INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

INBANKSHARES, CORP REPORTS THIRD QUARTER 2020 RESULTS

Company Sets New High-Water Mark for Total Assets Fueled by Strong Core Deposit Growth

Denver, CO – November 2, 2020 – InBankshares, Corp (OTCQX: INBC) (the "Company"), parent company of InBank ("InBank" or the "Bank"), today reports its earnings results for the quarter ended September 30, 2020.

Highlights for the quarter:

- Total assets year-over-year growth of $249 million or 68%.
- Continued new business development initiatives, impacted by the SBA's Paycheck Protection Program (PPP) efforts, resulted in year-over-year core deposit growth of $166 million or 61%.
- Year-over-year revenue growth of $5 million, driven by interest income growth of $4.2 million and non-interest income growth of $799 thousand.
- Significant increase in market share after completing two consecutive years of highest percentage of FDIC market share growth compared to peers in the Denver MSA[1] .
- Core loan growth of $10 million in Q3 and a healthy pipeline of future opportunities.
- Funding costs continue to decline helping to stabilize net interest margin.
- Improved asset quality with significant reductions in non-earning assets and past due loans.
- Reduction in loan deferrals with only eight of the 51 that participated in the INeed interest-only or full-payment deferral programs remaining. All other loans are now contractually performing.
- Core non-interest income growth resulting from increases in Mortgage, Treasury Management and SBA income combined with execution of first SBA loan sale in the third quarter.

"I am very pleased with the efforts of the InBank team and the growth we have seen this quarter," says Ed Francis, Chairman of the Board, President and Chief Executive Officer for the Company and InBank. "The teams' sustained focus on onboarding over 330 new-to-bank relationships that began in the second quarter is reflected in our strong core deposit growth. This organic growth, combined with our improving asset quality, has our balance sheet well-positioned for success. We continue to capitalize on market dynamics that are causing significant disruption for tenured commercial banking teams and commercial relationships. This is evidenced by the improvement in the financial performance of the Company."

[1] FDIC Summary of Deposits June 30, 2020

Balance Sheet Summary

Total assets were $617 million as of September 30, 2020, which represented an increase of $40 million or 7% over the previous quarter and an increase of $249 million or 68% over the same period last year. The organic deposit growth in the third quarter resulted from the continued onboarding of new-to-bank relationships. The liquidity generated by these new relationships shored up the Bank's interest-bearing balances, which increased by $37 million from the prior quarter-end balance to $88 million or a 72% increase and by $75 million year-over-year. Investment securities were down $6 million or 6% for the quarter as the Bank continued to utilize the cash flow provided by its securities portfolio to fund loan growth. At September 30, 2020, total gross loans and leases were $406 million, representing a $10 million or a 3% increase quarter-over-quarter and a $191 million, or 89% increase year-over-year. Total gross loans and leases grew by 36% year-over-year without the PPP loan activity. In addition, the Bank saw a $1.3 million or 59% reduction in its OREO portfolio during the quarter with the sale of the largest property in this asset class.

Total liabilities increased $39 million to $548 million during the three months ended September 30, 2020 as the Bank continued to see an increase in core deposits attributable to new-to-bank customers supported through the Bank's participation in the PPP loan program. Total deposits were $438 million, an increase of $37 million or 9% over the prior quarter and an increase of $166 million or 61% year-over-year. While noninterest bearing deposits were relatively flat for the quarter, new noninterest bearing deposit growth covered the run-off of approximately $13 million in PPP-related deposits as these funds were utilized for business operating expenses. Noninterest bearing deposits grew $73 million or 80% year-over-year. Interest bearing deposits were up by $42 million or 18% for the quarter and $118 million or 75% year-over-year. Borrowed funds increased $3 million for the quarter to $90 million. InBank has borrowed $55 million from the Federal Reserve Bank's PPPL facility to assist in funding the $116 million in PPP loans. In addition, at September 30, 2020, the Bank utilized Federal Home Loan Bank of Dallas advances of $35 million as the Bank continued to focus on the reduction of its funding costs.

