GBank Financial Holdings Inc.
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GBank Financial Holdings Inc.

SECOND QUARTER 2024 FINANCIAL RESULTS

Quarter Highlights:

Net Income	Earnings per diluted share	Net revenue	Net interest margin (consolidated)	On-balance sheet guaranteed loans	Book value per common share
$4.7 million	**$0.35**	**$15.5 million**	**4.82%**	**$252.2 million**	**$8.49**

CEO COMMENTARY:

"GBank's record-breaking quarter, marked by the highest earnings and net revenue to date, is a testament to our strategic foresight and operational excellence. Surpassing $1 billion in assets and achieving significant gains in our SBA, Commercial Banking, and Gaming FinTech divisions underscore our strong growth trajectory. These achievements reflect the concerted efforts of our talented team, and we look forward to building upon this incredible momentum," stated T. Ryan Sullivan, President/CEO.

LINKED QUARTER BASIS	QTD YEAR-OVER-YEAR
FINANCIAL HIGHLIGHTS:	
• Net income of $4.7 million and earnings per diluted share of $0.35, compared to $3.7 million and $0.28, respectively	• Net income of $4.7 million and earnings per diluted share of $0.35, compared to $2.3 million and $0.18, respectively
• Net interest income of $11.3 million, an increase of 5.1%, or $546 thousand	• Net interest income of $11.3 million, an increase of 29.9%, or $2.6 million
• Gain on sale of loans of $3.2 million, an increase of 51.8%, or $1.1 million	• Gain on sale of loans of $3.2 million, an increase of 95.5%, or $1.5million
• Noninterest income of $4.2 million, an increase of 73.2%, or $1.8 million	• Noninterest income of $4.2 million, an increase of 79.9%, or $1.9 million
• Net revenues of $15.5 million, an increase of 17.5%, or $2.3 million	• Net revenues of $15.5 million, an increase of 40.3%, or $4.5 million
• Noninterest expense of $9.1 million, an increase of 9.1%, or $758 thousand	• Noninterest expense of $9.1 million, an increase of 19.8%, or $1.5 million
FINANCIAL POSITION RESULTS:	
• On-balance sheet guaranteed loans of $252.2 million, a decrease of 3%, or $7.3 million	• On-balance sheet guaranteed loans of $252.2 million, an increase of 430%, or $204.5 million
• Total deposits of $840.4 million, an increase of 4.1%, or $33.1 million	• Total deposits of $840.4 million, an increase of 52.1%, or $287.9 million
• Stockholders' equity of $110.9 million, an increase of 8.2%, or $8.4 million	• Stockholders' equity of $110.9 million, an increase of 19.8%, or $18.3 million
LOANS AND ASSET QUALITY:	
• Nonperforming assets (nonaccrual loans, accruing loans past due 90 days or more, and OREO) to total assets of 0.75%, compared to 0.64%	• Nonperforming assets (nonaccrual loans, accruing loans past due 90 days or more, and OREO) to total assets of 0.75%, compared to 1.04%
• ACL to net loans, excluding guaranteed, of 1.31%, compared to 1.37%	• ACL to net loans, excluding guaranteed, of 1.31%, compared to 1.76%
KEY PERFORMANCE METRICS:	
• Net interest margin (consolidated) decreased to 4.82%, compared to 4.85%	• Net interest margin (consolidated) decreased to 4.82%, compared to 5.40%
• SBA and Commercial Lending Division loan originations of $126.9 million, a decrease of 7.1%, or $9.7 million	• SBA and Commercial Lending Division loan originations of $126.9 million, an increase of 73.1%, or $53.6 million
• Return on average assets and equity was 1.90% and 17.59%, compared to 1.59% and 14.67%, respectively	• Return on average assets and equity was 1.90% and 17.59%, compared to 1.34% and 10.05%, respectively
• Book value per share of $8.49, an increase of 6.2% from $8.00	• Book value per share of $8.49, an increase of 16.5% from $7.29

GBank Financial Holdings Inc.

