



INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

INBANKSHARES, CORP REPORTS FIRST QUARTER 2023 FINANCIAL RESULTS

EPS more than quadrupled to prior year first quarter

Denver, CO – April 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 ended March 31, 2023. The Company reported consolidated net income of \$3.1 million or \$0.27 per share, for the first quarter of 2023 compared to \$3.1 million, or \$0.27 per share, for the fourth quarter of 2022, and an increase of 605% compared to \$444,000, or \$0.06 per share, for the first quarter of 2022.

Net income for the fourth and first quarters of 2022 include pre-tax acquisition costs of \$451,000 and \$173,000, respectively, related to the acquisition of Legacy Bank (“Legacy”), which was completed on April 29, 2022. These acquisition costs reduced earnings by \$0.03 per common share in the fourth quarter and \$0.01 per common share quartering the first quarter. No acquisition costs were recorded in the first quarter of 2023.

Highlights for the first quarter of 2023:

- Core loans at March 31, 2023 increased \$52.0 million, or 6.1%, compared to December 31, 2022, and increased \$427.1 million, or 90.6%, compared to March 31, 2022
- Total deposits at March 31, 2023 decreased \$7.7 million, or 0.7%, compared to December 31, 2022, and increased \$425.3 million, or 67.8%, compared to March 31, 2022
- Net income for the quarter was \$3.1 million, flat compared to the linked quarter, and increased \$2.7 million, or 605.2% compared to the first quarter of 2022
- Basic earnings per share (“EPS”) was \$0.27 for the quarter, compared to \$0.27 for the linked quarter, and \$0.06 for the first quarter of 2022
- ROAA was 1.00% for the quarter, compared to 1.01% for the linked quarter, and 0.24% for the first quarter of 2022
- Net interest margin was 3.93% for the quarter, compared to 4.43% for the linked quarter, and 3.14% for the first quarter of 2022
- Pre-provision, pre-tax net revenue (“PPNR”) for the quarter was \$4.3 million, compared to \$5.2 million for the linked quarter, and \$1.0 million for the first quarter of 2022

Ed Francis, Chairman of the Board, President and Chief Executive Officer of the Company, commented, "The first quarter of 2023 presented challenges for many banks given the macro headwinds of higher interest rates and deposits leaving the banking system seeking higher returns. I'm proud to report that InBank remains well positioned to weather the volatile interest rate environment and we are focused on providing a safe and sound banking institution for our depositors. Liquidity remains strong with cash and available for sale securities representing approximately 16% of total assets at the end of the first quarter. Our asset quality measures remained resilient during the quarter with nonperforming assets of \$1.7 million, or 0.13% of total assets. Additionally, InBank's capital ratios remained strong, with ratios above well capitalized standards, with a total capital ratio of 11.78% and a leverage ratio of 9.66%, and the Company's tangible common equity ratio of 6.84%.

Mr. Francis concluded, "We continue to focus on managing the critical risks of our business. Our diverse and granular deposit base is a tremendous strength of our bank. Our Community Bank region deposits represent a significant portion of our total deposit base and provide significant value to our franchise. Our bankers in our Metro markets have felt more pressure on deposit rates, but they also have the opportunity to win market share and build new high value commercial relationships for our bank. We continue to be opportunistic in adding key talent. Our treasury team's execution continues to shine, and we are making good progress introducing the Legacy markets to new treasury products and technology. I'm pleased with our progress despite the headwinds facing the industry."

Results of Operations

Net income for the first quarter of 2023 was \$3.1 million, or \$0.27 per share, unchanged from the fourth quarter of 2022, and increased \$2.7 million, or \$0.21 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 noninterest expense, and income tax expense.

Net interest income for the first quarter of 2023 was \$11.5 million, a decrease of \$1.3 million, or 10.4%, over the linked quarter, and an increase of \$5.8 million, or 103.8%, over the same quarter last year. The decrease in net interest income compared to the linked quarter was due to a \$1.7 million increase in interest expense, partially offset by a \$406,000 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 \$406,000, or 2.8%, to \$14.7 million during the first quarter of 2023, compared to \$14.3 million during the linked quarter, and increased \$8.6 million, or 141.4%, compared to \$6.1 million during the same quarter last year.
 - The increase from the linked quarter was primarily due to a change in the mix of earning assets. Average loans increased \$61.7 million with an average yield of 5.49%, while interest-bearing cash and investments decreased by \$18.6 million with an average yield of 3.65%.

