



INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

INBANKSHARES, CORP REPORTS FOURTH QUARTER 2021 FINANCIAL RESULTS

Company achieved 27% core loan growth and 49% noninterest-bearing deposit growth year-over-year, and doubled full year earnings per share during 2021

Denver, CO – January 27, 2022 – InBankshares, Corp (OTCQX: INBC) (the “Company”), parent company of InBank (“InBank” or the “Bank”), today reported its financial results for the quarter ended December 31, 2021. All results are unaudited.

Highlights for the quarter and full year:

- Quarterly net income of \$690,000, or \$0.09 per share, compared to \$621,000, or \$0.08 per share for the linked quarter, and \$237,000, or \$0.03 per share for Q4-2020
- Full year 2021 net income of \$2.7 million, or \$0.36 per share, compared to the \$1.3 million, or \$0.18 per share, for full year 2020
- Core loan growth, excluding SBA Paycheck Protection Program (“PPP”) loans, of \$19.8 million, or 5.0%, when compared to the linked quarter and up \$88.3 million, or 26.9%, compared to Q4-2020
- Total deposit growth of \$27.2 million, or 4.5%, when compared to the linked quarter and up \$146.2 million, or 30.4%, compared to Q4-2020; noninterest-bearing deposits accounted for \$9.9 million and \$84.4 million of the quarterly and year-over-year deposit growth, respectively
- Net interest margin was 3.33%, compared to 3.45% for the linked quarter and 3.56% for Q4-2020
- Deposit costs decreased to 0.14% in the quarter, a decrease of 3 basis points from the linked quarter, and a decrease of 13 basis points from Q4-2020
- Total funding costs increased to 0.29% in the quarter, an increase of 8 basis points from the linked quarter, and a decrease of 2 basis points from Q4-2020
- Non-performing assets were 0.13% of assets, up 3 basis points from 0.10% in the linked quarter, and decreased 12 basis points from 0.25% in Q4-2020

“2021 has been an exciting year for InBankshares with continued growth and the announcement of the merger with Legacy Bank that we expect to close in the second quarter of 2022,” said Ed Francis, Chairman of the Board, President and Chief Executive Officer of the Company and InBank. “I am proud of what the InBank team was able to accomplish. Our annual core loan growth of 27% and annual deposit growth of 30% is a reflection of our teams’ commitment to winning market share. As we scale, we continue

to improve our efficiency. We are pleased to see our earnings per share and pre-provision pre-tax net revenue ("PPNR") improve on the heels of our investments in people and technology. During the fourth quarter, our PPNR grew 24% to \$1.4 million, and for full year 2021, our PPNR grew 76% to \$4.9 million, and our earnings per share doubled compared to full year 2020."

"One of the other highlights of the quarter was the announcement on November 30, 2021 of the proposed merger with Legacy Bank, which will merge Legacy Bank with and into InBank. Legacy Bank brings an experienced team of commercial bankers and strong operating results to the combined company. Legacy Bank had a solid full year 2021 and just reported approximately \$6.4 million in C-corporation adjusted full year earnings (Legacy is an S-corporation, assuming a 22% tax rate) and ended the year with \$498 million in assets at December 31, 2021. Both the InBank and Legacy teams are working diligently on integration activities, and we expect to close the merger early in the second quarter of 2022 and complete the system conversion during the third quarter of 2022. I remain confident that this will be a transformational merger for InBank with the potential to gain significant scale and operating leverage, increase our market capitalization, and significantly improve our earnings power."

Results of Operations

Net income for the fourth quarter of 2021 was \$690,000, or \$0.09 per share, compared to net income of \$621,000, or \$0.08 per share, for the linked quarter, and \$237,000, or \$0.03 per share, for the same quarter last year. The increase over the linked quarter was primarily the result of an increase in net interest income and a decrease in noninterest expense and loan loss provision expense, which were partially offset by a decrease in noninterest income. The increase from the same quarter last year was primarily the result of an increase in net interest income, partially offset by a decrease in noninterest income due to a gain on sale of securities of \$612,000 in Q4-2020. Net income for full year 2021 was \$2.7 million, or \$0.36 per share, representing an increase of 115.3% compared to \$1.3 million, or \$0.18 per share for full year 2020.

Net interest margin (NIM), expressed as net interest income as a percentage of average earning assets, was 3.33% during the fourth quarter of 2021, compared to 3.45% during the linked quarter, and 3.56% during the same quarter last year. NIM for full year 2021 was 3.61%, compared to 3.86% for full year 2020.

