



GAINEY BUSINESS
BANCORP

(in organization)

Forward Looking Statements

This document includes forward-looking statements, which may be identified by words such as “may,” “will,” “expect,” “intend,” “anticipate,” “believe,” “estimate,” “plan,” “project,” “projection,” “could,” “should,” “would,” “continue,” “seek,” “target,” “forecast” and other similar words. Such statements include, but are not limited to, statements about future financial and operating results, the bank’s plans, objectives, estimates, expectations and intentions, and other statements that are not historical facts. These forward-looking statements are based on our current objectives, beliefs and expectations, and they are subject to significant risks and uncertainties that may cause actual results and financial position and timing of certain events to differ materially from the information in the forward-looking statements. These risks and uncertainties include, but are not limited to, those set forth in our Offering Circular dated November 2, 2017, under the caption “Risk Factors.” There may be other factors of which we are not currently aware that may affect matters discussed in the forward-looking statements and may also cause actual results to differ materially from those discussed. We do not assume any obligation to publicly update or supplement any forward-looking statement to reflect actual results, changes in assumptions or changes in other factors affecting these forward-looking statements other than as required by law. Any forward-looking statements speak only as of the date hereof or as of the dates indicated in the statements.

SUCCESSFUL INVESTMENT ATTRIBUTES

- ❑ OPPORTUNITY
- ❑ TIMING
- ❑ EXECUTION
- ❑ FINANCIAL RETURN

Gainey Business Bancorp meets them all!!



OPPORTUNITY - WHY OPEN A COMMUNITY BANK?

❑ Market Opportunity

- Large and growing underserved banking needs of SMB market
 - 97% of Arizona businesses are small businesses
 - Over 11,000 businesses under \$10 million annual sales in primary market
 - Nearly 50% of small business loans are made by community banks
- Maricopa County fastest growing in the United States
 - Leads the nation in population and job growth
- In excess of \$8 Billion in total deposits in primary market

“The vast majority of businesses in Arizona are small businesses. Thus we should be doing everything possible to help more de novo community banks arrive and thrive here”

—Paul Hickman, President and CEO Arizona Bankers Association



OPPORTUNITY – LIMITED COMPETITION – Phoenix Metro Market

☐ Only 4 community banks in Phoenix metro

- 2008 = 32 Community banks; 2020 = 4 community banks
 - Only one branch in target geography
- Only 12 Community banks in Arizona (CO-72; UT-30; NM-34)

☐ 24 out-of-state regional & large banks

- Focus on medium / large business markets

☐ 3 credit unions

- Focus 1-4 family real estate and vehicle loans

☐ Non-Bank Financial Institutions

- Attract funds and provide funds from outside primary service area

GBB only needs to capture 2% of the market share to achieve its conservative business plan projections



OPPORTUNITY - STRONG MARKET DEMOGRAPHICS

Businesses with estimated annual sales less than \$10 million

10,700

Healthcare Services

16%

Professional/Tech/Scientific

14%



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Market area is only served by a single office of a local bank and a branch office of a community bank based outside of the market

16%

Finance/Insurance/Real Estate

110%

200 businesses per every 1,000 Households. This is double the national average and 110% more than Phoenix

TIMING - WHY OPEN IT NOW?

As of this writing the ten (10) year period of U.S. economic expansion has been severely impacted by the Global Pandemic caused by the Coronavirus (COVID-19). In the wake of the COVID-19 outbreak, the U.S. economy has begun to suffer major disruptions. In response, the U.S. Congress passed the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

It is a package of measures in response to the COVID-19 pandemic. The Act seeks to provide economic support to the business sector, employees, individuals and families. It also specifically addresses industries that have been impacted the most, including air transportation, healthcare and education. Highlights of the Act include immediate tax rebates of up to \$1,200 per taxpayer; forgivable, subsidized loans to small businesses; direct loans to hardest hit industries; the relaxation of income tax rules and deadlines; ongoing financial aid to students, schools, and colleges; and direct stabilization of money market mutual funds.



TIMING - WHY OPEN IT NOW?