- The increase in interest income compared to the same quarter last year was primarily due to an increase of \$456.7 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 \$181,000.
- Accretion of the purchase discount on acquired loans was \$397,000 in the first quarter of 2023, compared to \$1.0 million in the linked quarter, and \$161,000 in the first quarter of 2022.
- Interest expense was \$3.3 million in the first quarter of 2023, an increase of \$1.7 million, or 113.0%, compared to \$1.5 million during the linked quarter, and an increase of \$2.8 million, or 581.9% compared to \$481,000 during the same quarter last year.
 - The increase over the linked quarter was primarily due to a 61-basis point increase in the cost of funds, increases in the volume of borrowings and brokered deposits, and a change in deposit mix as customers migrated to higher cost deposit categories.
 - The increase from the same quarter last year was due to an increase of \$269.9 million in average interest-bearing deposits, an increase of \$60.1 million in borrowings, and an 87-basis point increase in the cost of funds.

Net interest margin (NIM), expressed as net interest income as a percentage of average earning assets, was 3.93% during the first quarter of 2023, compared to 4.43% during the linked quarter, and 3.14% during the same quarter last year. NIM during the first quarter decreased 50 basis points as a result of increases in costs on funding liabilities due to higher market interest rates, partially offset by higher yields on interest-earning assets.

Provision for credit losses for the quarter ended March 31, 2023, totaled \$293,000, compared to \$900,000 for the quarter ended December 31, 2022, and \$305,000 for the quarter ended March 31, 2022. The Company recorded a provision for credit losses on loans of \$342,000 and recorded a benefit for credit losses on unfunded commitments of \$50,000 in the first quarter of 2023. No benefit or provision for credit losses on unfunded commitments was recorded in the fourth and first quarters of 2022.

The Company implemented the Current Expected Credit Loss (“CECL”) accounting method under Financial Accounting Standards Update 2016-03 and related amendments, *Financial Instruments – Credit Losses (Topic 326)* on January 1, 2023. Upon implementation the Company recorded a \$5.2 million increase in the allowance for lending related credit losses, which included a transfer of \$3.0 million of purchase discount on acquired loans to the allowance for credit losses on loans, a \$552,000 reserve for unfunded commitments, and a \$1.6 million adjustment directly to retained earnings, net of deferred taxes.

Noninterest income for the first quarter of 2023 was \$1.4 million, an increase of \$34,000, or 2.5%, over the linked quarter, and an increase of \$538,000, or 62.9%, from the same quarter last year. The increase over the linked quarter was primarily due to an increase in gain on sale of SBA loans of \$231,000, and an increase in service charge income and fees. These increases were partially offset by a decrease in gains on sale of OREO and other assets, a decrease in other noninterest income, and a decrease in mortgage fees and gains on sale. The increase from the same quarter last year was primarily due to an increase in service

charge income and fees, an increase in other noninterest income, and an increase in gain on sale of SBA loans, partially offset by a decrease in gain on sale of OREO and other assets and a decrease in mortgage fees and gains on sale.

Noninterest expense for the first quarter of 2023 was \$8.6 million, a decrease of \$821,000, or 8.8%, when compared to the linked quarter, and an increase of \$2.9 million, or 51.7%, from the same quarter last year. The decrease over the linked quarter was primarily due to a \$451,000 decrease in merger and acquisition expense, a \$336,000 decrease in other noninterest expense, and a \$250,000 decrease in data processing and software expense. These decreases were partially offset by a \$202,000 increase in salaries and benefits expense and a \$33,000 increase in occupancy and equipment. The increase in noninterest expense compared to the same quarter in the prior year was due to a \$2.8 million increase across all categories of operating expenses due to the Legacy acquisition and organic growth and a \$322,000 increase in intangible amortization in connection with the Legacy transaction, partially offset by a \$173,000 decrease in merger and acquisition expense. Full-time equivalent employees were 161 at March 31, 2023, compared to 168 at December 31, 2022 and 110 at March 31, 2022.

The Company's core efficiency ratio, which excludes gain on sales of securities and merger and acquisition expense, was 66.5% in the first quarter of 2023, compared with 63.1% in the linked quarter and 84.3% in the first quarter of 2022. 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)	March 31, 2023	March 31, 2022	\$ Change	Acquired	Organic	Annualized
				Fair Value at 4/29/22	\$ Change	Organic % Change
Assets	\$ 1,298,400	\$ 763,576	\$ 534,824	\$ 462,670	\$ 72,154	9.4%
Loans HFI	898,694	480,216	418,478	295,872	122,606	25.5%
Loans HFI, excl PPP	898,577	471,493	427,084	295,755	131,329	27.9%
Investment securities	297,523	239,268	58,255	111,168	(52,913)	-22.1%
Cash and equivalents	43,835	11,420	32,415	21,292	11,123	97.4%
Deposits	1,052,667	627,345	425,322	417,210	8,112	1.3%
Other borrowings	87,300	26,000	61,300	-	61,300	-
Subordinated debentures	24,592	24,482	110	-	110	0.4%

