Company Release – 1/20/2022

GBank Financial Holdings Inc. Announces Quarterly Operating Earnings

LAS VEGAS, NV, January 20, 2022 – GBank Financial Holdings Inc. ("GBank" or the "Company") (OTCQX: GBFH), the parent company for Bank of George (the "Bank"), today reported year-to-date earnings of $11 million, or $0.85 per diluted share. This represents a year-over-year increase of 57% compared to $7 million or $0.56 per diluted share for the year-to-date period ending December 31, 2020. Earnings for the fourth quarter increased 50% to $4.0 million, or $0.31 per diluted share, compared to $2.6 million, or $0.21 per diluted share, for the third quarter of 2021. Earnings were highlighted by the record gains on loan sales for both the quarter and year-to-date periods. Year-to-date gain on sales income increased to $17.1 million from $9.9 million in 2020, representing a 73% year-over-year increase. Quarterly gain on sales income increased to $5.9 million in Q4 2021 from $3.9 million in Q3 2021.

Fourth Quarter Financial Highlights (for the year-over-year and quarterly periods ending December 31, 2021)

Year-over-year comparisons:

- Year-to-date net income increased 57% to $11.0 million, compared to $7.0 million for the same period in 2020.
- Year-to-date earnings per diluted share were $0.85, compared to $0.56 for the same period in 2020.
- Allowance for loan losses was $6.2 million, compared to $5.1 million at year-end 2020.
- Year-to-date net revenues (net interest income plus noninterest income) increased 36% to $36.9 million, compared to $27.2 million for 2020.
- Noninterest income increased 60% to $19.3 million, compared to $12.0 million for 2020.
- Total assets increased 31% to $618.1 million, compared to $470.6 million as of year-end 2020.
- Total deposits increased 31% to $509.6 million, compared to $389.3 million as of year-end 2020.
- Book value was $6.19 per share, compared to $5.30 per share as of year-end 2020.

Linked quarter comparisons:

- Net income increased 50% to $4.0 million, compared to $2.6 million for Q3 2021.
- Earnings per diluted share were $0.31, compared to $0.21 for Q3 2021.
- Return on average assets was 2.72% compared to 1.91% for Q3 2021.
- Return on average equity was 21.46%, compared to 14.96% for Q3 2021.
- Allowance for loan losses was $6.2 million, compared to $5.9 million at September 30, 2021.
- Net interest margin was 3.59%, compared to 3.33% for Q3 2021.
- Total net revenues (net interest income plus noninterest income) increased 26% to $11.4 million, compared to $9.0 million for Q3 2021.
- Noninterest income increased 42% to $6.4 million, compared to $4.5 million for Q3 2021.
- Total assets increased 12% to $618.1 million, compared to $551.2 million at September 30, 2021.

- Total deposits increased 9% to $509.6 million, compared to $467.3 million at September 30, 2021.
- Book value was $6.19 per share, compared to $5.88 per share at September 30, 2021.

Edward M. Nigro, GBank Executive Chairman, stated "Our 2021 performance reflects the strength of our strategic business plan that we embarked upon in 2015 - revenue and income growth with a balanced focus on Net Interest and Noninterest Income. With the advent of our SBA Division, and also our FinTech technology partnering with Sightline Interactive, LLC to enable banking solutions for cashless gaming, all areas of the Company are contributing to our earnings and balance sheet growth."

Covid-19 Response

The Company continues to administer several pandemic programs to assist its clients with their financial needs and remains committed to helping its clients who have been affected by the declining economic activity or other challenges related to the pandemic.

Beginning in March 2020, and with 100% of loan portfolios performing as agreed, the Bank was able to implement the Bank of George Business Relief Plan. This bold initiative utilized the Company's sizable financial strength to support all the Bank's communities and clients. Under this plan, the Bank offered all its borrowers optional three and six-month payment deferrals for full principal and interest. As the payment deferral status ended, borrowers resumed making their scheduled payments and were no longer considered as being in an active deferral status. At December 31, 2021, the Bank had one loan relationship of approximately $774 thousand on deferral under this program.

Paycheck Protection Program

As a U.S. Small Business Administration ("SBA") PLP lender, the Bank has also been able to play a critical role in offering loans through the SBA Paycheck Protection Program ("PPP"). During the life of the program, the Bank funded approximately $85 million in PPP loans. These vital funds supported keeping nearly 7,000 employees on the payroll. PPP Loans at December 31, 2021 were approximately $11 million.