- ❑ GBB Management and Directors believe strongly that some market disruption, distraction among Bank competitors, provides an environment with some positive features for GBB. By comparison, an unabated economy with very strong Bank competitors might offer limited potential for GBB.
 - Over 20% of small businesses likely to switch banks due to frustration...(Greenwich Assoc. Survey)
- ❑ Certain Bank's in GBB's target market will likely be inwardly focused, as they address some deterioration in their credit portfolios. GBB with fresh capital and no "bad loans" will be poised to opportunistically benefit from this situation.
- ❑ In addition, while it is not GBB's primary strategy to achieve growth, some competitor banks may become undercapitalized leading to their seeking a partner to move past the crisis. Separately, some may offer the sale of partial portfolios to raise capital. GBB will seek to achieve some level of optionality to benefit from these potential situations.



TIMING - WHY OPEN IT NOW?

- ❑ Favorable regulatory and tax environment
 - Reduced required capital levels; simplified capital rules
 - Further changes under review
 - Reduced corporate tax rate
- ❑ Regulator recognition of need for more community banks
 - FDIC approval time shortened
 - “de novo” period shortened to 3-years vs. 7-years
- ❑ No new Arizona community banks since 2010
 - Nationally only 30 approved since 2008 vs. 100+/year historically
- ❑ SMB market opportunity / need exists now!
 - Small business optimism has been strong
 - Maricopa County fastest growth in nation
- ❑ Large void serving SMB market; only four Metro-Phoenix community banks

“The FDIC wants to see more de novo banks, and we are hard at work to make this a reality.”

- Jelena McWilliams, FDIC Chair (December 2018)



EXECUTION - WHY WE WILL WIN – KEY DIFFERENTIATORS

Market Segment Focused

For example, Healthcare, Technology, etc.

Performance & Service Driven

Focused on providing financial solutions and business success opportunities for our customers, building relationships with mutual respect and trust

Management knows Arizona

Led and staffed by experienced **LOCAL** management, with local decision-making and face-to-face contact



Customer Intimacy

Understanding the **LOCAL** market, each customer's unique business needs, flexible to adapt and offer new products to meet evolving needs

Speed and Access-Delivery Excellence

Consistently being accessible and highly responsive to our customers

Customer Service Excellence!!



EXECUTION – BUSINESS GROWTH

❑ Customer Focus

- Develop small and medium (SMB) size business relationships
 - Cash management tools
 - Loan products and web-based services

❑ Loan Diversification Strategy

- Focus on SMB lending including SBA loans; working capital lending; equipment finance; and owner-occupied real estate loans

❑ Deposit Strategy

- SMB's have larger concentration of transaction accounts that are no or low interest deposits
- Reduce reliance on CD's and brokered deposits
- Provide consistently competitive deposit products

❑ Acquisitions

- While not a principal strategy, maintain openness to acquisition of asset portfolios or capital constrained bank(s)