Net interest income for the fourth quarter of 2021 was \$5.9 million, an increase of \$46,000, or 0.8%, over the linked quarter, and an increase of \$696,000, or 13.3%, over the same quarter last year.

- Interest income increased to \$6.4 million from \$6.2 million during the linked quarter and increased from \$5.7 million during the same quarter last year.
 - The increase from the linked quarter was primarily due to increased balances and yields on investment securities.
 - The increase compared to same quarter last year was primarily the result of increases in core loans and investment securities balances.
- Interest expense increased to \$492,000 from \$329,000 during the linked quarter and increased from \$421,000 during the same quarter last year.

- The increase over the linked quarter was primarily due to an increase in the interest on subordinated debentures as the Company completed a \$20 million private placement of 3.75% Fixed-to-Floating Rate Subordinated Notes (see more below).
- The increase from the same quarter last year was due to an increase in the interest on subordinated debentures, which was partially offset by decreases in interest on deposits and decreased volumes of other short-term borrowings.

Noninterest income for the fourth quarter of 2021 was \$934,000, a decrease of \$160,000, or 14.6%, over the linked quarter, and a decrease of \$117,000, or 11.1%, from the same quarter last year. The decrease over the linked quarter was primarily due to a gain on sale of investment securities and a one-time restitution payment from one of the Bank's vendors that took place in the third quarter. The decrease from the same quarter last year was due to a significant gain on sale of investment securities in the fourth quarter of 2020. For full year 2021, noninterest income was \$3.4 million, which was flat compared to \$3.4 million for full year 2020. Increases in core noninterest income completely offset the decrease of \$1.5 million in gain on sale of investment securities.

Noninterest expense for the fourth quarter of 2021 was \$5.7 million, a decrease of \$101,000, or 1.7% when compared to the linked quarter, and an increase of \$71,000, or 1.3%, for the same quarter last year. The decrease over the linked quarter was primarily due to decreases in salaries and employee benefits expense, primarily due to fourth quarter adjustments for incentive compensation, other benefit accruals, and lower payroll taxes, partially offset by recording \$292,000 in merger and acquisition expense in connection with the Legacy Bank transaction. The increase over the same quarter last year was primarily due to the merger and acquisition expense this quarter, partially offset by a reduction in salaries and employee benefits expense. Full year 2021 noninterest expense was \$22.9 million, an increase of 13.2% compared to \$20.2 million for full year 2020. The increase was primarily due to increases in salaries and employee benefits, data processing and software expense, and merger and acquisition expense as we determined to invest in people and technology to support our growth.

The Company's efficiency ratio, which excludes gain on sales of securities and merger and acquisition expense, was 79.2% in the fourth quarter of 2021, compared with 85.1% in the linked quarter and 99.7% in the fourth quarter of 2020.

Balance Sheet Summary

Total assets were \$746.1 million at December 31, 2021, an increase of \$38.5 million, or 5.4%, from \$707.6 million at September 30, 2021. During the quarter, there was an increase in investment securities of \$18.5 million, an increase in cash and cash equivalents of \$13.9 million, and an increase in total loans held-for-investment of \$5.8 million due to an increase of core loans of \$19.8 million, partially offset by a decrease of PPP loans of \$14.0 million. Investment securities and reverse repurchase agreements combined were \$235.1 million and total cash and equivalents were \$56.3 million at December 31, 2021, which combined represented 39.1% of total assets. Total assets increased \$137.4, or 22.6%, over the same quarter last year, primarily as a result of increases in investments and core loans.

Total deposits were \$627.7 million at December 31, 2021, an increase of \$27.2 million, or 4.5%, from \$600.6 million at September 30, 2021, and increased by \$146.2 million, or 30.4%, compared to \$481.6 million at December 31, 2020. Noninterest-bearing deposits grew by 4.0% from the linked quarter, grew by 49.3% from December 31, 2020, and represented 40.7% of total deposits at December 31, 2021.

Total loans held-for-investment ("HFI"), which excluded loans held-for-sale ("HFS"), were \$431.3 million at December 31, 2021, compared to \$425.5 million at September 30, 2021, which was an increase of \$5.8 million, or 1.4%. Total loans HFI increased \$20.4 million, or 5.0%, from December 31, 2020.

