



2023

GEORGIA BANKING COMPANY
ANNUAL REPORT



2023

[IN REVIEW]

GROWING TO NEW HEIGHTS TO BECOME
"THE BANK OF CHOICE."



NAMED A TOP WORKPLACE
by the Atlanta Journal-Constitution

**RECOGNIZED AS ONE OF
GEORGIA'S 500 MOST
INFLUENTIAL LEADERS**
by Georgia Trend



Bartow Morgan, Jr,
CEO



**NOMINATED FOR A
SMALL BUSINESS AWARD**
by the Gwinnett Chamber of Commerce

**RECOGNIZED FOR
CYBERSECURITY EXPERTISE**
by Microsoft



Neil Natic,
Chief Information
Officer



ADVERTISING TELLY AWARD
for Bank of Joyce Campaign

**INTERVIEW WITH A LEADER,
FEATURES CEO BARTOW MORGAN, JR.**
in "The Financial Brand"



LETTER FROM THE CEO



DEAR VALUED SHAREHOLDERS,

As we reflect upon the events of the past year, it is with great pleasure that I present to you the 2023 Annual Report for Georgia Banking Company (GBC). In a year marked by a rapid increase in interest rates, a notable exodus of deposits from the banking system, and the unfortunate closure of several financial institutions, the resilience of GBC has shone through. Despite the challenges faced by the industry, we continue to thrive.

Key highlights from the past year include the successful completion of our \$27 million capital raise, marking a significant milestone for GBC and positioning us well for future growth. The addition of our new Payments and Technology Banking line of business aligns exceedingly well with the bank's commercial focus and enhances our capabilities to serve a broader audience. Additionally, the opening of our Garden Hills location in the heart of Buckhead deepened our presence in an attractive and highly visible Metro Atlanta market.

What truly sets us apart is our strategic positioning, in a banking sector experiencing rapid transformation. Unlike some of our counterparts, we did not carry an outsized or longer duration securities portfolio, providing us with the agility to adapt swiftly to the changing landscape. The acute impact of rising interest rates and the subsequent departure of deposits in the first half of this year were felt industry-wide, as customer behavior shifted dramatically.

Our commitment to prudent asset generation and maintaining strong credit quality remains resolute. GBC's asset quality metrics have been stable throughout the year and compare very favorably to peers. Despite macroeconomic uncertainties and the impact of higher interest rates on asset generation, our solutions-oriented bankers delivered increased loan balances over the second half of the year. This dynamic response to market conditions

showcases the adaptability and attentiveness of GBC. Nevertheless, excess liquidity did lead to a contraction in net interest margin, putting pressure on earnings. I'm proud of the way our team continues to navigate challenges with a steadfast commitment to our core values and strategic vision, aiming to be the Bank of Choice in all the markets we serve.

I am optimistic about the broader outlook for GBC going forward, as we embrace a new phase of growth, while being realistic to the industry headwinds we will undoubtedly face. Like many of you, I will be a keen observer of the interest rate environment next year. Regardless of the Federal Reserve's near-term actions, we are managing the bank's balance sheet to produce attractive and sustainable long-term returns for our shareholders.

In closing, I would like to express my gratitude to our shareholders, whose trust and support have been instrumental in our success. Together, we will continue to navigate the dynamic landscape of the banking industry and strive for excellence. Thank you for your investment and confidence in Georgia Banking Company.

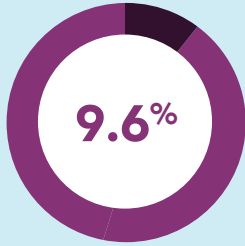
A handwritten signature in black ink that reads "Bartow Morgan, Jr." The signature is written in a cursive, professional style.