Stockholder's equity of $69 million represented an increase of $722 thousand and $4 million when compared to the prior quarter and September 30, 2019, respectively. This increase is a result of earnings, equity compensation recognition and an increase in the unrecognized market value in the investment securities portfolio. At September 30, 2020, book value per common share and tangible book value per common share were $9.74 and $8.23, respectively. InBank exceeded the "well capitalized" regulatory guideline thresholds. InBank's tier 1 and total risk-based capital ratios were 12.33% and 12.77%, respectively, as of September 30, 2020, while the Bank's tier 1 leverage ratio was 9.43% as of that date. The Company continues to maintain cash reserves to support future balance sheet growth at the Bank level.

Income Statement Review

On a pre-provision pre-tax basis, the Company made $2.2 million for the nine months ended September 30, 2020, an increase of $3.1 million when compared to the same period a year ago. Pre-provision pre-tax income was $52 thousand for the most recent quarter.

For the nine months ended September 30, 2020, net interest margin was 3.97%, an 18-basis point decline when compared to the same period a year ago negatively impacted by the increase in the lower yielding PPP loans. The loan yield including fees on the PPP loans was 2.63%, which accounts for half or 9 basis points of the decrease. Net interest margin for the third quarter 2020 was 3.22%. Adjusting for the PPP impact would add 34 basis point to the third quarter's net interest margin increasing it to 3.56%. Interest income totaled $5.1 million for the quarter ended September 30, 2020, a decrease of $1.2 million when compared to the linked quarter, but an increase of $914 thousand when compared to the same period last year. The decline from the second quarter was attributable to approximately $1.6 million in PPP loan fees recognized in the second quarter based on the Bank's loan fee policy compared to $284 thousand recognized in the most recent quarter, or a change of $1.3 million. The year-to-date impact of the PPP loan fee recognition has allowed the Bank to maintain an earning asset yield of 4.44%. Funding costs for the nine months ended September 30, 2020, were 50 basis points, a decline of 27 basis points from the same period last year. Funding costs for the third quarter 2020 were 35 basis points, slightly elevated due to the catch-up of interest on a high balance account which had an incorrect floor on the account. Without the catch up, funding costs would have been 32 basis points. The 1% PPP loans, combined with declining asset yields, will make it difficult to maintain current net interest margin levels.

Loan Interest and Fee Income 2020 YTD	All Loans	Removing PPP Loans	PPP Loans
Yield	5.45%	5.66%	2.63%
Interest Income (thousands)	$ 11,247	$ 10,731	$ 516
Fee Income (thousands)	$ 2,529	$ 624	$ 1,905

Provision expense was $67 thousand for the most recent quarter. This was a decrease of $375 thousand over the linked quarter and flat when compared to the same quarter last year. Provision expense was favorably impacted by payoffs in classified credits offset by recognition of quality loan growth.

