July 22, 2021

GBank Financial Holdings Inc. Announces Quarterly Operating Earnings

LAS VEGAS, July 22, 2021 /PRNewswire/ -- GBank Financial Holdings Inc. ("GBank" or the "Company") (OTCQX: GBFH), the parent company for Bank of George (the "Bank"), today reported earnings increased 222% to $3.36 million, or $0.26 per diluted share for the second quarter of 2021, compared to $1.04 million, or $0.08 per diluted share for the first quarter of 2021. Year-to-date through June 30, 2021, earnings increased 199% to $4.40 million, or $0.34 per diluted share, compared to $1.47 million or $0.12 per diluted share for the year-to-date period ending June 30, 2020.

Second Quarter Financial Highlights (for the quarterly period ended and at June 30, 2021)

- Net income increased 222% to $3.36 million, compared to Q1 2021.
- Earnings per diluted share were $0.26, compared to $0.08 for Q1 2021.
- Allowance for loan losses was $5.86 million, compared to $5.41 million at March 31, 2021.
- Net interest margin was 3.21%, compared to 3.53% for Q1 2021.
- Total net revenues (net interest income plus noninterest income) increased 62% to $10.3 million, compared to $6.3 million for Q1 2021.
- Noninterest income increased 156% to $6.01 million, compared to $2.34 million for Q1 2021.
- Return on average assets was 2.49%, compared to 0.86% for Q1 2021.
- Return on average equity was 19.79%, compared to 6.39% for Q1 2021.
- Total assets increased 4.35% to $543 million, compared to $520 million at March 31, 2021.
- Interest income on loans increased 5.77% to $4.55 million, compared to $4.30 million for Q1 2021.
- Total deposits increased 5.57% to $462 million, compared to $438 million at March 31, 2021.
- Book value was $5.67 per share, compared to $5.39 per share at March 31, 2021.

Edward M. Nigro, GBank Executive Chairman, stated "Our performance in the second quarter reflects years of planning, work, and growth of our primary business models; outstanding implementation by our management team and staff; and the continued economic recovery from COVID."

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 June 30, 2021, the Bank no longer had any loans in deferral under this program.

Paycheck Protection Program

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 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 June 30, 2021 were approximately $30.4 million.

SBA

The Bank's SBA Division continues to grow, setting another new record for gain on sale income for Q2 2021.

In the first half of 2021, the Bank produced approximately $92 million in total loans originated, excluding Paycheck Protection Program ("PPP") loans. Year-to-date 2021 loan production is up 23.66% from the total loan originations of approximately $74.5 million during the first half of 2020.

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 from this program. At June 30, 2021, approximately $944 thousand of 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 with approximately $86 million in loans receiving support under this program at June 30, 2021.

FinTech

The Company's FinTech activities continue to demonstrate astonishing levels of growth. "Demand for cashless options for gaming are growing and our product is uniquely positioned to support these efforts," stated T. Ryan Sullivan, President/CEO. Total FinTech related accounts grew to approximately 550 thousand at June 30, 2021. This represents an increase of 118% from 298 thousand accounts at June 30, 2020. The Bank has experienced a corresponding increase in payment load volumes of 114% year-to-date to $348 thousand from $162 thousand during the first half of 2020. This has driven FinTech revenues up 74% to $210 thousand year-to-date from $121 thousand in the same period of the prior year.

Subordinated Notes Offering

On December 30, 2020, the Company completed its private placement of $6.5 million of 4.5% 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 approximately $22 million with $11 million related to FinTech activity. Loan balances are down $28 million since prior quarter due mostly to forgiveness of the PPP loans and SBA loans that are held for sale. The Bank continues to take advantage of favorable market conditions related to SBA loan sales.

Total assets increased 4.35% to approximately $543 million, compared to $520 million at March 31, 2021. Total deposits were also up 5.57% to approximately $462 million, compared to approximately $438 million at March 31, 2021. Shareholders' equity increased 4.35% to approximately $69.1 million, compared to approximately $65.7 million at March 31, 2021.

Operating Results

The Company's net interest margin was 3.22% compared to 3.67% in the previous quarter. The Company experienced negative impacts related to elevated liquidity on the balance sheet, contributing to the contraction in net interest margin during the first quarter. Total net revenues (net interest income plus noninterest income) increased 63.6% to $9.8 million, compared to $6 million in Q1 2021. Noninterest income increased 156% to $6 million, compared to $2.3 million in Q1 2021. Total interest income on loans increased 5.8% to $4.5 million, compared to $4.3 million in Q1 2021. The Revenues from FinTech held steady at $105 thousand from $106 thousand in Q1 2021.

Credit Quality

The provision for loan losses during Q2 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. GBank recorded a $450,000 provision for loan losses during the second quarter of 2021, compared to a $336,000 provision during the preceding quarter. The Company had approximately $5.86 million in allowance for loan losses at June 30, 2021, compared to approximately $5.41 million at March 31, 2021. The Bank holds no balances of other real estate owned and reports one lending relationship on non-accrual status for approximately $1.2 million at June 30, 2021. The allowance for loan losses to total net loans, excluding PPP and guaranteed balances, increased to 2.28% at June 30, 2021.

Earnings Call

The Company will host its quarterly earnings call on Tuesday, August 3, 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 813 2346 2853

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/81323462853 or by using the Zoom app on your smartphone.

Joining by Telephone
Dial (408) 638-0968. The conference ID is 813 2346 2853.

The Company

GBank Financial Holdings Inc. ("GBank" or the "Company") (GBFH), a bank holding company with approximately $544 million in assets at June 30, 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, FinTech Gaming, and Commercial Lending. The Bank conducts business nationally through its SBA lending activities (ranked 17th in the nation by the U.S. Small Business Administration for SBA 7(a) dollar loan volume through September 30, 2020) and its BankCard Services, LLC ("BCS") partnership. Launched in 2016, its FinTech Gaming 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.

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