- PPP loan balances were \$15.0 million at December 31, 2021 compared to \$29.0 million at September 30, 2021 and \$82.9 million at December 31, 2020.
- During the quarter, the Company continued to assist its customers through the loan forgiveness application process on the PPP loans originated in 2020 from the first round of the PPP program ("PPP1") and the loans originated in 2021 from the second round of the PPP program ("PPP2"). As of December 31, 2021, there were approximately \$331,000 remaining in fees to be recognized upon forgiveness or repayment of PPP loans.
- Excluding PPP loans, core loans were \$416.3 million at December 31, 2021, an increase of \$19.8 million, or 5.0% during the quarter, and increased \$88.3 million, or 26.9%, from December 31, 2020.

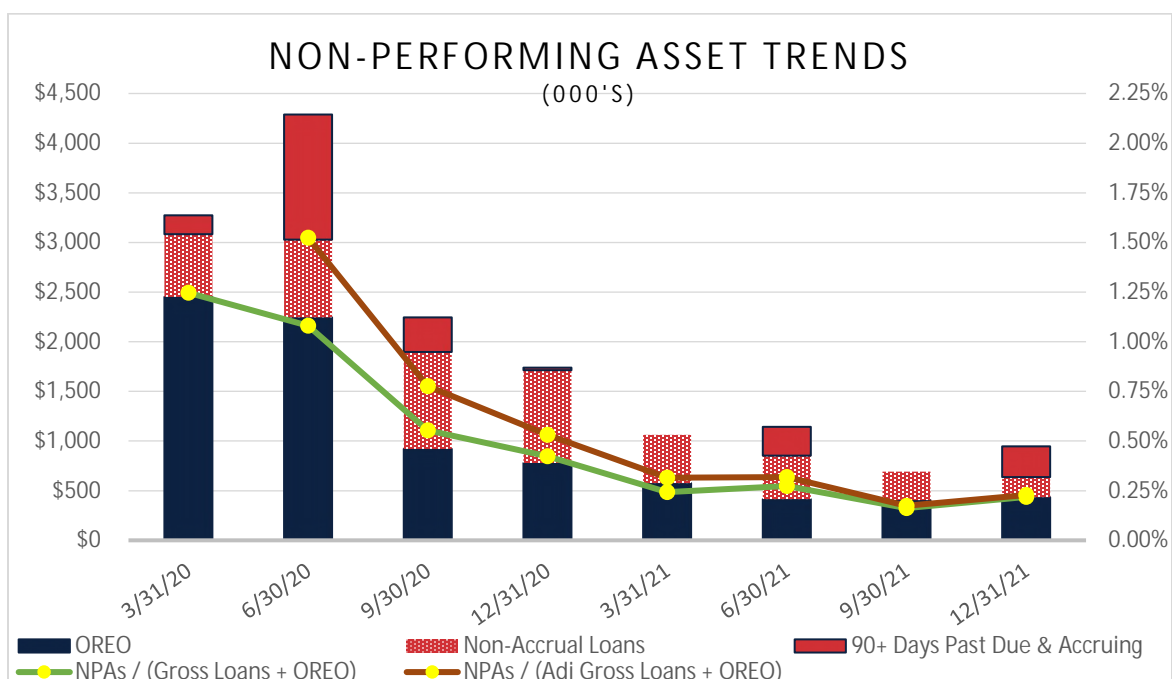
Subordinated debentures and short-term borrowings, on October 4, 2021 the Company announced the completion of a private placement of \$20 million of 3.75% Fixed-to-Floating Rate Subordinated Notes due 2031. The notes will mature on October 31, 2031 and will initially bear interest at a rate equal to 3.75% per annum from and including October 1, 2021 to, but excluding, October 31, 2026, payable quarterly in arrears. Thereafter, the notes will bear interest at a floating rate per annum equal to a benchmark rate, which is expected to be Three-Month Term Secured Overnight Financing Rate, plus a spread of 293 basis points, payable quarterly in arrears. After five years, the Company at its option may redeem the notes in whole or in part, on any interest payment date, at an amount equal to one hundred percent (100%) of the outstanding principal amount being redeemed plus accrued but unpaid interest, to but excluding the redemption date. The notes are intended to qualify as Tier 2 capital for regulatory purposes.

Also, during the fourth quarter of 2021, the Company paid off the balance of its short-term borrowings, decreasing \$10.0 million compared to the linked quarter, and decreasing \$39.5 million from December 31, 2020.

