



**GATEWAY**  
Banc Corp.

**2016**  
ANNUAL  
REPORT

**GATEWAY BANC CORP AND SUBSIDIARY**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**

For the Years Ended December 31, 2016 and 2015

	2016	2015
<b>INTEREST AND DIVIDEND INCOME</b>		
Loans, including fees	\$3,011,733	\$2,923,246
Securities		
Taxable	258,945	413,347
Tax-exempt	178,786	177,768
Federal funds sold	6,798	2,625
Other	42,313	39,327
<b>Total interest income</b>	<b>3,498,575</b>	<b>3,556,313</b>
<b>INTEREST EXPENSE</b>		
Deposits	509,024	357,387
Borrowed funds	40,178	43,336
Subordinated debentures	66,500	66,500
<b>Total interest expense</b>	<b>615,702</b>	<b>467,223</b>
Net interest income	2,882,873	3,089,090
Provision for loan losses	-	-
Net interest income after provision for loan losses	2,882,873	3,089,090
<b>NONINTEREST INCOME</b>		
Service fees	168,367	197,489
Net gain (loss) on sale of securities	20,081	(20,312)
Other	82,985	52,498
<b>Total noninterest income</b>	<b>271,433</b>	<b>229,675</b>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	1,495,980	1,551,593
Occupancy	314,350	310,332
Furniture and equipment	127,208	122,182
Computer services	282,136	253,335
Other real estate owned expenses and (gains) losses, net	(12,640)	288,106
Marketing and advertising	39,937	52,853
Accounting fees	112,500	72,000
Directors fees	113,850	106,200
FDIC insurance	111,550	151,588
Other noninterest expense	333,000	298,783
<b>Total noninterest expense</b>	<b>2,917,871</b>	<b>3,206,972</b>
Net income before taxes	236,435	111,793
Provision for (benefit from) income taxes	15,500	(13,000)
<b>NET INCOME</b>	<b>\$220,935</b>	<b>\$124,793</b>
Basic earnings per share	\$0.60	\$0.34

**GATEWAY BANC CORP AND SUBSIDIARY  
CONSOLIDATED BALANCE SHEETS**

December 31, 2016 and 2015

	2016	2015
<b>ASSETS</b>		
Cash and due from banks	\$1,069,582	\$1,401,027
Federal Funds sold	-	1,947,313
Cash and cash equivalents	1,069,582	3,348,340
Interest-bearing deposits in banks	1,990,913	3,313,880
Securities available for sale	17,907,671	15,584,114
Securities held to maturity	300,000	8,256,531
Loans, net	62,354,908	57,546,235
Premises and equipment, net	330,438	351,212
Federal Home Loan Bank stock	223,000	223,000
Accrued interest receivable	405,519	423,894
Other real estate owned, net	781,764	919,801
Other assets	449,401	411,438
<b>TOTAL ASSETS</b>	<b>\$85,813,196</b>	<b>\$90,378,445</b>
<b>LIABILITIES AND STOCKHOLDER'S EQUITY</b>		
<b>LIABILITIES</b>		
Deposits:		
Noninterest-bearing	\$14,570,759	\$11,940,576
Interest-bearing	58,247,205	65,850,136
Total Deposits	72,817,964	77,790,712
Short-term borrowings	1,299,000	-
Borrowed funds	1,899,367	2,939,165
Subordinated debentures	950,000	950,000
Other liabilities	418,973	433,067
<b>Total Liabilities</b>	<b>77,385,304</b>	<b>82,112,944</b>
<b>STOCKHOLDERS' EQUITY</b>		
Preferred stock, \$1 par value; 100,000 shares authorized, none issued or outstanding	-	-
Common stock, \$1 par value; 1,000,000 shares authorized; 365,027 shares issued and outstanding	365,027	365,027
Additional paid-in capital	7,613,798	7,613,798
Accumulated earnings	612,776	391,841
Accumulated other comprehensive loss	(163,709)	(105,165)
<b>Total Stockholders' Equity</b>	<b>8,427,892</b>	<b>8,265,501</b>
<b>TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY</b>	<b>\$85,813,196</b>	<b>\$90,378,445</b>



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