



INBANKSHARES, CORP



INBANK

InBankshares, Corp Acquisition of Legacy Bank

Investor Presentation

November 30, 2021



Forward-Looking Statements and Non-GAAP Financial Measures



INBANKSHARES, CORP

This presentation 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 InBankshares, Corp’s (the “Company”) and Legacy Bank’s (“Legacy”) management teams are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company’s and Legacy’s control). Although the Company and Legacy believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company and Legacy can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company, Legacy or any other person that the future events, plans, or expectations contemplated by the Company will be achieved. Many possible events or factors could affect the Company’s or Legacy’s future financial results and performance and could cause those results or performance to differ materially from those expressed in the forward-looking statements. Such risks and uncertainties include, among others: the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement, the outcome of any legal proceedings that may be instituted against the Company or Legacy, delays in completing the merger, the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the merger) and shareholder approval or to satisfy any of the other conditions to the merger on a timely basis or at all, the possibility that the anticipated benefits of the merger are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy and competitive factors in the areas where the Company and Legacy do business, the possibility that the merger may be more expensive to complete than anticipated, including as a result of unexpected factors or events, diversion of management’s attention from ongoing business operations and opportunities, potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the merger and the Company’s ability to complete the acquisition and integration of Legacy successfully.

All subsequent written and oral forward-looking statements attributable to the Company, Legacy or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements above. The Company and Legacy do not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made, except as required by law.

Some of the financial measures included in this presentation are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures include “efficiency ratio,” “tangible common equity,” “tangible common equity to tangible assets,” and “tangible book value per common share.” Efficiency ratio is computed by dividing noninterest expense by the sum of net interest income and noninterest income, excluding gain on sale of investment securities. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders’ equity. Tangible common equity to tangible assets is computed by dividing total assets, less goodwill and core deposit intangibles, by tangible common equity. Tangible book value per share is computed by dividing tangible common equity by common shares outstanding. 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.

Overview of InBankshares, Corp



INBANKSHARES, CORP

- InBankshares, Corp (“INBC”) is the holding company for InBank and is quoted on the OTCQX (INBC)
- InBank was established in 1918 and purchased by the current investor group in 2018
- Emphasis on capturing market share along the Colorado Front Range, while maintaining strong market share in Southern Colorado and Northern New Mexico
- \$244 million in organic loan growth since initial capitalization and charter acquisition in Q2-18⁽¹⁾
- Following closing, InBank will operate 19 offices, including the 9 newly acquired branches from Legacy Bank
- Focused on developing commercial relationships, technology solutions, and local decision making
- Strong leadership team with more than 140 years of experience in banking
- Insider ownership of 25.9%⁽²⁾