Bartow Morgan, Jr.
Chief Executive Officer

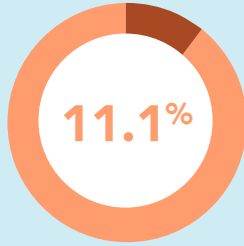


FINANCIAL PERFORMANCE HIGHLIGHTS

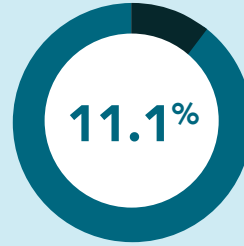
Capital Ratios



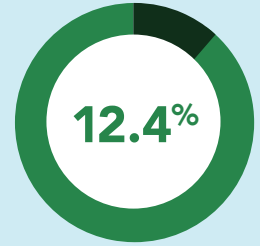
LEVERAGE RATIO



COMMON EQUITY TIER 1 CAPITAL RATIO

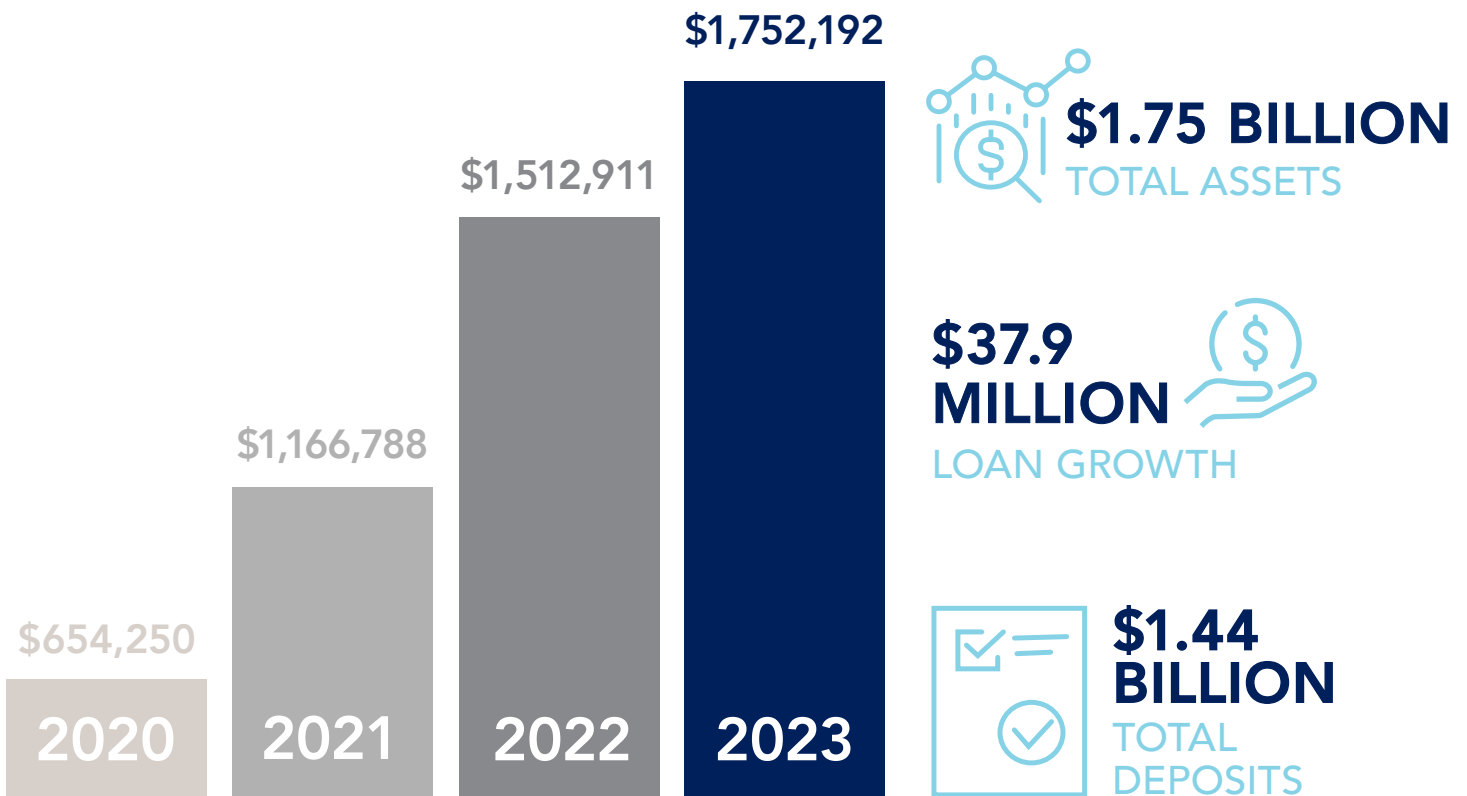


TIER 1 CAPITAL RATIO



TOTAL CAPITAL RATIO

Total Assets (In Thousands)



PAYMENTS & TECHNOLOGY BANKING



GBC Payments & Technology Team

In 2023, GBC expanded its services by introducing the Payments and Technology Banking Group (PTBG), positioning the bank at the forefront of meeting the unique needs of high-volume payment and financial technology companies. This strategic focus is designed to drive core deposits and non-interest income to GBC and sets the stage for GBC's growth in 2024 and beyond. By aligning services with the unique needs of these industries, GBC is poised to foster growth, build lasting relationships, and make substantial contributions to core deposits and fee income.

