

May 7, 2024

# GBank Financial Holdings Inc. Annual Shareholder Meeting



GBank Financial  
Holdings Inc.



---

## Welcome

- Disclosures
- Call to Order
- Introductions
- Presentation
- Q&A
- Annual Meeting Business

---

# Disclaimers

## **Forward-Looking Statements**

This presentation includes forward-looking statements, which are forecasts based on our current expectations and assumptions about future events. These statements are not historical facts nor assurances of future performance, and they may include projections of financial metrics, our business plans and strategies, and anticipated trends. Please recognize forward-looking statements by terms such as "anticipates," "expects," "may," "plans," "projects," "believes," and similar expressions, although these are not the only indicators. While these statements reflect our good-faith beliefs, they involve risks and uncertainties, and actual results could differ materially. We caution against undue reliance on any forward-looking statements.

## **Risks and Uncertainties**

Various factors could cause our actual results to vary from our predictions, including but not limited to economic conditions, impacts of the COVID-19 pandemic, market volatility, governmental interventions, asset performance, legislative and regulatory changes, technological advancements, changes in consumer behavior, our ability to innovate and compete, and other risks listed herein. We recommend that investors consider these risks when evaluating our forward-looking statements.

## **No Offer or Solicitation**

This confidential presentation is informational and provided to a select group of investors. It is not an offer to sell or a solicitation to buy any securities. We urge potential investors to conduct their own due diligence and consult with professional advisors on the legal, financial, and tax implications before considering an investment.

## **Non-Binding Information**

The content here is not intended to create, nor does it create, any binding obligation or contract for investment.

## **Investment Risk**

Investing in our securities is highly speculative and involves a high degree of risk, including the lack of liquidity and the absence of FDIC insurance or other government protection. Investment should only be considered by those prepared for these risks.

## **Use of Third-Party Information**

Some information herein is sourced from third parties, which we believe to be reliable, but we have not independently verified such information. GBank Financial Holdings Inc. cannot assure its accuracy.

## **Non-GAAP Financial Measures**

We may use non-GAAP financial measures to supplement traditional GAAP metrics. These are provided for additional insight and should not be viewed as superior to or a replacement for GAAP measures.

## **Securities Information**

Securities mentioned are not registered under the Securities Act of 1933 or any state securities laws, may not be offered or sold without registration or exemption, and have not been endorsed by any regulatory authority. Any contrary representation is a criminal offense.

---

# GBank Financial Holdings Inc. Directors



**Edward M. Nigro**  
**Executive Chairman**  
GBank Financial Holdings  
Inc. & GBank



**A. Lee Finley**  
**Director**  
Founder,  
BrandFX Body Company



**Charles W. Griege, Jr.**  
**Director**  
Managing Partner,  
Blue Lion Capital



**William J. Hornbuckle IV**  
**Director**  
CEO and President,  
MGM Resorts International



**Katie S. Lever**  
**Director**  
General Counsel / Chief  
Privacy Off / Corp Secretary  
Great Canadian Gaming  
Corporation