Asset Quality

Nonperforming assets, which include nonperforming loans and other real estate owned ("OREO"), increased \$257,000 to \$948,000, or 0.13% of total assets at December 31, 2021, compared to \$691,000, or 0.10% of total assets at September 30, 2021, and compared to \$1.7 million, or 0.25% of total assets at December 31, 2020. Nonperforming loans, which include non-accrual loans and loans more than 90 days past due and still accruing, were \$512,000, or 0.12% of total loans HFI at December 31, 2021, compared to

\$287,000, or 0.07% of total loans HFI at September 30, 2021. OREO balances increased \$32,000 to \$436,000 at December 31, 2021, compared to \$404,000 at September 30, 2021.



Loans delinquent (past due) 30-89 days were \$5.0 million, or 1.17% of total loans HFI at December 31, 2021, compared to \$1.3 million, or 0.30% of total loans at September 30, 2021. This increase was largely due to a single real estate loan with respect to which the Bank intends to use all measures of collection at its disposal to collect the debt, including foreclosure if necessary. The Bank believes the loan is well-secured and adequately reserved for.

The allowance for loan and lease losses ("ALLL") totaled \$3.4 million, or 0.78% of total loans HFI at December 31, 2021. If PPP loans were excluded, the ALLL represented 0.81% of loans HFI (excl PPP) at December 31, 2021. As of December 31, 2021, the Company also had \$3.4 million in purchase discounts on loans acquired in the acquisition of the Bank in 2018. When combined, the purchase discounts and ALLL represent 1.58% of total loans HFI at the end of the quarter. Provision for loan losses expense for the quarter ended December 31, 2021 totaled \$240,000, compared to \$375,000 for the quarter ended September 30, 2021 and \$353,000 for the quarter ended December 31, 2020. The Company recorded \$75,000 of net recoveries for the fourth quarter of 2021.

Loan modification programs: During the second quarter of 2020, InBank rolled out InNeed, two programs for loan deferrals for borrowers that were adversely affected by the COVID-19 pandemic. The programs allowed an interest-only option for 90 days or a 90-day total payment deferral (interest and principal). The programs were discontinued during the first quarter of 2021. 57 borrowers participated in the programs and all borrowers have remained current since returning to fully amortizing payments.

Capital

Capital Ratios of the Company and InBank continue to exceed the “well-capitalized” regulatory thresholds. At December 31, 2021, InBank’s leverage ratio was 9.13% and the total risk-based capital ratio was 12.95%. During the fourth quarter, the Company downstreamed \$0.5 million of capital into InBank. For the full year 2021, the Company downstreamed \$10 million of capital into InBank to support the growth in assets.

At December 31, 2021, the Company had tangible common equity (total stockholders’ equity less intangible assets) of \$67.3 million and \$8.41 tangible book value per share, with 8,000,150 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$795,000 and \$5.9 million during the fourth quarter and full year 2021, respectively. The increase for full year 2021 was due to an increase in common stock, surplus and retained earnings of \$8.2 million, which included raising \$5.0 million in common equity in the second quarter 2021, partially offset by a decrease of \$2.9 million in accumulated other comprehensive income (i.e., unrealized gain (losses) on investments available for sale). The Company’s tangible common equity to tangible assets ratio was 9.14% at December 31, 2021. The Company and the Bank paid no dividends during the fourth quarter or during the full year 2021.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures include “efficiency ratio,” “tangible common equity,” “tangible common equity to tangible assets,” “tangible book value per share,” and “pre-provision net revenue, or PPNR.” Efficiency ratio is computed by dividing noninterest expense by the sum of net interest income and noninterest income, excluding gain on sale of investment securities and merger and acquisition expense. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders’ equity. Tangible common equity to tangible assets is computed by dividing total assets, less goodwill and core deposit intangibles, by tangible common equity. Tangible book value per share is computed by dividing tangible common equity by common shares outstanding. PPNR is computed by adding provision for loan losses expense, merger and acquisition expense, and income tax expense to net income. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company’s financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

About InBankshares, Corp

InBankshares, Corp is the holding company for InBank, an independent commercial bank growing throughout the Colorado Front Range and serving southern Colorado and northern New Mexico markets. InBank offers a full suite of commercial, business, personal and mortgage banking solutions with a focus on

personalized service, technology and local decision-making. InBank was built on the entrepreneurial spirit and is led by a team of experienced banking professionals committed to the mission of positively impacting the lives of its customers, communities and associates. For more information, visit www.InBank.com.

Forward-Looking Statements

This press release contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements preceded by, followed by, or that include the words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "projects," "outlook" or similar expressions. These statements are based upon the current belief and expectations of the Company's management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company's control). Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any other person that the future events, plans, or expectations contemplated by the Company will be achieved.