Consolidated Balance Sheet

(Unaudited)

($'s in 000, except per share data)	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Linked Quarter 6/30/24 vs. 3/31/24 $ Var	Linked Quarter 6/30/24 vs. 3/31/24 % Var	Quarter YOY 6/30/24 vs. 6/30/23 $ Var	Quarter YOY 6/30/24 vs. 6/30/23 % Var
Assets									
Cash and Due From Banks	$ 5,409	$ 8,334	$ 5,227	$ 7,411	$ 6,481	$ (2,925)	-35%	$ (1,072)	-17%
Interest Bearing Deposits With Banks	82,749	45,844	92,706	58,777	78,506	$ 36,905	81%	$ 4,243	5%
Investment Securities-Taxable	58,850	89,587	100,379	101,001	111,837	$ (30,737)	-34%	$ (52,987)	-47%
Loans Held For Sale-SBA Guaranteed	39,143	43,501	89,362	52,745	47,481	$ (4,358)	-10%	$ (8,338)	-18%
Loans Held For Investment - SBA Guaranteed	213,009	215,966	115,607	38,333	125	$ (2,957)	-1%	$ 212,884	>1000%
Commercial Real Estate Loans	475,927	432,788	401,340	368,337	351,979	$ 43,139	10%	$ 123,948	35%
Construction Loans	547	397	398	398	399	$ 150	38%	$ 148	37%
Commercial and Industrial Loans	51,879	54,190	45,871	35,520	28,718	$ (2,311)	-4%	$ 23,161	81%
Residential-Single and Multifamily	30,419	28,862	29,441	27,984	28,819	$ 1,557	5%	$ 1,600	6%
Consumer and Other Loans	1,337	1,003	831	745	509	$ 334	33%	$ 828	163%
Total Gross Loans	812,261	776,707	682,850	524,062	458,030	$ 35,554	5%	$ 354,231	77%
Net Deferred Loan Costs	8,296	8,157	7,147	5,036	4,347	$ 139	2%	$ 3,949	91%
Unamortized Discount	(7,211)	(6,374)	(6,275)	(7,073)	(8,050)	$ (837)	13%	$ 839	-10%
Less: Allowance for Credit Losses	(7,342)	(7,088)	(7,088)	(6,630)	(7,168)	$ (254)	4%	$ (174)	2%
Total Net Loans	806,004	771,402	676,634	515,395	447,159	$ 34,602	4%	$ 358,845	80%
Loan Servicing Asset	7,698	7,124	7,053	7,865	8,856	$ 574	8%	$ (1,158)	-13%
All Other Assets	48,644	41,159	36,381	38,875	32,100	$ 7,485	18%	$ 16,544	52%
Total Assets	$ 1,009,354	$ 963,450	$ 918,380	$ 729,324	$ 684,939	$ 45,904	5%	$ 324,415	47%
Liabilities									
Non-Interest Bearing Checking Accounts	$ 220,438	$ 216,307	$ 216,900	$ 211,919	$ 218,331	$ 4,131	2%	$ 2,107	1%
Interest Bearing Demand Deposits	65,120	63,740	78,961	76,811	78,330	$ 1,380	2%	$ (13,210)	-17%
MMKT and Savings Account-Business	151,520	137,622	113,252	86,617	86,201	$ 13,898	10%	$ 65,319	76%
MMKT and Savings Account-Personal	70,595	61,927	61,845	59,336	61,892	$ 8,668	14%	$ 8,703	14%
Certificates of Deposit	332,695	327,326	274,742	158,961	107,713	$ 5,369	2%	$ 224,982	209%
Total Deposits	840,368	806,922	745,700	593,644	552,467	$ 33,446	4%	$ 287,901	52%
Short-Term Borrowings	12,000	10,000	30,000	-	-	$ 2,000	20%	$ 12,000	100%
Subordinated Notes	26,051	26,032	26,013	25,995	25,976	$ 19	0%	$ 75	0%
Operating Lease Liability	5,221	5,409	5,497	4,339	4,538	$ (188)	-3%	$ 683	15%
Accrued Interest Payable and Other	14,769	12,521	12,743	10,737	9,333	$ 2,248	18%	$ 5,436	58%
Total Liabilities	898,409	860,884	819,953	634,715	592,314	37,525	4%	306,095	52%
Equity									
Common Stock and Paid in Capital	56,967	53,323	52,879	52,608	52,362	$ 3,644	7%	$ 4,605	9%
Retained Earnings	54,177	49,501	45,800	42,271	40,494	$ 4,676	9%	$ 13,683	34%
Other Comprehensive Loss	(199)	(258)	(252)	(270)	(231)	$ 59	-23%	$ 32	-14%
Total Equity	110,945	102,566	98,427	94,609	92,625	$ 8,379	8%	$ 18,320	20%
Total Liabilities & Equity	$ 1,009,354	$ 963,450	$ 918,380	$ 729,324	$ 684,939	$ 45,904	5%	$ 324,415	47%
Book value per common share	$ 8.49	$ 8.00	$ 7.72	$ 7.44	$ 7.29	$ 0.49	6%	$ 1.20	16%