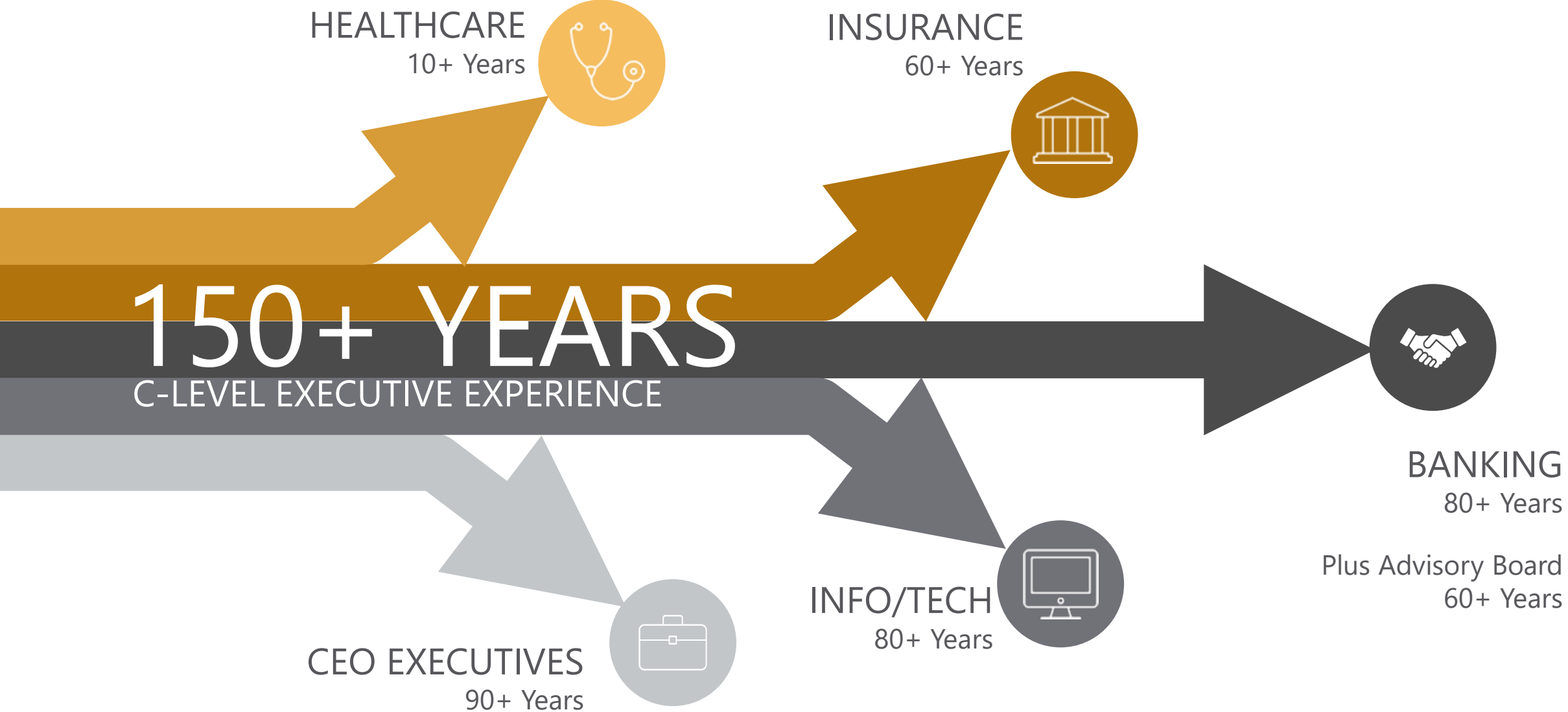
EXECUTION - MANAGEMENT = STRONG LOCAL MARKET EXPERIENCE

- ❑ President & Chief Executive Officer – Joseph Stewart
 - Extensive management experience in **local** market, significant portion being in C&I lending
 - 13 years as Arizona market president for JPMorgan Chase and Bankers Trust
 - Strategic visionary, a builder
 - Results oriented consistent history of operating success
 - Proven track record of entrepreneurial success
- ❑ Executive Vice President & Chief Credit Officer – Scott Summers
 - 35+ years of executive management banking experience in local market
 - Extensive successful experience in credit administration
 - Prior credit leadership positions at Valley National Bank and National Bank of Arizona
- ❑ Executive Vice President & Chief Financial Officer – James Maloney
 - 14+ years of experience as community bank CFO; two years Phoenix market
 - Co-founder in successfully starting a community bank
 - Strong operations and technology management as well as CFO
 - Extensive experience with regulators

