



## INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

### **INBANKSHARES, CORP REPORTS FOURTH QUARTER AND FULL YEAR 2023 FINANCIAL RESULTS**

**Denver, CO – January 30, 2024** – 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, 2023. The Company reported consolidated net income of \$594,000, or \$0.05 per share, for the fourth quarter of 2023 compared to \$2.5 million, or \$0.21 per share, for the third quarter of 2023, and \$3.1 million, or \$0.27 per share, for the fourth quarter of 2022. The fourth quarter of 2023 results include the impact of a \$1.5 million write-down of a nonmarketable equity security carried at the Company and a \$178,000 loss on sale of investment securities at the Bank. Excluding the write-down and loss on sale tax effected, adjusted net income (non-GAAP) for the quarter was \$2.2 million, or \$0.19 per share. Full year net income was \$8.8 million, or \$0.75 per share, compared to \$8.8 million, of \$0.84 per share, from the prior year. Adjusted net income (non-GAAP) for the full year 2023 was \$10.5 million, or \$0.89 per share.

#### **Highlights for the fourth quarter and full year 2023:**

- Net income for the quarter was \$594,000, a decrease of \$1.9 million, or 76.0% compared to the linked quarter, and decreased \$2.5 million, or 81.1%, compared to the fourth quarter of 2022; net income for the full year 2023 was \$8.8 million, flat compared to the prior year.
- Basic earnings per share (“EPS”) was \$0.05 for the quarter, compared to \$0.21 for the linked quarter, and \$0.27 for the fourth quarter of 2022; EPS for the full year 2023 was \$0.75 per share, a decrease of \$0.09 per share, or 10.7%, compared to \$0.84 per share for the prior year.
- Net interest margin was 3.58% for the quarter, an increase of 2 basis points compared to 3.56% for the linked quarter, and a decrease of 85 basis points compared to 4.43% for the fourth quarter of 2022.
- Total deposits at December 31, 2023 increased \$115.8 million, or 11.1%, compared to September 30, 2023, and increased \$97.1 million, or 9.2%, compared to December 31, 2022.
- Loans held for investment at December 31, 2023 increased \$405,000, compared to September 30, 2023, and increased \$55.4 million, or 6.5%, compared to December 31, 2022.
- Credit quality remains strong with nonperforming assets to total assets of 0.19% at December 31, 2023, compared to 0.16% for the linked quarter, and 0.11% at December 31, 2022; net charge-offs for the year were 0.04% of average loans HFI.

- The Company's tangible book value per share at December 31, 2023 improved to \$8.05, up \$0.36 from the linked quarter, and tangible common equity to tangible asset ratio improved to 7.18%.
- The Bank's capital ratios remain strong and well above the "well-capitalized" regulatory standards, with a leverage ratio of 10.20%, common equity Tier 1 capital ratio of 11.85% and total capital ratio of 12.93% at December 31, 2023.

Ed Francis, Chairman of the Board and Chief Executive Officer of the Company, commented, "We were pleased to report a mostly stabilized net interest margin that increased 2 bps to 3.58% as our loan yield and earning asset yield both grew more than our cost of funding liabilities. Our customer deposit balances, excluding brokered and listing service deposits grew around 7% for the quarter and our net loan growth was stable. As a result, our liquidity improved. We also increased our brokered and listing service deposit balances so we could pay off our higher cost FHLB borrowings. Although our nonperforming assets were relatively flat over the quarter, our 30-89 day past dues increased modestly. We are pleased to report that the Bank's regulatory capital ratios, the Company's tangible book value per share, and tangible common equity to tangible assets ratio all improved to the highest level in the trailing five quarters while continuing to grow our assets. We saw a 29% improvement in our AOCI, which helped grow our tangible book value per share 4.7% during the quarter. Unfortunately, on the negative side, we made the decision to write-off a nonmarketable equity security that had been negatively impacted by the mortgage market, and we sold a debt security for a loss as part of strategy to improve future yield and reduce duration. These actions lowered our EPS \$0.14 during the quarter. Absent that negative adjustment, our PPNR was flat quarter over quarter."

"As we look forward, we remain encouraged by our deposit and loan pipelines. Our ongoing investment in our leadership and in our bankers, has us well positioned for 2024 and beyond. We are confident that we will be able to execute on our strategic plan to grow market share, provide exceptional service to our customers, and build on our growth and profitability," said Mr. Francis.

## Results of Operations

**Net income** for the fourth quarter of 2023 was \$594,000, or \$0.05 per share, a decrease of \$1.9 million, or \$0.16 per share, compared to the linked quarter, and decreased \$2.5 million, or \$0.22 per share, compared to the same quarter last year. The decrease over the linked quarter was primarily due to a \$1.5 million write-down of a nonmarketable equity security, a \$178,000 loss on sale of investment securities, lower noninterest income, and higher provision for credit losses, partially offset by an increase in net interest income and lower noninterest expenses (excluding the write-down). Net income remained flat at \$8.8 million for the full year 2023 compared to the prior year. The year over year change was impacted by the acquisition of Legacy Bank ("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. The provision for credit losses decreased \$1.5 million as compared to December 31, 2022 primarily due to lower loan growth and lower reserve rates in 2023 compared to the prior year.

**Net interest income** for the fourth quarter of 2023 was \$10.7 million, an increase of \$67,000, or 0.6%, over the linked quarter, and a decrease of \$2.1 million, or 16.0%, over the same quarter last year. The increase in net interest income compared to the linked quarter was due to a \$566,000 increase in interest income, partially offset by a \$499,000 increase in interest expense. The decrease in net interest income compared to the same quarter last year was due to a \$4.1 million increase in interest expense, partially offset by a \$2.1 million increase in interest income.