GBank Financial Holdings Inc.

Consolidated Income Statements

(Unaudited)

($'s in 000, except per share data)	Three Months Ended Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Year-to-Date Jun 30, 2024	Jun 30, 2023
Interest Income							
Loans	$ 16,360	$ 15,330	$ 13,300	$ 10,763	$ 9,283	$ 31,690	$ 18,079
Invested Cash	1,165	972	1,136	985	1,079	2,137	2,327
Securities	868	1,014	1,092	1,123	1,129	1,882	2,220
Other Interest Bearing Balances	96	74	71	68	51	170	117
Total Interest Income	18,489	17,390	15,599	12,939	11,542	35,879	22,743
Interest Expense							
Deposits	6,848	6,198	4,621	3,070	2,517	13,046	4,016
Borrowed Funds	293	390	625	286	286	682	571
Total Interest Expense	7,141	6,588	5,246	3,356	2,803	13,728	4,587
Net Interest Income	11,348	10,802	10,353	9,583	8,739	22,151	18,156
Provision for Credit Losses - Loans	(283)	-	(458)	(226)	(408)	(283)	(408)
Provision for Credit Losses - Unfunded Commitments	(12)	(20)	-	-	-	(32)	-
Net Interest Income after Provision for Credit Losses	11,053	10,782	9,895	9,357	8,331	21,836	17,748
Other Income							
Gain on Sales of Loans	3,163	2,083	1,176	763	1,618	5,246	3,628
Loan Servicing Income	534	60	(87)	234	414	594	935
Other Income	469	262	207	210	284	731	614
Total Other Income	4,166	2,405	1,296	1,207	2,316	6,571	5,177
Noninterest Expenses							
Salaries, Wages and Employee Benefits	5,752	5,290	4,429	5,206	4,695	11,042	10,161
Occupancy Expenses	417	447	371	430	427	865	834
Other Operating Expenses	2,963	2,637	2,088	2,635	2,502	5,601	5,001
Total Noninterest Expenses	9,132	8,374	6,888	8,271	7,624	17,508	15,996
Income Before Income Taxes	6,087	4,813	4,303	2,293	3,023	10,899	6,929
Income Taxes	(1,411)	(1,112)	(774)	(516)	(725)	(2,523)	(1,316)
Net Income	$ 4,676	$ 3,701	$ 3,529	$ 1,777	$ 2,298	$ 8,376	$ 5,613
Earnings Per Share	$ 0.36	$ 0.29	$ 0.28	$ 0.14	$ 0.18	$ 0.65	$ 0.44
Earnings Per Share (Diluted)	$ 0.35	$ 0.28	$ 0.27	$ 0.14	$ 0.18	$ 0.63	$ 0.43

GBank Financial Holdings Inc.

