



## INBANKSHARES, CORP

**FOR IMMEDIATE RELEASE**

### **INBANKSHARES, CORP REPORTS FOURTH QUARTER AND FULL YEAR 2022 FINANCIAL RESULTS**

*Strong finish to a transformational year with full year earnings per share up 133% to prior year*

**Denver, CO – January 27, 2023** – InBankshares, Corp (OTCQX: INBC) (the “Company”), parent company of InBank (“InBank” or the “Bank”), today announced its unaudited financial results for the quarter and year ended December 31, 2022. The Company reported consolidated net income of \$3.1 million, or \$0.27 per share, for the fourth quarter of 2022 compared to \$3.1 million, or \$0.27 per share, for the third quarter of 2022, and \$690,000, or \$0.09 per share, for the fourth quarter of 2021. Full year net income was \$8.8 million, or \$0.84 per share, an increase of \$6.1 million, or 220.6% from the prior year.

Net income for the fourth quarter of 2022 includes pre-tax acquisition costs of \$451,000, compared to \$1.0 million for the third quarter of 2022, and \$292,000 for the fourth quarter of 2021 related to the acquisition of Legacy Bank (“Legacy”), which was completed on April 29, 2022. These acquisition costs reduced earnings per common share by \$0.03 in the fourth quarter of 2022, \$0.07 in the third quarter of 2022, and \$0.03 in the fourth quarter of 2021.

#### **Highlights for the fourth quarter and full year 2022:**

- Core loans at December 31, 2022 increased \$49.6 million, or 6.2%, compared to September 30, 2022 and increased \$430.3 million, or 103.4%, compared to December 31, 2021
- Total deposits at December 31, 2022 increased \$6.3 million, or 0.6%, compared to September 30, 2022 and increased \$432.6 million, or 68.9%, compared to December 31, 2021
- Net income for the quarter was \$3.1 million, flat to the linked quarter, and increased \$2.4 million compared to the fourth quarter of 2021
- Full year net income for 2022 was \$8.8 million, an increase of \$6.1 million, or 220.6% compared to the prior year
- Basic earnings per share (“EPS”) was \$0.27 for the quarter, compared to \$0.27 for the linked quarter, and \$0.09 for the fourth quarter of 2021; EPS for the full year 2022 was \$0.84, an increase of \$0.48, or 133.3%, compared to \$0.36 for the prior year

- ROAA was 1.01% for the quarter, compared to 1.01% for the linked quarter, and 0.37% for the fourth quarter of 2021; ROAA for the full year 2022 was 0.82%, compared to 0.39% for the prior year
- Net interest margin was 4.43% for the quarter, compared to 4.56% in the linked quarter, and 3.31% in the fourth quarter of 2021; full year 2022 net interest margin was 4.17%, compared to 3.61% for the prior year
- Pre-provision, pre-tax net revenue (“PPNR”) for the quarter was \$5.2 million, compared to \$5.4 million for the linked quarter, and \$1.4 million for the fourth quarter of 2021; full year PPNR was \$15.9 million, compared to \$4.9 million for the prior year
- Nonperforming assets at December 31, 2022 remained flat at \$1.3 million, or 0.11% of total assets, compared to September 30, 2022, and increased slightly from \$948,000, or 0.13% of total assets at December 31, 2021
- Tangible book value per share increased 4.7% to \$7.18 at December 31, 2022, compared to \$6.86 at September 30, 2022, and decreased 14.6% from \$8.41 at December 31, 2021

“The fourth quarter of 2022 was another strong quarter in a transformational year for InBankshares, with continued organic growth and the merger with Legacy Bank that closed 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. With a combination of organic and acquired growth, we grew total assets 67% in 2022. Our full year organic core loan growth of 32.3% and organic deposit growth of 2.4% during a year when we integrated Legacy customers and completed a core conversion reflects our teams’ commitment to winning market share.”

“As we scaled the Company, we benefited from positive operating leverage and significantly improved our efficiency and profitability. We are pleased to see our full year PPNR more than triple and our full year earnings per share increase 133%, despite recording \$2.5 million in one-time merger and acquisition expenses in 2022. In addition, the Company’s strong liquidity position allowed us to significantly expand our net interest margin, despite the pressure of rising funding costs seen throughout the industry during the fourth quarter.”

## **Results of Operations**

**Net income** for the fourth quarter of 2022 was \$3.1 million or \$0.27 per share, unchanged from third quarter of 2022, and increased \$2.4 million, or \$0.18 per share, compared to the same quarter last year. The increase over the same quarter last year was significantly impacted by the acquisition of Legacy during the second quarter of 2022. The acquisition resulted in favorable variances in net interest income and noninterest income, which were partially offset by unfavorable variances in provision for loan loss, noninterest expense, and income tax expense. Net income for the full year 2022 was \$8.8 million, or \$0.84 per share, representing an increase of \$6.1 million, or 220.6%, compared to \$2.7 million, or \$0.36 per share, for the prior year.

**Net interest income** for the fourth quarter of 2022 was \$12.8 million, a decrease of \$402,000, or 3.0%, over the linked quarter, and an increase of \$6.9 million, or 116.0%, over the same quarter last year. The decrease in net interest income compared to the linked quarter was due to a \$683,000 increase in interest expense, partially offset by a \$281,000 increase in interest income. The increase in net interest income compared to the same quarter last year was primarily a result of the impact of the Legacy acquisition and increases in market interest rates.

