



# **IN**BANKSHARES, CORP

Investor Deck | Third Quarter 2021

IN BANKSHARES, CORP

# Forward-Looking Statements and Non-GAAP Financial Measures



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 (the “Company”) management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company’s control). Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any person that the future events, plans, or expectations contemplated by the Company will be achieved.

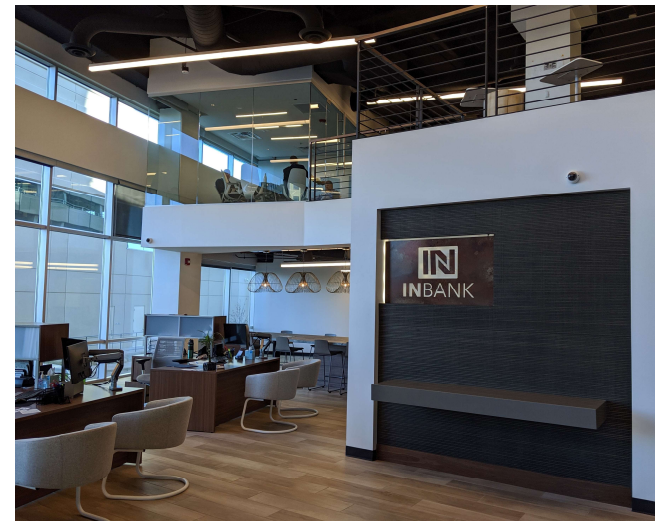
All subsequent written and oral forward-looking statements attributable to the Company or any person acting on its behalf are expressly qualified in their entirety by the cautionary statements above. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances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

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 the Company



- 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 investment group in 2018
- Emphasis on capturing market share in the Denver/Boulder MSA while maintaining strong market share in Southern Colorado and Northern New Mexico
- Ten locations
- 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%\*