With over **70% OF THE WORLD'S PAYMENT TRANSACTIONS** processed by Georgia-based businesses, Atlanta provides a fertile ground for GBC's expansion.*

*2022 Technology Association of Georgia Fintech Ecosystem Report

Welcome New Treasury and Private Banking Team Members



KEN O'BARR
Treasury Solutions



NIKKI PARKER
Treasury Solutions

The Treasury Solutions team at GBC is crucial in helping businesses optimize their financial operations, manage risk, and achieve their strategic goals. In 2023, GBC welcomed two new senior Treasury Solutions Officers, Ken O'Barr and Nikki Parker. Each has a proven track record of success in the financial industry and demonstrates a deep understanding of treasury management. Ken and Nikki's dedication to delivering top-notch treasury solutions for our clients is pivotal in driving success for GBC.



TAS DENMAN
SVP and Private Banker

Tas Denman joined GBC as Senior Vice President and Private Banker. With 32 years of experience in the financial industry, Ms. Denman is recognized for her extensive expertise in structured lending, cash management, and financial planning. Throughout her banking career, she has consistently delivered comprehensive wealth plans encompassing trust, estate, insurance, investment solutions, and traditional banking services. Her commitment to helping clients build and sustain wealth aligns seamlessly with GBC's dedication to providing tailored financial solutions.



EXPANDING OUR MARKET PRESENCE

Looking ahead, GBC is poised for continued success, building on the momentum generated by our business development initiatives in the past year including the grand opening of Garden Hills, the re-branding of Griffin, a VIP after-hours event at Buckhead, quarterly networking events in our branches, and the 2023 Economic Outlook luncheon for c-suite attendees.



Quarterly Business After Hours at GBC Branches



Economic Outlook Luncheon January 2023



Griffin Re-Grand Opening September 2023

More than 96% of GBC's customers are **HIGHLY LIKELY TO RECOMMEND GBC** to friends and family.

Source: Customer Service Profiles, Inc.



Expanding our reach with the opening of Garden Hills



Garden Hills Grand Opening November 2023



Buckhead VIP Meet & Greet February 2023



COMMUNITY INVOLVEMENT



In 2023, GBC team members reported a record high number of volunteer hours of 2,377. A total of 67 employees donated their time and energies to 75 organizations during the year ranging from religious to athletic, and from civic to educational. Included in these hours are 358 hours of CRA volunteerism specifically benefiting low- to moderate-income individuals with professional services or financial literacy training.



We're thrilled to announce the successful conclusion of our Pay It Forward program! Together, we've had the privilege of supporting 45 incredible organizations, each dedicated to making a positive impact in our community. A big thank you to our GBC team for their donations and volunteerism. Your generosity has created ripples of kindness that will continue to touch lives long after this program concludes.



2023 FINANCIAL PERFORMANCE

As of and for the Years Ended December 31
(In thousands)

PERIOD-END BALANCE SHEET DATA:	2023	2022
Cash and cash equivalents	\$ 271,992	\$ 97,773
Securities available-for-sale	57,919	52,400
Securities held-to-maturity	18,903	12,930
Loans held for sale	213,032	223,222
Loans held for investment	1,102,724	1,064,792
Allowance for loan losses	(17,704)	(12,694)
Total assets	1,752,192	1,512,911
Noninterest-bearing deposits	297,637	344,350
Interest-bearing deposits	1,138,563	965,305
Total deposits	1,436,200	1,309,655
Borrowings	111,642	61,396
Total shareholders' equity	145,689	107,000

STATEMENT OF OPERATIONS DATA:		
Interest income	\$ 107,519	\$ 60,831
Interest expense	41,255	12,250
Net interest income	66,264	48,581
Provision for loan losses	1,689	3,212
Noninterest income	4,431	5,465
Salaries and employee benefits	32,199	29,111
Occupancy	6,628	4,218
Other noninterest expenses	11,564	10,331
Total noninterest expenses	50,391	43,660
Income tax expense	4,715	1,815
Net income	13,900	5,359

CAPITAL RATIOS:		
Leverage ratio	9.6%	10.0%
Common equity tier 1 capital ratio	11.1%	10.3%
Tier 1 capital ratio	11.1%	10.3%
Total capital ratio	12.4%	11.2%



CORPORATE LEADERSHIP

Executive Management



BARTOW MORGAN, JR.
Chief Executive Officer



RICHARD FAIREY
President & Chief Operating Officer



ROB COCHRAN
Chief Financial Officer



DAVID BLACK
Chief Risk Officer



J. CRAIG ADDISON
Chief Human Resources Officer

Board of Directors



JIM LIENTZ, CHAIRMAN
Partner, Safe Harbor Consulting



ART ANTON
Former Chairman & Chief Executive Officer of Swagelok Company



ROSS ARNOLD
President, Quest Capital Corporation
Chairman, Norcom, Inc.



