



PRESS RELEASE

For Immediate Release

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Gateway Financial Holdings of Florida Annual Meeting of Shareholders Held In Daytona Beach

Daytona Beach-Based Bank Holding Company Declares First Shareholder Dividend While Reporting Continued Loan Growth and Industry Leading Loan Quality

June 23, 2015 – Daytona Beach, Florida – Gateway Financial Holdings of Florida, Inc. (GFHI) held the Annual Meeting of Shareholders in Daytona Beach on May 28, 2015. Headquartered in Daytona Beach, Gateway Financial Holdings is the holding company joining three independently chartered Florida community banks, including Daytona Beach-based Gateway Bank of Florida, Ocala-based Gateway Bank of Central Florida and Sarasota-based Gateway Bank of Southwest Florida. The company has offices in Daytona Beach, Ormond Beach, Port Orange, Ocala, Gainesville, Alachua, Bradenton and two in Sarasota.

In the address from Chairman of the Board of Directors, Dr. P.T. Fleuchaus, shareholders learned the Company declared a first ever dividend for common and preferred shareholders. He credited the financial results of 2014 and a multi-year history of sustained earnings for the decision to declare the dividend. “It is a pleasure to have our shareholders enjoy a share of the financial success of the Gateway banks” stated Dr. Fleuchaus. He continued, “We believe this step presents a very positive outlook for the future of the company.” The dividend is \$0.08 per share with a record date is June 30, 2015 and the dividend is payable on July 15, 2015.

Also at the Annual Meeting of Shareholders, senior company officers presented a summary of positive events of the year ended December 31, 2014. The three Gateway

banks are individual charters and operate as free-standing banking companies. Gateway Financial Holdings consolidates the results along with holding company operations to post overall financial results for Gateway Financial Holdings of Florida, Inc. Financial highlights at the holding company level include:

- ***Sustained Profitability*** - The year ended December 31, 2014 marked the fourth consecutive year Gateway Financial Holdings of Florida posted cumulative profitable operations at the Holding Company level;
- ***Highest Bauer Ratings*** - The three market banks – Gateway Bank of Florida, Gateway Bank of Central Florida and Gateway Bank of Southwest Florida were all rated Five Stars (Superior) by Bauer Financial, the most widely followed bank rating firm in the nation. Each bank held a Five Star rating throughout the year.
- ***Shareholder Equity Growth*** – The Company posted an 18.2% gain of \$11.8 million in Shareholder Equity. At December 31, 2014, Shareholder Equity totaled \$76.4 compared to the \$64.6 million posted at December 31, 2013.
- ***Capital Strength*** – The Company continues to maintain exceptional capital strength. At December 31, 2014, Gateway Financial Holdings posted a Tier One Capital Ratio of 10.94% and Total Risk Based Capital of 16.61%. These ratios exceed the guidelines to be considered “well capitalized” by the regulatory agencies.
- ***Loan Quality*** - At December 31, 2014, Gateway Financial Holdings posted a ratio of Non-Performing Assets (NPAs) to Total Assets of 0.49% - less than one half of one percent. Non-Performing Assets are comprised of Non-Accruing loans and Other Real Estate Owned (OREO). By comparison, the statewide average ratio of NPAs/Total Assets for all Florida-based banks stood at 2.05% for the same time period - over four times greater.
- ***Loan Growth*** – At December 31, 2014, Gateway Financial Holdings posted Total Loans of \$386.7 million. This total represents a 21.2% increase of \$67.0 million when compared to the \$319.0 million in Total Loans posted at December 31, 2013.

In his address to shareholders, Gateway President and CEO David K. Maholias brought context to the loan growth by stating, “While over \$67.0 million in loan growth is significant, the lending environment is competitive and fast paced.” He continued, “To

generate \$67.0 million in loan growth, our lenders funded or originated over \$134.0 million in loans. The impact of early pay downs makes maintaining the size of the loan portfolio challenging, making \$67.0 million in loan growth even more impressive.”

Gateway Bank of Southwest Florida President & Chief Executive Officer Shaun P. Merriman touched on a number of trends in Florida banking in his address to shareholders, most notably the economic impact on the total number of Florida-based banks. “In 1976, there were 752 Florida-based banks, today we have less than 170.” He continued, “The appeal of community banks is as strong as ever, yet the number of community banking choices has declined. The Gateway banks are capitalizing on the resultant new opportunities in the respective communities they serve.”

About Gateway Financial Holdings of Florida, Inc. – Based in Daytona Beach Florida, Gateway Financial Holdings of Florida, Inc. is the multi-charter holding company through which the company operates three independently chartered Florida banks. These include: Gateway Bank of Florida with offices in Daytona Beach, Ormond Beach and Port Orange; Gateway Bank of Central Florida with offices in Ocala, Gainesville and Alachua; and Gateway Bank of Southwest Florida with two Sarasota offices and one Bradenton office. All Gateway banks are rated five stars by Bauer Financial Services.

The banks provide personal and business banking services including depository and transactional services as well as commercial and personal lending. The company also provides wealth management services through Gateway Private | Wealth, strategic alliance established with Raymond James Financial Services.

Further information on Gateway Financial Holdings of Florida and Gateway banks may be obtained by contacting David K. Maholias, President and Chief Executive Officer at 386/947-5400.

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