- **Interest income** increased \$566,000, or 3.6%, to \$16.4 million during the fourth quarter of 2023, compared to \$15.9 million during the linked quarter, and increased \$2.1 million, or 14.5%, compared to \$14.3 million during the same quarter last year.
  - The increase from the linked quarter was primarily due to higher yield on loans of 5.97%, which was up 20 basis points from the linked quarter.
  - The increase in interest income compared to the same quarter last year was primarily due to an increase of \$45.2 million in average interest earning assets and higher yields on investments and loans.
  - Accretion of the purchase discount on acquired loans was \$398,000 in the fourth quarter of 2023, compared to \$354,000 in the linked quarter, and \$1.0 million in the fourth quarter of 2022.
- **Interest expense** was \$5.7 million in the fourth quarter of 2023, an increase of \$499,000, or 9.6%, compared to \$5.2 million during the linked quarter, and an increase of \$4.1 million, or 268.2% compared to \$1.5 million during the same quarter last year.
  - The increase over the linked quarter was primarily due to a 17 basis point increase in the cost of funds; the cost of deposits was up 25 basis points and the cost of borrowings was up 3 basis points from the linked quarter.
  - The increase from the same quarter last year was due to an increase of \$89.3 million in average interest-bearing deposits, an increase of \$34.3 million in borrowings, and a 141 basis point increase in the cost of funds due to higher market interest rates.

**Net interest margin (NIM)**, expressed as net interest income as a percentage of average earning assets, was 3.58% during the fourth quarter of 2023, compared to 3.56% during the linked quarter, and 4.43% during the same quarter last year. NIM during the fourth quarter increased 2 basis points as a result of higher yields on interest-earning assets, partially offset by increases in costs on funding liabilities due to higher market interest rates. Net interest margin for the full year 2023 was 3.66%, compared to 4.17% for the prior year. The decline in the net interest margin year-over-year was primarily attributable to higher funding costs, partially offset by higher rates on loan and investment securities.

**Provision for credit losses** for the quarter ended December 31, 2023, totaled \$348,000, compared to \$50,000 for the quarter ended September 30, 2023, and \$900,000 for the quarter ended December 31, 2022. The Company recorded a provision for credit losses on loans of \$470,000 and recorded a benefit for credit losses on unfunded commitments of \$122,000 in the fourth quarter of 2023. In the third quarter of 2023, the provision for credit losses on loans was \$150,000 and the benefit for credit losses on unfunded commitments was \$100,000. The provision for credit losses was \$900,000 in the fourth quarter of 2022. No provision or benefit for unfunded commitments was recorded in the fourth quarter of 2022. For the full year 2023, the

Company recorded a provision for credit losses on loans of \$1.2 million and recorded a benefit for credit losses on unfunded commitments of \$453,000.

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. The Company revised the initial adoption of CECL during the second quarter of 2023. As revised, the final adoption resulted in a \$4.2 million increase in the allowance for lending related credit losses on loans, which included a transfer of \$2.9 million from the purchase discount on acquired loans and a \$1.3 million adjustment directly from retained earnings, net of deferred taxes. Additionally, the allowance for unfunded commitments increased \$1.4 million, which was adjusted directly from retained earnings, net of deferred taxes.

**Noninterest income** for the fourth quarter of 2023 was \$1.2 million, a decrease of \$289,000, or 19.9% compared to the linked quarter, and a decrease of \$198,000, or 14.6%, from the same quarter last year. The decrease over the linked quarter was primarily due to the \$178,000 loss on sale of investment securities resulting from the execution of an investment swap strategy during December 2023 to improve duration and yield on the investment portfolio. Other decreases in noninterest income compared to the linked quarter included a decrease in the gain on sale of loans of \$74,000 and a decrease in service charges and fees of \$70,000, partially offset by an increase in other noninterest income of \$44,000. The decrease from the same quarter last year was primarily due to \$219,000 gain on sale of OREO and other assets in the fourth quarter 2022 and a \$178,000 loss on sale of investment securities in the fourth quarter 2023. Partially offsetting these decreases, were a \$115,000 increase in service charges and fees and a \$99,000 increase in gain on sale of loans.

For the full year 2023, noninterest income increased \$1.1 million, or 24.8%, primarily due to an increase in service charges and fees, an increase in gain on sales of loans, and an increase in other noninterest income. These increases were partially offset by a decline in gain on sale of other assets, an increase on loss on sale of investment securities, and a decrease in mortgage loan fees and gain on sales.

**Noninterest expense** for the fourth quarter of 2023 was \$10.2 million, an increase of \$1.3 million, or 15.1%, when compared to the linked quarter, and an increase of \$871,000, or 9.3%, from the same quarter last year. The increase over the linked quarter was primarily due to a \$1.4 million increase in other noninterest expense, primarily due to the write-down on a nonmarketable equity security, and a \$24,000 increase in occupancy and equipment expense. These increases were partially offset by a \$42,000 decrease in salaries and benefits expense and a \$37,000 decrease in data processing and software expense. The increase in noninterest expense compared to the same quarter in the prior year was due to a \$1.4 million increase in other noninterest expense, mostly due to the write-down on a nonmarketable equity security and a \$64,000 increase in salaries and benefits expense, partially offset by a \$87,000 decrease in data processing and software expense, a \$55,000 decrease in intangible asset amortization, and a \$451,000 decrease in merger and acquisition expenses. Full-time equivalent employees were 175 at December 31, 2023, 171 at September 30, 2023 and 168 at December 31, 2022.

For the full year 2023, noninterest expense increased \$3.4 million, primarily due to increases across all categories of operating expenses due to the Legacy acquisition on April 29, 2022, organic growth, and a \$282,000 increase in intangible asset amortization in connection with Legacy acquisition, partially offset by a \$2.5 million decrease in merger in acquisition expense.

The Company's core efficiency ratio, which excludes loss on sales of investment securities, write-downs of nonmarketable equity securities, merger and acquisition expense, and intangible amortization was 68.9% in the fourth quarter of 2023, compared with 69.9% in the linked quarter and 56.2% in the fourth quarter of 2022. The decrease in the core efficiency ratio compared to the linked quarter was largely due to the increase in net interest income and the decrease in noninterest expense (excluding the write-down on nonmarketable equity securities). The Company's pre-provision, pre-tax net revenue ("PPNR"), which also excludes write-downs of nonmarketable equity securities and merger and acquisition expense, for the quarter was \$3.2 million, compared to \$3.2 million for the linked quarter, and \$5.7 million for the fourth quarter of 2022.

