



GATEWAY
Banc Corp.

2017
ANNUAL
REPORT

GATEWAY BANC CORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2017 and 2016

<i>Years Ended December 31,</i>	2017	2016
Interest income:		
Loans, including fees	\$ 3,191,825	\$ 3,011,733
Securities:		
Taxable	214,236	258,945
Tax-exempt	155,465	178,786
Federal funds sold	23,655	6,798
Other	32,122	42,313
Total interest income	3,617,303	3,498,575
Interest expense:		
Deposits	586,871	509,024
Borrowed funds	37,724	40,178
Subordinated debentures	54,941	66,500
Total interest expense	679,536	615,702
Net interest income	2,937,767	2,882,873
Provision for loan losses	80,000	-
Net interest income after provision for loan losses	2,857,767	2,882,873
Noninterest income:		
Service fees	179,608	168,367
Net gain on sale of securities	22,671	20,081
Other	68,936	82,985
Total noninterest income	271,215	271,433
Noninterest expense:		
Salaries and employee benefits	1,491,710	1,495,980
Occupancy	316,550	314,350
Furniture and equipment	129,689	127,208
Computer services	300,820	282,136
Other real estate owned expenses and (gains) losses, net	136,838	(12,640)
Marketing and advertising	27,066	39,937
Professional fees	159,094	112,500
Directors fees	109,800	113,850
FDIC insurance	33,500	111,550
Other noninterest expense	248,403	333,000
Total noninterest expense	2,953,470	2,917,871
Net income before income taxes	175,512	236,435
Provision for income taxes	28,500	15,500
Net income	\$ 147,012	\$ 220,935
Earnings per share	\$0.41	\$0.60

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

December 31, 2017 and 2016

<i>December 31,</i>	2017	2016
Assets:		
Cash and due from banks	\$ 1,994,296	\$ 1,069,582
Federal funds sold	659	-
Cash and cash equivalents	1,994,955	1,069,582
Interest-bearing deposits	1,736,000	1,990,913
Securities available for sale	15,816,773	17,907,671
Securities held to maturity	-	300,000
Loans, net	67,599,728	62,354,908
Premises and equipment, net	210,628	330,438
Federal Home Loan Bank stock	93,333	223,000
Accrued interest receivable	382,557	405,519
Other real estate owned, net	246,330	781,764
Other assets	432,366	449,401
Total assets	\$ 88,512,670	\$ 85,813,196
Liabilities:		
Non-interest-bearing deposits	\$ 15,692,894	\$ 14,570,759
Interest-bearing deposits	61,883,155	58,247,205
Total deposits	77,576,049	72,817,964
Short-term borrowings	-	1,299,000
Borrowed funds	1,808,469	1,899,367
Subordinated debentures	-	950,000
Other liabilities	494,628	418,973
Total liabilities	79,879,146	77,385,304
Stockholders' equity:		
Preferred stock, \$1 par value; 100,000 shares authorized, none issued	-	-
Common stock, \$1 par value; 1,000,000 shares authorized, 365,027 issued and outstanding	365,027	365,027
Additional paid-in capital	7,613,798	7,613,798
Accumulated earnings	759,788	612,776
Accumulated other comprehensive loss	(105,089)	(163,709)
Total stockholders' equity	8,633,524	8,427,892
Total liabilities and stockholders' equity	\$ 88,512,670	\$ 85,813,196



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