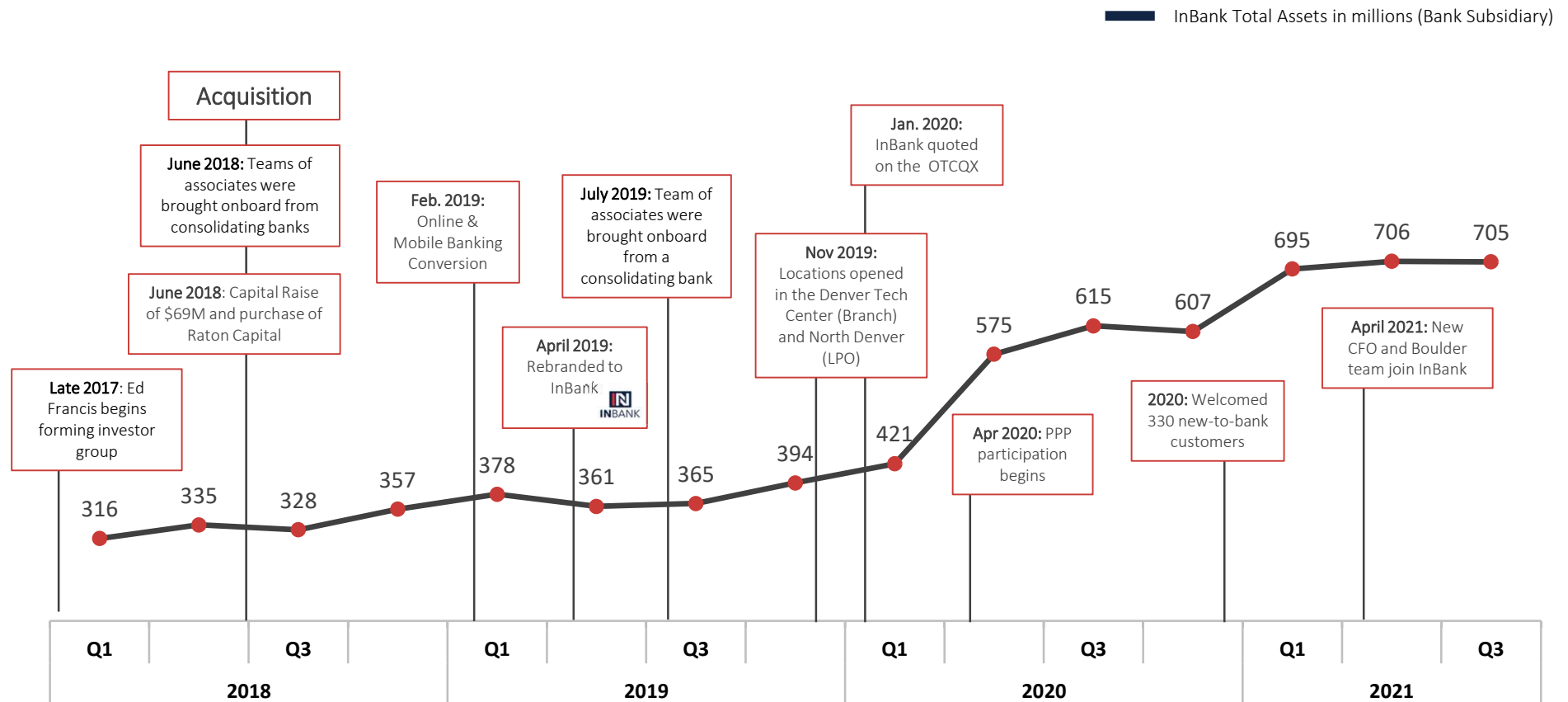


\* Shares owned or controlled by Directors and Executive Officers of the Company



INBANKSHARES, CORP

# InBank Timeline





### Denver Metro Region

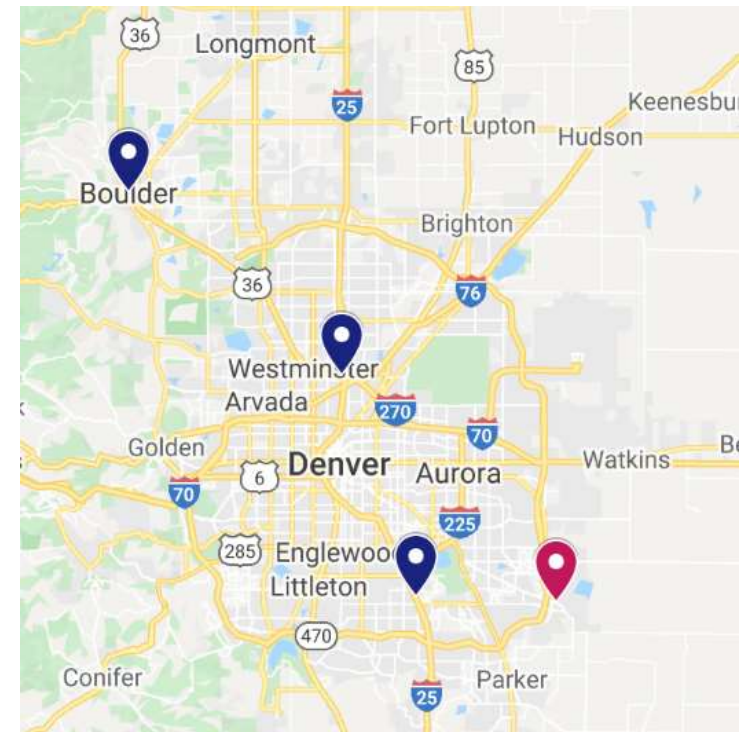
- People-centric vs branch-centric
- The strategy is to be the premier business bank in the metro area for businesses with \$5 – 50 million in revenue
- Full relationship bank – business, business owners, management, and employees

### Community Bank Region

- Southern Colorado and Northern New Mexico
- Maintain dominate market share
- Focus on businesses, consumers, local government, and non-profits
- Strong low-cost deposit base