### **Balance Sheet Summary**

**Total assets** were \$1.34 billion at December 31, 2023, an increase of \$50.5 million, or 3.9%, from September 30, 2023. During the quarter, cash and cash equivalents increased \$55.2 million and loans increased \$405,000; these increases were partially offset by a \$4.6 million decrease in investment securities, a \$1.4 million decrease in nonmarketable equity securities, and a \$420,000 decrease in intangible assets. At December 31, 2023, investment securities were \$280.0 million and total cash and equivalents were \$99.1 million, which combined represented 28.3% of total assets. Total assets increased \$95.9 million, or 7.7%, from \$1.25 billion at December 31, 2022, primarily as a result of increases in cash and cash equivalents and organic loan growth, partially offset by decreases in investment securities.

**Total loans held-for-investment** ("HFI"), were \$902.1 million at December 31, 2023, compared to \$901.7 million at September 30, 2023, which was an increase of \$405,000. Total loans HFI increased \$55.4 million, or 6.5%, from December 31, 2022.

- SBA Paycheck Protection Program ("PPP") loan balances were \$117,000 at December 31, 2023, September 30, 2023, and December 31, 2022.

**Total deposits** were \$1.16 billion at December 31, 2023, an increase of \$115.8 million, or 11.1%, compared to the linked quarter and increased \$97.1 million, or 9.2% compared to the same quarter in the prior year. Noninterest-bearing deposits increased 11.8% from the linked quarter, and decreased by 5.6% from December 31, 2022, representing 36.2% of total deposits at December 31, 2023. The increase in noninterest-bearing deposits in the fourth quarter 2023 was primarily due to new customer relationships, one of which had a large balance that was temporarily inflated and moved to interest-bearing in early 2024. During the fourth quarter 2023, total brokered certificates of deposits and listing service deposits increased \$41.3 million, or 87.1%, and represented 7.6% of total deposits at December 31, 2023, compared to 4.5% at

September 30, 2023 and 1.3% at December 31, 2022. Estimated uninsured deposits, excluding secured public funds deposits, totaled \$317.7 million, or 27.4% of total deposits as of December 31, 2023.

**Other borrowings** were \$23.0 million at December 31, 2023, a decrease of \$68.7 million compared to the linked quarter, and decreased \$5.0 million compared to December 31, 2022. The Bank decreased its short-term Federal Home Loan Bank (“FHLB”) borrowings to zero at December 31, 2023 from \$72.0 million at September 30, 2023. There were \$25.0 million in FHLB borrowings at December 31, 2022. At December 31, 2023, the Bank had \$20.0 million in short-term borrowings under the Federal Reserve Bank’s Bank Term Funding Program, compared to \$16.7 million at September 30, 2023 and zero at December 31, 2022. The Company has a \$5.0 million revolving line of credit, and had \$3.0 million outstanding on the line as of December 31, 2023, September 30, 2023 and December 31, 2022.

**Subordinated debentures** were \$24.7 million at December 31, 2023, compared to \$24.6 million in the linked quarter, and increased \$111,000 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 other real estate owned (“OREO”), were \$2.5 million, or 0.19% of total assets at December 31, 2023 and \$2.1 million, or 0.16% of total assets, at September 30, 2023. Nonperforming assets increased \$1.2 million from \$1.3 million, or 0.11% of total assets at December 31, 2022. Nonperforming loans, which include non-accrual loans and loans more than 90 days past due and still accruing, were \$2.3 million, or 0.25% of total loans HFI, at December 31, 2023 compared to \$1.8 million, or 0.20% of total loans HFI, at September 30, 2023.

**Loans delinquent** (past due) 30-89 days were \$7.6 million, or 0.84% of total loans HFI, at December 31, 2023, compared to \$1.6 million, or 0.18% of total loans HFI, at September 30, 2023. The increase in 30-89 days past due loans was primarily due to the addition of a \$5.2 million commercial loan that became past due in the fourth quarter 2023.

**The allowance for credit losses** on loans totaled \$10.7 million at December 31, 2023, compared to \$10.3 million at September 30, 2023, and \$5.7 million at December 31, 2022. The increase of \$465,000 in the allowance for credit losses on loans during the fourth quarter of 2023 was due to a \$470,000 provision for loan loss, partially offset by net charge-offs of \$5,000. The allowance for credit losses on loans was 1.19% of total loans HFI as of December 31, 2023. The allowance for unfunded commitments totaled \$950,000 at December 31, 2023, compared to \$1.1 million at September 30, 2023 and \$14,000 at December 31, 2022. The \$122,000 decrease in the allowance for unfunded commitments during the fourth quarter of 2023 was due to a reverse provision primarily due to decreases in unfunded commitments during the quarter. 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 1.29% of total loans HFI as of December 31, 2023. The Company also had \$2.9 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 December 31, 2023, InBank’s leverage ratio was 10.20%, its common equity Tier 1 capital ratio was 11.85%, and its total risk-based capital ratio was 12.93%.

At December 31, 2023, the Company had tangible common equity of \$94.4 million and tangible book value per share (“TBVPS”) of \$8.05, with 11,730,313 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$4.2 million and TBVPS increased \$0.36, or 4.7%, compared to September 30, 2023, mostly due to an increase in surplus and retained earnings of \$819,000 and an increase in accumulated other comprehensive income (“AOCI”) on investment securities of \$3.0 million, or \$0.25 per share, or 3.3%, compared to the linked quarter. Year-over-year, the TBVPS increased \$0.87, or 12.1%, compared to December 31, 2022 primarily due to a \$7.5 million increase in surplus and retained earnings and an increase in the AOCI of \$1.4 million, or \$0.12 per share, or 1.7%. During the fourth quarter of 2023, common shares outstanding increased 1,247 shares, due to vesting of employee RSUs.

The Company’s tangible common equity to tangible assets ratio was 7.18% at December 31, 2023. The Company paid no dividends during any quarter of 2023. The Bank paid a total of \$2.4 million in dividends to the Company in the full year 2023; \$350,000, \$700,000, \$700,000, and \$600,000 during the first, second, third, and fourth quarters of 2023, respectively.

## **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) adjusted tangible book value per share, (vi) return on average tangible common equity, (vii) pre-provision pre-tax net revenue, or PPNR, (viii) adjusted net income, (ix) core efficiency ratio, (x) adjusted return on average assets, (xi) adjusted income per share, and (xii) core noninterest expense to 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. A reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures is included at the end of the financial statement tables.