- Interest income increased \$281,000, or 2.0%, to \$14.3 million during the fourth quarter of 2022, compared to \$14.1 million during the linked quarter, and increased \$7.9 million, or 123.5%, compared to \$6.4 million during the same quarter last year.
  - The increase from the linked quarter was primarily due a change in the mix of earning assets. Average loans increased \$21.2 million with an average yield of 5.55%, while interest-bearing cash and investments decreased by \$21.5 million with an average yield of 3.44%.
  - During the third quarter of 2022, the Bank sold a \$4.5 million nonaccrual real estate loan, resulting in a recognition of loan interest and fee income of \$983,000.
  - The increase in interest income compared to the same quarter last year was primarily due to an increase of \$435.8 million in average interest earning assets and higher yields on investments and core loans, partially offset by a decrease in PPP loan interest and fee income of \$291,000.
  - Accretion of the purchase discount on acquired loans was \$1.0 million in the fourth quarter of 2022, compared to \$706,000 in the linked quarter, and \$206,000 in the fourth quarter of 2021.
- Interest expense was \$1.5 million in the fourth quarter of 2022, an increase of \$683,000, or 79.7%, compared to \$857,000 during the linked quarter, and an increase of \$1.0 million, or 213.0% compared to \$492,000 during the same quarter last year.
  - The increase over the linked quarter was primarily due to a 25 basis point increase in the cost of funds.
  - The increase from the same quarter last year was due to an increase of \$251.0 million in average interest-bearing deposits and a 26 basis point increase in the cost of funds. In the fourth quarter of 2021, the Company issued \$20 million of subordinated debentures.

**Net interest margin (NIM)**, expressed as net interest income as a percentage of average earning assets, was 4.43% during the fourth quarter of 2022, compared to 4.56% during the linked quarter, and 3.31% during the same quarter last year. Adjusting the third quarter of 2022 for the one-time loan interest recognition described above, NIM would have been 4.22%. Excluding this one-time item, NIM during the fourth quarter increased 21 basis points as a result of increases in yields on earning-assets due to higher market interest rates, partially offset by higher funding costs. Net interest margin for the full year 2022 was 4.17%, compared to 3.61% for the prior year. Margin expansion year-over-year was primarily attributable to an increase in loan and investment balances as a percentage of earning assets and an increase in higher market rates, partially offset by higher funding costs.

**Noninterest income** for the fourth quarter of 2022 was \$1.4 million, an increase of \$239,000, or 21.3%, over the linked quarter, and an increase of \$425,000, or 45.5%, from the same quarter last year. The increase

over the linked quarter was primarily due to an increase in gain on sale of other assets of \$235,000, mostly resulting from the sale of a branch building in the fourth quarter of 2022 and an increase in other noninterest income. These increases were partially offset by a decrease in mortgage fees and gains on sale and a decrease on gain on sale of SBA loans. The increase from the same quarter last year was primarily due to an increase in service charge income and fees, including credit and debit card income, an increase in a net gain on sale of other assets described above, and an increase in other noninterest income, including bank-owned life insurance income, partially offset by a decrease in gain on sale of SBA and CRE loans and a decrease in mortgage fees and gains on sale.

For the full year 2022, noninterest income increased \$811,000, or 23.2%, primarily due to increases in service charge and fee income, including credit and debit card income, an increase in net gain on sale of OREO and other assets, and an increase in other noninterest income, partially offset by a decrease in gain on sale of SBA and CRE loans, a decrease in mortgage fees and gains on sale, and a decrease on gain on sale of investment securities.

**Noninterest expense** for the fourth quarter of 2022 was \$9.4 million, a decrease of \$515,000, or 5.2%, when compared to the linked quarter, and an increase of \$3.7 million, or 63.9%, from the same quarter last year. The increase over the linked quarter was primarily due to a \$563,000 decrease in merger and acquisition expense and a \$286,000 decrease in salaries and employee benefits, mostly due to decreases in bonuses and payroll taxes, partially offset by an increase in deferred loan costs. These decreases were partially offset by a \$298,000 increase in other noninterest expense, primarily due to a \$500,000 write-down of an equity investment held by the Company and an increase in data processing expense. The increase in noninterest expense compared to the same quarter in the prior year was due to a \$3.2 million increase across all categories of operating expenses due to the Legacy acquisition and organic growth, a \$321,000 increase in intangible amortization in connection with the Legacy transaction, and a \$159,000 increase in non-core merger and acquisition expense. Full-time equivalent employees were 168 at December 31, 2022, compared to 168 at September 30, 2022 and 113 at December 31, 2021.

For the full year 2022, noninterest expense increased \$10.0 million, or 43.3%, primarily due to increases across all categories of operating expenses due to the Legacy acquisition and organic growth, a \$829,000 increase in intangible amortization in connection with the Legacy transaction, and a \$2.2 million increase in non-core merger and acquisition expense.

The Company's core efficiency ratio, which excludes gain on sales of securities and merger and acquisition expense, was 63.1% in the fourth quarter of 2022, compared with 62.0% in the linked quarter and 79.2% in the fourth quarter of 2021. The large year-over-year decrease was related to the benefits of operating leverage from the Legacy transaction.

## Balance Sheet Summary

Select ending balances (dollars in thousands)	Dec 31, 2022	Dec 31, 2021	\$ Change	Acquired Fair Value at 4/29/22	Organic \$ Change	Annualized Organic % Change
Assets	\$ 1,246,519	\$ 745,233	\$ 501,286	\$ 462,670	\$ 38,616	5.2%
Loans HFI	846,740	431,283	415,457	295,872	119,585	27.7%
Loans HFI, excl PPP	846,623	416,288	430,335	295,755	134,580	32.3%
Investment securities	319,583	230,025	89,558	111,168	(21,610)	-9.4%
Cash and equivalents	18,293	56,308	(38,015)	21,292	(59,307)	-105.3%
Deposits	1,060,327	627,750	432,577	417,210	15,367	2.4%
Other borrowings	28,000	-	28,000	-	28,000	-
Subordinated debentures	24,564	24,454	110	-	110	0.4%

**Total assets** were \$1.25 billion at December 31, 2022, an increase of \$35.2 million, or 2.9%, from \$1.21 billion at September 30, 2022. During the quarter, net loans increased \$48.7 million, partially offset by a decrease of \$5.6 million in cash and cash equivalents, a \$5.0 million decrease in investment securities, and a \$2.9 million decrease in premises and equipment. At December 31, 2022, investment securities were \$319.6 million and total cash and equivalents were \$18.3 million, which combined represented 27.1% of total assets. Total assets increased \$501.3 million, or 67.3%, from \$745.2 million at December 31, 2021, primarily as a result of the Legacy acquisition and strong organic loan growth.