**Todd A. Nigro**  
**Director**  
President,  
Nigro Development LLC



**James K. Sims**  
**Director**  
Founder,  
Silicon Valley Data Science  
Former Chairman,  
Airgain, Inc.



**Alan C. Sklar**  
**Director**  
Principal,  
Sklar Williams PLLC



**T. Ryan Sullivan**  
**Director**  
President/CEO,  
GBank Financial Holdings  
Inc. & GBank



**Michael C. Voinovich**  
**Director**  
Executive Vice President,  
ECHO Health, Inc.

---

# GBank Directors



**Edward M. Nigro**  
**Executive Chairman**  
GBank Financial Holdings  
Inc. & GBank



**Dana A. Dwiggin Powell**  
**Director**  
Managing Partner,  
Solomon, Dwiggin and  
Freer, Ltd.



**Timothy P. Herbst**  
**Director**  
President,  
Terrible Herbst Inc.



**Shelli L. Lowe**  
**Director**  
Director of Client Services,  
Integra Realty Resources -  
Nevada



**Troy R. Nelson**  
**Director**  
President,  
Mojave Electric



**Todd A. Nigro**  
**Director**  
President,  
Nigro Development LLC



**Alan C. Sklar**  
**Director**  
Principal,  
Sklar Williams PLLC



**T. Ryan Sullivan**  
**Director**  
President/CEO,  
GBank Financial Holdings  
Inc. & GBank



**Michael C. Voinovich**  
**Director**  
Executive Vice President,  
ECHO Health, Inc.

---

# Experienced and Invested Leadership Team



**Edward M. Nigro**  
**Executive Chairman**  
GBank Financial Holdings  
Inc. & GBank



**T. Ryan Sullivan**  
**President/CEO**  
GBank Financial Holdings  
Inc. & GBank

---



**Tara A. Campbell**  
EVP/Chief Operating Officer



**Nancy M. DeCou**  
EVP/Chief SBA Officer



**David J. Fersdahl**  
EVP/Card & Payments



**Keith F. Jarvis**  
EVP/Chief Credit Officer



**Scot M. Levine**  
EVP/Chief Risk Officer



**Shouvik Ray**  
EVP/Chief Information &  
Technology Officer



**Jeffery E. Whicker**  
EVP/Chief Financial Officer,  
GBank Financial Holdings  
Inc. & GBank

---



# Company Overview

- GBank Financial Holdings Inc., a bank holding company with \$918 million in assets as of December 31, 2023, conducts business through its wholly owned subsidiary, GBank
- Founded in 2007, the Bank operates two full-service commercial branches in Las Vegas, Nevada
- Conducts business nationally through its SBA lending activities - leading national SBA presence – top 10 national SBA 7(a) lender by volume
- Establishes relationships with national gaming companies, skills games companies, and payments & wallet provider companies through its partnership with BankCard Services, LLC (“BCS”) <sup>1</sup>
- Provides commercial banking services with an emphasis on serving the needs of small- and medium-sized businesses, high net worth individuals, professionals, and investors
- Offers a full complement of business and consumer deposit products and is focused on delivering a premium level of service



1) BCS is affiliated with the Company through common ownership by certain of our shareholders. Our relationship with BCS has been reviewed during examinations and third-party reviews. We know of no supervisory issues with our transactions with BCS.

---

# Core Commercial Banking

---

## Commercial Banking Growth Strategy

- Expanding deposit and lending commercial business
- Fostering relationships for direct business and referrals
- Expanding further into Nevada, California, Utah, and Arizona
- Adding top professionals in the industry to gain a further competitive edge
- Growing specialty banking lines including Trust Services & Professional Banking

---

## Robust Expansion Opportunities





---

## Significant 2023 Accomplishments

### Successful Execution of Growth Plan

- 2023 Earnings, Net Interest Margin, Capital, and Growth in Top Quartile for all U.S. Banks
- Deposit Growth in 2023 of \$190.3 million – during one of the most challenging bank deposit environments in many years
- Net Loans increased \$278 million in 2023, an increase of 70%
  - GBank ranked #1 of all 1,271 peer banks
- Total New SBA & Commercial Loan Production up from \$383.6 million in 2022 to \$393.6 million in 2023
- Total Equity increased \$11.6 million in 2023, an increase of 13.4%
- Strong Asset Quality Performance - Non-performing Assets to Total Assets of 0.69%

---

## External Recognition

### DepositAccounts.com – 2023 & Current

- A+ rating for Texas Ratio, Deposit Growth, and Capitalization

### CB Resource's CB Top Ten Report - Q4 2023

- #33 of 548 US Banks in Peer Group (\$500-\$999 Million)
  - ❖ Consistently in Top 100 for the past 8½ years

### Bauer Financial

- Five Star Superior Rating – Highest Rating Available

### OTCQX Best Market – 2023 & 2022

- GBFH in the OTCQX Best 50, a ranking of top-performing companies traded on the OTCQX Best Market, 2023 & 2022 – only banking company to earn back-to-back annual recognition