SARAH BORDERS
Retired Partner, King & Spalding



MIKE CLARKE
Senior Portfolio Advisor, FJ Capital



JIM DEUTSCH
Partner, Patriot Financial Partners



DAVID FISHER
Executive Managing Director, Cresset Capital



LITT GLOVER
President & Chief Executive Officer, Batson-Cook Development Company



RYAN GLOVER
Chairman & Co-Founder, Greenwood, LLC



ELLIOTT MILLER
Former President & Chief Executive Officer, Georgia Banking Company



BARTOW MORGAN, JR.
Chief Executive Officer, Georgia Banking Company



SUNNY PARK
President, Global Sun Investments, Inc.



LEE TUCKER
Founding Partner, Mahaffey Pickens Tucker, LLP

InvestorCommunications@
GeorgiaBanking.com



LOCATIONS



1. ALPHARETTA

5225 Windward Parkway
Alpharetta, GA 30004

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (9:00 am – 4:00 pm)



2. BUCKHEAD

1776 Peachtree Street NW, Suite 150
Atlanta, GA 30309

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

WALK UP VTM HOURS*

Mon – Fri (8:00 am – 5:00 pm)



3. DULUTH

6340 Sugarloaf Parkway, Suite 100
Duluth, GA 30097

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (8:00 am – 5:00 pm)



4. GARDEN HILLS

2827 Peachtree Road NW
Atlanta, GA 30305

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (8:00 am – 5:00 pm)



5. GRIFFIN

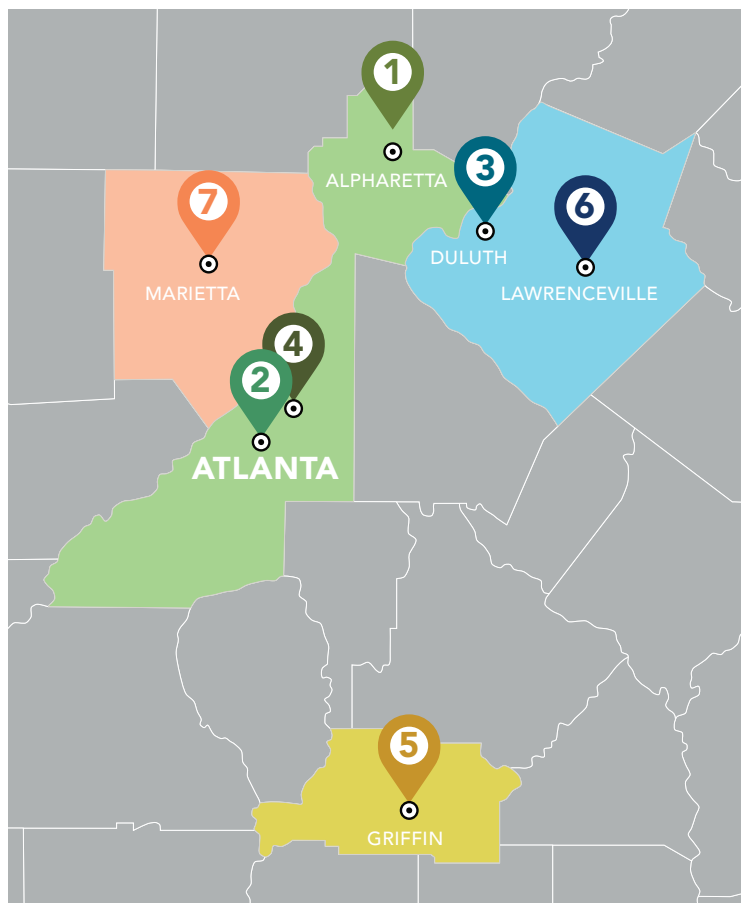
1624 North Expressway
Griffin, GA 30223

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (9:00 am – 4:00 pm)



6. LAWRENCEVILLE

690 Collins Hill Road
Lawrenceville, GA 30046

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (8:00 am – 5:00 pm)



7. MARIETTA

4895 Lower Roswell Road
Marietta, GA 30068

LOBBY HOURS

Mon – Fri (9:00 am – 4:00 pm)

DRIVE THRU HOURS

Mon – Fri (8:00 am – 5:00 pm)

*Virtual Teller Machine

All locations have 24/7 access to on-site Night Drop and ATM.





NMLS ID #418473



customer care@GeorgiaBanking.com | 866.711.4530 | GeorgiaBanking.com