**Total deposits** were \$1.06 billion at December 31, 2022, an increase of \$6.3 million, or 0.6%, compared to the linked quarter and increased \$432.6 million, or 68.9% compared to the same quarter in the prior year. Noninterest-bearing deposits declined by 1.7% from the linked quarter, and increased by 73.6% from December 31, 2021, representing 41.8% of total deposits at December 31, 2022. The fair value of the deposits acquired as part of the Legacy transaction was \$417.2 million. Organic deposit growth, excluding acquired deposits, totaled \$15.4 million, an increase of 2.4% compared to December 31, 2021.

**Total loans held-for-investment** (“HFI”), which excluded loans held-for-sale (“HFS”), were \$846.7 million at December 31, 2022, compared to \$797.1 million at September 30, 2022, which was an increase of \$49.6 million, or 6.2%. Total loans HFI increased \$415.5 million, or 96.3%, from December 31, 2021.

- SBA Paycheck Protection Program (“PPP”) loan balances were \$117,000 at December 31, 2022 and September 30, 2022, and \$15.0 million at December 31, 2021. As of December 31, 2022, all fees on PPP loans were recognized.
- Excluding PPP loans, core loans were \$846.6 million at December 31, 2022, an increase of \$430.3 million, or 103.4% from December 31, 2021.
- Organic core loan growth, excluding a decrease in PPP loans of \$15.0 million and acquired loans of \$295.8 million, totaled \$134.6 million, an increase of 32.3% compared to December 31, 2021.

**Subordinated debentures and other borrowings**, combined, were \$52.6 million at December 31, 2022, an increase of \$25.0 million compared to the linked quarter, and increased \$28.1 million compared to December 31, 2021. During the second quarter of 2022, the Company entered into a loan agreement for a \$5 million revolving line of credit, and the Company had \$3.0 million outstanding on the line as of December 31, 2022 and September 30, 2022. The Bank increased its short-term Federal Home Loan Bank (“FHLB”) borrowings to \$25.0 million at December 31, 2022 from zero at September 30, 2022 and December 31, 2021.

### **Asset Quality**

**Nonperforming assets**, which include nonperforming loans and OREO, were \$1.3 million, or 0.11% of total assets at December 31, 2022 and September 30, 2022, Nonperforming loans and OREO increased \$366,000 from \$948,000 or 0.13% of total assets at December 31, 2021. Nonperforming loans, which include non-accrual loans and loans more than 90 days past due and still accruing, were \$1.3 million, or 0.16% of total loans HFI at December 31, 2022 and September 30, 2022.

**Loans delinquent** (past due) 30-89 days were \$957,000, or 0.11% of total loans HFI at December 31, 2022, compared to \$1.2 million, or 0.15% of total loans HFI at September 30, 2022.

**The allowance for loan and lease losses** (“ALLL”) totaled \$5.7 million, or 0.67% of total loans HFI at December 31, 2022. As of December 31, 2022, the Company also had \$7.3 million in purchase discounts on loans acquired in the acquisition of Legacy in the second quarter of 2022 and the Bank in 2018. When combined, the purchase discounts and ALLL represented 1.52% of total loans HFI plus purchase discounts at the end of the quarter. Provision for loan losses expense for the quarter ended December 31, 2022, totaled \$900,000, compared to \$525,000 for the quarter ended September 30, 2022, and \$240,000 for the quarter ended December 31, 2021. The Company recorded \$5,000 of net charge-offs for the fourth quarter of 2022.

### **Capital**

Capital ratios of the Company and InBank continue to exceed the “well-capitalized” regulatory thresholds. At December 31, 2022, InBank’s leverage ratio was 9.79% and the total risk-based capital ratio was 11.42%.

At December 31, 2022, the Company had tangible common equity of \$83.8 million and tangible book value per share (“TBVPS”) of \$7.18, with 11,672,362 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$3.8 million and TBVPS increased \$0.32, or 4.7%, compared to September 30, 2022, mostly due to an increase in surplus and retained earnings of \$3.3 million, while accumulated other comprehensive income (“AOCI”) on investment securities was flat compared to the linked quarter. Year-over-year, the TBVPS decreased \$1.23, or 14.6%, compared to December 31, 2021 primarily due to a decrease in the AOCI of \$10.1 million, or \$0.87 per share, or 10.3%. The balance of the year-over-year decrease in TBVPS of \$0.36, or 4.3%, was primarily due to the acquisition of Legacy, partially offset by an increase in retained earnings.

The Company's tangible common equity to tangible assets ratio was 6.87% at December 31, 2022. The Company paid no dividends during the fourth quarter of 2022. The Bank paid \$450,000 in dividends to the Company during the fourth quarter of 2022.