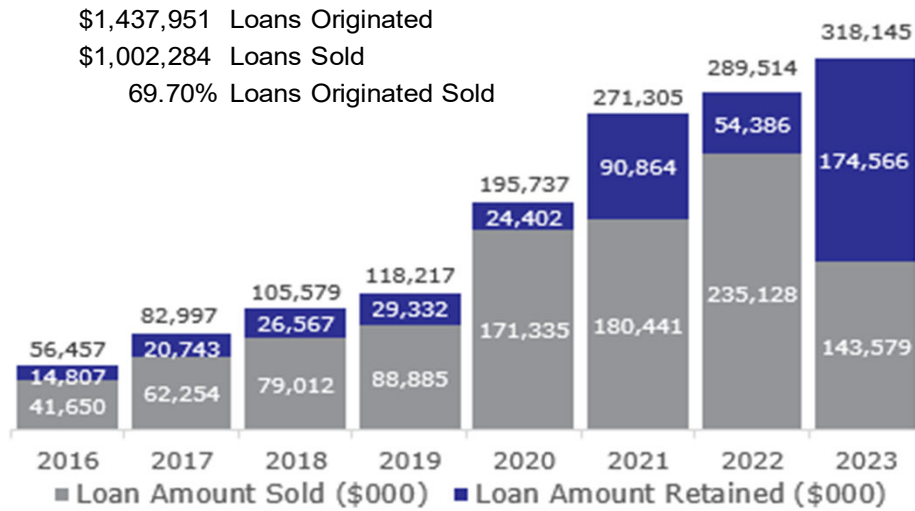
### Janney Montgomery Scott LLC

- Initiated Analyst Coverage of GBFH in January 2024 with a BUY Rating

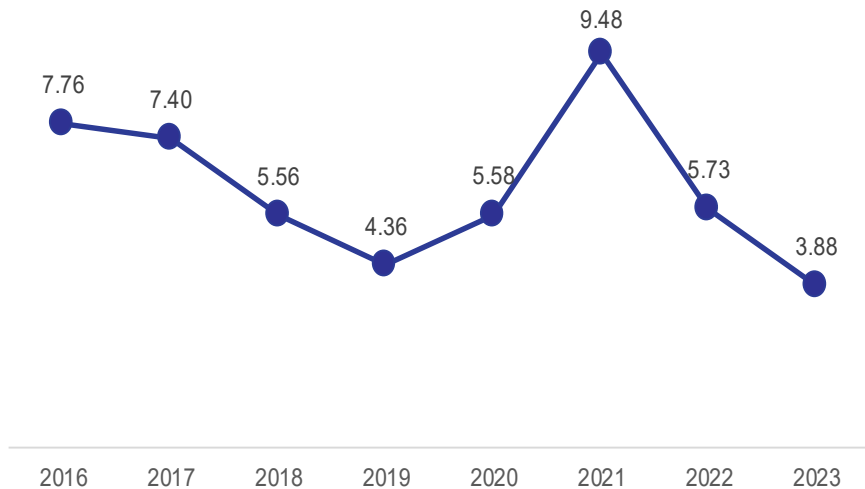


# SBA Lending Overview

## SBA 7(a) Originations Since 2016



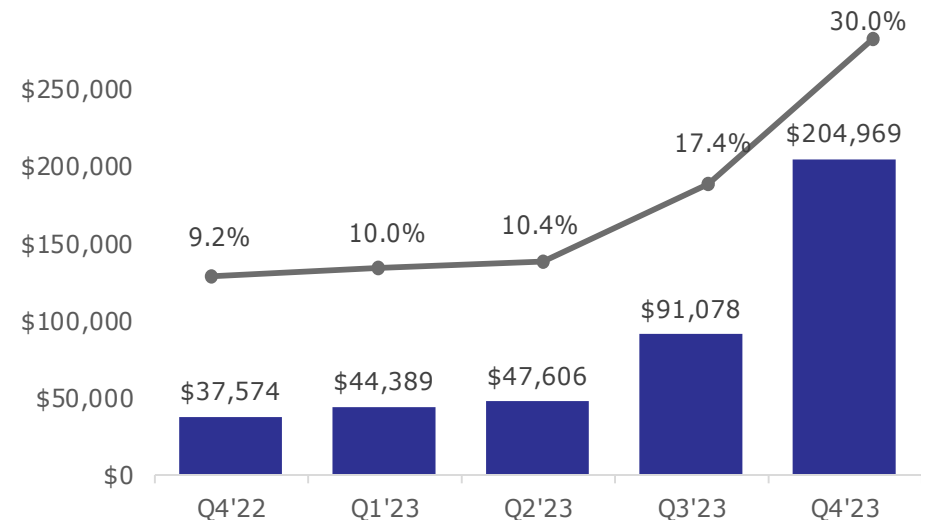
## Pretax GAAP Gain on Sale (%)



## National Top SBA 7(a) Lenders

#	Most Active SBA 7(a) Lenders as of SBA FYE 05/02/2024	Approval Count	Approval Amount (\$MM)
1	Live Oak Banking Company (NC)	683	960.4
2	New tek Bank, National Association (FL)	1,845	907.4
3	The Huntington National Bank (OH)	4,449	813.1
4	Readycap Lending, LLC (NJ)	1,851	494.8
5	U.S. Bank, National Association (OH)	1,728	326.9
6	BayFirst National Bank (FL)	2,109	316.2
7	First Internet Bank of Indiana (IN)	221	305.6
8	Bank of America, National Association (SC)	640	299.3
9	JPMorgan Chase Bank, National Association (OH)	1,308	289.1
10	<b>GBank (NV)</b>	<b>105</b>	<b>282.6</b>
11	TD Bank, National Association (DE)	2,101	276.2
12	Celtic Bank Corporation (UT)	510	270.8
13	Wells Fargo Bank, National Association (SD)	1,444	265.0
14	Byline Bank (IL)	203	251.0
15	First Bank of the Lake (MO)	383	218.8
16	Cadence Bank (MS)	473	168.2
17	United Midwest Savings Bank, National Association (OH)	504	155.4
18	Harvest Small Business Finance, LLC (CA)	147	148.3
19	KeyBank National Association (OH)	369	122.2
20	Berkshire Bank (MA)	98	115.0