All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

For further information:

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InBankshares, Corp
Consolidated Statements of Condition (Unaudited)
(Dollars in thousands except per share data)

	<u>December 31, 2021</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>
ASSETS			
Cash and due from banks	\$ 4,915	\$ 5,815	\$ 6,688
Interest-bearing deposits in banks	51,393	36,621	32,704
Total cash and cash equivalents	<u>56,308</u>	<u>42,436</u>	<u>39,392</u>
Investment securities	230,025	211,477	128,129
Reverse repurchase agreements	5,104	5,157	-
Nonmarketable equity securities	3,507	3,209	2,301
Loans held for sale	1,282	643	7,497
PPP loan balance	14,995	29,013	82,888
Loans HFI, excluding PPP	416,288	396,506	327,978
Total loans held for investment	<u>431,283</u>	<u>425,519</u>	<u>410,866</u>
Allowance for loan losses	(3,374)	(3,059)	(2,151)
Net loans	<u>427,909</u>	<u>422,460</u>	<u>408,715</u>
Premises and equipment, net	6,683	7,100	7,435
Other real estate owned	436	404	778
Goodwill	7,944	7,944	7,944
Core deposit intangible	2,013	2,168	2,630
Accrued interest and other assets	4,892	4,621	3,914
Total assets	<u>\$ 746,103</u>	<u>\$ 707,619</u>	<u>\$ 608,735</u>
LIABILITIES			
Noninterest-bearing deposits	\$ 255,590	\$ 245,704	\$ 171,191
Interest-bearing deposits	372,159	354,866	310,380
Total deposits	<u>627,749</u>	<u>600,570</u>	<u>481,571</u>
Securities sold under agreements to repurchase	11,897	11,147	6,707
Other short-term borrowings	-	10,000	39,534
Subordinated debentures	24,454	4,890	4,874
Other liabilities	4,764	4,413	4,142
Total liabilities	<u>668,864</u>	<u>631,020</u>	<u>536,828</u>
STOCKHOLDER'S EQUITY			
Common stock	80	80	73
Surplus	74,892	74,686	69,450
Retained earnings	918	229	(1,831)
Accumulated other comprehensive income	1,349	1,604	4,215
Total stockholders' equity	<u>77,239</u>	<u>76,599</u>	<u>71,907</u>
Total liabilities and stockholders' equity	<u>\$ 746,103</u>	<u>\$ 707,619</u>	<u>\$ 608,735</u>
Select additional information and ratios:			
Net loans to deposits	68.2%	70.3%	84.9%
Tangible common equity (1)	\$ 67,282	\$ 66,487	\$ 61,333
Tangible common equity to tangible assets (1)	9.14%	9.53%	10.25%
Common shares outstanding	8,000,150	8,000,150	7,325,116
Book value per share	\$9.65	\$9.57	\$9.82
Tangible book value per share (1)	\$8.41	\$8.31	\$8.37

(1) Non-GAAP measure

InBankshares, Corp
Consolidated Statements of Income (Unaudited)
(Dollars in thousands, except per share data)

	For the Quarter Ended		
	December 31, 2021	September 30, 2021	December 31, 2020
INTEREST INCOME			
Interest and fees on loans	\$ 5,205	\$ 5,227	\$ 4,929
Interest on securities & interest bearing balances	1,212	981	721
Total interest income	<u>6,417</u>	<u>6,208</u>	<u>5,650</u>
INTEREST EXPENSE			
Interest on deposits	220	254	313
Interest on repurchase agreements & other borrowings	19	27	62
Interest on subordinated debentures	253	48	46
Total interest expense	<u>492</u>	<u>329</u>	<u>421</u>
NET INTEREST INCOME	5,925	5,879	5,229
Provision for loan losses	240	375	353
NONINTEREST INCOME			
Service charges and fees	447	422	259
Mortgage fees and gain on loans held for sale	96	85	121
Other noninterest income	76	395	34
Gain (Loss) on sale of SBA and other loans	350	62	-
Gain (Loss) on sale of OREO and other assets	(35)	(3)	25
Gain on sale of investment securities	-	133	612
Total noninterest income (1)	<u>934</u>	<u>1,094</u>	<u>1,051</u>
NONINTEREST EXPENSE			
Salaries and employee benefits	3,198	3,647	3,450
Occupancy and equipment	399	368	366
Data processing and software	610	568	565
Intangible amortization	154	154	175
Merger and acquisition expense	292	-	-
Other noninterest expense	1,069	1,086	1,095
Total noninterest expense (1)	<u>5,722</u>	<u>5,823</u>	<u>5,651</u>
Income before income taxes	897	775	276
Income tax expense	207	154	39
Net income	<u>\$ 690</u>	<u>\$ 621</u>	<u>\$ 237</u>
Basic income per share	\$0.09	\$0.08	\$0.03
Weighted average shares outstanding - basic	8,000,150	7,970,028	7,159,511
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 1,429	\$ 1,150	\$ 629