Experienced and Performance Driven Team



EXECUTION-BOARD OF DIRECTORS = ROBUST RELEVANT INDUSTRY EXPERIENCE



BOARD OF DIRECTORS

JIM UNRUH CHAIRMAN

Principal, Alerion Capital & Former Chairman, Unisys

JOE STEWART PRESIDENT & CEO

Former Bank CEO

MICHAEL MILLER VICE-CHAIRMAN

CEO, Ategrity Insurance, 32 years Nationwide Insurance Executive

BRIAN DULING TREASURER

Former Exec at Trimble, AT&T & 25 years as High-Tech CFO

JIM BREWER DIRECTOR

Former Bank CEO

GONZALO de la MELENA, JR. DIRECTOR

edmVentures, LLC

Former President, Arizona Hispanic Chamber of Commerce

PREET SAINI DIRECTOR

Small Business Owner & Former Executive at GoDaddy

INDER SINGH DIRECTOR

Former CIO of Visa International, Bank of America, and LifeLock

MELISSA TRUJILLO DIRECTOR

President/CEO & Co-Founder, Be A Leader Foundation;
COO/CFO, Cambios Y Servicios, Inc., Athena Award Finalist

ADVISORY BOARD

RICH VOGEL*

FORMER BANK CHAIRMAN/CEO
KEY GAINNEY BANK MEMBER

RYAN ANDERSEN*

CEO / FOUNDER - SEN CAPITAL
FORMER BANK EXECUTIVE

MICHAEL BROWN

BROWN HOMES

TODD BROWN

PARTNER – INSIGHT ADVISORY PARTNERS

BEN GARDIER

EVP FINANCE – PEM REAL ESTATE

CLARENCE McALLISTER

CO-FOUNDER AND CEO - FORTIS
MINORITY BUSINESS OF THE YEAR

JEFF McKEEVER*

FOUNDER & CEO, MICROAGE, LLC
FORMER DIRECTOR FIRST INTERSTATE BANK

INGRID MURRO-BOTERO

MURRO CONSULTING
ATHENA AWARD WINNER

MIKE TULLY

RETIRED PAST CEO OF AAA ARIZONA

DR. C.J. FRANDRUP

M.D., PRESIDENT & FOUNDER OF
ALLPRIA HEALTHCARE

DR. ED JOHNSON

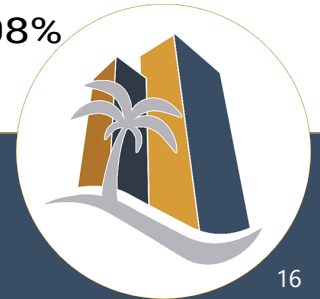
PRESIDENT – UNIVERSITY GROWTH
SOLUTIONS

*Banking experience

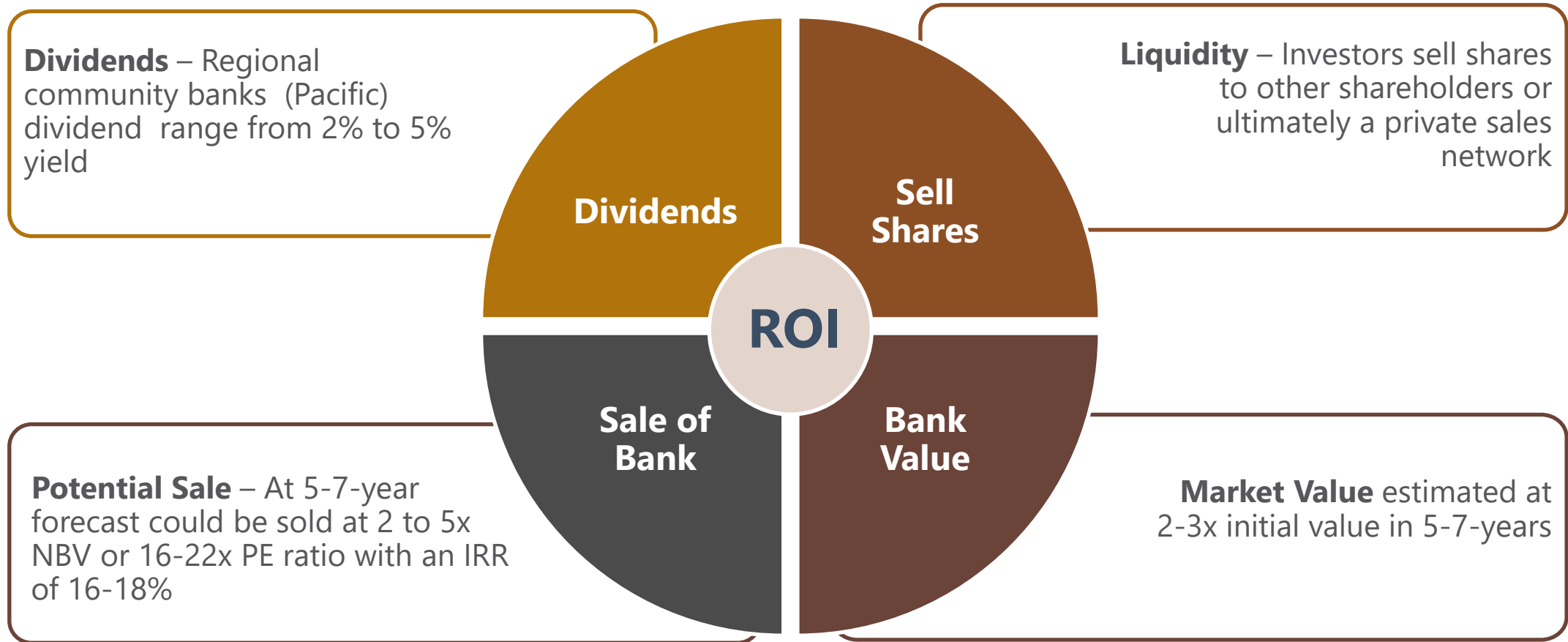
FINANCIAL PROJECTIONS

Base Case: \$15M Initial Capital, Organic Growth No Acquisitions						
Balance Sheet (\$000)	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Loans		14,339	41,812	71,539	99,191	125,001
Total Assets		28,071	60,575	101,822	139,118	174,753
Total Deposits		15,932	49,191	89,424	123,988	156,252
Total Capital	15,000	12,004	11,094	11,903	14,452	17,645
Income Statement (\$000)		Year 1	Year 2	Year 3	Year 4	Year 5