## Guaranteed Loans (\$000's & % of Gross Loans)












# SBA Lending - Hotel Portfolio Summary

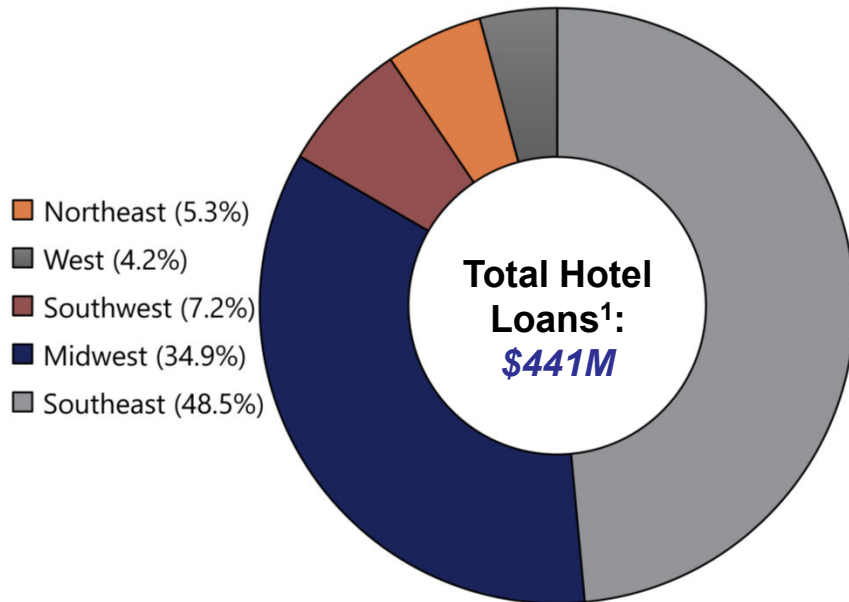
## Diversified Accommodation Portfolio

- The Bank has been a top national SBA 7(a) Hotel/Motel lender for each of the past four years. The Bank maintains strong national relationships and has established itself as the premier government guaranteed lender within the industry
- With its strong credit analysis and deep industry knowledge, the Bank has experienced strong portfolio performance
- The majority of the Bank's hotel portfolio is comprised of limited-service and roadside hotels which performed well during the COVID-19 pandemic compared to their select-service, full-service, and resort competitors

	Q4 '23
Weighted Loan-To-Value	69.91%
Weighted Average Debt Service Coverage Ratio	2.18x
Weighted Average Cap Rate	9.29%
Weighted Average Breakeven Occupancy	37.19%

Hotel Flagship	# of Loans Under Flag (actual)	Net Current Balance (\$)	Available Balance (\$)	Commitment Amount (\$)	% of Hotel Portfolio (%)
	51	52,323,925	-	52,323,925	11.9
	32	26,435,890	132,500	26,568,390	6.0
	28	26,686,528	41,201	26,727,729	6.1
	22	26,433,343	-	26,433,343	6.0
	19	23,721,183	-	23,721,183	5.4
	18	27,278,160	-	27,278,160	6.2
	15	12,732,031	-	12,732,031	2.9
	14	22,222,226	-	22,222,226	5.0
	14	17,656,723	-	17,656,723	4.0
*All Other Flags*	126	189,701,478	530,533	190,232,011	43.1
Independent	17	15,565,150	-	15,565,150	3.5
<b>Total Hotel Loans</b>	<b>356</b>	<b>440,756,638</b>	<b>704,234</b>	<b>441,460,872</b>	<b>100.0</b>

## Hotel Portfolio by Region



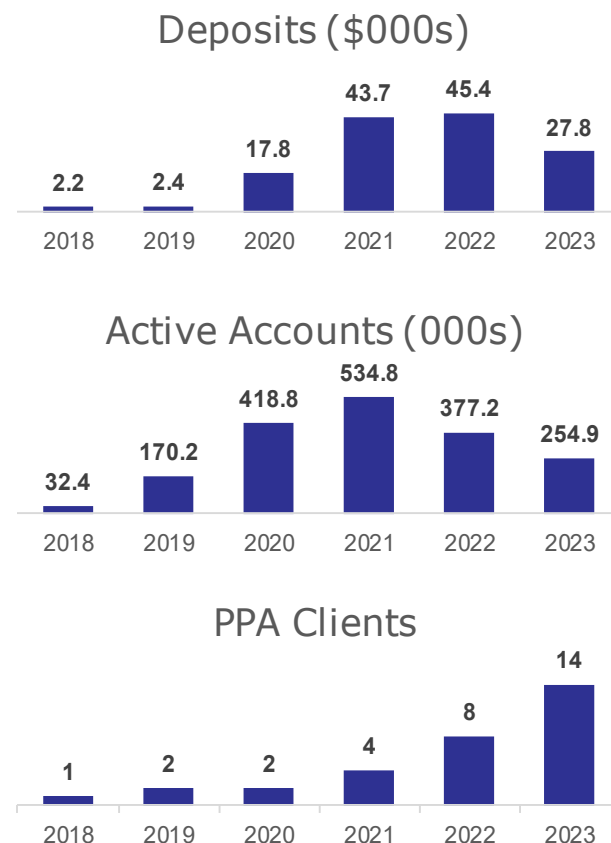
1) Consists of \$438 million of hotel CRE loans and \$3 million of additional accommodation loans