### **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: (i) tangible common equity, (ii) tangible assets, (iii) tangible common equity to tangible assets, (iv) tangible book value per share, (v) return on average tangible common equity, (vi) pre-provision pre-tax net revenue, or PPNR, (vii) core efficiency ratio, (viii) adjusted return on average assets excluding M&A, (ix) core loans, and (x) core noninterest expense to average assets. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders' equity. Tangible assets is computed by subtracting goodwill and core deposit intangibles from total assets. Tangible common equity to tangible assets is computed by dividing tangible common equity by tangible assets. Tangible book value per share is computed by dividing tangible common equity by common shares outstanding. Return on average tangible common equity is computed by dividing net income, less intangible amortization, tax effected, by average stockholders' equity less average intangible assets. PPNR is computed by adding provision for loan losses expense, merger and acquisition expense, and income tax expense to net income. Core efficiency ratio is computed by dividing noninterest expense, less merger and acquisition expense, by the sum of noninterest income exclusive of gain/loss on sale of securities and net interest income. Adjusted return on average assets excluding M&A is computed by dividing net income, less merger and acquisition expense, tax effected, by average assets. Core loans is computed by subtracting PPP loans from total loans held for investment. Core noninterest expense to average assets is computed by dividing noninterest expense, less merger and acquisition expense, by average assets. 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](http://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, 2022</u>	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<b>ASSETS</b>			
Cash and due from banks	\$ 15,396	\$ 15,894	\$ 4,915
Interest-bearing deposits in banks	2,897	8,039	51,393
Total cash and cash equivalents	<u>18,293</u>	<u>23,933</u>	<u>56,308</u>
Reverse repurchase agreements	-	-	5,104
Investment securities , available-for-sale	180,578	183,582	230,025
Investment securities , held-to-maturity	139,005	140,951	-
Total investment securities	<u>319,583</u>	<u>324,533</u>	<u>230,025</u>
Nonmarketable equity securities	4,053	4,191	3,507
Loans held for sale	-	-	1,282
Loans HFI, excluding PPP loans	846,623	796,983	416,288
PPP loans	117	117	14,995
Total loans held for investment	<u>846,740</u>	<u>797,100</u>	<u>431,283</u>
Allowance for loan losses	(5,685)	(4,790)	(3,374)
Net loans	<u>841,055</u>	<u>792,310</u>	<u>427,909</u>
Premises and equipment, net	12,910	15,788	6,683
Other real estate owned	-	-	436
Goodwill	18,660	18,660	7,944
Core deposit intangible	8,082	8,557	2,014
Bank owned life insurance	8,587	8,528	-
Accrued interest and other assets (2)	15,296	14,800	4,021
<b>Total assets</b>	<b><u>\$ 1,246,519</u></b>	<b><u>\$ 1,211,300</u></b>	<b><u>\$ 745,233</u></b>
<b>LIABILITIES</b>			
Noninterest-bearing deposits	\$ 443,743	\$ 451,523	\$ 255,591
Interest-bearing deposits	616,584	602,520	372,159
Total deposits	<u>1,060,327</u>	<u>1,054,043</u>	<u>627,750</u>
Securities sold under agreements to repurchase	13,777	14,443	11,897
Other borrowings	28,000	3,000	-
Subordinated debentures	24,564	24,537	24,454
Other liabilities (2)	9,297	8,046	3,893
Total liabilities	<u>1,135,965</u>	<u>1,104,069</u>	<u>667,994</u>
<b>STOCKHOLDER'S EQUITY</b>			
Common stock	117	117	80
Surplus	109,469	109,266	74,892
Retained earnings	9,733	6,594	918
Accumulated other comprehensive income (loss)	(8,765)	(8,746)	1,349
Total stockholders' equity	<u>110,554</u>	<u>107,231</u>	<u>77,239</u>
<b>Total liabilities and stockholders' equity</b>	<b><u>\$ 1,246,519</u></b>	<b><u>\$ 1,211,300</u></b>	<b><u>\$ 745,233</u></b>
<b>Select additional information and ratios:</b>			
Net loans to deposits	79.3%	75.2%	68.2%
Tangible common equity (1)	\$ 83,812	\$ 80,014	\$ 67,281
Tangible common equity to tangible assets (1)	6.87%	6.76%	9.15%
Common shares outstanding	11,672,362	11,671,815	8,000,150
Book value per share	\$9.47	\$9.19	\$9.65
Tangible book value per share (1)	\$7.18	\$6.86	\$8.41

(1) Non-GAAP measure; reconciliation to GAAP included elsewhere in this release

(2) Certain assets and liabilities have been reclassified from prior period reporting

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

	For the Quarter Ended		
	December 31, 2022	September 30, 2022	December 31, 2021
<b>INTEREST INCOME</b>			
Interest and fees on loans	\$ 11,458	\$ 11,359	\$ 5,205
Interest on securities & interest bearing balances	2,880	2,698	1,211
Total interest income	<u>14,338</u>	<u>14,057</u>	<u>6,416</u>
<b>INTEREST EXPENSE</b>			
Interest on deposits	1,054	510	220
Interest on repurchase agreements & other borrowings	185	64	19
Interest on subordinated debentures	301	283	253
Total interest expense	<u>1,540</u>	<u>857</u>	<u>492</u>
<b>NET INTEREST INCOME</b>	12,798	13,200	5,924
<b>Provision for loan losses</b>	900	525	240
<b>NONINTEREST INCOME</b>			
Service charges and fees	795	845	447
Mortgage fees and gain on loans held for sale	20	65	96
Other noninterest income	326	188	77
Gain on sale of SBA and CRE loans	-	39	350
Gain (Loss) on sale of OREO and other assets	219	(16)	(35)
Gain on sale of investment securities	-	-	-
Total noninterest income (1)	<u>1,360</u>	<u>1,121</u>	<u>935</u>
<b>NONINTEREST EXPENSE</b>			
Salaries and employee benefits	4,537	4,823	3,198
Occupancy and equipment	555	560	399
Data processing and software	1,410	1,369	610
Intangible amortization	475	475	154
Merger and acquisition expense	451	1,014	292
Other noninterest expense	1,949	1,651	1,069
Total noninterest expense (1)	<u>9,377</u>	<u>9,892</u>	<u>5,722</u>
Income before income taxes	3,881	3,904	897
Income tax expense	743	776	207
Net income	<u>\$ 3,138</u>	<u>\$ 3,128</u>	<u>\$ 690</u>
Basic income per share	\$ 0.27	\$ 0.27	\$ 0.09
Weighted average shares outstanding - basic	11,673,317	11,671,215	8,000,150
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 5,232	\$ 5,443	\$ 1,429