## **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)

	December 31, 2023	September 30, 2023	December 31, 2022
<b>ASSETS</b>			
Cash and due from banks	\$ 13,596	\$ 14,229	\$ 15,396
Interest-bearing deposits in banks	85,481	29,637	2,897
Total cash and cash equivalents	<u>99,077</u>	<u>43,866</u>	<u>18,293</u>
Investment securities, available-for-sale	148,089	151,101	180,578
Investment securities, held-to-maturity	<u>131,870</u>	<u>133,500</u>	<u>139,005</u>
Total investment securities	279,959	284,601	319,583
Nonmarketable equity securities	5,254	6,699	4,052
Loans held for sale	-	-	-
Loans HFI, excluding PPP loans	902,024	901,619	846,623
PPP loans	<u>117</u>	<u>117</u>	<u>117</u>
Total loans held for investment	902,141	901,736	846,740
Allowance for credit losses on loans	<u>(10,724)</u>	<u>(10,259)</u>	<u>(5,685)</u>
Net loans	891,417	891,477	841,055
Premises and equipment, net	12,541	12,443	12,910
Other real estate owned	267	236	-
Goodwill	18,660	18,660	18,660
Core deposit intangible	6,355	6,775	8,081
Bank owned life insurance	8,835	8,771	8,587
Accrued interest and other assets (2)	<u>18,788</u>	<u>17,173</u>	<u>13,991</u>
Total assets	<u>\$ 1,341,153</u>	<u>\$ 1,290,701</u>	<u>\$ 1,245,212</u>
<b>LIABILITIES</b>			
Noninterest-bearing deposits	\$ 418,808	\$ 374,570	\$ 443,743
Interest-bearing deposits	<u>738,650</u>	<u>667,098</u>	<u>616,584</u>
Total deposits	1,157,458	1,041,668	1,060,327
Securities sold under agreements to repurchase	8,117	8,807	13,777
Other borrowings	23,000	91,718	28,000
Subordinated debentures	24,676	24,648	24,565
Other liabilities (2)	<u>8,438</u>	<u>8,170</u>	<u>7,989</u>
Total liabilities	1,221,689	1,175,011	1,134,658
<b>STOCKHOLDER'S EQUITY</b>			
Common stock	117	117	117
Surplus	110,122	109,896	109,469
Retained earnings	16,543	15,950	9,732
Accumulated other comprehensive income (loss)	<u>(7,318)</u>	<u>(10,273)</u>	<u>(8,764)</u>
Total stockholders' equity	119,464	115,690	110,554
Total liabilities and stockholders' equity	<u>\$ 1,341,153</u>	<u>\$ 1,290,701</u>	<u>\$ 1,245,212</u>

Select additional information and ratios:

Net loans to deposits	77.0%	85.6%	79.3%
Tangible common equity (1)	\$ 94,449	\$ 90,255	\$ 83,813
Tangible common equity to tangible assets (1)	7.18%	7.13%	6.88%
Common shares outstanding	11,730,313	11,729,066	11,672,362
Book value per share	\$10.18	\$9.86	\$9.47
Tangible book value per share (1)	\$8.05	\$7.69	\$7.18

(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, 2023	September 30, 2023	December 31, 2022
<b>INTEREST INCOME</b>			
Interest and fees on loans	\$ 13,595	\$ 13,143	\$ 11,458
Interest on securities & interest bearing balances	2,821	2,707	2,880
Total interest income	<u>16,416</u>	<u>15,850</u>	<u>14,338</u>
<b>INTEREST EXPENSE</b>			
Interest on deposits	4,541	3,807	1,054
Interest on repurchase agreements & other borrowings	803	1,037	185
Interest on subordinated debentures	327	328	301
Total interest expense	<u>5,671</u>	<u>5,172</u>	<u>1,540</u>
<b>NET INTEREST INCOME</b>	<b>10,745</b>	<b>10,678</b>	<b>12,798</b>
Provision for credit losses	348	50	900
<b>NONINTEREST INCOME</b>			
Service charges and fees	910	980	795
Mortgage fees and gain on loans held for sale	7	18	20
Other noninterest income	324	280	326
Gain on sale of loans	99	173	-
Gain (loss) on sale of OREO and other assets	-	-	219
Gain (loss) on sale of investment securities	(178)	-	-
Total noninterest income (1)	<u>1,162</u>	<u>1,451</u>	<u>1,360</u>
<b>NONINTEREST EXPENSE</b>			
Salaries and employee benefits	4,601	4,643	4,537
Occupancy and equipment	563	539	555
Data processing and software	1,323	1,360	1,410
Intangible amortization	420	421	475
Merger and acquisition expense	-	-	451
Other noninterest expense	3,341	1,942	1,949
Total noninterest expense (1)	<u>10,248</u>	<u>8,905</u>	<u>9,377</u>
Income before income taxes	1,311	3,174	3,881
Income tax expense	717	695	743
Net income	<u>\$ 594</u>	<u>\$ 2,479</u>	<u>\$ 3,138</u>
Basic income per share	\$ 0.05	\$ 0.21	\$ 0.27
Weighted average shares outstanding - basic	11,730,299	11,738,738	11,673,317
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 3,159	\$ 3,224	\$ 5,732

(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 Twelve Months Ended	
	December 31, 2023	December 31, 2022
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 51,255	\$ 36,649
Interest on securities & interest bearing balances	11,224	8,921
Total interest income	<u>62,479</u>	<u>45,570</u>
<b>INTEREST EXPENSE</b>		
Interest on deposits	14,053	2,121
Interest on repurchase agreements & other borrowings	3,478	304
Interest on subordinated debentures	1,289	1,106
Total interest expense	<u>18,820</u>	<u>3,531</u>
<b>NET INTEREST INCOME</b>	43,659	42,039
Provision for credit losses	774	2,227
<b>NONINTEREST INCOME</b>		
Service charges and fees	3,675	2,863
Mortgage fees and gain on loans held for sale	40	159
Other noninterest income	1,143	836
Gain on sale of loans	659	145
Gain (loss) on sale of OREO and other assets	32	299
Gain (loss) on sale of investment securities	(178)	-
Total noninterest income (1)	<u>5,371</u>	<u>4,302</u>
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	18,544	16,857
Occupancy and equipment	2,259	2,001
Data processing and software	5,129	4,194
Intangible amortization	1,727	1,445
Merger and acquisition expense	-	2,514
Other noninterest expense	8,741	5,986
Total noninterest expense (1)	<u>36,400</u>	<u>32,997</u>
Income before income taxes	11,856	11,117
Income tax expense	3,045	2,303
Net income	<u>\$ 8,811</u>	<u>\$ 8,814</u>
Basic income per share	\$ 0.75	\$ 0.84
Weighted average shares outstanding - basic	11,712,778	10,462,299
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 14,130	\$ 16,358