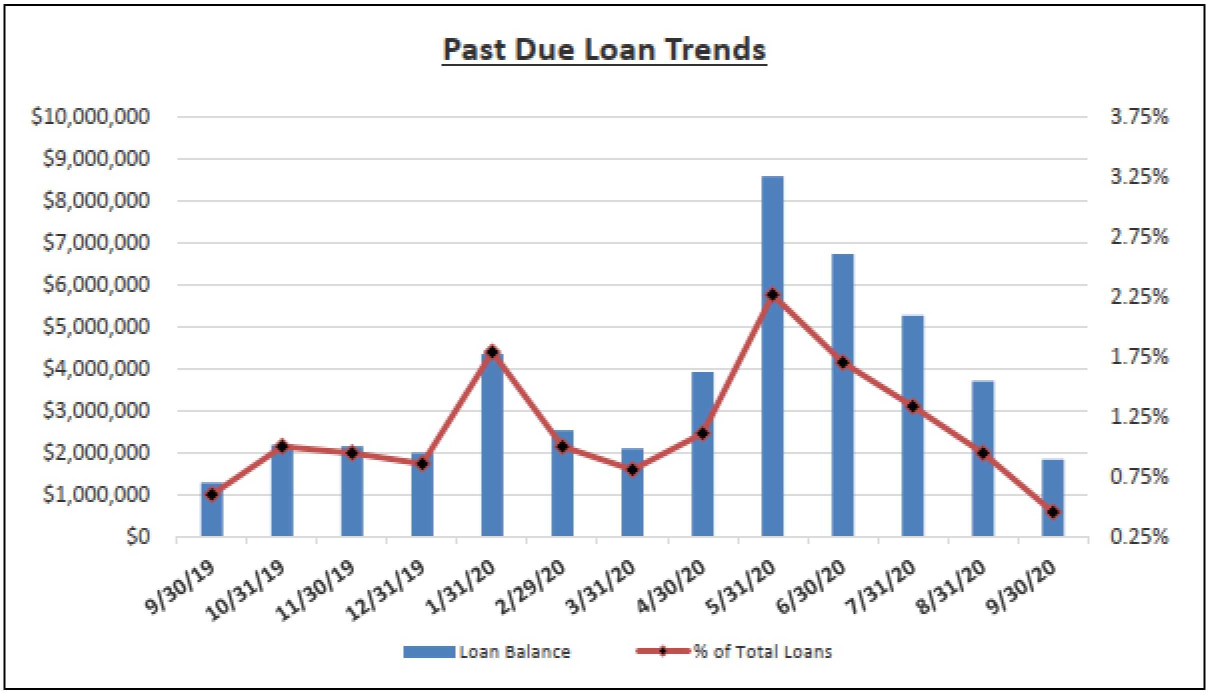
Noninterest income totaled $504 thousand for the quarter, which was a decline of $486 thousand over the three months ended June 30, 2020, but a $33 thousand increase compared to the same period last year. The second quarter 2020 results were favorably impacted by one-time gain on sale of assets of $648 thousand. Service charge, debit card, mortgage, SBA and loan swap fee income all increased during the quarter.

Noninterest expense totaled $5.1 million for the three months ended September 30, 2020, which was a $250 thousand increase from the previous quarter or a $655 thousand increase from the same period last year. Salaries and employee benefit expenses increased $97 thousand during the period as incentive compensation accruals were aligned to the Bank's PPP loan origination efforts. An increase of $137 thousand in noninterest expense was attributable to IT and data processing costs, debit card fraud losses and FDIC insurance as a result of the Bank's core deposit growth.

Credit Quality

Loans increased during the quarter by $10 million, primarily in Commercial and Industrial, Owner Occupied Commercial Real Estate and Non-Owner Occupied Commercial Real Estate loans. During the third quarter, past due loans decreased from $6.7 million to $1.8 million. As a percentage of total loans, past due loans represented 1.71% at the end of the second quarter and 0.46% at the end of the third quarter. Past due loans that are aged from 30 to 89 days past due represented 0.25% of total loans versus the peer group average of 0.35% of total loans[2]. Past due loans as a percentage of the loan portfolio have been positively impacted by the SBA PPP loan production. Normalizing the portfolio for this loan category would decrease gross loans to $292 million and the past due as a percentage of the normalized portfolio would be 0.63%, an increase of 17 basis points.