# Gaming FinTech Overview

## Significant Deposit Generator

- The gaming ecosystem includes: Commercial and Tribal Casinos; Sports and iGaming; e-Sports and Daily Fantasy; and State Lotteries.
- GBank/BCS contract includes prepaid cards, pooled-player program accounts – PPA's *Powered by PIMS™*, and gaming company acquiring and transactional accounts.
- Over \$2.5 billion in payment loads processed since operational launch in 2016.
- Gaming company acquiring and transactional accounts average approximately \$30 - \$50 million.
- Issuer of Discover, MasterCard, and Visa prepaid cards.
- GBank Visa Signature® Credit Card – soft-launched in Q2 2023 – approved for gaming merchant codes.
- GBank/BCS Merger Application

## Activity Trends (000s)<sup>(1)</sup>



## Significant Program Clients



## 2023 Operating Results

### Balance Sheet

(\$'s in 000's)	12/31/23	12/31/22
Cash and due from banks	97,933	136,436
Securities	100,379	107,521
Loans, net	676,634	398,586
Loan servicing assets	7,053	9,359
Fixed and other assets	36,381	26,800
<b>Total assets</b>	<b>918,380</b>	<b>678,702</b>
Deposits:		
Noninterest-bearing demand	216,900	304,950
All interest-bearing	528,800	250,483
<b>Total deposits</b>	<b>745,700</b>	<b>555,433</b>
All other liabilities	74,253	36,473
<b>Total liabilities</b>	<b>819,953</b>	<b>591,906</b>
<b>Total stockholders' equity</b>	<b>98,427</b>	<b>86,796</b>
<b>Total liabilities and stockholders' equity</b>	<b>918,380</b>	<b>678,702</b>

## 2023 Operating Results - Continued

### Income Statement

(\$'s in 000's)	2023	2022
Interest income	51,283	28,771
Interest expense	(13,188)	(3,423)
<b>Net interest income</b>	38,095	25,348
Total noninterest income	7,679	16,468
<b>Total net revenue</b>	<b>45,774</b>	<b>41,816</b>
Noninterest expenses:		
Salaries and employee benefits	19,797	16,870
Occupancy	1,636	1,572
Other/Operating	9,723	7,994
<b>Total noninterest expense</b>	31,156	26,436
Provision for loan losses	1,092	1,347
<b>Income before income tax</b>	13,526	14,033
Income tax expense	2,606	3,165
<b>Net income</b>	<b>10,920</b>	<b>10,868</b>



---

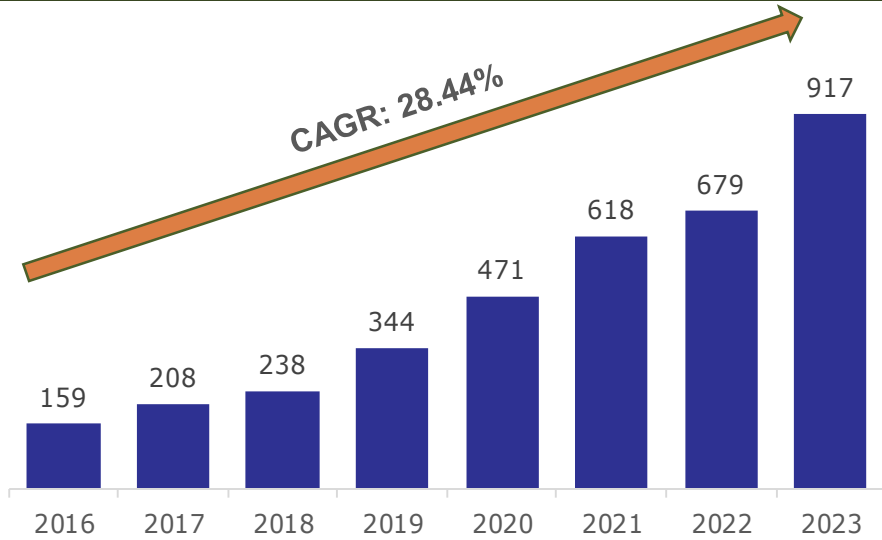
## Key Results – Noninterest Income Strategy

Noninterest Income as % of Net Revenue - (\$'s in 000's)

