



PRESS RELEASE

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Gateway Financial Holdings of Florida Holds Annual Meeting of Shareholders at Ocala Bank Headquarters

Daytona Beach Based Bank Holding Company Reports Growth in Assets, Loans and Deposits

June 16, 2014 – Daytona Beach, Florida – Gateway Financial Holdings of Florida, Inc. (GFHI) held the Annual Meeting of Shareholders at the headquarters of affiliate bank, Gateway Bank of Central, Florida in Ocala on May 29, 2014.

Headquartered in Daytona Beach, the company is the holding company comprising three independently chartered community banks. These include Daytona Beach based Gateway Bank of Florida, Ocala-based Gateway Bank of Central Florida and Sarasota-based Gateway Bank of Southwest Florida. Collectively, the banks operate nine full-service banking centers throughout the state.

Attendance from around the state exceeded 50 for the mid-week event at the stately southern styled Ocala headquarters of Gateway Bank of Central Florida. The company rotates the location of the Annual Meeting annually among the three banking charters. The GFHI shareholder base is a cross section of investors in the three Gateway Bank charters.

Introduction of Guy Harvey Branded Product - At the meeting the company announced the development of the Guy Harvey Legacy Account, a full featured transaction account featuring Guy Harvey branded debit card and checks. The products are scheduled to be introduced in the third quarter of 2014 and the bank will make a donation to the Guy Harvey Ocean Foundation for each Legacy account opened.

Concurrent with the Annual Shareholders Meeting, the bank also unveiled an exhibition exclusively featuring the work of world renowned marine wildlife artist, Guy Harvey. The exhibit is available for public viewing and is presented in partnership with the Guy Harvey Ocean Foundation.

Rounding out the Guy Harvey/Gateway Bank partnership, the company Annual Report to Shareholders was themed around Guy Harvey artwork.

2013 Financial Results - At the meeting, GFHI President and Chief Executive Officer, David K. Maholias, reported the 2013 financial results to shareholders in attendance.

For the year ended December 31, 2013, the company posted Total Assets of \$663.5 million, a 6.2% increase of \$38.6 million when compared to the \$624.9 million in Total Assets posted at 12/31/12.

The Gateway banks capitalized on opportunities to expand lending in a recovering economy by increasing loans by 9.4% to \$318.9 million at December 31, 2013. In his address to shareholders, Maholias specifically addressed loan quality. He stated, "Gateway Financial Holdings is among the leaders in the Florida banking industry in terms of loan quality with a ratio of non-performing assets of less than one half of one percent, specifically 0.47%." He continued, "As a point of reference, the statewide average of all Florida banks is 3.15%."

The company also recorded significant progress in terms of raising deposits in 2013. At December 31, 2013, the company posted \$567.2 million in Total Deposits, a 16.1% increase of \$78.7 million when compared to the \$488.5 million posted at December 31, 2012. On this point, Maholias also commented, "Deposit balances are a strong indicator of market acceptance and all three Gateway banks have achieved deep market penetration through deposit gathering."

For the twelve months ended December 31, 2013, the company earned a net profit of \$5.1 million. This amount equates to a Return on Average Assets of 0.77% and a Return on Average Equity of 7.71%. Both ratios place the bank among the highest performing Florida based banks.

Maholias told shareholders, "The past seven years have been the most challenging in the history of Florida banking and from the outset of the financial crisis, we followed a

strict and conservative course of measured growth, precise underwriting, cost control and capital preservation.” He continued, “This discipline placed the Gateway banks in a position to work through the economic recession and thrive in a recovering economy.” At December 31, 2013, the bank posted Regulatory Capital Ratios of 10.57% and 17.65% for Tier One and Total Risk Based Capital, respectively – well in excess of the regulatory standard to be considered “well-capitalized” by the regulatory agencies.

After the meeting, shareholders enjoyed the unveiling of the Guy Harvey exhibit and a shareholder/client reception.

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 four and 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. Through Gateway Home Lending, an affiliate company established through the holding company, the company also provides home mortgage lending services. The company also provides wealth management services through Gateway Private | Wealth, s 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. News media inquiries may also be directed to Frank S. Knautz at 941/735-1213, frank@frankknautz.com.

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