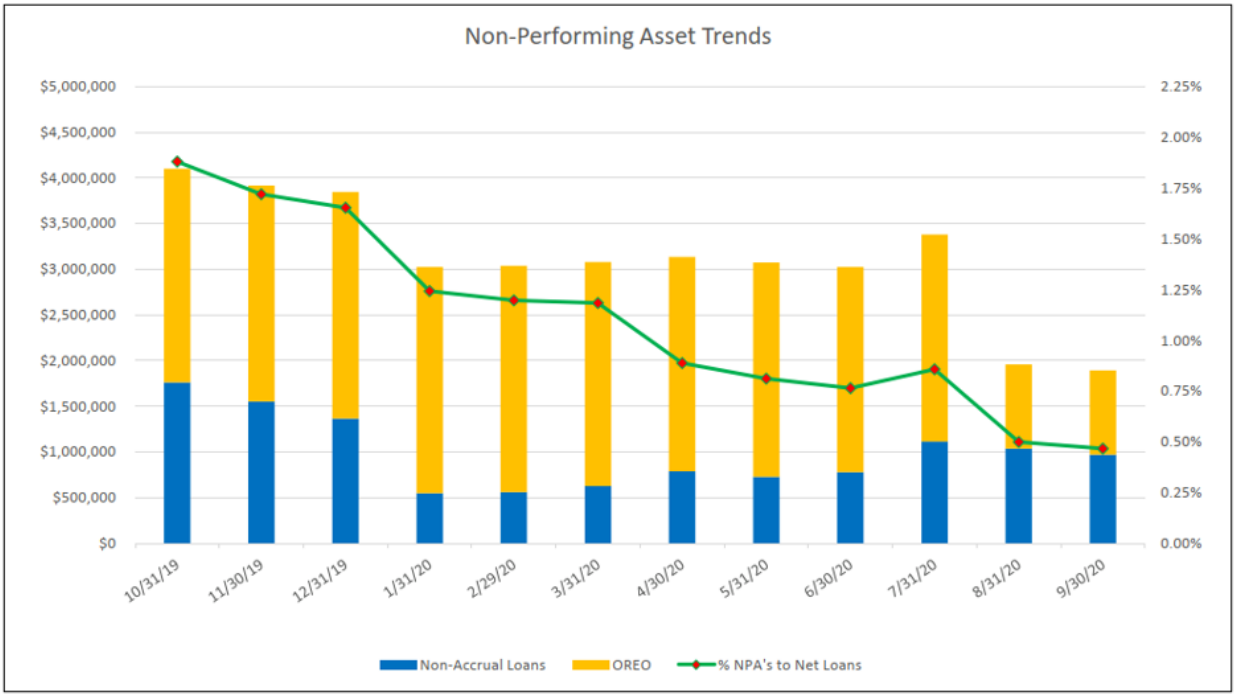
[2] Source: Uniform Bank Performance Report June 30, 2020



	4/30/2020	5/31/2020	6/30/2020	7/31/2020	8/31/2020	9/30/2020
Loan Balance:	**$3,932,803**	**$8,601,655**	**$6,749,582**	**$5,278,842**	**$3,721,039**	**$1,849,926**
% of Total Loans:	**1.11%**	**2.27%**	**1.71%**	**1.34%**	**0.95%**	**0.46%**

Classified loans increased $3.1 million in the quarter due to the further downgrade of one relationship taking this asset category to $8.1 million. This downgrade was on a long-term relationship that has been negatively affected by declining revenues that accelerated during the current COVID-19 pandemic. This loan is secured with marketable collateral, which helps limit the risk of loss to the Bank. Non-accrual loans totaled $973 thousand, or 0.24% of total loans, as of the end of the third quarter; while the gross number of non-accruals increased over the quarter, it still was below the peer group average of 0.58% of total loans[3]. Other Real Estate Owned also experienced significant improvement during the quarter moving from $2.2 million to $0.9 million. In particular, the largest single asset, which had a carrying value of $1.4 million, was sold. The Bank's overall non-performing asset level at the end of the third quarter declined to 0.47% from 0.77% of total loans at the end of the second quarter.

[3] Source: Uniform Bank Performance Report June 30, 2020



Management continues to carefully manage allocation of capital to CRE, in particular Construction and Land Development. During the second quarter Construction and Land Development loans decreased from 99.36% of the bank's total capital to 86.02%. This move was primarily due to small projects being completed. Subsequent to quarter-end a large multi-family project was completed and received a Certificate of Occupancy, which will move it out of this category in the fourth quarter. CRE concentration reports continue to be reviewed in detail by the Board's Loan Oversight and Risk Committee at each committee meeting. Management and the Board continue to focus bankers' efforts on C&I business development, which has resulted in $11.4 million of C&I and OOCRE loan growth during the quarter. Credit exposure in CRE lending will continue to be monitored to purposefully develop a more diverse loan portfolio and avoid concentrations in speculative for-sale properties and other high-risk CRE segments.

The Bank's allowance for loan and lease losses totaled $1.8 million at the end of the third quarter. This included a provision expense of $67 thousand in the third quarter. ALLL represented 0.44% of total loans as of September 30, 2020, and, if combined with the Bank's loan purchase accounting allocation of $4.29 million, would have equaled 1.55% of the loan portfolio at the end of the quarter.