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

(2) Non-GAAP measure; reconciliation to GAAP included elsewhere in this release

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

	For the Year Ended	
	December 31, 2022	December 31, 2021
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 36,649	\$ 21,459
Interest on securities & interest bearing balances	8,918	4,288
Total interest income	<u>45,567</u>	<u>25,747</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	2,121	1,108
Interest on repurchase agreements & other borrowings	304	107
Interest on subordinated debentures	1,106	393
Total interest expense	<u>3,531</u>	<u>1,608</u>
<b>NET INTEREST INCOME</b>	42,036	24,139
<b>Provision for loan losses</b>	2,227	1,119
<b>NONINTEREST INCOME</b>		
Service charges and fees	2,863	1,507
Mortgage fees and gain on loans held for sale	159	502
Other noninterest income	839	802
Gain (Loss) on sale of SBA and other loans	145	652
Gain (Loss) on sale of OREO and other assets	299	(102)
Gain on sale of investment securities	-	133
Total noninterest income (1)	<u>4,305</u>	<u>3,494</u>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	16,857	14,029
Occupancy and equipment	2,001	1,487
Data processing and software	4,194	2,278
Intangible amortization	1,445	616
Merger and acquisition expense	2,514	292
Other noninterest expense	5,986	4,318
Total noninterest expense (1)	<u>32,997</u>	<u>23,020</u>
Income before income taxes	11,117	3,494
Income tax expense	2,303	745
Net income	<u>\$ 8,814</u>	<u>\$ 2,749</u>
Basic income per share	\$ 0.84	\$ 0.36
Weighted average shares outstanding - basic	10,462,299	7,722,849
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 15,858	\$ 4,905

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

(2) Non-GAAP measure; reconciliation to GAAP included elsewhere in this release

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

	December 31, 2022			For the Quarter Ended September 30, 2022			December 31, 2021		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>Earning Assets</b>									
Investment securities	\$ 322,242	\$ 2,784	3.43%	\$ 323,482	\$ 2,524	3.10%	\$ 225,277	\$ 1,170	2.06%
Other interest-bearing balances (1)	9,995	96	3.81%	30,247	174	2.28%	54,040	41	0.30%
Total investments and interest-bearing	332,237	2,880	3.44%	353,729	2,698	3.03%	279,317	1,211	1.72%
Loans, excluding PPP loans	819,005	11,458	5.55%	797,509	11,332	5.64%	412,005	4,914	4.73%
PPP loans	117	-	0.00%	450	27	23.80%	22,292	291	5.18%
Total Loans	819,122	11,458	5.55%	797,959	11,359	5.65%	434,297	5,205	4.75%
Less allowance for loan losses	(5,116)	-	0.00%	(4,389)	-	0.00%	(3,189)	-	0.00%
Net loans	814,006	11,458	5.58%	793,570	11,359	5.68%	431,108	5,205	4.79%
<b>Total interest earning assets</b>	<b>1,146,243</b>	<b>14,338</b>	<b>4.96%</b>	<b>1,147,299</b>	<b>14,057</b>	<b>4.86%</b>	<b>710,425</b>	<b>6,416</b>	<b>3.58%</b>
Noninterest earning assets	85,399			86,142			33,612		
Total assets	<u>\$ 1,231,642</u>			<u>\$ 1,233,441</u>			<u>\$ 744,037</u>		
<b>Interest-Bearing Liabilities</b>									
Interest-bearing transaction deposits	\$ 187,736	\$ 205	0.43%	\$ 141,168	\$ 101	0.28%	\$ 53,869	\$ 64	0.47%
Savings and MMDA deposits	284,345	423	0.59%	345,962	174	0.20%	220,438	74	0.13%
Time deposits	137,881	426	1.23%	140,167	235	0.67%	84,623	82	0.38%
Total interest-bearing deposits	609,962	1,054	0.69%	627,297	510	0.32%	358,930	220	0.24%
Repurchase agreements & other borrowings	26,450	185	2.77%	17,740	64	1.43%	20,838	19	0.36%
Subordinated debentures	24,547	301	4.86%	24,519	283	4.58%	24,587	253	4.08%
Total interest-bearing liabilities	660,959	1,540	0.92%	669,556	857	0.51%	404,355	492	0.48%
Noninterest bearing deposits	453,278	-	0.00%	447,860	-	0.00%	258,064	-	0.00%
<b>Total funding liabilities</b>	<b>1,114,237</b>	<b>1,540</b>	<b>0.55%</b>	<b>1,117,416</b>	<b>857</b>	<b>0.30%</b>	<b>662,419</b>	<b>492</b>	<b>0.29%</b>
Other noninterest bearing liabilities	8,280			6,486			4,539		
Total liabilities	1,122,517			1,123,902			666,958		
Stockholders' equity	109,125			109,539			77,079		
Total liabilities and stockholders' equity	<u>\$ 1,231,642</u>			<u>\$ 1,233,441</u>			<u>\$ 744,037</u>		
<b>Net Interest Income</b>		<u><b>\$ 12,798</b></u>			<u><b>\$ 13,200</b></u>			<u><b>\$ 5,924</b></u>	
<b>Net Interest Margin</b>			<b>4.43%</b>			<b>4.56%</b>			<b>3.31%</b>
<b>Total Cost of Deposits</b>	<b>\$ 1,063,240</b>	<b>\$ 1,054</b>	<b>0.39%</b>	<b>\$ 1,075,157</b>	<b>\$ 510</b>	<b>0.19%</b>	<b>\$ 616,995</b>	<b>\$ 220</b>	<b>0.14%</b>