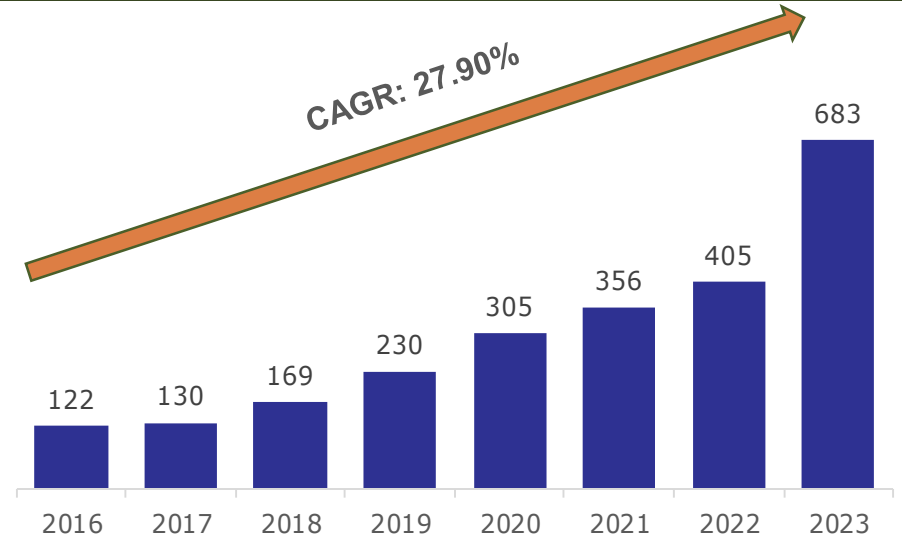
Year	Net Revenue (\$)	Noninterest Income (\$)	% to Net Revenue
2023	45,774	7,679	16.8
2022	41,816	16,468	39.4
2021	37,030	19,406	52.4
2020	27,238	11,951	43.9
2019	19,322	5,215	27.0
2018	15,737	5,266	33.5
2017	13,520	5,510	40.8
2016	9,966	3,956	39.7
2015	6,086	1,851	30.4