Average Balances, Rates, and Interest Income and Expense

(Unaudited)

(Dollars in thousands)	For the Three Months Ended									For the Year-to-Date Ended					
	June 30, 2024			March 31, 2024			June 30, 2023			June 30, 2024			June 30, 2023		
	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate	Average Balance	Interest	Yield/ Rate
ASSETS:															
Interest Bearing Deposits With Banks	$ 80,062	$ 1,165	5.85%	$ 66,100	$ 972	5.91%	$ 79,480	$ 1,079	5.45%	$ 73,081	$ 2,137	5.88%	$ 90,445	$ 2,327	5.19%
Investment Securities:															
Taxable	73,696	868	4.74%	98,084	1,014	4.16%	112,267	1,129	4.03%	85,890	1,882	4.41%	110,737	2,220	4.04%
Loans, Net	789,516	16,360	8.33%	727,786	15,330	8.47%	454,158	9,283	8.20%	758,651	31,690	8.40%	436,797	18,079	8.35%
Restricted Investment in Bank Stock	4,400	96	8.78%	3,222	74	9.24%	2,944	51	6.95%	3,811	170	8.97%	2,420	117	9.75%
Total Earning Assets	947,674	18,489	7.85%	895,192	17,390	7.81%	648,849	11,542	7.13%	921,433	35,879	7.83%	640,399	22,743	7.16%
Cash and Due From Banks	6,302			5,935			6,533			6,119			6,206		
Other Assets	33,607			33,602			30,619			33,604			30,053		
Total Assets	$ 987,583			$ 934,729			$ 686,001			$ 961,156			$ 676,658		
LIABILITIES & SHAREHOLDERS' EQUITY															
Deposits:															
Interest-bearing Demand	$ 67,038	$ 395	2.37%	$ 65,303	$ 393	2.42%	$ 81,960	$ 493	2.41%	$ 66,170	$ 788	2.39%	$ 72,239	$ 719	2.01%
Money Market and Savings	217,081	2,137	3.96%	186,372	1,759	3.80%	143,394	1,068	2.99%	201,727	3,897	3.88%	137,355	1,829	2.69%
Certificates of Deposit	330,271	4,316	5.26%	309,221	4,046	5.26%	92,732	956	4.14%	319,746	8,361	5.26%	78,714	1,468	3.76%
Total Interest-Bearing Deposits	614,390	6,848	4.48%	560,896	6,198	4.44%	318,086	2,517	3.17%	587,643	13,046	4.46%	288,308	4,016	2.81%
Short-Term Borrowings	517	7	5.45%	7,583	104	5.50%	4	-	0.00%	4,049	111	5.51%	2	-	0.00%
Subordinated Debentures	26,040	286	4.42%	26,021	286	4.42%	25,964	286	4.42%	26,031	571	4.41%	25,955	571	4.44%
Total Interest-Bearing Liabilities	640,947	7,141	4.48%	594,500	6,588	4.46%	344,054	2,803	3.27%	617,723	13,728	4.47%	314,265	4,587	2.94%
Noninterest-bearing Deposits	220,842			220,767			235,369			220,804			258,495		
Other Liabilities	18,849			18,003			14,851			18,427			13,829		
Shareholders' Equity	106,945			101,459			91,727			104,202			90,068		
Total Liabilities & Shareholders' Equity	$ 987,583			$ 934,729			$ 686,001			$ 961,156			$ 676,657		
Net Interest Income		$ 11,348			$ 10,802			$ 8,739			$ 22,151			$ 18,156	
Total Yield on Earning Assets			7.85%			7.81%			7.13%			7.83%			7.16%
Cost on Interest-Bearing Liabilities			4.48%			4.46%			3.27%			4.47%			2.94%
Average Interest Spread			3.37%			3.36%			3.87%			3.36%			4.22%
Net Interest Margin			4.82%			4.85%			5.40%			4.83%			5.72%
Net Interest Margin (Bank Only)			4.94%			4.98%			5.58%			4.96%			5.90%

GBank Financial Holdings Inc.