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

	For the Year Ended					
	December 31, 2022			December 31, 2021		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>Earning Assets</b>						
Investment securities	\$ 294,412	\$ 8,562	2.91%	\$ 185,612	\$ 4,126	2.22%
Other interest-bearing balances (1)	28,868	356	1.23%	60,924	162	0.27%
Total investments and interest-bearing	323,280	8,918	2.76%	246,536	4,288	1.74%
Loans, excluding PPP loans	684,446	36,279	5.30%	362,414	17,902	4.94%
PPP loans	3,897	370	9.49%	62,675	3,557	5.68%
Loans	688,343	36,649	5.32%	425,089	21,459	5.05%
Less allowance for loan losses	(4,574)	-	0.00%	(2,639)	-	0.00%
Net loans	683,769	36,649	5.36%	422,451	21,459	5.08%
<b>Total interest earning assets</b>	<b>1,007,049</b>	<b>45,567</b>	<b>4.52%</b>	<b>668,987</b>	<b>25,747</b>	<b>3.85%</b>
Noninterest earning assets	68,008			36,299		
Total assets	<u>\$ 1,075,057</u>			<u>\$ 705,286</u>		
<b>Interest Bearing Liabilities</b>						
Interest bearing transaction deposits	\$ 124,715	\$ 475	0.38%	\$ 56,544	\$ 284	0.50%
Savings and MMDA deposits	297,428	782	0.26%	205,356	410	0.20%
Time deposits	121,163	864	0.71%	88,665	413	0.47%
Total interest bearing deposits	543,306	2,121	0.39%	350,565	1,108	0.32%
Repurchase agreements & other borrowings	17,578	304	1.73%	34,734	107	0.31%
Subordinated debentures	24,505	1,106	4.51%	9,848	393	3.99%
Total interest bearing liabilities	585,389	3,531	0.60%	395,146	1,608	0.41%
Noninterest bearing deposits	386,579	-	0.00%	230,859	-	0.00%
<b>Total funding liabilities</b>	<b>971,968</b>	<b>3,531</b>	<b>0.36%</b>	<b>626,006</b>	<b>1,608</b>	<b>0.26%</b>
Other noninterest bearing liabilities	5,815			4,072		
Total liabilities	977,783			630,077		
Stockholders' equity	97,274			75,209		
Total liabilities and stockholders' equity	<u>\$ 1,075,057</u>			<u>\$ 705,286</u>		
<b>Net Interest Income</b>		<u><b>\$ 42,036</b></u>			<u><b>\$ 24,139</b></u>	
<b>Net Interest Margin</b>			<b>4.17%</b>			<b>3.61%</b>
<b>Total Cost of Deposits</b>	<b>\$ 929,885</b>	<b>\$ 2,121</b>	<b>0.23%</b>	<b>\$ 581,424</b>	<b>\$ 1,108</b>	<b>0.19%</b>

**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, 2022	Dec 31, 2021	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
<b>Performance Ratios (1)</b>							
Return on average assets	0.82%	0.39%	1.01%	1.01%	0.79%	0.24%	0.37%
Adjusted return on average assets excluding M&A (2)	1.00%	0.42%	1.13%	1.26%	1.05%	0.31%	0.49%
Return on average equity	9.06%	3.66%	11.41%	11.33%	8.89%	2.40%	3.55%
Return on average tangible common equity (2)	13.03%	4.98%	16.98%	16.94%	12.34%	3.42%	4.81%
Net interest margin	4.17%	3.61%	4.43%	4.56%	4.17%	3.14%	3.31%
Cost of funds	0.36%	0.26%	0.55%	0.30%	0.27%	0.29%	0.29%
Cost of deposits	0.23%	0.19%	0.39%	0.19%	0.15%	0.13%	0.14%
Efficiency ratio	71.20%	83.71%	66.23%	69.07%	71.08%	86.99%	83.42%
Core efficiency ratio (2)	65.78%	82.65%	63.05%	61.99%	63.38%	84.33%	79.17%
Noninterest income to average assets	0.40%	0.50%	0.44%	0.36%	0.36%	0.46%	0.50%
Noninterest expense to average assets	3.07%	3.26%	3.02%	3.18%	3.04%	3.01%	3.05%
Core Noninterest expense to average assets (2)	2.84%	3.22%	2.88%	2.86%	2.71%	2.91%	2.90%
Earnings per share - basic	\$0.84	\$0.36	\$0.27	\$0.27	\$0.20	\$0.06	\$0.09
<b>Selected Balance Sheet Ratios</b>							
Net loans HFI to deposits	79.32%	68.17%	79.32%	75.17%	75.41%	75.97%	68.17%
Noninterest-bearing deposits to total deposits	41.85%	40.72%	41.85%	42.84%	38.94%	41.75%	40.72%
Share Data:							
Shares outstanding	11,672,362	8,000,150	11,672,362	11,671,815	11,616,576	8,000,150	8,000,150
Book value per share	\$9.47	\$9.65	\$9.47	\$9.19	\$9.22	\$9.20	\$9.65
Tangible book value per share (2)	\$7.18	\$8.41	\$7.18	\$6.86	\$6.84	\$7.97	\$8.41
<b>InBank Regulatory Capital Ratios (3)</b>							
Tier 1 leverage ratio	9.79%	9.13%	9.79%	9.44%	10.54%	9.08%	9.13%
Common equity tier 1 capital ratio	10.89%	12.32%	10.89%	10.99%	10.68%	11.17%	12.32%
Tier 1 capital ratio	10.89%	12.32%	10.89%	10.99%	10.68%	11.17%	12.32%
Total capital ratio	11.42%	12.95%	11.42%	11.45%	11.09%	11.77%	12.95%