(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, 2023			For the Quarter Ended September 30, 2023			December 31, 2022		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>Earning Assets</b>									
Investment securities	\$ 282,887	\$ 2,611	3.66%	\$ 289,461	\$ 2,641	3.62%	\$ 322,242	\$ 2,784	3.43%
Other interest-bearing balances (1)	15,107	210	5.52%	5,965	66	4.39%	9,995	96	3.81%
Total investments and interest-bearing	297,994	2,821	3.76%	295,426	2,707	3.64%	332,237	2,880	3.44%
Loans, excluding PPP loans	903,749	13,595	5.97%	903,653	13,143	5.77%	819,005	11,458	5.55%
PPP loans	117	-	0.00%	117	-	0.00%	117	-	0.00%
Total Loans	903,866	13,595	5.97%	903,770	13,143	5.77%	819,122	11,458	5.55%
Less allowance for credit losses on loans	(10,391)	-	0.00%	(10,375)	-	0.00%	(5,116)	-	0.00%
Net loans	893,475	13,595	6.04%	893,395	13,143	5.84%	814,006	11,458	5.58%
Total interest earning assets	1,191,469	16,416	5.47%	1,188,821	15,850	5.29%	1,146,243	14,338	4.96%
Noninterest earning assets	84,799			84,617			85,399		
Total assets	<u>\$ 1,276,268</u>			<u>\$ 1,273,438</u>			<u>\$ 1,231,642</u>		
<b>Interest-Bearing Liabilities</b>									
Interest-bearing transaction deposits	\$ 177,562	\$ 540	1.21%	\$ 185,073	\$ 416	0.89%	\$ 187,736	\$ 205	0.43%
Savings and MMDA deposits	318,411	1,914	2.38%	307,205	1,663	2.15%	289,456	429	0.59%
Time deposits	203,276	2,087	4.07%	187,767	1,728	3.65%	132,770	419	1.25%
Total interest-bearing deposits	699,249	4,541	2.58%	680,045	3,807	2.22%	609,962	1,053	0.68%
Repurchase agreements & other borrowings	60,755	803	5.24%	79,011	1,038	5.21%	26,450	185	2.77%
Subordinated debentures	24,658	327	5.26%	24,630	326	5.25%	24,547	301	4.86%
Total interest-bearing liabilities	784,662	5,671	2.87%	783,686	5,171	2.62%	660,959	1,539	0.92%
Noninterest bearing deposits	365,435	-	0.00%	365,274	-	0.00%	453,278	-	0.00%
Total funding liabilities	1,150,097	5,671	1.96%	1,148,960	5,171	1.79%	1,114,237	1,539	0.55%
Other noninterest bearing liabilities	8,469			8,176			8,280		
Total liabilities	1,158,566			1,157,136			1,122,517		
Stockholders' equity	117,702			116,302			109,125		
Total liabilities and stockholders' equity	<u>\$ 1,276,268</u>			<u>\$ 1,273,438</u>			<u>\$ 1,231,642</u>		
Net Interest Income		<u>\$ 10,745</u>			<u>\$ 10,679</u>			<u>\$ 12,799</u>	
Net Interest Margin			3.58%			3.56%			4.43%
Total Cost of Deposits	\$ 1,064,684	\$ 4,541	1.69%	\$ 1,045,319	\$ 3,807	1.44%	\$ 1,063,240	\$ 1,053	0.39%

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

	For the Twelve Months Ended					
	December 31, 2023			December 31, 2022		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate
<b>Earning Assets</b>						
Investment securities	\$ 293,034	\$ 10,624	3.63%	\$ 294,412	\$ 8,562	2.91%
Other interest-bearing balances (1)	11,851	600	5.06%	28,868	356	1.23%
Total investments and interest-bearing	304,885	11,224	3.68%	323,280	8,918	2.76%
Loans, excluding PPP loans	897,601	51,255	5.71%	684,446	36,279	5.30%
PPP loans	117	-	0.00%	3,897	370	9.49%
Loans	897,718	51,255	5.71%	688,343	36,649	5.32%
Less allowance for credit losses on loans	(10,506)	-	0.00%	(4,574)	-	0.00%
Net loans	887,212	51,255	5.78%	683,769	36,649	5.36%
Total interest earning assets	1,192,097	62,479	5.24%	1,007,049	45,567	4.52%
Noninterest earning assets	84,363			68,008		
Total assets	<u>\$ 1,276,460</u>			<u>\$ 1,075,057</u>		
<b>Interest Bearing Liabilities</b>						
Interest bearing transaction deposits	\$ 176,033	\$ 1,555	0.88%	\$ 124,715	\$ 475	0.38%
Savings and MMDA deposits	318,687	6,292	1.97%	299,768	794	0.26%
Time deposits	183,374	6,206	3.38%	118,824	852	0.72%
Total interest bearing deposits	678,094	14,053	2.07%	543,307	2,121	0.39%
Repurchase agreements & other borrowings	70,365	3,478	4.94%	17,578	304	1.73%
Subordinated debentures	24,616	1,289	5.24%	24,505	1,106	4.51%
Total interest bearing liabilities	773,075	18,820	2.43%	585,390	3,531	0.60%
Noninterest bearing deposits	379,430	-	0.00%	386,579	-	0.00%
Total funding liabilities	1,152,505	18,820	1.63%	971,969	3,531	0.36%
Other noninterest bearing liabilities	8,576			5,814		
Total liabilities	1,161,081			977,783		
Stockholders' equity	115,379			97,274		
Total liabilities and stockholders' equity	<u>\$ 1,276,460</u>			<u>\$ 1,075,057</u>		
Net Interest Income		<u>\$ 43,659</u>			<u>\$ 42,036</u>	
Net Interest Margin			3.66%			4.17%
Total Cost of Deposits	\$ 1,057,524	\$ 14,053	1.33%	\$ 929,886	\$ 2,121	0.23%