During the second and third quarters of the year, InBank rolled out INeed, two programs for loan deferrals for companies 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. Fourteen borrowers participated in the interest-only program and as of quarter-end, 10 of the 14 had returned to normal payments without incident. The remaining four are expected to return to normal payments during the fourth quarter. In total, the 14 loans on the interest-only program represented balances of $8.4 million dollars. Below is a chart of the loans that were modified for interest only.

Interest Only Modifications					
Loans Modified	Principal Balance	Modification Completed	Principal Balance	Modification Ongoing	Principal Balance
14	$ 8,440,109	10	$ 7,528,357	4	$ 911,752

In the total payment deferral program, deferrals were granted on 37 loans representing $52.5 million in outstanding balances. Hotels represented the greatest concentration of these deferrals. As of September 30, 33 of the 37 loans had returned to full payment status from full payment deferral, again without issue and four loans will be returning to full payment status in the fourth quarter. The last request for assistance from a borrower was received in early September.

Full Deferral Modifications					
Loans Modified	Principal Balance	Modification Completed	Principal Balance	Modification Ongoing	Principal Balance
37	$ 52,455,677	33	$ 51,593,666	4	$ 862,011

The Bank is also tracking the recovery of accrued interest on these loans and as of September 30, 2020, 17 of the loans had paid the interest accrual and were making principal and interest payments. On average, the accrued interest is expected to be recovered by January 6, 2021 with the last loan scheduled to recover the accrual on June 20, 2021.

On October 27, 2020, the State of Colorado increased its Safer at Home ordinance to level 3, which reduced capacity at restaurants from 50% to 25% and closed bars that do not serve food. New Mexico has also recently had a surge in COVID-19 cases and has instituted additional restrictions on the businesses and residents of the state. We anticipate that this will impact the Bank and may result in additional deferral requests.

About InBankshares, Corp

InBankshares, Corp is the holding company for InBank, an independent commercial bank serving the Denver Metro Area, southern Colorado and northern New Mexico. Established as International Bank in 1918, the bank was founded by a young Italian immigrant and built upon his entrepreneurial spirit. With a modern vision for the next 100 years, InBank is committed to delivering a new generation of personalized banking services and to the mission of positively impacting the lives of our 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 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.

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

	Sept 30, 2020	June 30, 2020	Sept 30, 2019
ASSETS			
Cash and balances due from depository institutions:			
Noninterest-bearing balances	$ 2,849	$ 2,883	$ 2,602
Interest-bearing balances	87,824	51,049	13,054
Investment securities - available for sale	95,115	100,673	111,152
Fed funds sold	-	-	-
Nonmarketable securities	4,423	3,949	3,133
Loans and leases	405,587	395,620	214,142
Allowance for loan and lease losses	(1,787)	(1,711)	(713)
Net loans	403,800	393,909	213,429
Premises and fixed assets	8,063	8,195	6,554
Other real estate owned	922	2,246	2,339
Goodwill	7,944	7,944	7,944
Intangible assets	2,804	2,979	3,524
Other assets	3,701	3,898	4,271
Total assets	**$ 617,445**	**$ 577,725**	**$ 368,002**
LIABILITIES AND STOCKHOLDER'S EQUITY			
Noninterest bearing deposits	$ 163,358	$ 162,837	$ 90,635
Interest bearing deposits	274,669	232,387	156,910
Brokered deposits	-	5,706	24,206
Total deposits	438,027	400,930	271,751
Securities under agreements to repurchase	11,445	12,598	23,866
Subordinated debentures	4,868	4,862	4,845
Borrowed funds	90,205	87,205	-
Other liabilities	3,646	3,598	2,143
Total liabilities	548,191	509,193	302,605
STOCKHOLDER'S EQUITY			
Preferred stock: 1,000,000 shares authorized, par $.01/share, none issued or outstanding	-	-	-
Voting common stock: 50,000,000 shares authorized, par $.01/share, none issued or outstanding	-	-	-
Common stock	70	70	70
Surplus	67,234	66,965	66,230
Retained earnings	(2,068)	(2,078)	(2,488)
Accumulated other comprehensive income	4,018	3,575	1,585
Total stockholders' equity	69,254	68,532	65,397
Total liabilities and stockholders' equity	**$ 617,445**	**$ 577,725**	**$ 368,002**
Common shares outstanding	7,107,196	7,088,250	7,043,500
Book value per share	$ 9.74	$ 9.67	$ 9.28
Tangible book value per share	$ 8.23	$ 8.13	$ 7.66

