



# GBank Financial Holdings Inc.®

Company Release – 02/1/2021

## GBank Financial Holdings Inc. Announces Record Quarterly Operating Earnings

LAS VEGAS, NV, February 1, 2021 – GBank Financial Holdings Inc. (“GBank” or the “Company”) (OTCQX: GBFH), the parent company for Bank of George (the “Bank”), today announced record earnings for the fourth quarter of 2020 of \$3.6 million, an increase of \$2.2 million, or 153%, from the \$1.4 million for the three months ended December 31, 2019. Earnings per diluted share increased to \$0.25 for the three months ended December 31, 2020, up \$0.11 from \$0.14 for the fourth quarter of 2019. For the year ended December 31, 2020, GBank reported net income of \$6.9 million, an increase of \$1.6 million, or 29%, from \$5.3 million for the year ended December 31, 2019. Earnings per diluted share increased to \$0.55 for the year ended December 31, 2020, up \$0.01 from \$0.54 for 2019.

### Financial Highlights: December 31, 2020 compared to December 31, 2019

- Total assets increased by \$127 million, or 37%, to \$471 million.
- Net loans increased by \$75 million, or 33%, to \$302 million.
- Total deposits increased by \$92 million, or 31%, to \$389 million.
- Total equity increased by \$22 million, or 51%, to \$65 million.
- Book value per share increased by \$0.85, or 19%, to \$5.30, up from \$4.45.
- Nonperforming assets as a percentage of total assets remained at 0.00%.
- The allowance for loan losses to total loans, excluding PPP and guaranteed loans, increased to 2.08%.

Edward M. Nigro, GBank Executive Chairman, stated “As we continue to navigate through the challenges relating to the COVID-19 pandemic, the company continues to take extraordinary measures to protect our employees and clients while providing maximum support to all the communities we serve. We are pleased to report that, despite these challenges, our combined efforts generated the highest operating earnings for any single quarter or year in the history of the company.”

The Bank’s SBA Division set a record for new loan origination activity during 2020 with approximately \$196 million in total loans originated, excluding Paycheck Protection Program loans (“PPP”). This 2020 loan production amount is up 29% from the total loan originations of approximately \$152 million during 2019. Since its launch in 2015, the Bank’s SBA Division has originated a total of approximately \$645 million in total loans.

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 of the Bank’s communities and clients. Under this plan, the Bank offered all of 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 are no longer considered as being in an active deferral status. At December 31, 2020, the balance of loans in an active deferral status had declined to approximately \$19.1 million.

A key provision of the CARES Act was the SBA Debt Relief Program, whereby the SBA makes 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 the Bank’s SBA 7(a) loans in regular payment status, nearly all of the Bank’s SBA borrowers were able to benefit. As of December 31, 2020, approximately \$34 million in the Bank’s loans were continuing to receive support under this program. Moreover, under the Economic Aid Act, continuing SBA payment support of up to \$9,000 per month is anticipated for a significant majority of the Bank’s SBA 7(a) loan portfolio.

As an 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 2020, the Bank approved and funded approximately \$58 million to 360 individual small businesses and non-profits. These vital funds supported keeping nearly 5,000 employees on the payroll. PPP Loans as of December 31, 2020 were approximately \$45 million. The Bank is also working actively on its Second

Draw PPP implementation and currently has a pipeline of 140 PPP applications with loan requests totaling approximately \$18 million.

The Company's FinTech activities continue to demonstrate astonishing levels of growth. Total FinTech related accounts were approximately 419,000 at December 31, 2020, up 146%, from approximately 170,000 at December 31, 2019. Payment load volumes for the year ending December 31, 2020 were approximately \$486 million, up 149% from approximately \$195 million for the year ending December 31, 2019.

GBank's consolidated on balance sheet liquidity and capital positions continue to be in the top decile compared to its relative peers. Cash and due from banks of approximately \$150 million represented 32% of total assets at December 31, 2020. Regarding the Company's capital position, T. Ryan Sullivan, GBank President/CEO, said "With total equity of nearly \$65 million, and a current equity capital ratio of 13.7%, we are uniquely positioned to fully support our clients while aggressively implementing our business growth strategies."

## **The Company**

GBank Financial Holdings Inc. ("GBank" or the "Company"), a bank holding company with approximately \$471.2 million in assets as of December 31, 2020, 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. Additionally, the Bank conducts business nationally through its SBA lending activities (currently ranked 17th in the nation by the U.S. Small Business Administration for SBA 7(a) loan volume) and its BankCard Services ("BCS") partnership. Launched in 2016, its Financial FinTech Division is powering Sightline Payments Play+ Solution (<https://sightlinepayments.com/>) 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 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 Services Inc.**

T. Ryan Sullivan

President and CEO

702-851-4200

[rsullivan@bankofgeorge.com](mailto:rsullivan@bankofgeorge.com)