Leadership Team



Edward Francis
Chairman,
Chief Executive
Officer & President

Dan Patten
Executive Vice
President & Chief
Financial Officer



David M. Brown
Executive Vice
President & Chief Risk
Officer

Jeff Huckabee
Executive Vice
President & Chief
Information Officer



Lois Romero
Executive Vice
President & Southern
Region President

Brian Kreps
Executive Vice
President & Director
of Private & Retail
Banking



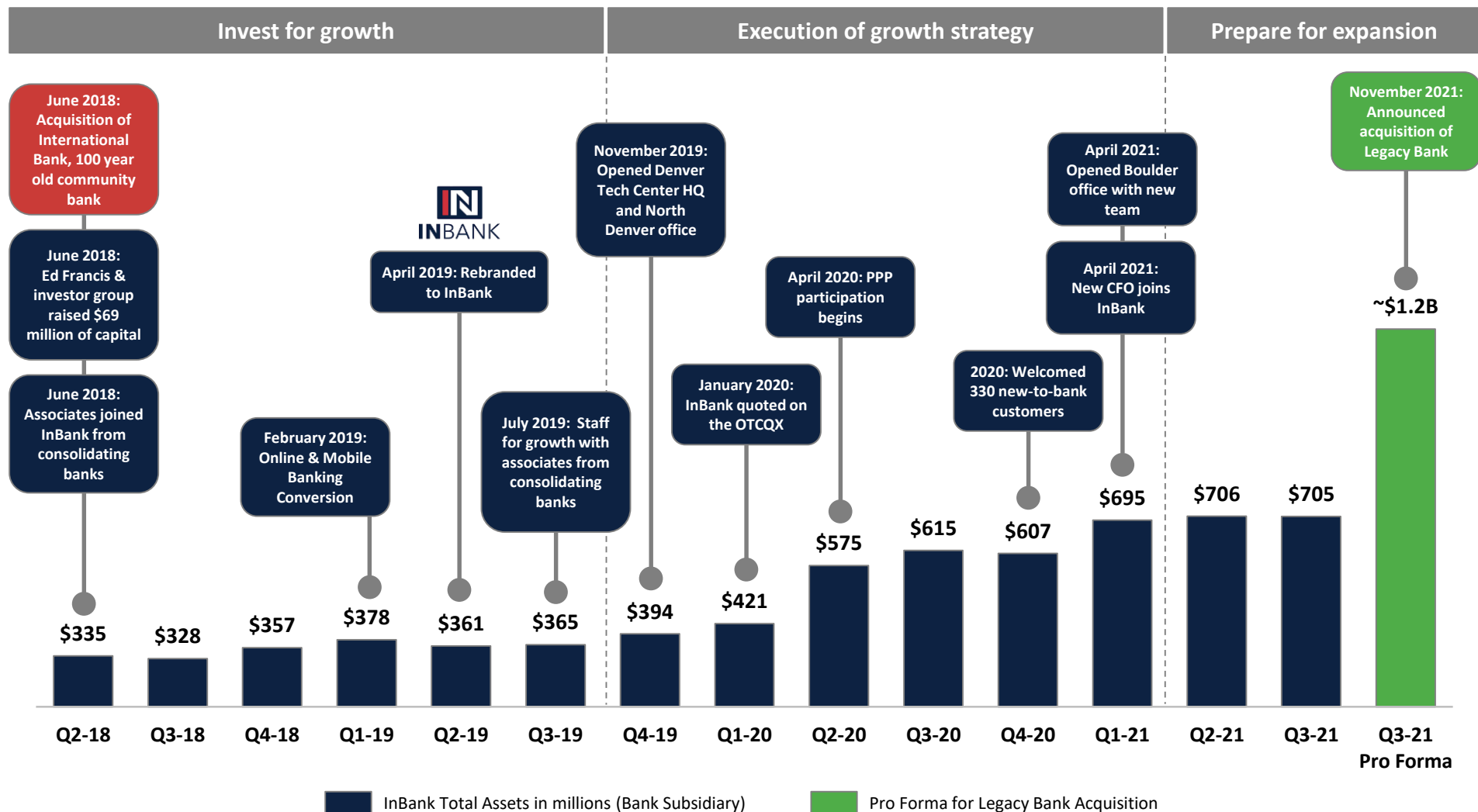
1) Through 9/30/2021, excludes PPP loans

2) Shares owned or controlled by Directors and Executive Officers of INBC

InBank Timeline Since 2018



INBANKSHARES, CORP





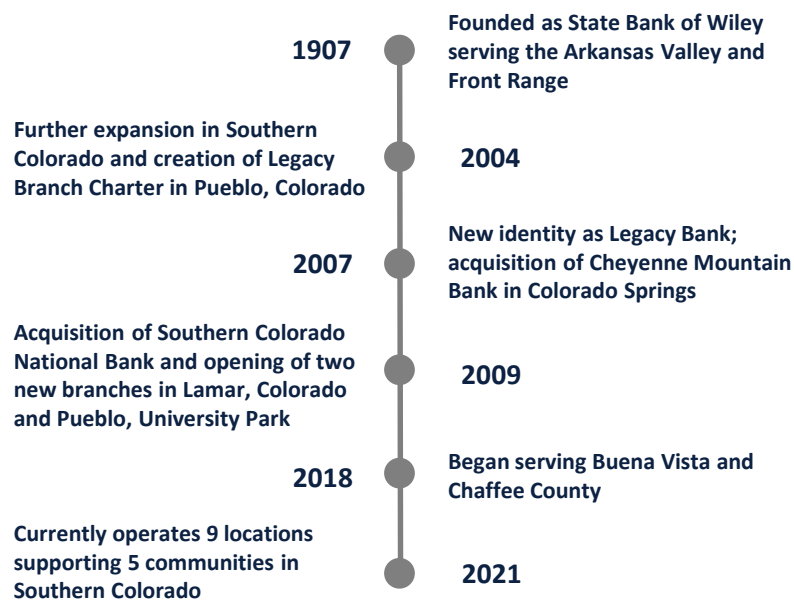
Legacy Bank Transaction – Strategic Rationale