(1) Certain noninterest income and expense categories have been reclassified from prior period reporting

(2) Non-GAAP measure; PPNR equals pre-provision, pre-merger and acquisition expense, and pre-income tax net revenue

InBankshares, Corp
Consolidated Statements of Income (Unaudited)
(Dollars in thousands, except per share data)

	For the Year Ended	
	December 31, 2021	December 31, 2020
INTEREST INCOME		
Interest and fees on loans	\$ 21,479	\$ 18,651
Interest on securities & interest bearing balances	4,294	3,123
Total interest income	<u>25,773</u>	<u>21,774</u>
INTEREST EXPENSE		
Interest on deposits	1,108	1,596
Interest on repurchase agreements & other borrowings	107	296
Interest on subordinated debentures	393	225
Total interest expense	<u>1,608</u>	<u>2,117</u>
NET INTEREST INCOME	24,165	19,657
Provision for loan losses	1,119	1,142
NONINTEREST INCOME		
Service charges and fees	1,589	993
Mortgage fees and gain on loans held for sale	458	262
Other noninterest income	642	463
Gain (Loss) on sale of SBA and other loans	652	12
Gain (Loss) on sale of OREO and other assets	(102)	11
Gain on sale of investment securities	133	1,630
Total noninterest income (1)	<u>3,372</u>	<u>3,371</u>
NONINTEREST EXPENSE		
Salaries and employee benefits	14,029	12,351
Occupancy and equipment	1,487	1,447
Data processing and software	2,278	1,953
Intangible amortization	616	699
Merger and acquisition expense	292	-
Other noninterest expense	4,222	3,793
Total noninterest expense (1)	<u>22,924</u>	<u>20,243</u>
Income before income taxes	3,494	1,643
Income tax expense	745	366
Net income	<u>\$ 2,749</u>	<u>\$ 1,277</u>
Basic income per share	\$0.36	\$0.18
Weighted average shares outstanding - basic	7,722,849	7,114,301
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 4,905	\$ 2,785

(1) Certain noninterest income and expense categories have been reclassified from prior period reporting

(2) Non-GAAP measure; PPNR equals pre-provision, pre-merger and acquisition expense, and pre-income tax net revenue

InBankshares, Corp
Average Balance Sheet and Yields (Unaudited)
(Dollars in thousands)

	December 31, 2021			For the Quarter Ended September 30, 2021			December 31, 2020		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Earning Assets									
Investment securities	\$ 225,277	\$ 1,170	2.06%	\$ 199,705	\$ 944	1.88%	\$ 100,569	\$ 657	2.60%
Other interest-bearing balances	48,912	42	0.34%	66,224	37	0.22%	67,128	64	0.38%
Total investments and interest-bearing	274,190	1,212	1.75%	265,929	981	1.46%	167,697	721	1.71%
Loans, excluding PPP loans	412,005	4,914	4.73%	366,337	4,732	5.12%	315,417	3,993	5.04%
PPP loans	22,292	291	5.18%	45,885	495	4.28%	103,280	936	3.61%
Loans	434,297	5,205	4.75%	412,222	5,227	5.03%	418,697	4,929	4.68%
Less allowance for loan losses	(3,189)	-	0.00%	(2,761)	-	0.00%	(1,998)	-	0.00%
Net loans	431,108	5,205	4.79%	409,461	5,227	5.06%	416,698	4,929	4.71%
Total interest earning assets	705,297	6,417	3.61%	675,390	6,208	3.65%	584,395	5,650	3.85%
Noninterest earning assets	38,740			37,305			34,009		
Total assets	<u>\$ 744,037</u>			<u>\$ 712,695</u>			<u>\$ 618,404</u>		
Interest Bearing Liabilities									
Interest bearing transaction deposits	\$ 53,869	\$ 64	0.47%	\$ 54,874	\$ 69	0.50%	\$ 45,896	\$ 48	0.42%
Savings and MMDA deposits	220,438	74	0.13%	207,923	95	0.18%	155,440	114	0.29%
Time deposits	84,623	82	0.38%	87,391	90	0.41%	89,933	151	0.67%
Total interest bearing deposits	358,930	220	0.24%	350,188	254	0.29%	291,269	313	0.43%
Repurchase agreements & other borrowings	20,838	19	0.36%	32,771	27	0.33%	74,798	62	0.33%
Subordinated debentures	24,587	253	4.08%	4,887	48	3.90%	4,870	46	3.76%
Total interest bearing liabilities	404,355	492	0.48%	387,846	329	0.34%	370,937	421	0.45%
Noninterest bearing deposits	258,064	-	0.00%	242,825	-	0.00%	173,599	-	0.00%
Total funding liabilities	662,419	492	0.29%	630,671	329	0.21%	544,536	421	0.31%
Other noninterest bearing liabilities	4,539			3,966			3,814		
Total liabilities	666,958			634,637			548,350		
Stockholders' equity	77,079			78,058			70,054		
Total liabilities and stockholders' equity	<u>\$ 744,037</u>			<u>\$ 712,695</u>			<u>\$ 618,404</u>		
Net Interest Income		<u>\$ 5,925</u>			<u>\$ 5,879</u>			<u>\$ 5,229</u>	
Net Interest Margin			3.33%			3.45%			3.56%
Total Cost of Deposits	\$ 616,995	\$ 220	0.14%	\$ 593,013	\$ 254	0.17%	\$ 464,868	\$ 313	0.27%