InBankshares, Corp
Consolidated Statements of Income (Unaudited)
($'s in thousands)

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
INTEREST INCOME				
Interest and fees on loans	$ 4,434	$ 3,339	$ 13,776	$ 9,368
Interest on investments & interest bearing balances	711	892	2,403	2,935
Total interest income	5,145	4,231	16,179	12,303
INTEREST EXPENSE				
Interest on core deposits	336	421	1,047	1,253
Interest on brokered deposits	17	38	235	300
Interest on repurchase agreements	9	126	75	110
Interest on subordinated debentures	67	12	179	232
Interest on borrowed funds	48	75	160	99
Total interest expense	477	672	1,696	1,994
NET INTEREST INCOME	4,668	3,559	14,483	10,309
Provision for loan and lease losses	67	70	789	280
NONINTEREST INCOME				
Service charges	113	175	336	404
Gain on sale of assets	11	-	1,016	234
ATM and debit card	172	212	451	519
Other noninterest income	208	84	483	330
Total noninterest income	504	471	2,286	1,487
NONINTEREST EXPENSE				
Salaries and employee benefits	3,062	2,650	8,901	7,426
Occupancy and equipment	454	357	1,385	1,113
IT and data processing	410	291	1,090	853
Intangible amortization	175	196	524	586
Other noninterest expense	1,019	971	2,704	2,788
Total noninterest expense	5,120	4,465	14,604	12,766
Income (loss) before unrealized holding gains (losses) on equity securities not held for trading and applicable income taxes	(15)	(505)	1,376	(1,250)
Unrealized holding gains (losses) on equity securities not held for trading	(1)	-	(9)	-
Income taxes	(35)	(100)	327	(261)
Net income	$ 19	$ (405)	$ 1,040	$ (989)

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InBankshares, Corp
Net Interest Margin Analysis (Unaudited)
($'s in Thousands)

	Nine Months Ended September 30,					
	2020			2019		
	Interest	Average Balance	Average Rate	Interest	Average Balance	Average Rate
Earning Assets						
Loans						
Interest	$ 11,247	$ 332,376	4.45%	$ 9,115	$ 202,323	5.94%
Fees	2,529	-	1.00%	253	-	0.16%
Total loans	13,776	332,376	5.45%	9,368	202,323	6.11%
Investments						
Investment portfolio	2,214	107,759	2.74%	2,759	118,979	3.06%
Interest-bearing balances	189	46,988	0.54%	176	10,969	2.12%
Total investments	2,403	154,747	2.07%	2,935	129,948	2.98%
Total earning assets	$ 16,179	$ 487,123	4.44%	$ 12,303	$ 332,271	4.88%
Funding Sources						
Deposits						
Demand	$ -	$ 149,288	0.00%	$ -	$ 100,569	0.00%
NOW	165	41,945	0.53%	355	46,975	1.01%
Savings	8	27,028	0.04%	10	25,004	0.05%
Money Market	367	69,471	0.71%	283	44,916	0.84%
CDs	470	64,981	0.97%	575	72,424	1.06%
IRA's	37	4,638	1.07%	30	5,324	0.75%
Total deposits	1,047	357,351	0.67%	1,253	295,212	0.86%
Brokered CDs	235	15,161	2.07%	300	17,553	2.29%
Repurchase agreements	75	14,489	0.69%	110	22,789	0.65%
Subordinated debentures	179	4,857	4.92%	232	4,838	6.41%
Other borrowings	160	56,200	0.38%	99	5,042	2.63%
Total funding sources	$ 1,696	$ 448,058	0.50%	$ 1,994	$ 345,434	0.77%
Net Interest Income	$ 14,483		3.97%	$ 10,309		4.15%