- **Colorado Front Range fill-in opportunity along I-25 bridges the current InBank branch footprint of Denver, Southern Colorado, and Northern New Mexico**
 - Entrance into Colorado Springs, CO (1 branch) and Pueblo, CO (4 branches)
 - Approximately \$280 million in total Legacy Bank deposits along the Front Range
 - Front Range footprint augmented by additional Legacy Bank branches in low-cost, deposit-rich markets
 - Complementary branch footprint with no overlap (preserving the community bank service)
- **Material impact to scale, operating leverage, and pro forma financial profile of InBank**
 - Over \$1.2 billion in total assets, ~\$750 million in gross loans, and ~\$1 billion in deposits
 - Pro forma return on average assets approaching 1% (first full year of combined operations)
 - Pro forma loan to deposit ratio of ~72% (\$375 million in noninterest-bearing) provides strong liquidity and room for loan growth
- **Financially compelling transaction consequences for INBC shareholders**
 - Immediate high double-digit earnings per share accretion
 - +50% in 2023 (first full year of combined operations)
 - Reasonable tangible book value dilution, earned back in approximately 2.5 years
 - INBC and InBank remain well capitalized, with strong organic capital generation in retained earnings
 - Improved earnings profile of the combined company expected to allow it to raise capital as needed at a more favorable multiple
- **Execution risk mitigated by comprehensive due diligence (including a third party loan review) and management's knowledge and understanding of the local markets of operation, as well as acquisition integration**
 - Retention of key Legacy Bank personnel, including market leaders in every market
 - Comprehensive due diligence of Legacy's operations, financials, compliance, etc., including ~77% of loan portfolio

Snapshot of Legacy Bank

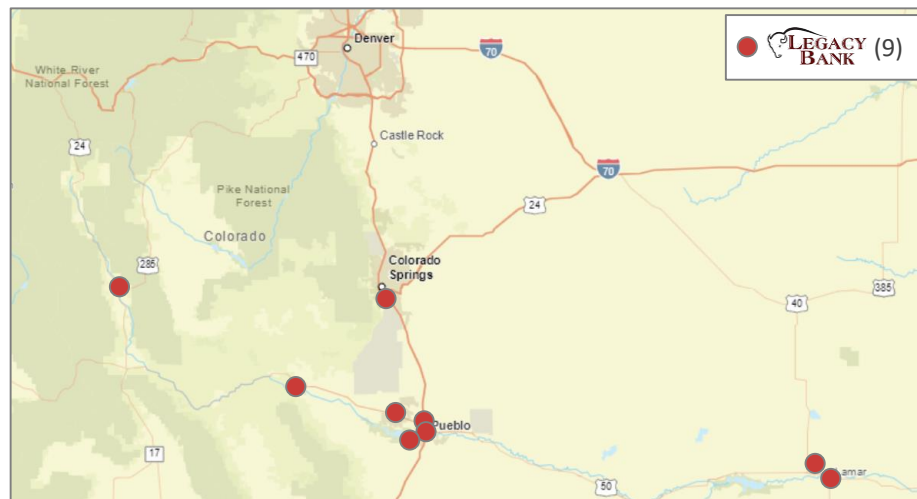


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Financial Highlights

Dollars in \$000s	2018	2019	2020	2021 Q3 - YTD	2018 - YTD CAGR
Total Assets	317,343	368,896	442,937	497,312	17.7%
Gross Loans	224,781	267,508	291,829	315,529	13.1%
Deposits	262,751	308,195	375,054	425,631	19.2%
Tangible Common Equity	47,113	52,887	59,735	63,436	11.4%
Net Income (\$000) ⁽¹⁾	5,158	5,318	5,972	4,684	
Return on Average Assets⁽¹⁾	1.62	1.54	1.47	1.34	
Return on Average Equity ⁽¹⁾	10.2	9.5	9.6	9.4	
Net Interest Margin	4.34	4.44	4.00	3.82	
Efficiency Ratio	48.3	50.0	45.4	50.5	
Loans / Deposits	85.6	86.8	77.8	74.1	
Tang. Common Equity / Tang. Assets	15.1	14.6	13.7	12.9	
Total Risk Based Capital Ratio	19.6	17.6	16.3	15.8	
Adjusted NPAs / Assets ⁽²⁾	1.19	1.12	1.33	1.08	
Loan Loss Reserves / Gross Loans	1.41	1.34	1.65	1.55	



Legacy Bank Management



INBANKSHARES, CORP

Dave Esgar

Chairman, Chief Executive Officer and President



- Joined Legacy Bank in 1986 to be the third generation in the family to work alongside his father, Frederick Esgar, and grandfather, Arthur Esgar. He currently serves as CEO and President, as well as Chairman of the Board of Directors
- Previously worked at Pueblo Bank and Trust, as well as for the Comptroller of the Currency in Amarillo, Texas
- Graduate of the Colorado School of Banking at the University of Colorado and earned a Bachelor's degree at Colorado State University
- Dave will work with InBank to help ensure a successful transition, and his family will take a board seat at InBank and InBankshares, Corp

Andrew Trainor

Regional President and Director



- Joined Legacy Bank in 2004 and currently serves as Regional President and Director
- Started his banking career in 1981 as a management trainee and has served in many different capacities
- Graduate of the Colorado School of Banking at the University of Colorado and earned a degree in Mass Communications and Political Science from Colorado State University – Pueblo
- Serves as a Board Member of the Independent Bankers of Colorado and as the Vice Chairman of the Colorado State University – Pueblo
- Andrew will join the InBank team at closing