SBA

"The Company's SBA Division continues to break all records and was a key growth driver for our incredible 2021 performance." stated T. Ryan Sullivan, President/CEO.

For the SBA fiscal year ending September 30, 2021, the Bank secured a total of approximately $292 million in SBA 7(a) loan approvals, excluding Paycheck Protection Program ("PPP") loans. This placed the Bank as 19th for all SBA 7(a) lenders in the nation.

During the 2021 year, the Bank's SBA Division closed on approximately $274 million in total loans originated, excluding PPP loans. 2021 loan production increased 40.5% from the total loan originations of approximately $195 million during 2020.

A key provision of the CARES Act was the SBA Debt Relief Program, whereby the SBA made six months of principal and interest payments on qualifying existing and new SBA loans. This has been an incredibly powerful resource for SBA borrowers and, with all of the Bank's SBA 7(a) loans in regular payment status at the onset of the program, most of the Bank's SBA borrowers were able to benefit from this program. At December 31, 2021, one of the Bank's loans of approximately $472 thousand was receiving support under this program. Additionally, under the Economic Aid Act, continuing SBA payment support of up to $9,000 per month has been provided for a significant portion of the Bank's SBA 7(a) loan portfolio with approximately $16.9 million in loans receiving support under this program at December 31, 2021.

Gaming FinTech

Total Gaming FinTech accounts grew to approximately 570 thousand at December 31, 2021. This represents an increase of 36% from the 419 thousand accounts held at December 31, 2020. The Bank has experienced a corresponding increase in payment load volumes of 54% during 2021 to approximately $750 million, compared to $486 million during 2020. This has driven Gaming FinTech revenues up 39% to $440 thousand in 2021, compared to $316 thousand for the prior year.

Subordinated Notes Offering

On December 14, 2021, the Company completed its private placement of $20 million of 3.875% fixed-to-floating rate subordinated notes due 2031 (the "Notes") to certain qualified institutional buyers and accredited investors. The Notes have been structured to qualify as Tier 2 capital for regulatory capital purposes. The Company intends to use the net proceeds of the offering for general corporate operating purposes, to support organic growth, and to fund potential acquisitions.

Balance Sheet Review

GBank's consolidated liquidity and capital positions continue to perform well compared to its relative peers. Quarter-over-quarter, deposits grew by approximately $42 million. Gross loan balances increased by approximately $34 million from the prior quarter due to SBA and commercial loan growth. The Bank continues to take advantage of favorable market conditions related to SBA loan sales.

Total assets increased 12% to approximately $618 million, compared to approximately $551 million at September 30, 2021. Total deposits were also up 9% to approximately $510 million, compared to approximately $467 million at September 30, 2021. Shareholders' equity increased 6% during the quarter to approximately $75.8 million, compared to approximately $71.8 million at December 31, 2021.

The company adopted ASC 842 – Lease Accounting in Q3 2021, resulting in a right-of-use asset and corresponding operating lease liability of approximately $1.6 million. Certain adjustments have been made to the financial presentation for the 2021 year-to-date period and are related to this adoption for comparative purposes. We have leased branches and office space and have entered into various other agreements in conducting our business. Operating lease right-of-use assets are included within All Other Assets and the Bank's operating lease liability is included within Accrued Interest Payable and Other. Operating lease expense is recognized on a straight-line basis over the expected lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs such as property taxes are expensed as incurred. Lease and non-lease components are accounted for separately as the amounts are readily determinable under our lease contracts. Leases with an initial term of 12 months or less are not recorded on the balance sheet.

Operating Results

The Company's quarterly net interest margin was 3.59%, compared to 3.33% for the previous quarter. Year-to-date net revenues (net interest income plus noninterest income) increased 36% to $36.9 million, compared to $27.2 million for year ending December 31, 2020, and increased 27% for the third quarter to $11.4 million, compared to $9 million for Q3 2021. Year-to-date noninterest income increased 61% to $19.3 million, compared to $12.0 million for the year ended December 31, 2020, and increased 42% for the fourth quarter to $6.4 million, compared to $4.5 million for Q3 2021. Total year-to-date noninterest expense increased 35% to $21.4 million, compared to $15.9 million for 2020, and increased 8% for the fourth quarter to $5.9 million, compared to $5.5 million for Q3 2021.