InBankshares, Corp
Selected Financial Data (Unaudited)

	For the Quarter Ended					Nine Months Ended	
	Sept 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019	Sept 30, 2020	Sept 30, 2019
Performance Ratios (1)							
Return on average assets	0.01%	0.90%	-0.09%	-0.67%	-0.44%	0.28%	-0.36%
Return on average equity	0.11%	6.64%	-0.57%	-3.95%	-2.45%	2.07%	-2.04%
Net Interest Margin	3.22%	4.61%	4.30%	4.21%	4.24%	3.97%	4.15%
Efficiency Ratio	99.0%	71.9%	95.7%	110.3%	110.8%	87.1%	108.2%
Noninterest inc to avg assets	0.34%	0.80%	0.78%	0.43%	0.51%	0.61%	0.54%
Noninterest exp to avg assets	3.41%	3.91%	4.56%	4.60%	4.84%	3.87%	4.65%

	As of the Quarter Ended				
	Sept 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019
Loans to deposits	92.59%	98.68%	89.93%	79.23%	78.80%
Noninterest bearing deposits to total deposits	37.29%	35.07%	35.60%	35.40%	33.35%
Share Data:					
Shares Outstanding	7,107,196	7,088,250	7,072,000	7,072,000	7,043,500
Book value per share	$ 9.74	$ 9.67	$ 9.42	$ 9.10	$ 9.28
Tangible book value per share	$ 8.23	$ 8.13	$ 7.85	$ 7.51	$ 7.66
Capital Ratios (2)					
Tier 1 leverage ratio	9.43%	10.41%	12.42%	12.52%	13.04%
Tier 1 capital	12.33%	12.36%	12.70%	12.75%	14.46%
Total capital	12.77%	12.79%	13.03%	13.02%	14.69%

(1) Ratios are annualized
(2) Represents InBank data

InBankshares, Corp
Asset Quality Trends (Unaudited)
($'s in thousands)

	Sept 30, 2020	June 30, 2020	Mar 31, 2020	Dec 31, 2019	Sept 30, 2019
ASSET QUALITY					
Non-performing loans:					
Construction & land development	$ -	$ -	$ 23	$ 23	$ -
Closed end 1st lien loans	494	525	377	305	348
Closed end junior lien loans	-	-	18	20	23
Owner occupied real estate	199	199	203	1,013	1,148
Nonowner occupied real estate	225	-	-	-	-
Commercial & industrial	4	4	3	4	3
Farmland	51	53	-	-	-
Other	-	-	4	3	4
Total non-performing loans (NPLs)	$ 973	$ 781	$ 628	$ 1,368	$ 1,526
Delinquencies:					
30-89 days past due	$ 673	$ 4,773	$ 1,375	$ 1,458	$ 1,061
90+ days past due	348	1,263	192	-	22
On non-accrual	829	714	544	545	212
Total past due loans	$ 1,850	$ 6,750	$ 2,111	$ 2,003	$ 1,295
Troubled debt restructurings:					
On non-accrual (included in total NPLs above)	$ -	$ -	$ -	$ 801	$ 913
On accrual	4,291	4,989	4,896	3,997	4,001
Total troubled debt restructurings	$ 4,291	$ 4,989	$ 4,896	$ 4,798	$ 4,914
Allowance for loan and lease losses (ALLL)					
ALLL as a % of total loans	0.44%	0.43%	0.48%	0.42%	0.33%
ALLL as a % of total NPLs	183.61%	219.08%	272.45%	70.98%	46.72%
ALLL as a % of delinquent loans	96.59%	25.35%	7.01%	48.48%	55.06%
NPLs as a % of total loans	0.24%	0.20%	0.16%	0.59%	0.71%
Net charge-offs (recoveries)	$ (9)	$ (10)	$ (9)	$ 13	$ (10)
Net charge-offs (recoveries) to average loans (1)	-0.01%	-0.01%	-0.01%	0.02%	-0.02%

(1) Ratios are annualized