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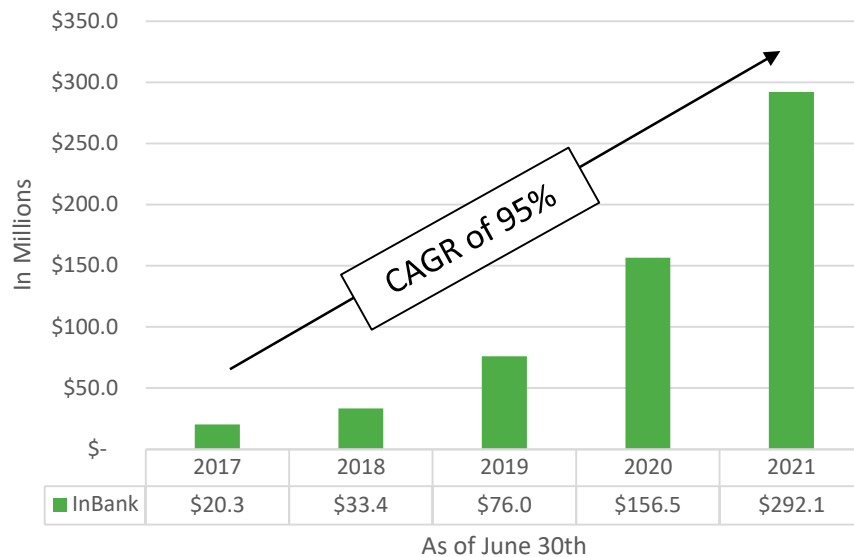


# Denver MSA Offers Huge Opportunity for Growth

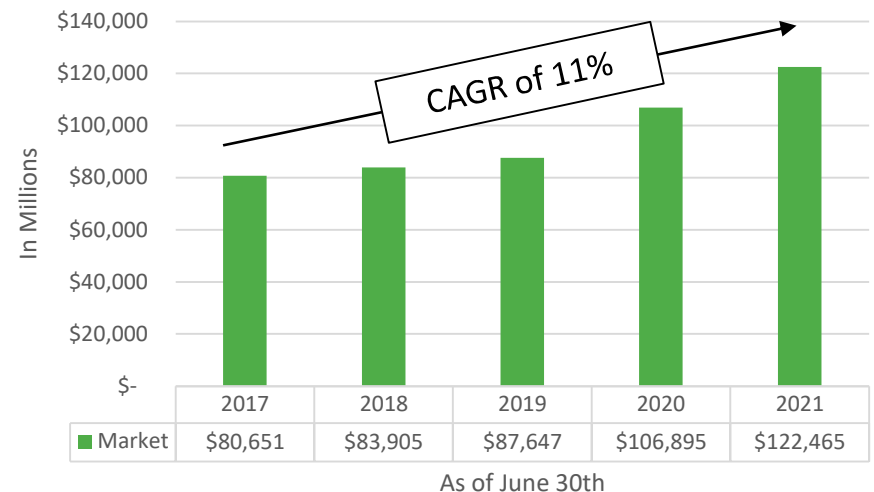


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## InBank Deposits - Denver MSA



## Total Deposit Market - Denver MSA



# Culture Matters

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INBANKSHARES, CORP

Our Mission: To Positively Impact the Lives of Our Customers, Communities and Associates

Commitment

Innovation

Responsibility

Teamwork

Happiness

Authenticity

# Strategic Pillars



INBANKSHARES, CORP

Customer WOW! <i>Exceed</i>	Thriving Culture <i>Enhance</i>	Growth Mindset <i>Win</i>	Make it Better <i>Drive</i>	Own the Risk <i>Empowered</i>	Think Big <i>Act</i>
<ul style="list-style-type: none"><li>• Exceed customer expectations with speedy decisions, clear communication, and deliver on the unexpected</li></ul>	<ul style="list-style-type: none"><li>• Enhance InBank's organizational health as a great place to work and build a career</li></ul>	<ul style="list-style-type: none"><li>• Win market share through development of new customer relationships, superior service, and consistent cultivation of current customers</li></ul>	<ul style="list-style-type: none"><li>• Drive value by making it easier to get business done, and creating scalable best practices</li></ul>	<ul style="list-style-type: none"><li>• Empowered to identify risk to the Company and Customers; make sound decisions with collaborative risk oversight</li></ul>	<ul style="list-style-type: none"><li>• Take action building expertise in strategic acquisitions and integration; evolve to create larger market share and scale</li></ul>