Total assets were \$1.30 billion at March 31, 2023, an increase of \$53.2 million, or 4.3%, from \$1.25 billion at December 31, 2022. During the quarter, net loans increased \$47.0 million and cash and cash equivalents increased \$25.5 million, partially offset by a \$22.1 million decrease in investment securities. At March 31, 2023, investment securities were \$297.5 million and total cash and equivalents were \$43.8 million, which combined represented 26.3% of total assets. Total assets increased \$534.8 million, or 70.0%, from \$763.6 million at March 31, 2022, primarily as a result of the Legacy acquisition and strong organic loan growth.

Total loans held-for-investment (“HFI”), which excluded loans held-for-sale (“HFS”), were \$898.7 million at March 31, 2023, compared to \$846.7 million at December 31, 2022, which was an increase of \$52.0 million, or 6.1%. Total loans HFI increased \$418.5 million, or 87.1%, from March 31, 2022.

- The fair value of the loans acquired as part of the Legacy transaction was \$295.8 million.
- SBA Paycheck Protection Program (“PPP”) loan balances were \$117,000 at March 31, 2023 and December 31, 2022, and \$8.7 million at March 31, 2022. As of March 31, 2023, all fees on PPP loans were recognized.
- Organic core loan growth, excluding a decrease in PPP loans of \$8.6 million and acquired loans of \$295.8 million, totaled \$131.3 million, an increase of 27.9% compared to March 31, 2022.

Total deposits were \$1.06 billion at March 31, 2023, a decrease of \$7.7 million, or 0.7%, compared to the linked quarter and increased \$425.3 million, or 67.8% compared to the same quarter in the prior year. Noninterest-bearing deposits declined by 9.1% from the linked quarter, and increased by 54.0% from March 31, 2022, representing 38.3% of total deposits at March 31, 2023. The fair value of the deposits acquired as part of the Legacy transaction was \$417.2 million. During the first quarter 2023, we increased brokered certificates of deposits \$23.7 million, which was partially offset by a decline in listing service deposits of \$4.0 million. Total brokered and listing service deposits represented 3.2% of total deposits at March 31, 2023, compared to 1.3% in the linked quarter and 5.0% in the same quarter in the prior year. Estimated uninsured deposits, excluding secured public funds deposits, totaled \$272.7 million, or 25.9% of total deposits as of March 31, 2023.

Other borrowings were \$87.3 million at March 31, 2023, an increase of \$59.3 million compared to the linked quarter, and increased \$61.3 million compared to March 31, 2022. The Bank increased its short-term Federal Home Loan Bank (“FHLB”) borrowings to \$67.0 million at March 31, 2023 from \$25.0 million at December 31, 2022 and \$26.0 million at March 31, 2022 to fund loan growth and strategically increase the Bank’s cash position. At March 31, 2023, the Bank had \$17.3 million in short-term advances under the Federal Reserve Bank’s new Bank Term Funding Program. 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 March 31, 2023 and December 31, 2022.

Subordinated debentures were \$24.6 million at March 31, 2023, unchanged from the linked quarter, and increased from \$24.5 million compared to the same quarter in the prior year due to amortization of the acquisition discount.

Asset Quality

Nonperforming assets, which include nonperforming loans and OREO, were \$1.7 million, or 0.13% of total assets at March 31, 2023 and \$1.3 million, or 0.11%, at December 31, 2022. Nonperforming loans and OREO decreased \$3.4 million from \$5.1 million, or 0.67% of total assets at March 31, 2022, primarily due to the sale of a single real estate loan. Nonperforming loans, which include non-accrual loans and loans more

than 90 days past due and still accruing, were \$1.5 million, or 0.16% of total loans HFI, at March 31, 2023 and \$1.3 million, or 0.16% of total loans HFI, at December 31, 2022.

Loans delinquent (past due) 30-89 days were \$1.1 million, or 0.12% of total loans HFI, at March 31, 2023, compared to \$957,000, or 0.11% of total loans HFI, at December 31, 2022.