# Compelling Balance Sheet Growth

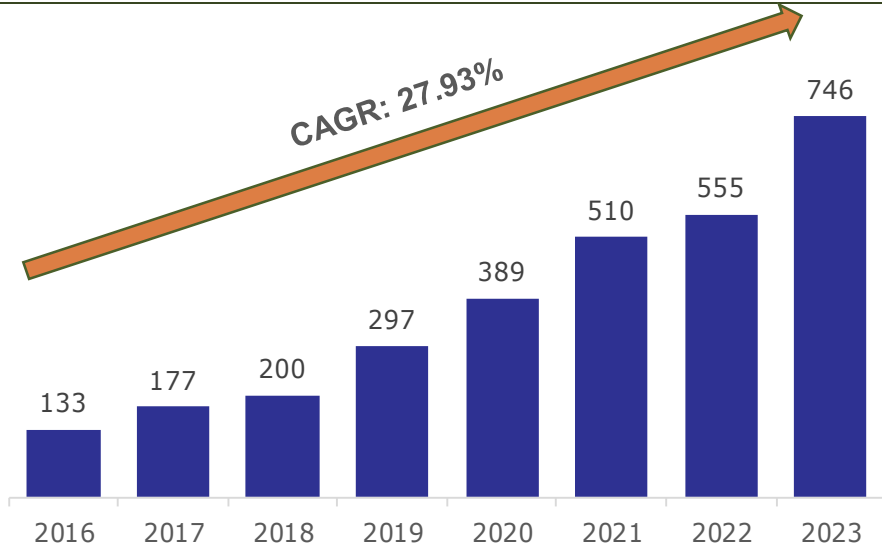
**Total Assets (\$M)**



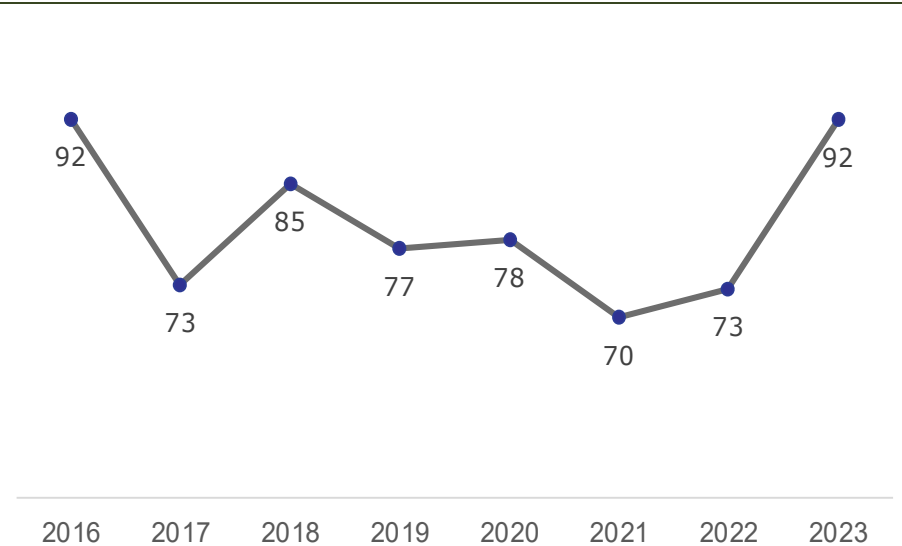
**Total Loans (\$M)**



**Total Deposits (\$M)**



**Loan/Deposit Ratio (%)**



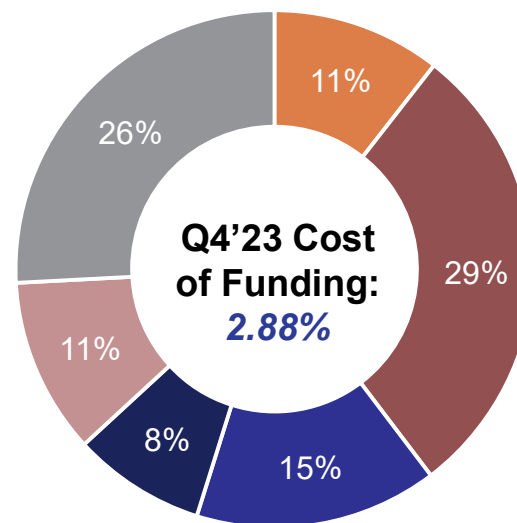
Source: Company Financials

# Attractive Low-Cost Core Deposit Base

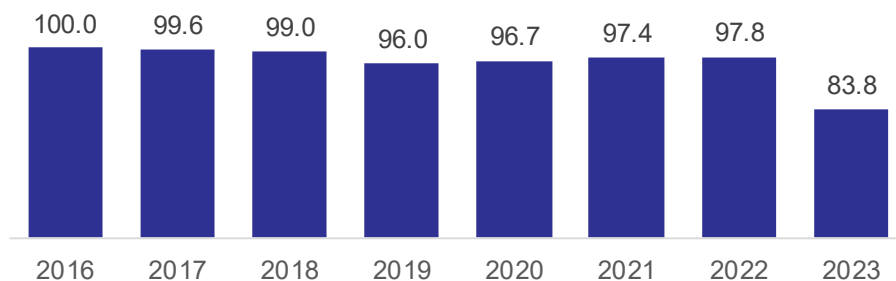
## Overview

- Strong deposit base with “sticky” funding – core deposits of \$625.2 million, which represents 84% of total deposits<sup>1</sup>
- Stable cost of funding of 2.14% YTD
  - Small- and medium-sized business relationships are a source of non-interest-bearing deposits
  - Non-interest-bearing deposits comprise 29% of total deposits
- Top 20 depositors represent \$234.6 million or ~32% of total deposits as of December 31, 2023

## Deposit Composition



## Core Deposits / Total Deposits (%)



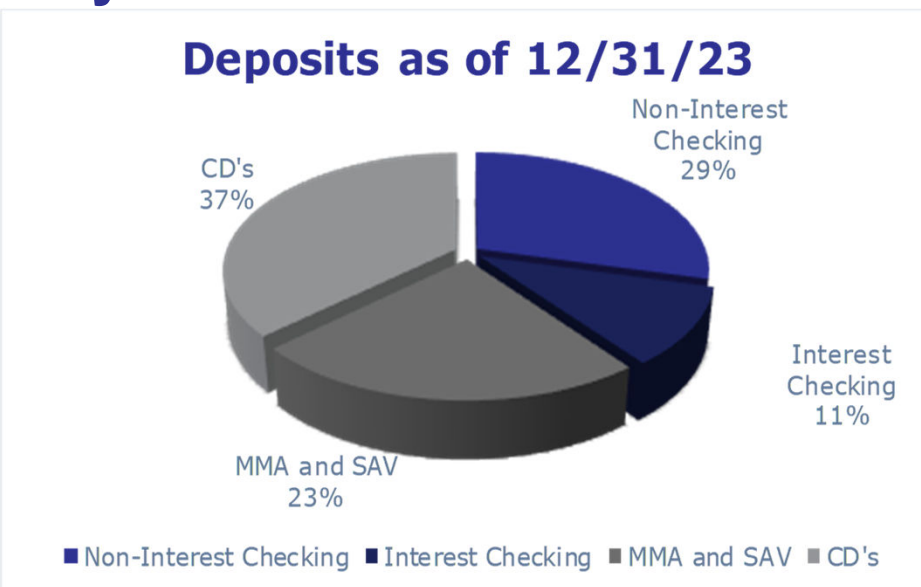
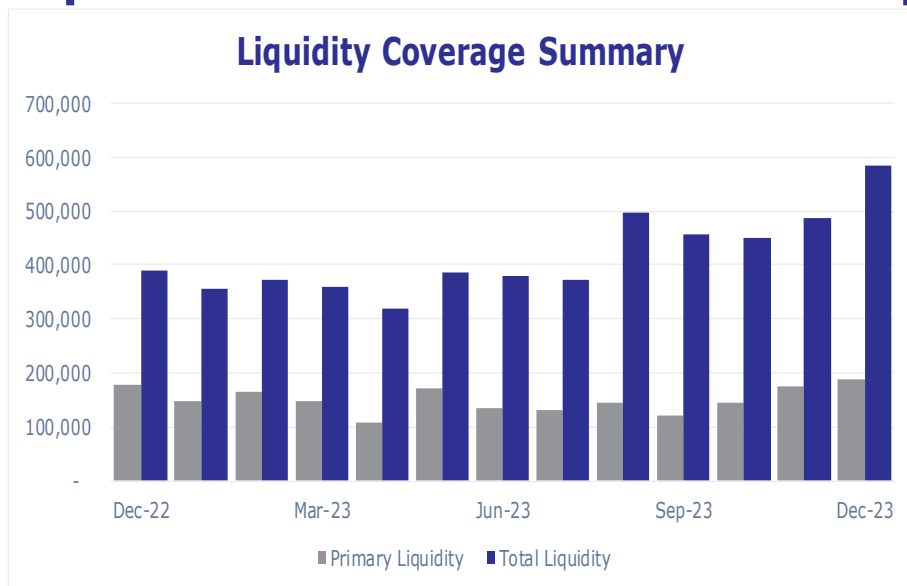
1) Core deposits are defined as total deposits less time deposits greater than \$250K and brokered certificates of deposit.