Curt Wyeno

Colorado Springs Market President and Director



- Joined Legacy Bank in 2008 and currently serves as Market President and Director
- Previously served a 22 year career with another Colorado-based bank holding company as President of the Colorado Springs Market
- Graduate of the Pacific Coast Banking School at the University of Washington and earned a degree from the University of Northern Colorado
- Curt will join the InBank team at closing

Steve Zupan

Cañon City Market President and Director



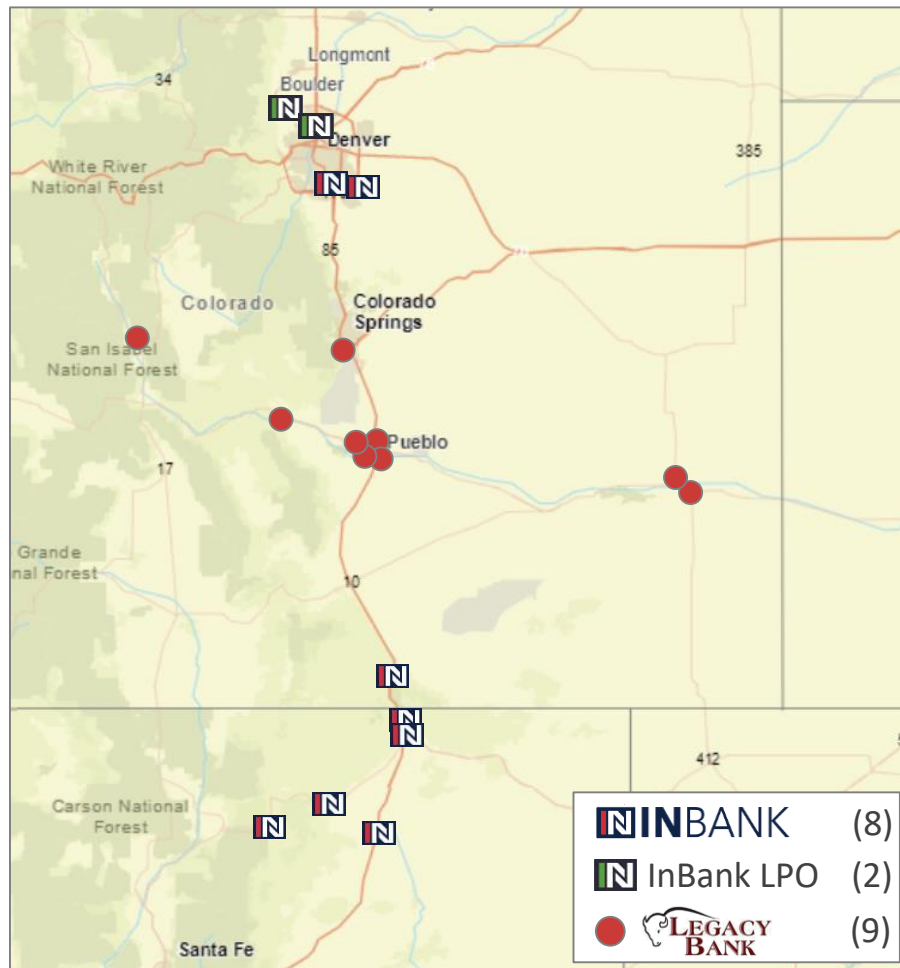
- Joined Legacy Bank in 2004 and currently serves as Market President and Director
- Began his banking career in 1982 and has worked for four Southern Colorado banks
- Graduate of the Colorado School of Banking at the University of Colorado
- Has served for 11 years on the Bankers Foundation of Colorado Board of Director
- Steve will join the InBank team at closing