The allowance for credit losses on loans totaled \$10.7 million at March 31, 2023, compared to \$5.7 million at December 31, 2022, and \$3.6 million at March 31, 2022. The increase of \$5.0 million in the allowance for credit losses on loans during the first quarter of 2023 was due to a \$4.7 million one-time adjustment from the implementation of CECL on January 1, 2023, a \$342,000 provision for loan loss, and net charge-offs of \$23,000. The allowance for credit losses on loans was 1.19% of total loans HFI as of March 31, 2023. The allowance for unfunded commitments totaled \$516,000 at March 31, 2023, compared to \$14,000 at December 31, 2022 and at March 31, 2022. The total allowance for lending related credit losses, which represents the sum of the allowance for credit losses on loans and the allowance for unfunded commitments, was 1.25% of total loans HFI as of March 31, 2023. The Company also had \$3.8 million in purchase discounts on loans acquired in previous acquisitions. When combined, the purchase discounts and allowance for lending related credit losses represented 1.61% of total loans HFI plus purchase discounts at the end of the quarter.

Capital

Capital ratios of the Company and InBank continue to exceed the “well-capitalized” regulatory thresholds. At March 31, 2023, InBank’s leverage ratio was 9.66% and the total risk-based capital ratio was 11.78%.

At March 31, 2023, the Company had tangible common equity of \$87.0 million and tangible book value per share (“TBVPS”) of \$7.44, with 11,683,691 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$3.2 million and TBVPS increased \$0.26, or 3.6%, compared to December 31, 2022, mostly due to an increase in surplus and retained earnings of \$1.5 million, which is net of the impact of the CECL adoption, and an increase in accumulated other comprehensive income (“AOCI”) on investment securities of \$1.0 million compared to the linked quarter. Year-over-year, the TBVPS decreased \$0.53, or 6.6%, compared to March 31, 2022 primarily due to a decrease in the AOCI of \$4.8 million, or \$0.41 per share, or 5.2%. The balance of the year-over-year decrease in TBVPS of \$0.12, or 1.5%, 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 6.84% at March 31, 2023. The Company paid no dividends during the first quarter of 2023. The Bank paid \$350,000 in dividends to the Company during the first quarter of 2023.

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.

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>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
ASSETS			
Cash and due from banks	\$ 12,900	\$ 15,396	\$ 8,235
Interest-bearing deposits in banks	30,935	2,897	3,185
Total cash and cash equivalents	<u>43,835</u>	<u>18,293</u>	<u>11,420</u>
Reverse repurchase agreements	-	-	9,796
Investment securities , available-for-sale	160,126	180,578	132,882
Investment securities , held-to-maturity	137,397	139,005	106,386
Total investment securities	<u>297,523</u>	<u>319,583</u>	<u>239,268</u>
Nonmarketable equity securities	6,195	4,052	3,750
Loans held for sale	-	-	340
Loans HFI, excluding PPP loans	898,577	846,623	471,493
PPP loans	117	117	8,723
Total loans held for investment	<u>898,694</u>	<u>846,740</u>	<u>480,216</u>
Allowance for credit losses on loans	(10,673)	(5,685)	(3,632)
Net loans	<u>888,021</u>	<u>841,055</u>	<u>476,584</u>
Premises and equipment, net	12,926	12,910	6,553
Other real estate owned	244	-	200
Goodwill	18,660	18,660	7,944
Core deposit intangible	7,627	8,081	1,880
Bank owned life insurance	8,647	8,587	-
Accrued interest and other assets (2)	14,722	13,991	5,841
Total assets	<u>\$ 1,298,400</u>	<u>\$ 1,245,212</u>	<u>\$ 763,576</u>
LIABILITIES			
Noninterest-bearing deposits	\$ 403,355	\$ 443,743	\$ 261,940
Interest-bearing deposits	649,313	616,584	365,405
Total deposits	<u>1,052,668</u>	<u>1,060,327</u>	<u>627,345</u>
Securities sold under agreements to repurchase	12,341	13,777	8,505
Other borrowings	87,300	28,000	26,000
Subordinated debentures	24,592	24,565	24,482
Other liabilities (2)	8,248	7,989	3,637
Total liabilities	<u>1,185,149</u>	<u>1,134,658</u>	<u>689,969</u>
STOCKHOLDER'S EQUITY			
Common stock	117	117	80
Surplus	109,646	109,469	75,100
Retained earnings	11,242	9,732	1,362
Accumulated other comprehensive income (loss)	(7,754)	(8,764)	(2,935)
Total stockholders' equity	<u>113,251</u>	<u>110,554</u>	<u>73,607</u>
Total liabilities and stockholders' equity	<u>\$ 1,298,400</u>	<u>\$ 1,245,212</u>	<u>\$ 763,576</u>
Select additional information and ratios:			
Net loans to deposits	84.4%	79.3%	76.0%
Tangible common equity (1)	\$ 86,964	\$ 83,813	\$ 63,783
Tangible common equity to tangible assets (1)	6.84%	6.88%	8.46%
Common shares outstanding	11,683,691	11,672,362	8,000,150
Book value per share	\$9.69	\$9.47	\$9.20
Tangible book value per share (1)	\$7.44	\$7.18	\$7.97