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

	As of and For the		As of and For the Quarter Ended				
	Twelve Months Ended		Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	Dec 31,	Dec 31,	2023	2023	2023	2023	2022
Performance Ratios (1)							
Return on average assets	0.69%	0.82%	0.18%	0.77%	0.81%	1.00%	1.01%
Adjusted return on average assets excluding M&A (2)	0.82%	1.04%	0.69%	0.77%	0.81%	1.00%	1.25%
Return on average equity	7.64%	9.06%	2.00%	8.46%	9.11%	11.28%	11.41%
Return on average tangible common equity (2)	11.37%	13.03%	3.98%	12.31%	13.33%	16.45%	16.98%
Net interest margin	3.66%	4.17%	3.58%	3.56%	3.59%	3.93%	4.43%
Cost of funds	1.63%	0.36%	1.96%	1.79%	1.62%	1.16%	0.55%
Cost of deposits	1.33%	0.23%	1.69%	1.44%	1.31%	0.85%	0.39%
Efficiency ratio	73.97%	71.20%	84.80%	73.42%	71.61%	66.54%	66.23%
Core efficiency ratio (2)	67.41%	61.58%	68.91%	69.95%	68.06%	63.00%	56.16%
Noninterest income to average assets	0.42%	0.40%	0.36%	0.45%	0.43%	0.45%	0.44%
Noninterest expense to average assets	2.85%	3.07%	3.19%	2.77%	2.71%	2.73%	3.02%
Core noninterest expense to average assets (2)	2.60%	2.65%	2.59%	2.64%	2.57%	2.59%	2.56%
Earnings per share - basic	\$0.75	\$0.84	\$0.05	\$0.21	\$0.22	\$0.27	\$0.27

	As of and For the		As of and For the Quarter Ended				
	Twelve Months Ended		Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	Dec 31,	Dec 31,	2023	2023	2023	2023	2022
Selected Balance Sheet Ratios							
Net loans HFI to deposits	77.02%	79.32%	77.02%	85.58%	83.94%	84.36%	79.32%
Noninterest-bearing deposits to total deposits	36.18%	41.85%	36.18%	35.96%	34.69%	38.32%	41.85%
Share Data:							
Shares outstanding	11,730,313	11,672,362	11,730,313	11,729,066	11,738,902	11,683,691	11,672,362
Book value per share	\$10.18	\$9.47	\$10.18	\$9.86	\$9.74	\$9.69	\$9.47
Tangible book value per share (2)	\$8.05	\$7.18	\$8.05	\$7.69	\$7.54	\$7.44	\$7.18
Adjusted tangible book value per share (2)	\$8.68	\$7.93	\$8.68	\$8.57	\$8.31	\$8.11	\$7.93
InBank Regulatory Capital Ratios (3)							
Tier 1 leverage ratio	10.20%	9.79%	10.20%	10.03%	9.71%	9.66%	9.79%
Common equity Tier 1 capital ratio	11.85%	10.89%	11.85%	11.50%	11.07%	10.77%	10.89%
Tier 1 capital ratio	11.85%	10.89%	11.85%	11.50%	11.07%	10.77%	10.89%
Total capital ratio	12.93%	11.42%	12.93%	12.55%	12.11%	11.78%	11.42%

(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 Twelve Months Ended		As of and For the Quarter Ended				
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Sep 30, 2023	June 30, 2023	Mar 31, 2023	Dec 31, 2022
Loans and Unfunded Commitments							
Total loans held for investment (HFI)	\$ 902,141	\$ 846,740	\$ 902,141	\$ 901,736	\$ 897,734	\$ 898,694	\$ 846,740
Loans HFI, excluding PPP loans	\$ 902,024	\$ 846,623	\$ 902,024	\$ 901,619	\$ 897,617	\$ 898,577	\$ 846,623
Average loans HFI over period	\$ 897,718	\$ 688,343	\$ 903,866	\$ 903,770	\$ 902,085	\$ 880,831	\$ 819,122
Unfunded commitments	\$ 257,449	\$ 329,945	\$ 257,449	\$ 268,791	\$ 298,915	\$ 307,509	\$ 329,945
Asset Quality							
Loans past due (30-89 days)	\$ 7,607	\$ 957	\$ 7,607	\$ 1,620	\$ 3,160	\$ 1,069	\$ 957
Nonaccrual loans	\$ 1,646	\$ 1,197	\$ 1,646	\$ 1,720	\$ 2,010	\$ 1,345	\$ 1,197
Accruing loans past due 90 days or more	617	117	617	117	157	117	117
Total nonperforming loans (NPLs)	2,263	1,314	2,263	1,837	2,167	1,462	1,314
Other real estate owned (OREO)	267	-	267	236	236	244	-
Total nonperforming assets (NPAs)	\$ 2,530	\$ 1,314	\$ 2,530	\$ 2,073	\$ 2,403	\$ 1,706	\$ 1,314
Allowance for Credit Losses on Loans							
Balance, beginning of period	\$ 5,685	\$ 3,374	\$ 10,259	\$ 10,439	\$ 10,673	\$ 5,685	\$ 4,790
Provision for credit losses - loans	1,226	2,227	470	150	264	342	900
Net (chargeoffs) recoveries	(357)	84	(5)	(330)	1	(23)	(5)
Impact of adopting ASC 326	4,170	-	-	-	(499)	4,669	-
Balance, end of period	\$ 10,724	\$ 5,685	\$ 10,724	\$ 10,259	\$ 10,439	\$ 10,673	\$ 5,685
Allowance for Unfunded Commitments							
Balance, beginning of period	\$ 14	\$ 14	\$ 1,072	\$ 1,172	\$ 516	\$ 14	\$ 14
Provision for credit losses - unfunded commitments	(453)	-	(122)	(100)	(181)	(50)	-
Impact of adopting ASC 326	1,389	-	-	-	837	552	-
Balance, end of period	\$ 950	\$ 14	\$ 950	\$ 1,072	\$ 1,172	\$ 516	\$ 14
Total Allowance for Lending Related Credit Losses	\$ 11,674	\$ 5,699	\$ 11,674	\$ 11,331	\$ 11,611	\$ 11,189	\$ 5,699
Purchase discounts on loans acquired in M&A	\$ 2,899	\$ 7,267	\$ 2,899	\$ 3,297	\$ 3,651	\$ 3,813	\$ 7,267
Allowance for lending related credit losses plus purchase discount	\$ 14,573	\$ 12,966	\$ 14,573	\$ 14,628	\$ 15,262	\$ 15,002	\$ 12,966
Provision for Credit Losses							
Provision for credit losses - loans	\$ 1,226	\$ 2,227	\$ 470	\$ 150	\$ 264	\$ 342	\$ 900
Provision for credit losses - unfunded commitments	(453)	-	(122)	(100)	(181)	(50)	-
Total provision for credit losses	\$ 773	\$ 2,227	\$ 348	\$ 50	\$ 83	\$ 292	\$ 900
Selected Ratios							
Loans past due 30-89 days to total loans HFI	0.84%	0.11%	0.84%	0.18%	0.35%	0.12%	0.11%
NPLs to total loans HFI	0.25%	0.16%	0.25%	0.20%	0.24%	0.16%	0.16%
NPAs to total loans HFI and OREO	0.28%	0.16%	0.28%	0.23%	0.27%	0.19%	0.16%
NPAs to total assets	0.19%	0.11%	0.19%	0.16%	0.18%	0.13%	0.11%
Allowance for credit losses on loans to total loans HFI	1.19%	0.67%	1.19%	1.14%	1.16%	1.19%	0.67%
Allowance for lending related credit losses to total loans HFI	1.29%	0.67%	1.29%	1.26%	1.29%	1.25%	0.67%
Allowance for lending related credit losses plus purchase discount to total loans HFI plus purchase discount	1.61%	1.52%	1.61%	1.62%	1.69%	1.66%	1.52%
Net (chargeoffs) recoveries to average loans (1)	-0.04%	0.01%	0.00%	-0.14%	0.00%	-0.01%	0.00%