Colorado Expansion Story

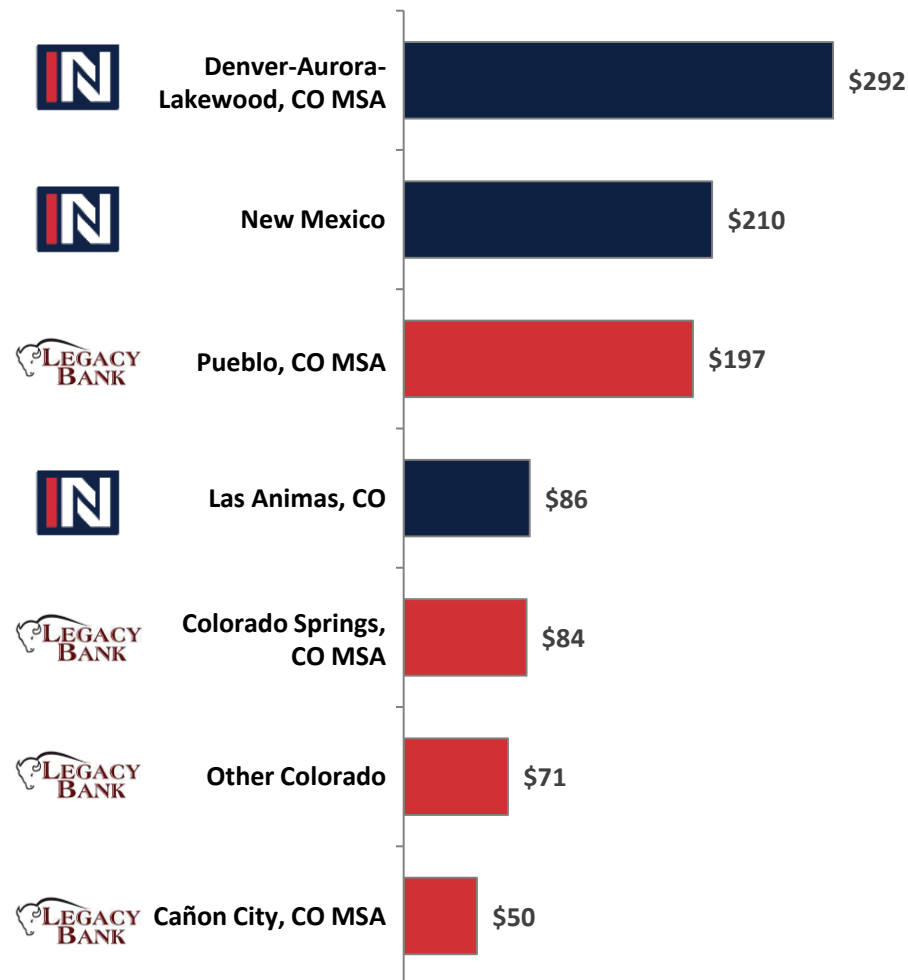


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Pro Forma Branch Map



Pro Forma Deposits by Market⁽¹⁾ (\$M)





Legacy Bank Front Range Markets

Colorado Springs

- In 2021 U.S. News ranked Colorado Springs as the #2 Place to live in Colorado and #6 best place to live in the country
- Colorado Springs is home to the United States Air Force Academy and U.S. Olympic and Paralympic Training Centers
- Colorado Springs has seen the job market increase by 4.1% over the last year. Future job growth over the next ten years is predicted to be 48.4%, which is higher than the US average of 33.5%

Market Demographics	Colorado Springs
Population:	762,560
Proj. Population Growth 2021-2026:	7.0%
Household Median Income (\$000)	\$73.5
Proj. Household Median Income Growth 2021-2026:	11%



Pueblo and Cañon City

- According to Choose Colorado the Pueblo region has some of the lowest costs of doing business in Colorado
- Pueblo is home to Colorado State University – Pueblo and Pueblo Community College
- In Cañon City future job growth over the next ten years is predicted to be 38.1%, which is higher than the US average of 33.5%

Market Demographics	Pueblo	Cañon City
Population:	169,914	48,163
Proj. Population Growth 2021-2026:	4.6%	3.5%
Household Median Income (\$000)	\$51.5	\$51.7
Proj. Household Median Income Growth 2021-2026:	10%	11%





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Pro Forma Financial Impact

Pro Forma
Market Cap

~\$113 Million

Transformative
EPS Accretion

**2023E First Full Year of
Combined Operations**

+50% EPS Accretion

Reasonable
Tangible Book
Value Metrics

TBV per Share
Dilution
~10%

TBV per Share
Earnback
~2.5 Years

Pro Forma
Capital

Consolidated
TCE/TA
~7.3%

Bank-Level
Total RBC Ratio
~11.4%

YTD 9/30/2021



INBANKSHARES, CORP



**ESTIMATED
PRO FORMA
AT CLOSE⁽¹⁾**

Assets	\$708M	\$497M	~\$1.2B
Gross Loans	\$426M	\$316M	~\$750M
Deposits	\$601M	\$426M	~\$1.1B
Offices	10 ⁽²⁾	9	19
Efficiency Ratio ⁽³⁾	83.2%	50.5%	~65%
Return on Avg. Assets ⁽³⁾	0.40%	1.34%	~0.90%
Return on Avg. TCE ⁽³⁾	4.3%	10.2%	~12.5%

1) Assumes transaction closes on March 31, 2022

2) Includes two loan production offices

3) Pro forma profitability metrics reflect first full year of combined operations (2023E)

Source: INBC internal financial statements, S&P Global Market Intelligence, and management estimates and assumptions