Interest Income		492	1,810	3,778	5,687	7,482
Net Interest Income		471	1,693	3,450	5,190	6,829
Provision for Loan Loss		123	306	413	583	919
Net Income		(1,805)	(950)	779	2,522	3,170
Tier 1 Capital Ratio		44.7%	19.2%	12.1%	10.6%	10.3%
Loans/Deposits		90.0%	85.0%	80.0%	80.0%	80.0%
Reserve/Gross Loans		0.85%	0.95%	0.99%	1.04%	1.08%

Value Creation: Charter Value + Operating Performance + Control Premium



FINANCIAL PROJECTIONS - POSSIBLE RETURN ON INVESTMENT



Our goal: IRR of 16-18%



CONCLUSION

- ❑ Our mission is to grow and develop the premier locally-owned, local decision-making community bank in Arizona, providing an attractive ROI for our shareholders.
- ❑ The Bank's focus will be commercial and industrial loans supporting the development of businesses and therefore our community. The Bank will offer its customers a full complement of financial products and services, utilizing a delivery platform which is focused on exceptional, efficient and highly responsive service.
- ❑ Current, greatly diminished presence of community banks (4) in Phoenix Metro Area provides an unusual opportunity to start and grow a profitable Phoenix based community bank.
- ❑ Excellent investment opportunity
 - The team is strong!
 - The team is ready!



QUESTIONS?



STOCK PURCHASE TERMS & COMMITMENTS



Number of shares

a minimum of 1,500,000 shares and a maximum of 2,000,000 shares



Costs of shares

\$10 per share



Minimum & Maximum Investment

Minimum 5,000 shares (\$50,000) and a practical maximum of 9.9% of total capital raised



Are there any restrictions on who can invest?

No, the bank securities are exempt securities. Anyone can invest in the State of Arizona; however, regulations vary by state and investors outside of Arizona should contact us to learn more.



Board of Directors financial commitment

The BOD / organizers have already invested over \$500,000 and have committed in excess of \$1 Million

Your funds will stay in an escrow account until FDIC approval is received



APPENDIX-POTENTIAL INVESTMENT MULTIPLE (\$100K INVESTMENT)