(1) Ratios are annualized

InBankshares, Corp

Non-GAAP Financial Measures (unaudited)

(Dollars in thousands, except per share data)

	As of and For the Twelve Months Ended		As of and For the Quarter Ended				
	Dec 31,	Dec 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	2023	2022	2023	2023	2023	2023	2022
Tangible Common Equity, Tangible Assets, Tangible Common Equity to Tangible Assets, and Tangible Book Value Per Share							
Total stockholders' equity (GAAP)	(A)	\$ 119,464 \$ 110,554	\$ 119,464	\$ 115,690	\$ 114,364	\$ 113,251	\$ 110,554
Less: Goodwill		(18,660) (18,660)	(18,660)	(18,660)	(18,660)	(18,660)	(18,660)
Less: Core deposit intangible, net		(6,355) (8,081)	(6,355)	(6,775)	(7,195)	(7,627)	(8,081)
Tangible common equity (non-GAAP)	(B)	\$ 94,449 \$ 83,813	\$ 94,449	\$ 90,255	\$ 88,509	\$ 86,964	\$ 83,813
Tangible common equity (non-GAAP)		\$ 94,449 \$ 83,813	\$ 94,449	\$ 90,255	\$ 88,509	\$ 86,964	\$ 83,813
Less: Accumulated other comprehensive income (loss)		(7,318) (8,764)	(7,318)	(10,273)	(9,074)	(7,754)	(8,764)
Adjusted tangible common equity (non-GAAP)	(C)	\$ 101,767 \$ 92,577	\$ 101,767	\$ 100,528	\$ 97,583	\$ 94,718	\$ 92,577
Total assets (GAAP)	(D)	\$ 1,341,153 \$ 1,245,212	\$ 1,341,153	\$ 1,290,701	\$ 1,301,834	\$ 1,298,400	\$ 1,245,212
Less: Goodwill		(18,660) (18,660)	(18,660)	(18,660)	(18,660)	(18,660)	(18,660)
Less: Core deposit intangible, net		(6,355) (8,081)	(6,355)	(6,775)	(7,195)	(7,627)	(8,081)
Tangible assets (non-GAAP)	(E)	\$ 1,316,138 \$ 1,218,471	\$ 1,316,138	\$ 1,265,266	\$ 1,275,979	\$ 1,272,113	\$ 1,218,471
Equity to assets (GAAP)	(A/D)	8.91% 8.88%	8.91%	8.96%	8.78%	8.72%	8.88%
Tangible common equity to tangible assets (non-GAAP)	(B/E)	7.18% 6.88%	7.18%	7.13%	6.94%	6.84%	6.88%
Adjusted tangible common equity to tangible assets (non-GAAP)	(C/E)	7.73% 7.60%	7.73%	7.95%	7.65%	7.45%	7.60%
Common shares outstanding	(F)	11,730,313 11,672,362	11,730,313	11,729,066	11,738,902	11,683,691	11,672,362
Book value per share (GAAP)	(A/F)	\$10.18 \$9.47	\$10.18	\$9.86	\$9.74	\$9.69	\$9.47
Tangible book value per share (non-GAAP)	(B/F)	\$8.05 \$7.18	\$8.05	\$7.69	\$7.54	\$7.44	\$7.18
Adjusted tangible book value per share (non-GAAP)	(C/F)	\$8.68 \$7.93	\$8.68	\$8.57	\$8.31	\$8.11	\$7.93

	As of and For the Twelve Months Ended		As of and For the Quarter Ended				
	Dec 31,	Dec 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	2023	2022	2023	2023	2023	2023	2022
Pre-Provision, Pre-Tax Net Revenue (PPNR)							
Net income (GAAP)		\$ 8,811 \$ 8,814	\$ 594	\$ 2,479	\$ 2,608	\$ 3,131	\$ 3,138
Add: Provision for credit losses		774 2,227	348	50	83	293	900
Add: Income tax expense		3,045 2,303	717	695	755	878	743
Add: Write-down of nonmarketable equity security		1,500 500	1,500	-	-	-	500
Add: Merger and acquisition expense		- 2,514	-	-	-	-	451
Pre-provision, pre-tax net revenue (PPNR) (non-GAAP)		\$ 14,130 \$ 16,358	\$ 3,159	\$ 3,224	\$ 3,446	\$ 4,302	\$ 5,732