Summary of Deal Terms

Merger Consideration

- 3,566,387 shares of INBC common stock issued, and \$21.250 million in cash paid to Legacy Bank shareholders
 - Results in a consideration mix of ~62% stock / 38% cash
 - Value of consideration to be paid by INBC of approximately \$56.0 million based on a INBC closing stock price of \$9.75 as of 11/29/2021
- Legacy will make a pre-closing distribution to its shareholders of ~\$4.9 million of OREO and other assets
- Legacy will pay a maximum pre-closing cash dividend of \$16.3 million, contingent on delivery of \$42 million of tangible common equity at close (net of one-time transaction expenses, the pre-closing distribution, and the pre-closing cash dividend)

Transaction Valuation

- Aggregate Value of Consideration paid by INBC (as of 11/29/2021) – \$56.0M
- Price / Tangible Book Value⁽¹⁾ – 1.33x
- Price / LTM Net Income⁽²⁾ – 8.9x
- Core Deposit Premium⁽¹⁾ – 3.8%

Pro Forma Ownership

- 69% existing INBC shareholders / 31% Legacy Bank shareholders

Required Approvals

- Customary regulatory approvals
- Legacy Bank shareholder approval

Closing and Conversion

- Anticipated closing early 2nd quarter of 2022 subject to customary closing conditions, systems conversion 3rd quarter of 2022

1) Based on Legacy Bank reported tangible common equity of \$63.9 million as of September 30, 2021, less the \$4.9 million pre-closing distribution and the maximum pre-closing cash dividend of \$16.3 million

2) 22% Tax-effect due to Sub-S corporate structure

Source: S&P Global Market Intelligence



Assumptions and Financial Impact

Transaction Assumptions

- Earnings and balance sheet growth assumptions per INBC management estimates
- Projected cost savings of 15% (75% phase in in 2022)
 - Approximately \$1.3 million pre-tax in the first full year (2023)
- Pre-tax transaction expenses for INBC and Legacy Bank of \$2.2 million and \$3.8 million, respectively
- 2.00% gross credit mark (~\$6.5 million) on Legacy Bank's loan portfolio
- Core deposit intangible of 50 bps (all non-time deposits), amortized SYD over 10 years
- AOCI (loss on available-for-sale securities) of \$247 thousand accreted over 4 years
- 50 bps opportunity cost of cash and a marginal tax rate of 22%
- No revenue synergies modeled

Consolidated Financial Impact

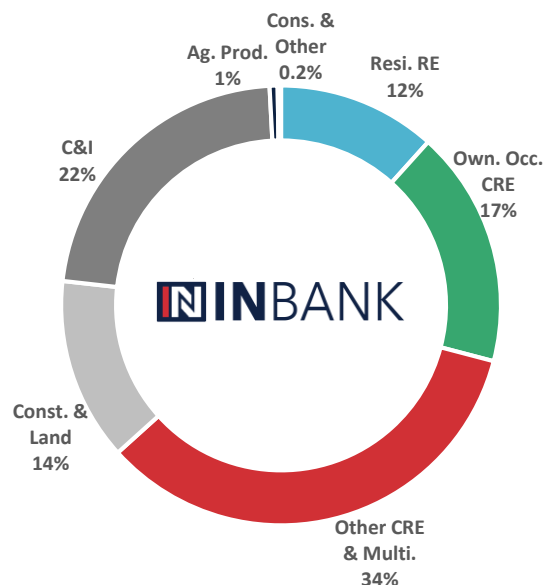
- 2023E Earnings per Share Accretion (first full year) – +50%
- Tangible Book Value Dilution at Close (3/31/2022) – (~10%)
- Tangible Book Value Earnback (crossover method) – ~2.5 Years
- Pro Forma Consolidated TCE / TA Ratio at Close (3/31/2022) – ~7.3%
- Pro Forma Bank Level Tier 1 Leverage Ratio at Close (3/31/2022) – ~9.2%
- Pro Forma Bank Level Total Risk-Based Capital Ratio at Close (3/31/2022) – ~11.4%



