019

(in thousands, except share data)

(unaudited except for amounts reported as of December 31, 2019)

	June 30, 2020	December 31, 2019
<i>Assets</i>		
Cash and due from banks	\$ 3,849	\$ 4,300
Interest-bearing deposits	86,415	65,596
Cash and cash equivalents	90,264	69,896
Securities available for sale	82	87
Securities held to maturity	9	10
Federal Home Loan Bank stock, at cost	258	258
Loans held for sale	3,146	647
Loans, net of allowance for loan losses of \$939 in 2020 and \$944 in 2019	97,430	94,675
Premises and equipment, net	4,041	3,852
Goodwill	485	485
Other real estate owned	62	295
Other assets	2,452	2,473
Total assets	<u>\$ 198,229</u>	<u>\$ 172,678</u>
<i>Liabilities and Stockholders' Equity</i>		
<i>Liabilities</i>		
<i>Deposits</i>		
Noninterest-bearing	\$ 44,771	\$ 34,241
Interest-bearing	126,907	116,035
Total deposits	171,678	150,276
Advances from borrowers for taxes and insurance	222	253
Federal Home Loan Bank advance	4,000	-
Other liabilities	3,730	3,744
Total liabilities	<u>179,630</u>	<u>154,273</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	34,030	33,605
Accumulated other comprehensive income	(339)	(339)
Common stock in treasury, at cost (2020 - 580,437 shares; 2019 - 572,963 shares)	(18,412)	(18,181)
Total stockholders' equity	<u>18,599</u>	<u>18,405</u>
Total liabilities and stockholders' equity	<u>\$ 198,229</u>	<u>\$ 172,678</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

Six Months Ended June 30, 2020 and 2019

(unaudited, in thousands, except share data)

	2020	2019
Interest and Dividend Income		
Loans	\$ 2,344	\$ 2,454
Securities	2	3
Dividends on Federal Home Loan Bank stock	3	3
Deposits with financial institutions and other	238	723
Total interest and dividend income	<u>2,587</u>	<u>3,183</u>
Interest Expense		
Deposits	37	55
Other	2	2
Total interest expense	<u>39</u>	<u>57</u>
Net Interest Income	2,548	3,126
Provision (Credit) for Loan Losses	-	-
Net Interest Income After Provision (Credit) for Loan Losses	<u>2,548</u>	<u>3,126</u>
Noninterest Income		
Insurance sales commissions	910	987
Customer service fees	205	280
Other service charges and fees	167	180
Net gain on sales of loans	510	150
Loan servicing fees, net of amortization of mortgage servicing rights	26	69
Net gain (loss) on sale of other real estate owned	(7)	98
Other	97	92
Total noninterest income	<u>1,908</u>	<u>1,856</u>
Noninterest Expense		
Salaries and employee benefits	2,201	2,214
Occupancy expense	300	322
Equipment expense	399	398
Professional fees	157	123
Marketing expense	99	113
Printing and office supplies	57	59
Directors and committee fees	88	89
Other real estate owned expense, net	11	10
FDIC deposit insurance expense	23	(22)
Other	310	311
Total noninterest expense	<u>3,645</u>	<u>3,617</u>
Income Before Income Taxes	811	1,365
Income tax expense	242	401
Net Income	<u>\$ 569</u>	<u>\$ 964</u>
Earnings per share, basic and diluted	<u>\$ 1.34</u>	<u>\$ 2.24</u>
Dividends Declared per Share	<u>\$ 0.34</u>	<u>\$ 0.34</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Consolidated Statements of Income

Three Months Ended June 30, 2020 and 2019

(unaudited, in thousands, except share data)

	2020	2019
Interest and Dividend Income		
Loans	\$ 1,199	\$ 1,241
Securities	1	2
Dividends on Federal Home Loan Bank stock	2	2
Deposits with financial institutions and other	20	373
Total interest and dividend income	<u>1,222</u>	<u>1,618</u>
Interest Expense		
Deposits	16	28
Other	1	1
Total interest expense	<u>17</u>	<u>29</u>
Net Interest Income	1,205	1,589
Provision (Credit) for Loan Losses	-	-
Net Interest Income After Provision (Credit) for Loan Losses	<u>1,205</u>	<u>1,589</u>
Noninterest Income		
Insurance sales commissions	339	356
Customer service fees	80	146
Other service charges and fees	84	95
Net gain on sales of loans	427	112
Loan servicing fees, net of amortization of mortgage servicing rights	(4)	34
Net gain (loss) on sale of other real estate owned	-	-
Other	47	41
Total noninterest income	<u>973</u>	<u>784</u>
Noninterest Expense		
Salaries and employee benefits	1,057	1,066
Occupancy expense	148	160
Equipment expense	203	201
Professional fees	77	62
Marketing expense	43	63
Printing and office supplies	25	27
Directors and committee fees	44	44
Other real estate owned expense, net	1	4
FDIC deposit insurance expense, net	12	11
Other	154	160
Total noninterest expense	<u>1,764</u>	<u>1,798</u>
Income Before Income Taxes	414	575
Income tax expense	125	169
Net Income	<u>\$ 289</u>	<u>\$ 406</u>
Earnings per share, basic and diluted	<u>\$ 0.69</u>	<u>\$ 0.95</u>
Dividends Declared per Share	<u>\$ 0.17</u>	<u>\$ 0.17</u>

GREAT AMERICAN BANCORP, INC. AND SUBSIDIARY

Selected Financial Data

(unaudited, in thousands, except share data)

	As of June 30, 2020	As of December 31, 2019
Total assets	\$ 198,229	\$ 172,678
Total loans, net	100,576	95,322
Loan loss reserve	939	944
Non-performing loans	3,435	3,594
Non-performing loans to total assets	1.73%	2.08%
Allowance for loan losses to total non-performing loans	27.34%	26.27%
Allowance for loan losses to total assets	0.47%	0.55%
Other real estate owned	62	295
Investment securities	91	97
Total deposits	171,678	150,276
Checking deposits	92,785	80,183
Money market deposits	28,254	23,306
Savings deposits	37,962	33,470
Certificates of deposit	12,677	13,317
Total stockholders' equity	18,599	18,405

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Net interest margin (annualized)	2.65%	3.92%	2.94%	3.90%
Return on average assets (annualized)	0.60%	0.94%	0.62%	1.13%
Return on average equity (annualized)	6.29%	8.96%	6.20%	10.80%