InBankshares, Corp
Average Balance Sheet and Yields (Unaudited)
(Dollars in thousands)

For the Year Ended

	December 31, 2021			December 31, 2020		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Earning Assets						
Investment securities	\$ 185,612	\$ 4,127	2.22%	\$ 105,952	\$ 2,871	2.71%
Other interest-bearing balances	60,924	167	0.27%	50,146	252	0.50%
Total investments and interest-bearing	246,536	4,294	1.74%	156,098	3,123	2.00%
Loans, excluding PPP loans	362,414	17,922	4.95%	276,550	15,287	5.53%
PPP loans	62,675	3,557	5.68%	77,524	3,364	4.34%
Loans	425,089	21,479	5.05%	354,074	18,651	5.27%
Less allowance for loan losses	(2,639)	-	0.00%	(1,554)	-	0.00%
Net loans	422,451	21,479	5.08%	352,521	18,651	5.29%
Total interest earning assets	668,987	25,773	3.85%	508,619	21,774	4.28%
Noninterest earning assets	36,299			33,605		
Total assets	\$ 705,286			\$ 542,223		
Interest Bearing Liabilities						
Interest bearing transaction deposits	\$ 56,544	\$ 284	0.50%	\$ 42,938	\$ 214	0.50%
Savings and MMDA deposits	205,356	410	0.20%	111,314	394	0.35%
Time deposits	88,665	413	0.47%	86,075	988	1.15%
Total interest bearing deposits	350,565	1,108	0.32%	240,328	1,596	0.66%
Repurchase agreements & other borrowings	34,734	107	0.31%	71,722	296	0.41%
Subordinated debentures	9,848	393	3.99%	4,861	225	4.63%
Total interest bearing liabilities	395,146	1,608	0.41%	316,912	2,117	0.67%
Noninterest bearing deposits	230,859	-	0.00%	154,381	-	0.00%
Total funding liabilities	626,006	1,608	0.26%	471,293	2,117	0.45%
Other noninterest bearing liabilities	4,072			2,939		
Total liabilities	630,077			474,232		
Stockholders' equity	75,209			67,992		
Total liabilities and stockholders' equity	\$ 705,286			\$ 542,223		
Net Interest Income		\$ 24,165		\$ 19,657		
Net Interest Margin			3.61%			3.86%
Total Cost of Deposits	\$ 581,424	\$ 1,108	0.19%	\$ 394,709	\$ 1,596	0.40%

InBankshares, Corp

Selected Financial Data (Unaudited)

(Dollars in thousands, except per share data)