---

## Interest Rate Sensitivity and Investment Portfolio

- Significant net interest margin expansion
  - NIM Q4'23 – 5.16%
  - NIM Q4'22 – 5.29%
  - NIM Q4'21 – 3.40%
- Short duration balance sheet and strong levels of noninterest bearing and core deposits
- Balance Sheet Fair Value Premium
- 89% of securities GNMA floaters and UST of less than 1 year
- Q4'23 Investment Yield – 4.32%
  - Top Peer Decile

## Capitalization and Sources of Liquidity



## Funding and Sources of Liquidity at the Company

- \$97.3 million in cash or deposits at other institutions as of December 31, 2023
- \$6.5 million of 4.5% fixed-to-floating subordinated notes due 2031 issued at holding company on December 30, 2020
- \$20.0 million of 3.875% fixed-to-floating subordinated notes due 2031 issued at holding company on December 14, 2021
- \$30 million of 5.50% fixed rate FRB short-term borrowings outstanding as of December 31, 2023

## Capital Deployment

- The Company currently does not pay a cash dividend
- The Company has no share repurchase plan currently in place

## Q1 2023 Highlights - Unaudited

### Income Statement

(\$'s in 000's)	Q1 2024	Q1 2023		Change	Change (%)
Net interest income	\$10,802	\$9,415	↑	\$1,387	14.73%
Net revenue	\$13,207	\$12,277	↑	\$930	7.58%
Noninterest expense	\$8,374	\$8,371	↑	\$3	0.04%
Net income	\$3,701	\$3,315	↑	\$386	11.64%
Efficiency ratio	63.41%	68.18%	↓	4.77%	7.00%
Full-time employees	150	151		1	0.66%
Net interest margin	4.85%	6.04%	↓	1.19%	19.70%
Total assets	\$963,450	\$685,244	↑	\$278,206	40.60%
Total equity	\$102,566	\$90,169	↑	\$12,397	13.75%
TCE / Tangible Assets	10.6%	13.2%	↓	2.6%	19.70%
Total book value per share	\$8.00	\$7.10	↑	\$0.90	12.68%
Earnings per share - diluted	\$0.28	\$0.26	↑	\$0.02	7.69%
Bank-level T1 leverage	13.03%	15.97%	↓	2.94%	18.41%

---

## Q1 2024 Highlights & The Year Ahead

- Q1 total new loan originations of \$137 million –
  - Largest quarter ever in new loan production
- Lending pipelines remained strong and consistent after rapid expansion immediately following March 2023
- Exciting announcements and growth initiatives in Gaming Fintech partnerships – driving deposit and fee growth
- Continued strategic focus on core deposit generation
- GBank Visa Signature<sup>®</sup> Credit Card – Launched Q2 2023
  - Key Focus on Affiliate Partnerships
  - April 2024 - \$1 million in Monthly Credit Card Spend



# Questions?



GBank Financial  
Holdings Inc.



---

## Annual Meeting Business

- Director Election
- RSM US LLP
- Other Business



GBank Financial  
Holdings Inc.





Thank You!