	As of and For the Twelve Months Ended		As of and For the Quarter Ended				
	Dec 31,	Dec 31,	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	2023	2022	2023	2023	2023	2023	2022
Return on Average Tangible Common Equity							
Net income (GAAP)	(A)	\$ 8,811 \$ 8,814	\$ 594	\$ 2,479	\$ 2,608	\$ 3,131	\$ 3,138
Add: Intangible amortization		1,727 1,445	420	421	431	455	475
Less: Tax effect on intangible amortization (at 21.0%)		(363) (303)	(88)	(88)	(91)	(96)	(100)
Tangible income to common stockholders (non-GAAP)	(B)	\$ 10,175 \$ 9,956	\$ 926	\$ 2,812	\$ 2,948	\$ 3,490	\$ 3,513
Average stockholders equity	(C)	\$ 115,379 \$ 97,274	\$ 117,702	\$ 116,302	\$ 114,857	\$ 112,587	\$ 109,125
Less: Average intangible assets		(25,913) (20,870)	(25,281)	(25,695)	(26,121)	(26,571)	(27,037)
Average tangible common equity (non-GAAP)	(D)	\$ 89,466 \$ 76,404	\$ 92,421	\$ 90,607	\$ 88,736	\$ 86,016	\$ 82,088
Return on average equity	(A/C)	7.64% 9.06%	2.00%	8.46%	9.11%	11.28%	11.41%
Return on average tangible common equity (non-GAAP)	(B/D)	11.37% 13.03%	3.98%	12.31%	13.33%	16.45%	16.98%



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

	As of and For the Twelve Months Ended		As of and For the Quarter Ended				
	Dec 31, 2023	Dec 31, 2022	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Core Efficiency Ratio and Core Noninterest Expense to Average Assets							
Noninterest expense (GAAP) (A)	\$ 36,400	\$ 32,997	\$ 10,248	\$ 8,905	\$ 8,691	\$ 8,556	\$ 9,377
Less: Intangible amortization	(1,727)	(1,445)	(420)	(421)	(431)	(455)	(475)
Less: Write-down of nonmarketable equity security	(1,500)	(500)	(1,500)	-	-	-	(500)
Less: Merger and acquisition expense	-	(2,514)	-	-	-	-	(451)
Adjusted noninterest expense (non-GAAP) (B)	\$ 33,173	\$ 28,538	\$ 8,328	\$ 8,484	\$ 8,260	\$ 8,101	\$ 7,951
Noninterest income (GAAP)	\$ 5,371	\$ 4,302	\$ 1,162	\$ 1,451	\$ 1,368	\$ 1,394	\$ 1,360
Add: (gain) loss on sale of investment securities	178	-	178	-	-	-	-
Adjusted noninterest income (non-GAAP) (C)	\$ 5,549	\$ 4,302	\$ 1,340	\$ 1,451	\$ 1,368	\$ 1,394	\$ 1,360
Net interest income (GAAP) (D)	\$ 43,659	\$ 42,039	\$ 10,745	\$ 10,678	\$ 10,769	\$ 11,464	\$ 12,798
Efficiency ratio (A/(C+D))	73.97%	71.20%	84.80%	73.42%	71.61%	66.54%	66.23%
Core efficiency ratio (non-GAAP) (B/(C+D))	67.41%	61.58%	68.91%	69.95%	68.06%	63.00%	56.16%
Average assets (E)	\$ 1,276,460	\$ 1,075,057	\$ 1,276,268	\$ 1,273,438	\$ 1,287,299	\$ 1,268,787	\$ 1,231,642
Noninterest expense to average assets (A/E)	2.85%	3.07%	3.19%	2.77%	2.71%	2.73%	3.02%
Core noninterest expense to average assets (B/E)	2.60%	2.65%	2.59%	2.64%	2.57%	2.59%	2.56%
Adjusted Net Income, Adjusted Return on Average Assets, and Adjusted Income Per Share							
As of and For the Twelve Months Ended							
As of and For the Quarter Ended							
Dec 31, 2023    Dec 31, 2022    Dec 31, 2023    Sep 30, 2023    Jun 30, 2023    Mar 31, 2023    Dec 31, 2022							
Net income (GAAP) (A)	\$ 8,811	\$ 8,814	\$ 594	\$ 2,479	\$ 2,608	\$ 3,131	\$ 3,138
Add: Merger and acquisition expense	-	2,514	-	-	-	-	451
Add: Write-down of nonmarketable equity security	1,500	500	1,500	-	-	-	500
Add: Loss (gain) on sale of investment securities	178	-	178	-	-	-	-
Less: Applicable tax effect on adjustments	(37)	(650)	(37)	-	-	-	(217)
Adjusted net income (non-GAAP) (B)	\$ 10,452	\$ 11,178	\$ 2,235	\$ 2,479	\$ 2,608	\$ 3,131	\$ 3,872
Average assets (C)	\$ 1,276,460	\$ 1,075,057	\$ 1,276,268	\$ 1,273,438	\$ 1,287,299	\$ 1,268,787	\$ 1,231,642
Return on average assets (GAAP) (A/C)	0.69%	0.82%	0.18%	0.77%	0.81%	1.00%	1.01%
Adjusted return on average assets (non-GAAP) (B/C)	0.82%	1.04%	0.69%	0.77%	0.81%	1.00%	1.25%
Weighted average shares outstanding - basic (D)	11,712,778	10,462,299	11,730,299	11,738,738	11,705,738	11,675,447	11,673,317
Basic income per share (GAAP) (A/D)	\$0.75	\$0.84	\$0.05	\$0.21	\$0.22	\$0.27	\$0.27
Adjusted income per share (non-GAAP) (B/D)	\$0.89	\$1.07	\$0.19	\$0.21	\$0.22	\$0.27	\$0.33