Signature Bank of Georgia Reports Q123 Results

- Solid Earnings
- Expanded Net Interest Margin
- Capital, Liquidity, and Credit Quality Remain Strong
- Go and Grow Strategic initiatives are Rolling Out

Sandy Springs, GA., May 8, 2023 – Signature Bank of Georgia ("SBGA") (OTCPK: SGBG) is pleased to report results for the quarter ending March 31, 2023. Unaudited net income for the 1st quarter ending March 31, 2023, was $835M compared to a profit of $228M or a 266% increase over the 1st quarter of 2022.

Charlie Brown, CEO of Signature Bank of Georgia stated, "We were pleased with the Bank's first quarter financial performance. Loan growth was modest during the quarter, amounting to $2.9M as compared to the fourth quarter of the prior year. Loan growth was up 25% compared to the same period in 2022. The Bank's loan pipeline remains strong despite the higher cost of borrowing for clients, resulting from the unprecedented increases in interest rates by the Fed. For the quarter, the Bank's net interest margin improved to 5.47% from 4.21% as of December 31, 2022, and 3.06% compared to the first quarter of 2022. The Bank's net interest margin continued to benefit from the size of our variable rate loan portfolio which is 43% of total loan outstandings. The Fed raised interest rates by an additional .50% during the 1st quarter as they continued efforts to control the historic levels of inflation. The Bank continued to generate increased capital levels, as our leverage ratio increased to 11.83% from 10.09% at the end of Q122. The regulatory requirement as of January 1, 2023, was 8% for a Well Capitalized Institution," Brown added.

Total assets as of March 31, 2023, were $196.6 million, compared to total assets of $200.6 million as of December 31, 2022. Total loans, net of reserves, were $135.2 million and deposits were $172.1 million as of March 31, 2023, compared to net loan balances of $108.5 million, and deposits of $176 million, as of March 31, 2022. The Bank's deposits for the quarter were down $5MM, or 2.8%, from December 31, 2022, and down $4,331M quarter over quarter as clients continued to capitalize on aggressive deposit rates offered by internet banks and brokerage firms. Some continued to use their liquidity to reduce personal and/or business-related debt. Toward the end of the quarter, the Bank introduced a Certificate of Deposit special and adjusted its money market rates to help minimize additional outflows. Overall, the Bank's deposit base remains very stable resulting in a large part from its long-term and loyal client base. The Bank's asset quality remains strong as indicated by no past due loans at quarter-end, while Other Real Estate Owned was reduced by $800K in the first quarter of 2023. During the quarter, the Bank increased its allowance for lease and loans losses and reserve for unfunded commitments by $471K as the bank implemented CECL methodologies which became effective on January 1, 2023.

Freddie Deutsch, Executive Vice Chairman added, “the bank performed well and continued its positive momentum as we remain committed to responsible growth in a changing economic environment. While the economy remains on stable footing, the storm clouds we have been keeping tabs on for the past year remain on the horizon, and the recent banking industry disruption adds more risk. The banking situation is different from 2008 as the banking landscape is much smaller with fewer issues that need to be addressed. However, financial conditions will likely tighten as bankers become more conservative, and its impact on consumer spending is the wild card.

During the 1st quarter, the Bank successfully kicked off the previously announced $4-$7-million-dollar capital raise as a part of the “Go and Grow” strategy. Brown noted, “we are extremely humbled by the positive response and look forward to closing the campaign out at the maximum level by early June after the annual shareholder meeting which is required to do so. As a part the strategy, the bank added two new commercial bankers during the quarter as we look to meet our growth aspirations.”

Metric - YTD / 000's	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Net Income	$835	$2,071	$1,506	$653	$228
Net Interest Margin	5.47%	4.21%	3.79%	3.38%	3.06%
Total Assets	$196,580	$200,551	$208,083	$187,380	$200,037
Total Deposits	$172,086	$177,105	$185,386	$164,546	$176,417
Total Loans & Leases	$136,678	$133,805	$121,021	$123,923	$109,448
Net Loans and Leases	$135,194	$132,293	$120,027	$122,970	$108,495
Efficiency Ratio	71.90%	73.18%	75.99%	82.50%	86.53%
Assets per Employee	$7,021	$8,356	$9,047	$8,517	$8,697
Revenue per Employee	$466	$419	$381	$360	$317
Leverage Ratio (Core Capital)	11.83%	11.01%	10.99%	10.91%	10.09%
Tier 1 Risk-Based Capital Ratio	15.25%	15.05%	16.00%	15.40%	16.42%
Texas Ratio	15.00%	18.96%	22.02%	22.20%	21.38%
Loss Allowance to Gross Loans	1.09%	1.13%	0.82%	0.77%	0.87%
OREO	$3,556	$4,356	$4,623	$4,623	$4,623
Total - Past Due 30-89 Days	$0	$0	$0	$0	$0

Established in 2005, Signature Bank of Georgia is the only locally owned and operated community bank headquartered in Sandy Springs, Georgia, one of the most affluent communities in the country. The bank offers a full range of business and consumer deposit products and loans in the metropolitan Atlanta area and is a preferred lender with the Small Business administration. Giving back to the community is an integral part of the bank’s mission.

Signature Bank of Georgia is located at 6065 Roswell Road, Suite 110, located between Hammond and Hildebrand Drives and one Loan Production Office located in Suwanee at 1186 Satellite Blvd., Suite 100, with a second newly opened Loan Production Office located at 21 Eastbrook Bend, Suite 114, Peachtree City, GA Signature Bank of Georgia is listed on the OTC – Pink Market under the symbol “SGBG.” The Bank is not affiliated with Signature Bank of New York. For more information about Signature Bank or SBA Loans Atlanta, visit our websites at SignatureBankGA.com, SBALoansAtlanta.com or call Lawanna Saxon, Managing Director of Marketing at (404) 256-7702.