(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		
	March 31, 2023	December 31, 2022	March 31, 2022
INTEREST INCOME			
Interest and fees on loans	\$ 11,921	\$ 11,458	\$ 4,780
Interest on securities & interest bearing balances	2,823	2,880	1,327
Total interest income	<u>14,744</u>	<u>14,338</u>	<u>6,107</u>
INTEREST EXPENSE			
Interest on deposits	2,206	1,054	213
Interest on repurchase agreements & other borrowings	760	185	13
Interest on subordinated debentures	314	301	255
Total interest expense	<u>3,280</u>	<u>1,540</u>	<u>481</u>
NET INTEREST INCOME	11,464	12,798	5,626
Provision for credit losses	293	900	305
NONINTEREST INCOME			
Service charges and fees	863	795	496
Mortgage fees and gain on loans held for sale	8	20	48
Other noninterest income	254	326	110
Gain on sale of SBA and CRE loans	231	-	106
Gain on sale of OREO and other assets	38	219	96
Gain on sale of investment securities	-	-	-
Total noninterest income (1)	<u>1,394</u>	<u>1,360</u>	<u>856</u>
NONINTEREST EXPENSE			
Salaries and employee benefits	4,739	4,537	3,307
Occupancy and equipment	588	555	382
Data processing and software	1,161	1,410	611
Intangible amortization	455	475	133
Merger and acquisition expense	-	451	173
Other noninterest expense	1,613	1,949	1,033
Total noninterest expense (1)	<u>8,556</u>	<u>9,377</u>	<u>5,639</u>
Income before income taxes	4,009	3,881	538
Income tax expense	878	743	94
Net income	<u>\$ 3,131</u>	<u>\$ 3,138</u>	<u>\$ 444</u>
Basic income per share	\$ 0.27	\$ 0.27	\$ 0.06
Weighted average shares outstanding - basic	11,675,447	11,673,317	8,000,150
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 4,302	\$ 5,232	\$ 1,016

(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)

	March 31, 2023			For the Quarter Ended December 31, 2022			March 31, 2022		
	Average			Average			Average		
	Balance	Interest	Rate	Balance	Interest	Rate	Balance	Interest	Rate
Earning Assets									
Investment securities	\$ 304,634	\$ 2,709	3.61%	\$ 322,242	\$ 2,784	3.43%	\$ 235,156	\$ 1,283	2.21%
Other interest-bearing balances (1)	9,049	114	5.11%	9,995	96	3.81%	56,216	44	0.32%
Total investments and interest-bearing	313,683	2,823	3.65%	332,237	2,880	3.44%	291,371	1,327	1.85%
Loans, excluding PPP loans	880,714	11,921	5.49%	819,005	11,458	5.55%	427,910	4,599	4.36%
PPP loans	117	-	0.00%	117	-	0.00%	11,600	181	6.33%
Total Loans	880,831	11,921	5.49%	819,122	11,458	5.55%	439,510	4,780	4.41%
Less allowance for loan losses	(10,386)	-	0.00%	(5,116)	-	0.00%	(3,438)	-	0.00%
Net loans	870,445	11,921	5.55%	814,006	11,458	5.58%	436,072	4,780	4.45%
Total interest earning assets	1,184,128	14,744	5.05%	1,146,243	14,338	4.96%	727,443	6,107	3.40%
Noninterest earning assets	84,659			85,399			33,078		
Total assets	<u>\$ 1,268,787</u>			<u>\$ 1,231,642</u>			<u>\$ 760,521</u>		
Interest-Bearing Liabilities									
Interest-bearing transaction deposits	\$ 157,378	\$ 220	0.57%	\$ 187,736	\$ 205	0.43%	\$ 50,346	\$ 72	0.58%
Savings and MMDA deposits	326,288	1,122	1.39%	284,345	423	0.59%	236,836	72	0.12%
Time deposits	156,886	864	2.23%	137,881	426	1.23%	83,478	68	0.33%
Total interest-bearing deposits	640,552	2,206	1.40%	609,962	1,054	0.69%	370,659	212	0.23%
Repurchase agreements & other borrowings	70,189	760	4.39%	26,450	185	2.77%	10,082	14	0.56%
Subordinated debentures	24,574	314	5.18%	24,547	301	4.86%	24,464	255	4.23%
Total interest-bearing liabilities	735,315	3,280	1.81%	660,959	1,540	0.92%	405,204	481	0.48%
Noninterest bearing deposits	410,848	-	0.00%	453,278	-	0.00%	276,091	-	0.00%
Total funding liabilities	1,146,163	3,280	1.16%	1,114,237	1,540	0.55%	681,295	481	0.29%
Other noninterest bearing liabilities	10,037			8,280			4,213		
Total liabilities	1,156,200			1,122,517			685,508		
Stockholders' equity	112,587			109,125			75,012		
Total liabilities and stockholders' equity	<u>\$ 1,268,787</u>			<u>\$ 1,231,642</u>			<u>\$ 760,521</u>		
Net Interest Income		<u>\$ 11,464</u>			<u>\$ 12,798</u>			<u>\$ 5,626</u>	
Net Interest Margin			3.93%			4.43%			3.14%
Total Cost of Deposits	\$ 1,051,400	\$ 2,206	0.85%	\$ 1,063,240	\$ 1,054	0.39%	\$ 646,750	\$ 212	0.13%