	As of For the Year Ended		As of and For the Quarter Ended				
	Dec 31, 2021	Dec 31, 2020	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Performance Ratios (1)							
Return on average assets	0.39%	0.24%	0.37%	0.35%	0.44%	0.41%	0.15%
Return on average equity	3.66%	1.88%	3.55%	3.16%	4.23%	3.73%	1.35%
Net interest margin	3.61%	3.86%	3.33%	3.45%	3.73%	3.98%	3.56%
Cost of funds	0.26%	0.45%	0.29%	0.21%	0.24%	0.29%	0.31%
Cost of deposits	0.19%	0.40%	0.14%	0.17%	0.21%	0.25%	0.27%
Efficiency ratio (2)(3)	82.59%	94.60%	79.17%	85.13%	80.67%	85.61%	99.70%
Noninterest income to average assets	0.48%	0.62%	0.50%	0.61%	0.46%	0.35%	0.68%
Noninterest expense to average assets	3.25%	3.73%	3.05%	3.24%	3.22%	3.54%	3.64%
Earnings per share - basic	\$0.36	\$0.18	\$0.09	\$0.08	\$0.10	\$0.09	\$0.03
Selected Balance Sheet Ratios							
Net loans HFI to deposits	68.17%	84.87%	68.17%	70.34%	71.44%	75.62%	84.87%
Noninterest-bearing deposits to total deposits	40.72%	35.55%	40.72%	40.91%	39.02%	37.42%	35.55%
Share Data:							
Shares outstanding	8,000,150	7,325,116	8,000,150	8,000,150	7,946,858	7,315,116	7,325,116
Book value per share	\$9.65	\$9.82	\$9.65	\$9.57	\$9.72	\$9.59	\$9.82
Tangible book value per share (3)	\$8.41	\$8.37	\$8.41	\$8.31	\$8.43	\$8.16	\$8.37
InBank Regulatory Capital Ratios (4)							
Tier 1 leverage ratio	9.13%	9.30%	9.13%	9.25%	8.76%	9.44%	9.30%
Common equity tier 1 capital ratio	12.32%	11.55%	12.32%	12.58%	12.29%	12.54%	11.55%
Tier 1 capital ratio	12.32%	11.55%	12.32%	12.58%	12.29%	12.54%	11.55%
Total capital ratio	12.95%	12.03%	12.95%	13.17%	12.84%	13.03%	12.03%

(1) Ratios are annualized

(2) Efficiency ratio is calculated excluding gain on sale of securities and merger and acquisition expense

(3) Non-GAAP measure

(4) Represents data for InBank

InBankshares, Corp
Consolidated Asset Quality Data (Unaudited)
(Dollars in thousands)

	As of and For the Quarter Ended				
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Asset Quality					
Loans past due (30-89 days)	\$ 5,045	\$ 1,269	\$ 4,911	\$ 1,601	\$ 424
Nonaccrual loans	\$ 202	\$ 287	\$ 439	\$ 486	\$ 937
Accruing loans past due 90 days or more	310	-	289	-	25
Total nonperforming loans (NPLs)	512	287	728	486	962
Other real estate owned (OREO)	436	404	414	575	778
Total nonperforming assets (NPAs)	\$ 948	\$ 691	\$ 1,142	\$ 1,061	\$ 1,740
Performing troubled debt restructured loans	\$ 4,462	\$ 4,376	\$ 4,129	\$ 3,380	\$ 4,732
Allowance for Loan and Lease Losses (ALLL)					
Balance, beginning of period	\$ 3,059	\$ 2,680	\$ 2,291	\$ 2,151	\$ 1,787
Provision for loan losses	240	375	375	129	353
Net (chargeoffs) / recoveries	75	4	14	11	11
Balance, end of period	\$ 3,374	\$ 3,059	\$ 2,680	\$ 2,291	\$ 2,151
Purchase discounts on loans acquired in the acquisition	\$ 3,447	\$ 3,653	\$ 3,803	\$ 3,949	\$ 4,173
Selected Ratios					
Loans past due 30-89 days to total loans HFI	1.17%	0.30%	1.17%	0.37%	0.10%
NPLs to total loans HFI	0.12%	0.07%	0.17%	0.11%	0.23%
NPLs to loans HFI (excl PPP loans)	0.12%	0.07%	0.20%	0.14%	0.29%
NPAs to total loans HFI and OREO	0.22%	0.16%	0.27%	0.24%	0.42%
NPAs to total assets	0.13%	0.10%	0.16%	0.15%	0.25%
NPAs to total assets (excl PPP Loans)	0.13%	0.10%	0.18%	0.18%	0.33%
ALLL to total loans HFI	0.78%	0.72%	0.64%	0.52%	0.52%
ALLL to loans HFI (excl PPP loans)	0.81%	0.77%	0.75%	0.68%	0.66%
ALLL plus purchase discount to total loans HFI	1.58%	1.58%	1.55%	1.43%	1.54%
Net (chargeoffs) / recoveries to average loans (1)	0.04%	0.00%	0.01%	0.01%	0.01%

(1) Ratios are annualized