Credit Quality

The provision for loan losses during Q4 2021 reflects growth in unguaranteed loan balances, as well as our current assessment of risks associated with our credit portfolios, the COVID-19 pandemic, and general economic conditions. The Company recorded a $250,000 provision for loan losses during the fourth quarter of 2021, compared to a $45,000 provision during the preceding quarter. The Company had approximately $6.15 million in allowance for loan losses at December 31, 2021, compared to approximately $5.90 million at September 30, 2021. The Bank holds no balances of other real estate owned and reports one lending relationship on non-accrual status for approximately $320 thousand at December 31, 2021. The allowance for loan losses to total net loans, excluding PPP and guaranteed balances, was 2.16% at December 31, 2021.

Earnings Call

The Company will host its quarterly earnings call on Tuesday, February 1, at 2:00 p.m. (PST). Shareholders will be able to listen from their home or from any remote location that has Internet connectivity. There will be no physical location for shareholders to attend.

Shareholders may participate online, via the ZOOM app on their smartphones, or by joining by telephone:

The ZOOM video conference ID is 881 5248 7104

The ZOOM meeting passcode will be available to shareholders by sending an email request to sferguson@bankofgeorge.com or by calling Shauna Ferguson at 702-851-4208.

Joining by ZOOM Video Conference
Log in on your computer at https://zoom.us/j/88152487104 or by using the Zoom app on your smartphone.

Joining by Telephone
Dial (408) 638-0968. The conference ID is 881 5248 7104.

The Company

GBank Financial Holdings Inc. ("GBank" or the "Company") (GBFH), a bank holding company with approximately $618 million in assets at December 31, 2021, conducts business through its wholly owned subsidiary, Bank of George (named in honor of George Washington). Founded in 2007, the Bank operates two full-service commercial branches in Las Vegas, Nevada, with primary lending activities focused on engaging clients in Nevada, California, Utah, and Arizona. Bank of George has key businesses in three prominent divisions: SBA Lending, Gaming FinTech, and Commercial Lending. The Bank conducts business nationally through its SBA lending activities (ranked 19th in the nation by the U.S. Small Business Administration for SBA 7(a) dollar loan volume through September 30, 2021) and its BankCard Services, LLC ("BCS") partnership. Launched in 2016, its Gaming FinTech Division is powering Sightline Payments Play+ Solution (Sightline Payments) for seamless and secure pay and play that is enabling cashless, mobile commerce solutions for gaming, lottery, and sports betting ecosystems – positioning GBank as a financial leader in this new payments world. The Bank also provides general commercial banking services with an emphasis on serving the needs of small- and medium-sized businesses, high net worth individuals, professionals, and investors. The Bank offers a full complement of consumer deposit products and is focused on delivering a premium level of service. Bank of George has been recognized every year for each of the past five years by S&P Global Market Intelligence as a top 100 U.S. community bank under $3 billion in assets. For more information about Bank of George, please visit its website at https://www.bankofgeorge.com. GBank's Common Stock is quoted on the US OTCQX Market under the symbol GBFH.

Forward-looking Statements

GBank has made forward-looking statements in this Press Release. These forward-looking statements are subject to risks and uncertainties. Forward-looking statements include information concerning possible or assumed future results of operations of the Company and its subsidiaries. When words such as "believes," "expects," "anticipates," or similar expressions occur in this Press Release, the Company is making forward-looking statements. Note that many factors could affect the future financial results of the Company and its subsidiaries, both individually and collectively, and could cause those results to differ materially from those expressed in the forward-looking statements contained in this Press Release. Those factors include, but are not limited to: the recent and continuing coronavirus (COVID-19) pandemic which poses risks and may harm the Company's business and results of operations in future quarters, credit risk, changes in market interest rates, inability to achieve merger-related synergies, competition, economic downturn or recession, and government regulation and supervision. The Company undertakes no obligation to update or revise any forward-looking statements.

Questions or comments concerning this Press Release should be directed to:

GBank Financial Holdings Inc.
T. Ryan Sullivan
President and CEO
702-851-4200
rsullivan@bankofgeorge.com

GBank Financial Holdings Inc.

Source: GBank Financial Holdings Inc.