InBankshares, Corp
Selected Financial Data (Unaudited)
(Dollars in thousands, except per share data)

	As of and For the Quarter Ended				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Performance Ratios (1)					
Return on average assets	1.00%	1.01%	1.01%	0.79%	0.24%
Adjusted return on average assets excluding M&A (2)	1.00%	1.13%	1.26%	1.05%	0.31%
Return on average equity	11.28%	11.41%	11.33%	8.89%	2.40%
Return on average tangible common equity (2)	16.45%	16.98%	16.94%	12.34%	3.42%
Net interest margin	3.93%	4.43%	4.56%	4.17%	3.14%
Cost of funds	1.16%	0.55%	0.30%	0.27%	0.29%
Cost of deposits	0.85%	0.39%	0.19%	0.15%	0.13%
Efficiency ratio	66.54%	66.23%	69.07%	71.08%	86.99%
Core efficiency ratio (2)	66.54%	63.05%	61.99%	63.38%	84.33%
Noninterest income to average assets	0.45%	0.44%	0.36%	0.36%	0.46%
Noninterest expense to average assets	2.73%	3.02%	3.18%	3.04%	3.01%
Core Noninterest expense to average assets (2)	2.73%	2.88%	2.86%	2.71%	2.91%
Earnings per share - basic	\$0.27	\$0.27	\$0.27	\$0.20	\$0.06

	As of and For the Quarter Ended				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Selected Balance Sheet Ratios					
Net loans HFI to deposits	84.36%	79.32%	75.17%	75.41%	75.97%
Noninterest-bearing deposits to total deposits	38.32%	41.85%	42.84%	38.94%	41.75%
Share Data:					
Shares outstanding	11,683,691	11,672,362	11,671,815	11,616,576	8,000,150
Book value per share	\$9.69	\$9.47	\$9.19	\$9.22	\$9.20
Tangible book value per share (2)	\$7.44	\$7.18	\$6.86	\$6.84	\$7.97
InBank Regulatory Capital Ratios (3)					
Tier 1 leverage ratio	9.66%	9.79%	9.44%	10.54%	9.08%
Common equity tier 1 capital ratio	10.77%	10.89%	10.99%	10.68%	11.17%
Tier 1 capital ratio	10.77%	10.89%	10.99%	10.68%	11.17%
Total capital ratio	11.78%	11.42%	11.45%	11.09%	11.77%