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Pro Forma Loan Composition

InBank

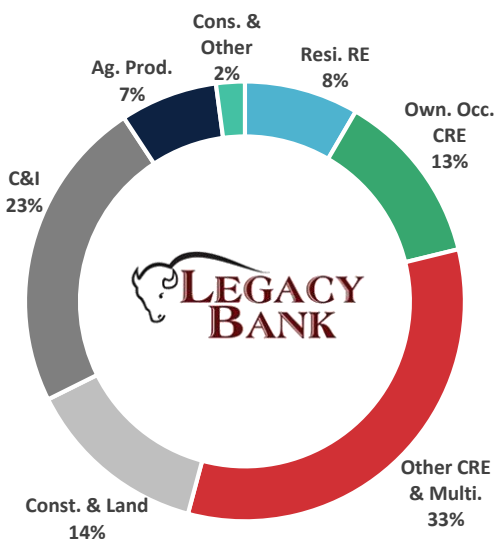


Total Loans
\$426M

Loans/Deposits
70.6%

MRQ Yield on Loans: **5.07%**

Legacy Bank

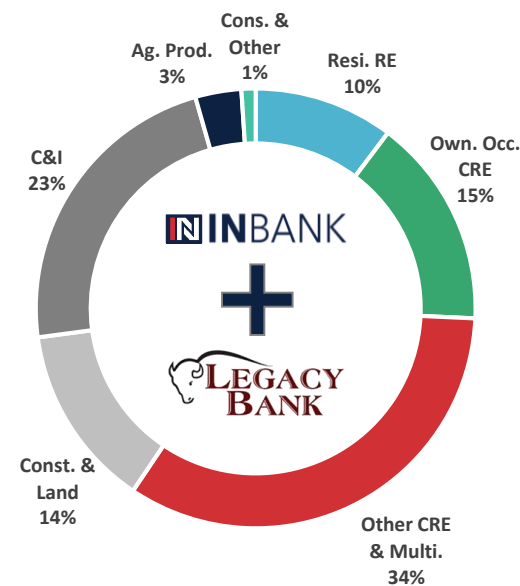


Total Loans
\$316M

Loans/Deposits
74.1%

MRQ Yield on Loans: **5.15%**

Pro Forma



Total Loans
\$742M

Loans/Deposits
72.1%

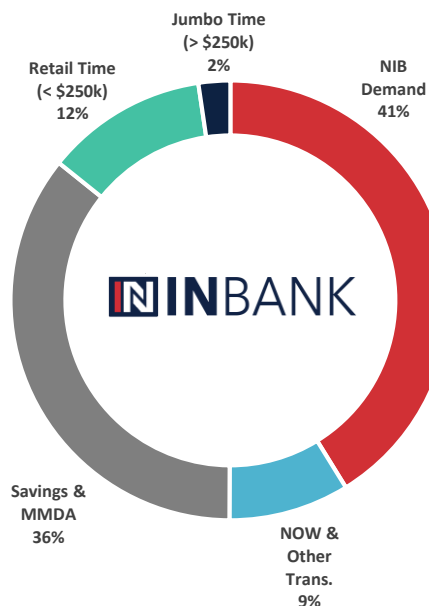
MRQ Yield on Loans: **5.10%**

Pro Forma Deposit Mix



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InBank

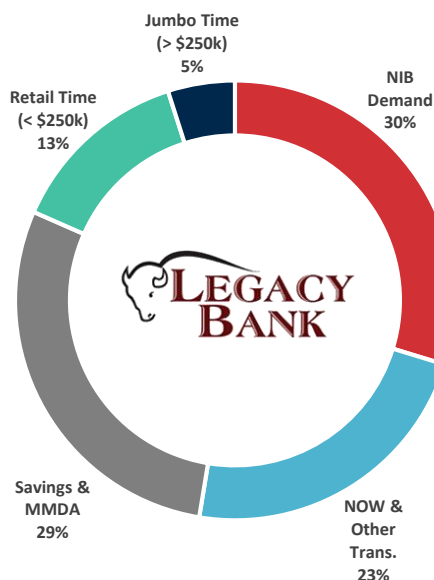


Total Deposits
\$603M

NIB Deposits
\$249M

MRQ Cost of Deposits: 0.17%

Legacy Bank

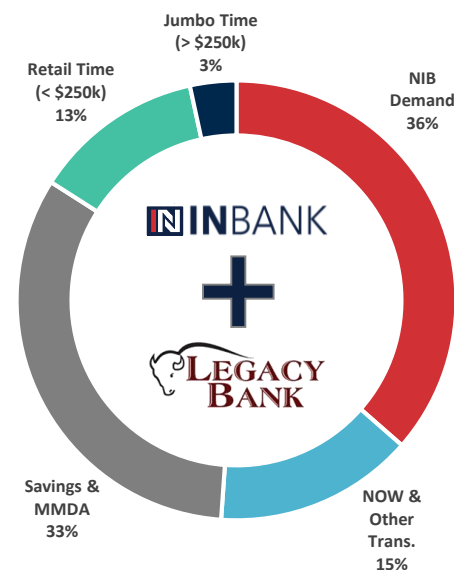


Total Deposits
\$426M

NIB Deposits
\$127M

MRQ Cost of Deposits: 0.23%

Pro Forma



Total Deposits
\$1.0B

NIB Deposits