Additional Financial Information

(Unaudited)

($'s in 000, except per share data)	Three Months Ended Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Year-to-Date Jun 30, 2024	Jun 30, 2023
Key Performance Metrics							
Return on Average Assets-Net Income	1.90%	1.59%	1.68%	1.01%	1.34%	1.75%	1.67%
Return on Average Stockholders' Equity	17.59%	14.67%	14.51%	7.50%	10.05%	16.17%	12.57%
Efficiency Ratio	58.86%	63.41%	59.13%	76.65%	68.96%	60.96%	68.56%
Consolidated Net Interest Margin	4.82%	4.85%	5.16%	5.71%	5.40%	4.83%	5.72%
Net Revenue	$ 15,514	$ 13,207	$ 11,649	$ 10,747	$ 11,010	$ 28,722	$ 23,224
Tangible common equity / tangible assets	11.0%	10.6%	10.7%	13.0%	13.5%	11.0%	13.5%
Tier 1 Leverage Ratio - Bank	12.88%	13.03%	14.06%	16.18%	15.92%	12.88%	15.92%
Selected Loan Metrics							
Guaranteed Portion of Loans Held for Sale	$ 39,143	$ 43,501	$ 89,362	$ 52,745	$ 47,481	$ 39,143	$ 47,481
Guaranteed Portion of Loans Held for Investment	213,009	215,966	115,607	38,333	125	213,009	125
Total Guaranteed Loans	252,152	259,467	204,969	91,078	47,606	252,152	47,606
Guaranteed Loans as a % of Gross Loans	31.0%	33.4%	30.0%	17.4%	10.4%	31.0%	10.4%
Asset Quality							
Total nonaccrual loans	$ 6,470	$ 6,096	$ 2,688	$ -	$ 7,118	$ 6,470	$ 7,118
Loans past due 90 days and still accruing	1,142	33	3,610	-	-	1,142	-
Other real estate owned	-	-	-	1,080	-	-	-
Total non-performing assets	7,612	6,129	6,298	1,080	7,118	7,612	7,118
Non-performing assets: guaranteed portion	5,396	4,572	4,724	-	5,264	5,396	5,264
Non-performing assets: non-guaranteed portion	2,216	1,557	1,574	1,080	1,854	2,216	1,854
Non-performing assets to total assets	0.75%	0.64%	0.69%	0.15%	1.04%	0.75%	1.04%
Net charge-offs	$ 29	$ -	$ -	$ 764	$ 100	$ 29	$ 100
Loans past due 30-89 days and accruing	$ 1,054	$ 3,428	$ 2,493	$ 1,842	$ 3,142	$ 1,054	$ 3,142
Allowance for Credit Losses (ACL)	$ 7,342	$ 7,088	$ 7,088	$ 6,630	$ 7,168	$ 7,342	$ 7,168
Nonaccrual loans	$ 6,470	$ 6,096	$ 2,688	$ -	$ 7,118	$ 6,470	$ 7,118
ACL to nonaccrual loans	113%	116%	264%	0%	101%	113%	101%
ACL to gross loans	0.90%	0.91%	1.04%	1.27%	1.56%	0.90%	1.56%
ACL to net loans, excl. Guaranteed	1.31%	1.37%	1.48%	1.54%	1.76%	1.31%	1.76%
Book Value							
Stockholders' Equity	$ 110,945	$ 102,566	$ 98,427	$ 94,609	$ 92,625	$ 110,945	$ 92,625
Common shares outstanding	13,061	12,824	12,747	12,715	12,701	13,061	12,701
Book value per common share	$ 8.49	$ 8.00	$ 7.72	$ 7.44	$ 7.29	$ 8.49	$ 7.29
Employees - FTE	155	150	163	163	158	155	158