(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				
	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	June 30, 2022	Mar 31, 2022
Loans and Unfunded Commitments					
Total loans held for investment (HFI)	\$ 898,694	\$ 846,740	\$ 797,100	\$ 799,171	\$ 480,216
Loans HFI, excluding PPP loans	\$ 898,577	\$ 846,623	\$ 796,983	\$ 798,563	\$ 471,493
Average loans HFI over period	\$ 880,831	\$ 819,122	\$ 797,959	\$ 691,406	\$ 439,510
Unfunded commitments	\$ 307,509	\$ 329,945	\$ 360,600	\$ 361,350	\$ 193,453
Asset Quality					
Loans past due (30-89 days)	\$ 1,069	\$ 957	\$ 1,162	\$ 1,157	\$ 409
Nonaccrual loans	\$ 1,345	\$ 1,197	\$ 1,183	\$ 6,502	\$ 4,585
Accruing loans past due 90 days or more	117	117	117	317	310
Total nonperforming loans (NPLs)	1,462	1,314	1,300	6,819	4,895
Other real estate owned (OREO)	244	-	-	200	200
Total nonperforming assets (NPAs)	\$ 1,706	\$ 1,314	\$ 1,300	\$ 7,019	\$ 5,095
Allowance for Credit Losses on Loans					
Balance, beginning of period	\$ 5,685	\$ 4,790	\$ 4,210	\$ 3,632	\$ 3,374
Provision for credit losses - loans	342	900	525	497	305
Net (chargeoffs) / recoveries	(23)	(5)	55	81	(47)
Impact of adopting ASC 326	4,669	-	-	-	-
Balance, end of period	\$ 10,673	\$ 5,685	\$ 4,790	\$ 4,210	\$ 3,632
Allowance for Unfunded Commitments					
Balance, beginning of period	\$ 14	\$ 14	\$ 14	\$ 14	\$ 14
Provision for credit losses - unfunded commitments	(50)	-	-	-	-
Impact of adopting ASC 326	552	-	-	-	-
Balance, end of period	\$ 516	\$ 14	\$ 14	\$ 14	\$ 14
Total Allowance for Lending Related Credit Losses	\$ 11,189	\$ 5,699	\$ 4,804	\$ 4,224	\$ 3,646
Purchase discounts on loans acquired in M&A	\$ 3,813	\$ 7,267	\$ 8,293	\$ 8,999	\$ 3,286
Allowance for lending related credit losses plus purchase discount	\$ 14,486	\$ 12,952	\$ 13,083	\$ 13,209	\$ 6,918
Provision for Credit Losses					
Provision for credit losses - loans	\$ 342	\$ 900	\$ 525	\$ 497	\$ 305
Provision for credit losses - unfunded commitments	(50)	-	-	-	-
Total provision for credit losses	\$ 293	\$ 900	\$ 525	\$ 497	\$ 305
Selected Ratios					
Loans past due 30-89 days to total loans HFI	0.12%	0.11%	0.15%	0.14%	0.09%
NPLs to total loans HFI	0.16%	0.16%	0.16%	0.85%	1.02%
NPAs to total loans HFI and OREO	0.19%	0.16%	0.16%	0.88%	1.06%
NPAs to total assets	0.13%	0.11%	0.11%	0.58%	0.67%
Allowance for credit losses on loans to total loans HFI	1.19%	0.67%	0.60%	0.53%	0.76%
Allowance for lending related credit losses to total loans HFI	1.25%	0.67%	0.60%	0.53%	0.77%
Allowance for lending related credit losses plus purchase discount to total loans HFI plus purchase discount	1.61%	1.52%	1.62%	1.63%	1.43%
Net (chargeoffs) / recoveries to average loans (1)	-0.01%	0.00%	0.03%	0.05%	-0.04%

(1) Ratios are annualized

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

		As of and For the Quarter Ended				
		Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Tangible Common Equity, Tangible Assets, Tangible Common Equity to Tangible Assets, and Tangible Book Value Per Share						
Total stockholders' equity (GAAP)	(A)	\$ 113,251	\$ 110,554	\$ 107,231	\$ 107,139	\$ 73,607
Less: Goodwill		(18,660)	(18,660)	(18,660)	(18,660)	(7,944)
Less: Core deposit intangible, net		(7,627)	(8,081)	(8,557)	(9,032)	(1,880)
Tangible common equity (non-GAAP)	(B)	\$ 86,964	\$ 83,813	\$ 80,014	\$ 79,447	\$ 63,783
Total assets (GAAP)						
Total assets (GAAP)	(C)	\$ 1,298,400	\$ 1,245,212	\$ 1,211,300	\$ 1,203,390	\$ 763,576
Less: Goodwill		(18,660)	(18,660)	(18,660)	(18,660)	(7,944)
Less: Core deposit intangible, net		(7,627)	(8,081)	(8,557)	(9,032)	(1,880)
Tangible assets (non-GAAP)	(D)	\$ 1,272,113	\$ 1,218,471	\$ 1,184,083	\$ 1,175,698	\$ 753,752
Equity to assets (GAAP)						
Equity to assets (GAAP)	(A/C)	8.72%	8.88%	8.85%	8.90%	9.64%
Tangible common equity to tangible assets (non-GAAP)	(B/D)	6.84%	6.88%	6.76%	6.76%	8.46%
Common shares outstanding						
Common shares outstanding	(E)	11,683,691	11,672,362	11,671,815	11,616,576	8,000,150
Book value per share (GAAP)						
Book value per share (GAAP)	(A/E)	\$ 9.69	\$ 9.47	\$ 9.19	\$ 9.22	\$ 9.20
Tangible book value per share (non-GAAP)						
Tangible book value per share (non-GAAP)	(B/E)	\$ 7.44	\$ 7.18	\$ 6.86	\$ 6.84	\$ 7.97