(1) Ratios are annualized

(2) Non-GAAP measure; reconciliation to GAAP included elsewhere in this release

(3) Represents data for InBank

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

	As of and For the Quarter Ended				
	Dec 31, 2022	Sep 30, 2022	June 30, 2022	Mar 31, 2022	Dec 31, 2021
<b>Loans</b>					
Total loans held for investment (HFI)	\$ 846,740	\$ 797,100	\$ 799,171	\$ 480,216	\$ 431,283
Loans HFI, excluding PPP loans	\$ 846,623	\$ 796,983	\$ 798,563	\$ 471,493	\$ 416,288
Average loans HFI over period	\$ 819,122	\$ 797,959	\$ 691,406	\$ 439,510	\$ 434,297
<b>Asset Quality</b>					
Loans past due (30-89 days)	\$ 957	\$ 1,162	\$ 1,157	\$ 409	\$ 5,045
Nonaccrual loans	\$ 1,197	\$ 1,183	\$ 6,502	\$ 4,585	\$ 202
Accruing loans past due 90 days or more	117	117	317	310	310
Total nonperforming loans (NPLs)	1,314	1,300	6,819	4,895	512
Other real estate owned (OREO)	-	-	200	200	436
Total nonperforming assets (NPAs)	\$ 1,314	\$ 1,300	\$ 7,019	\$ 5,095	\$ 948
Performing troubled debt restructured loans	\$ 3,950	\$ 4,117	\$ 4,228	\$ 4,054	\$ 4,462
<b>Allowance for Loan and Lease Losses (ALLL)</b>					
ALLL balance, beginning of period	\$ 4,790	\$ 4,210	\$ 3,632	\$ 3,374	\$ 3,059
Provision for loan losses	900	525	497	305	240
Net (chargeoffs) / recoveries	(5)	55	81	(47)	75
ALLL balance, end of period	\$ 5,685	\$ 4,790	\$ 4,210	\$ 3,632	\$ 3,374
Purchase discounts on loans acquired in M&A	\$ 7,267	\$ 8,293	\$ 8,999	\$ 3,286	\$ 3,447
ALLL plus purchase discount	\$ 12,952	\$ 13,083	\$ 13,209	\$ 6,918	\$ 6,821
<b>Selected Ratios</b>					
Loans past due 30-89 days to total loans HFI	0.11%	0.15%	0.14%	0.09%	1.17%
NPLs to total loans HFI	0.16%	0.16%	0.85%	1.02%	0.12%
NPAs to total loans HFI and OREO	0.16%	0.16%	0.88%	1.06%	0.22%
NPAs to total assets	0.11%	0.11%	0.58%	0.67%	0.13%
ALLL to total loans HFI	0.67%	0.60%	0.53%	0.76%	0.78%
ALLL to loans HFI, excluding PPP loans	0.67%	0.60%	0.53%	0.77%	0.81%
ALLL plus purch. discount to total loans HFI plus purch. discount	1.52%	1.62%	1.63%	1.43%	1.57%
Net (chargeoffs) / recoveries to average loans (1)	0.00%	0.03%	0.05%	-0.04%	0.07%

(1) Ratios are annualized

**InBankshares, Corp**
**Non-GAAP Financial Measures (unaudited)**

(Dollars in thousands, except per share data)

	As of For the Year Ended		As of and For the Quarter Ended					
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	
<b>Tangible Common Equity, Tangible Assets, Tangible Common Equity to Tangible Assets, and Tangible Book Value Per Share</b>								
Total stockholders' equity (GAAP)	(A)	\$ 110,554	\$ 77,239	\$ 110,554	\$ 107,231	\$ 107,139	\$ 73,607	\$ 77,239
Less: Goodwill		(18,660)	(7,944)	(18,660)	(18,660)	(18,660)	(7,944)	(7,944)
Less: Core deposit intangible, net		(8,082)	(2,014)	(8,082)	(8,557)	(9,032)	(1,880)	(2,014)
Tangible common equity (non-GAAP)	(B)	\$ 83,812	\$ 67,281	\$ 83,812	\$ 80,014	\$ 79,447	\$ 63,783	\$ 67,281
Total assets (GAAP)	(C)	\$ 1,246,519	\$ 745,233	\$ 1,246,519	\$ 1,211,300	\$ 1,203,390	\$ 763,576	\$ 745,233
Less: Goodwill		(18,660)	(7,944)	(18,660)	(18,660)	(18,660)	(7,944)	(7,944)
Less: Core deposit intangible, net		(8,082)	(2,014)	(8,082)	(8,557)	(9,032)	(1,880)	(2,014)
Tangible assets (non-GAAP)	(D)	\$ 1,219,777	\$ 735,275	\$ 1,219,777	\$ 1,184,083	\$ 1,175,698	\$ 753,752	\$ 735,275
Equity to assets (GAAP)	(A/C)	8.87%	10.36%	8.87%	8.85%	8.90%	9.64%	10.36%
Tangible common equity to tangible assets (non-GAAP)	(B/D)	6.87%	9.15%	6.87%	6.76%	6.76%	8.46%	9.15%
Common shares outstanding	(E)	11,672,362	8,000,150	11,672,362	11,671,815	11,616,576	8,000,150	8,000,150
Book value per share (GAAP)	(A/E)	\$ 9.47	\$ 9.65	\$ 9.47	\$ 9.19	\$ 9.22	\$ 9.20	\$ 9.65
Tangible book value per share (non-GAAP)	(B/E)	\$ 7.18	\$ 8.41	\$ 7.18	\$ 6.86	\$ 6.84	\$ 7.97	\$ 8.41