\$375M

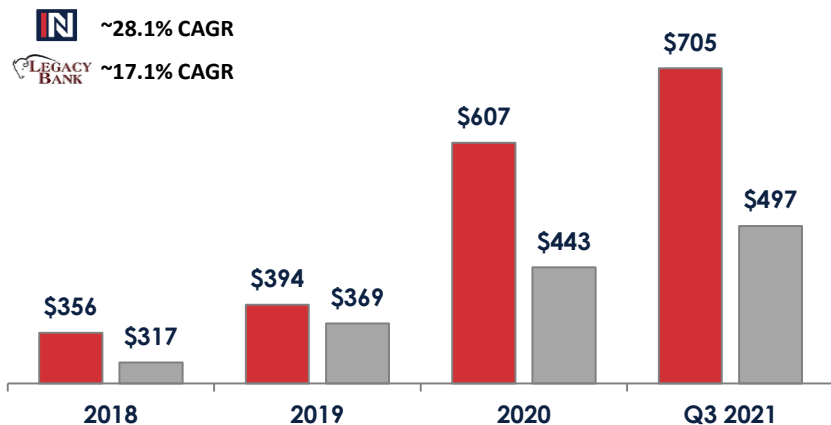
MRQ Cost of Deposits: 0.20%

Historical Growth Trends

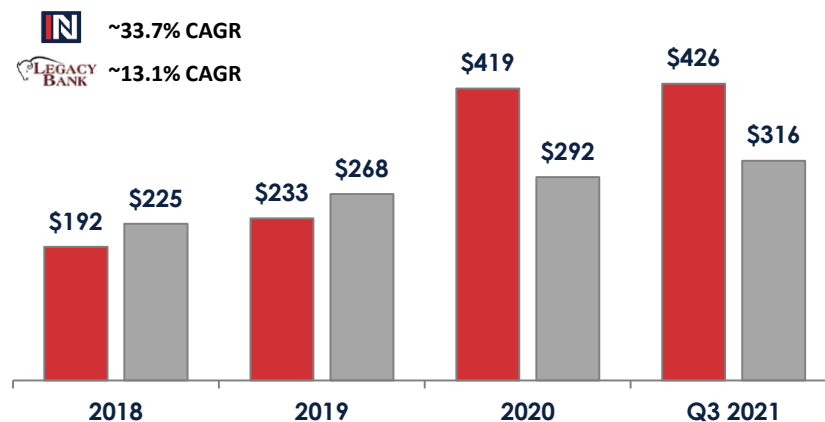


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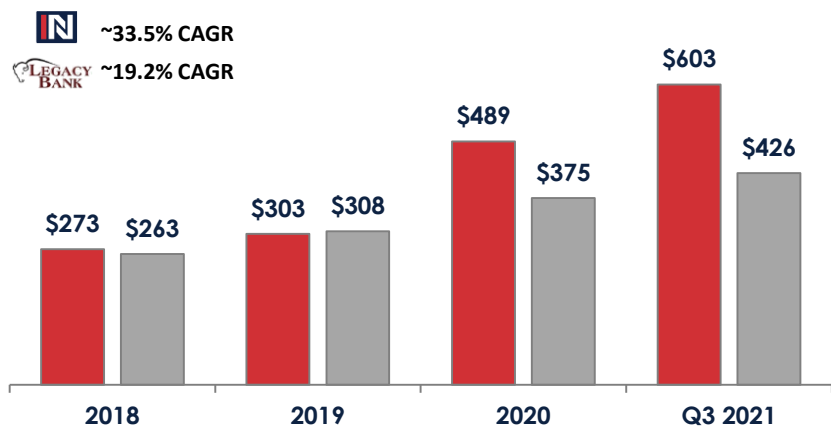
Total Assets



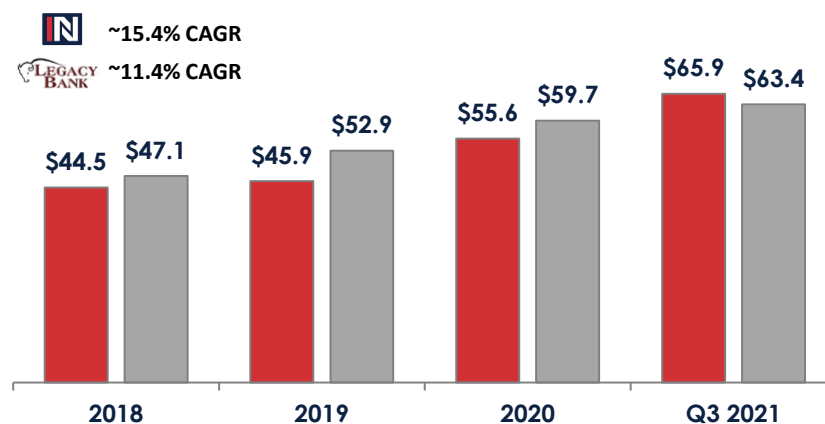
Gross Loans



Total Deposits



Tangible Common Equity



InBank Legacy Bank



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Investment Highlights



Bolstered presence on the Front Range, including the metropolitan markets of Colorado Springs and Pueblo



High double digit EPS accretion



\$1.2 billion in pro forma total assets and approaching ~1.00% ROAA



Retention of key leadership in new markets



Enhancement of INBC's long-term shareholder value

Contact Information



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