



INBANKSHARES, CORP



FOR IMMEDIATE RELEASE

InBank and Legacy Bank Announce Agreement to Merge

Merger Will Create a \$1.2 Billion Asset Bank Serving the Front Range of Colorado & Northern New Mexico

Highlights of announced transaction:

- Merger will create a Colorado-headquartered commercial bank with approximately \$1.2 billion in total assets, serving the Colorado Front Range and northern New Mexico
- Legacy Bank's footprint will connect InBank's current markets in the Denver-Boulder MSA, Southern Colorado, and Northern New Mexico by adding offices in Colorado Springs and Pueblo
- The combination of InBank and Legacy Bank will add Legacy Bank's strong core earnings and efficiency, and provide scale and operating leverage to InBank's already strong organic growth
- Immediate earnings per share accretion to INBC of over 50% in first full year of combined operations

Denver, CO and Wiley, CO – November 30, 2021 – Denver, Colorado-based InBankshares, Corp (OTCQX: INBC) (the “Company” or “INBC”) and Wiley, Colorado-based Legacy Bank (“Legacy”) announced today that they entered into a definitive merger agreement pursuant to which Legacy will merge with and into InBank, the wholly-owned subsidiary of INBC, in a stock and cash transaction.

Founded in 1907 and headquartered in Wiley, Colorado, Legacy is a full-service community bank with approximately \$497 million in total assets, \$316 million in gross loans and \$426 million in deposits as of September 30, 2021. Legacy has nine full-service offices serving customers in Colorado Springs, Pueblo, Pueblo West, Cañon City, Buena Vista, Lamar, and Wiley, Colorado.

INBC is headquartered in Denver, Colorado, and InBank is a full-service commercial bank with \$705 million in total assets, \$426 million in gross loans and \$603 million in deposits as of September 30, 2021. Following the completion of the merger, the combined bank will have approximately \$1.2 billion in total assets and serve customers from 19 offices, including 12 full-service offices and two loan production offices in Colorado, and five full-service offices in northern New Mexico.

“We are excited to announce this partnership that expands upon our commitment to serving the Colorado Front Range and northern New Mexico markets by adding new and important growth markets to InBank's footprint,” said Ed Francis, Chairman of the Board, President and Chief Executive Officer for InBankshares, Corp and InBank. “Legacy brings an experienced team of bankers and has a similar commitment to serving clients to that of InBank. The combination will further leverage our significant investment in people, commercial treasury products, and technology while helping position InBank to be the premier locally-owned

commercial bank. Legacy is great fit for us geographically, strategically, financially, and culturally. Both banks share the same values, culture, and commitment to our customers, communities, and associates, which should allow for a smooth integration.”

“Our family looks forward to the strategic partnership and success that we believe the combined bank will have moving forward,” said Dave Esgar, Chairman of the Board, President and Chief Executive Officer for Legacy Bank. “Legacy Bank has a long-standing history of service excellence and giving back to its communities. InBank is the right partner to extend and build upon this proud history as a locally-managed community bank.”

Under the terms of the merger agreement, which has been unanimously approved by the boards of directors of INBC and Legacy, INBC will issue 3,566,387 shares of INBC common stock and pay \$21.25 million in cash to the shareholders of Legacy Bank in the aggregate. Based on INBC’s closing common stock price of \$9.75 per share on November 29, 2021, the consideration to be paid by INBC is valued at approximately \$56.0 million. The actual value of the consideration to be paid will change due to fluctuations in the price of INBC common stock and is subject to certain potential adjustments as set forth in the merger agreement. Prior to the closing of the transaction, Legacy will distribute to its shareholders other real estate owned (OREO) and other assets, and will pay its shareholders a special cash dividend, the amount of which will depend upon Legacy’s tangible common equity at the closing, net of certain seller-paid transaction expenses.

The Esgar family (Dave Esgar and his sister Janet McClure) will hold a significant stake in INBC post-closing and will receive a board seat on the INBC and InBank boards of directors. Dave Esgar will continue to work with the combined entity to help ensure a smooth and successful transition. Andrew Trainor, Regional President of Legacy Bank, will join the executive team of InBank and help lead a talented group of employees post-closing.

The merger is subject to approval by federal and state bank regulators and the Legacy shareholders and to customary closing conditions. The transaction is expected to close early in the second quarter of 2022, with a systems conversion planned for late third quarter of 2022.

INBC anticipates that the transaction will qualify as a tax-free exchange with respect to the stock consideration received by Legacy’s shareholders. INBC expects the transaction to be over 50% accretive to its earnings per share within the first year of combined operations (FY-2023E) with a pro forma return on average assets approaching 1.0%, and a tangible book value earn back of approximately 2.5 years. Further information regarding the financial impact of the transaction can be found in the investor presentation which can be accessed at <https://www.otcmartets.com/stock/INBC/disclosure/> or in the investor relations section of INBC’s website at <https://inbank.com/investor-relations/>.

"This is expected to 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," concluded Ed Francis. "The completion of this transaction will help make InBank a formidable competitor in the Colorado Front Range banking marketplace and helps position us for continued profitable growth."

Advisors

In connection with the transaction, Stephens Inc. served as financial advisor and Otteson Shapiro LLP served as legal counsel to INBC. Olsen Palmer LLC served as financial advisor and Lewis Roca Rothgerber Christie LLP served as legal counsel to Legacy.

About InBankshares, Corp

InBankshares, Corp is the holding company for InBank, an independent commercial bank serving the Colorado Front Range, 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.

About Legacy Bank

Legacy Bank is a privately-held community bank headquartered in Wiley, Colorado. Legacy Bank's high standard of business practice spans over 11 decades and four generations of the Esgar family. Legacy focuses on making a positive impact on local residents and businesses throughout the area it serves in southern Colorado. For more information, visit www.elegacybank.com.

Forward-Looking Statements

This 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 and Legacy's management teams 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 and Legacy's control). Although the Company and Legacy believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company and Legacy 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, Legacy or any other person that the future events, plans, or expectations contemplated by the Company will be achieved. Many possible events or factors could affect the Company's or Legacy's future financial results and performance and could cause those results or performance to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement, the outcome of any legal proceedings that may be instituted against the Company or Legacy, delays in completing the merger, the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the merger) and shareholder approval or to satisfy any of the other conditions to the merger on a timely basis or

at all, the possibility that the anticipated benefits of the merger are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where the Company and Legacy do business, the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events, diversion of management's attention from ongoing business operations and opportunities, potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the merger and the Company's ability to complete the acquisition and integration of Legacy successfully.

All subsequent written and oral forward-looking statements attributable to the Company, Legacy or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. The Company and Legacy do 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.

Some of the financial measures included in this 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" and "tangible common equity." 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. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders' equity. 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.

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Media contact:

Aimee Miller Marketing & Communications
303.549.9034
aimee@aimeemillermarketing.com

Investor contact:

Amsbry Ball, Investor Relations
720.907.8133
Amsbry.Ball@inbank.com