	As of For the Year Ended		As of and For the Quarter Ended					
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	
<b>Pre-Provision, Pre-Tax Net Revenue (PPNR)</b>								
Net income (GAAP)		\$ 8,814	\$ 2,749	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444	\$ 690
Add: Provision for loan losses		2,227	1,119	900	525	497	305	240
Add: Income tax expense		2,303	745	743	776	690	94	207
Add: Merger and acquisition expense		2,514	292	451	1,014	876	173	292
Pre-provision, pre-tax net revenue (PPNR) (non-GAAP)		\$ 15,858	\$ 4,905	\$ 5,232	\$ 5,443	\$ 4,167	\$ 1,016	\$ 1,429

	As of For the Year Ended		As of and For the Quarter Ended					
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	
<b>Return on Average Tangible Common Equity</b>								
Net income (GAAP)	(A)	\$ 8,814	\$ 2,749	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444	\$ 690
Add: Intangible amortization		1,445	616	475	475	362	133	154
Less: Tax effect on intangible amortization (at 21.0%)		(304)	(129)	(100)	(100)	(76)	(28)	(32)
Tangible income to common stockholders (non-GAAP)	(B)	\$ 9,955	\$ 3,236	\$ 3,513	\$ 3,503	\$ 2,390	\$ 549	\$ 812
Average stockholders equity	(C)	\$ 97,274	\$ 75,209	\$ 109,125	\$ 109,539	\$ 94,910	\$ 75,012	\$ 77,079
Less: Average intangible assets		(20,870)	(10,282)	(27,037)	(27,517)	(17,241)	(9,905)	(10,052)
Average tangible common equity	(D)	\$ 76,404	\$ 64,927	\$ 82,088	\$ 82,022	\$ 77,669	\$ 65,107	\$ 67,027
Return on average equity	(A/C)	9.06%	3.66%	11.41%	11.33%	8.89%	2.40%	3.55%
Return on average tangible common equity	(B/D)	13.03%	4.98%	16.98%	16.94%	12.34%	3.42%	4.81%

**InBankshares, Corp**  
**Non-GAAP Financial Measures (unaudited)**  
(Dollars in thousands, except per share data)

	As of For the Year Ended		As of and For the Quarter Ended					
	Dec 31, 2022	Dec 31, 2021	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	
<b>Core Efficiency Ratio and Core Noninterest Expense to Average Assets</b>								
Noninterest expense (GAAP)	(A) \$ 32,997	\$ 23,020	\$ 9,377	\$ 9,892	\$ 8,089	\$ 5,639	\$ 5,722	
Less: Merger and acquisition expense	(2,514)	(292)	(451)	(1,014)	(876)	(173)	(292)	
Adjusted noninterest expense (non-GAAP)	(B) \$ 30,483	\$ 22,728	\$ 8,926	\$ 8,878	\$ 7,213	\$ 5,466	\$ 5,430	
Noninterest income (GAAP)	\$ 4,305	\$ 3,494	\$ 1,360	\$ 1,121	\$ 967	\$ 856	\$ 934	
Less: (Gain) loss on sale of investment securities	-	(133)	-	-	-	-	-	
Adjusted noninterest income (non-GAAP)	(C) \$ 4,305	\$ 3,361	\$ 1,360	\$ 1,121	\$ 967	\$ 856	\$ 934	
Net interest income (GAAP)	(D) \$ 42,036	\$ 24,139	\$ 12,798	\$ 13,200	\$ 10,413	\$ 5,626	\$ 5,925	
Efficiency ratio	(A/(C+D))	71.20%	83.71%	66.23%	69.07%	71.08%	86.99%	83.42%
Core efficiency ratio (non-GAAP)	(B/(C+D))	65.78%	82.65%	63.05%	61.99%	63.38%	84.33%	79.17%
Average assets	(E) \$ 1,075,057	\$ 705,286	\$ 1,231,642	\$ 1,233,441	\$ 1,067,709	\$ 760,521	\$ 744,037	
Noninterest expense to average assets	(A/E)	3.07%	3.26%	3.02%	3.18%	3.04%	3.01%	3.05%
Core noninterest expense to average assets	(B/E)	2.84%	3.22%	2.88%	2.86%	2.71%	2.91%	2.90%
<b>Adjusted Return on Average Assets excluding M&amp;A</b>								
Net income (GAAP)	(A) \$ 8,814	\$ 2,749	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444	\$ 690	
Add: Merger and acquisition expense	2,514	292	451	1,014	876	173	292	
Less: Tax effect on merger and acquisition expense (at 21.0%)	(528)	(61)	(95)	(213)	(184)	(36)	(61)	
Adjusted income excluding M&A	(B) \$ 10,800	\$ 2,980	\$ 3,494	\$ 3,929	\$ 2,796	\$ 581	\$ 921	
Average assets	(C) \$ 1,075,057	\$ 705,286	\$ 1,231,642	\$ 1,233,441	\$ 1,067,709	\$ 760,521	\$ 744,037	
Return on average assets (GAAP)	(A/C)	0.82%	0.39%	1.01%	1.01%	0.79%	0.24%	0.37%
Adjusted return on average assets excl. M&A (non-GAAP)	(B/C)	1.00%	0.42%	1.13%	1.26%	1.05%	0.31%	0.49%