		As of and For the Quarter Ended				
		Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Pre-Provision, Pre-Tax Net Revenue (PPNR)						
Net income (GAAP)		\$ 3,131	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444
Add: Provision for loan losses		293	900	525	497	305
Add: Income tax expense		878	743	776	690	94
Add: Merger and acquisition expense		-	451	1,014	876	173
Pre-provision, pre-tax net revenue (PPNR) (non-GAAP)		\$ 4,302	\$ 5,232	\$ 5,443	\$ 4,167	\$ 1,016

		As of and For the Quarter Ended				
		Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Return on Average Tangible Common Equity						
Net income (GAAP)	(A)	\$ 3,131	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444
Add: Intangible amortization		455	475	475	362	133
Less: Tax effect on intangible amortization (at 21.0%)		(96)	(100)	(100)	(76)	(28)
Tangible income to common stockholders (non-GAAP)	(B)	\$ 3,490	\$ 3,513	\$ 3,503	\$ 2,390	\$ 549
Average stockholders equity						
Average stockholders equity	(C)	\$ 112,587	\$ 109,125	\$ 109,539	\$ 94,910	\$ 75,012
Less: Average intangible assets		(26,571)	(27,037)	(27,517)	(17,241)	(9,905)
Average tangible common equity	(D)	\$ 86,016	\$ 82,088	\$ 82,022	\$ 77,669	\$ 65,107
Return on average equity						
Return on average equity	(A/C)	11.28%	11.41%	11.33%	8.89%	2.40%
Return on average tangible common equity	(B/D)	16.45%	16.98%	16.94%	12.34%	3.42%

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

		As of and For the Quarter Ended				
		Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Core Efficiency Ratio and Core Noninterest Expense to Average Assets						
Noninterest expense (GAAP)	(A)	\$ 8,556	\$ 9,377	\$ 9,892	\$ 8,089	\$ 5,639
Less: Merger and acquisition expense		-	(451)	(1,014)	(876)	(173)
Adjusted noninterest expense (non-GAAP)	(B)	<u>\$ 8,556</u>	<u>\$ 8,926</u>	<u>\$ 8,878</u>	<u>\$ 7,213</u>	<u>\$ 5,466</u>
Noninterest income (GAAP)		\$ 1,394	\$ 1,360	\$ 1,121	\$ 967	\$ 856
Less: (Gain) loss on sale of investment securities		-	-	-	-	-
Adjusted noninterest income (non-GAAP)	(C)	<u>\$ 1,394</u>	<u>\$ 1,360</u>	<u>\$ 1,121</u>	<u>\$ 967</u>	<u>\$ 856</u>
Net interest income (GAAP)	(D)	\$ 11,464	\$ 12,798	\$ 13,200	\$ 10,413	\$ 5,626
Efficiency ratio	(A)/(C+D))	66.54%	66.23%	69.07%	71.08%	86.99%
Core efficiency ratio (non-GAAP)	(B)/(C+D))	66.54%	63.05%	61.99%	63.38%	84.33%
Average assets	(E)	\$ 1,268,787	\$ 1,231,642	\$ 1,233,441	\$ 1,067,709	\$ 760,521
Noninterest expense to average assets	(A/E)	2.73%	3.02%	3.18%	3.04%	3.01%
Core noninterest expense to average assets	(B/E)	2.73%	2.88%	2.86%	2.71%	2.91%

		As of and For the Quarter Ended				
		Mar 31, 2023	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022
Adjusted Return on Average Assets excluding M&A						
Net income (GAAP)	(A)	\$ 3,131	\$ 3,138	\$ 3,128	\$ 2,104	\$ 444
Add: Merger and acquisition expense		-	451	1,014	876	173
Less: Tax effect on merger and acquisition expense (at 21.0%)		-	(95)	(213)	(184)	(36)
Adjusted income excluding M&A	(B)	<u>\$ 3,131</u>	<u>\$ 3,494</u>	<u>\$ 3,929</u>	<u>\$ 2,796</u>	<u>\$ 581</u>
Average assets	(C)	\$ 1,268,787	\$ 1,231,642	\$ 1,233,441	\$ 1,067,709	\$ 760,521
Return on average assets (GAAP)	(A/C)	1.00%	1.01%	1.01%	0.79%	0.24%
Adjusted return on average assets excl. M&A (non-GAAP)	(B/C)	1.00%	1.13%	1.26%	1.05%	0.31%