# Experienced Management Team



INBANKSHARES, CORP

## Edward Francis – Chairman, Chief Executive Officer and President



Ed has over 30 years of banking and financial institution experience and is Chairman of the Board, President and Chief Executive Officer for InBankshares and InBank. Previously, he held the position of Executive Vice President and Chief Banking Officer at Hancock Whitney and led both retail and commercial banking divisions. Ed also served on Hancock Whitney's Executive Management Committee for more than 10 years as assets grew from \$5 billion to over \$25 billion. He holds a B.S. in Managerial Finance from the University of Mississippi and matriculated from the Graduate School of Banking at LSU. Ed also serves on the board for Firefly Autism in Denver.

## Dan Patten – EVP, Chief Financial Officer



Dan has over 20 years of experience in corporate finance, strategy, mergers and acquisitions, and public and private equity and debt financings, including 15 years as a finance executive in the commercial banking industry and over nine years as a chief financial officer. Prior to joining InBank, Dan held the position of Executive Vice President, Finance and Corporate Development, for Heartland Financial USA, Inc., a diversified financial services company with approximately \$18 billion in assets. Dan holds a MBA in finance and a B.S. in Mechanical Engineering both from the University of Colorado, Boulder.

## David Brown – EVP, Chief Risk Officer



Dave is a seasoned bank executive with 30 years of experience in the Denver and southwestern Colorado markets. He has extensive leadership experience and knowledge of credit risk management. Most recently, Dave spent eight years at Centennial Bank/Citywide Banks as Market President, Chief Credit Officer and Executive Vice President of Commercial Banking. He holds a B.S. in Business from Fort Lewis College.

## Jeffery Huckabee – EVP, Chief Information Officer



Jeff has more than 25 years of experience as an information technology professional in the banking industry, as well as significant expertise in treasury management, operations and commercial products. Prior to joining InBank, Jeff's experience included 17 bank acquisitions in which he served as the lead through several system conversions and integrations as Chief Information Officer. These acquiring banks included First National Bank of Santa Fe, First American Bank and State National Bank. He holds a B.A. in Finance from New Mexico State University.

## Brian Kreps – EVP, Director of Private and Retail Banking



Brian is an experienced private banker and leader in the Denver Metro Area. He leads the bank's efforts to create and provide a wide range of credit and depository services to customers. Brian is part of the bank's executive leadership team and oversees private banking, retail banking and mortgage banking business units. Prior to joining InBank, Brian was Vice President and Senior Private Banker with Mutual of Omaha Bank. He holds a B.S. in Business from Ferris State University.

## Lois Romero – EVP, Southern Region President



Lois oversees the southern region for InBank and is part of the bank's executive leadership team. She has over 30 years of experience in banking and finance and was instrumental in starting a de novo bank. She has been with the bank on several occasions, most recently since 2013. She has held various positions, including cashier and senior vice president overseeing bank operations as well as mergers and acquisitions through the years. Lois has a background in accounting and graduated from the Western States School of Banking.

# Board of Directors



INBANKSHARES, CORP



**Eric Donnelly – Lead Director**

Eric is CEO of Capital Plus Financial which through its holding company, Crossroads Systems, is the first publicly traded nonbank Community Development Financial Institution (CDFI), providing affordable housing and mortgage financing to Hispanic communities. He has 20 years of expertise in banking and specialty finance focusing on small business, consumer and CRE lending. He has a B.A. from SMU and is a graduate of The Center for Houston's Future Leadership Program and Stanford Latino Entrepreneur Scaling Program.



**Don Bechter**

Don is Managing Partner of RMB Capital, a wealth and investment management firm with over \$10B in assets under management. He is the former Managing Director and head of RBC Capital Market's telecom group where he gained extensive M&A experience. He has a bachelor's degree from the University of Colorado, an MBA from Kellogg School of Management at Northwestern University, and is a Chartered Financial Analyst® (CFA)



**Kevin Ahern**

Kevin is Managing Partner of Brush Creek Partners, a Denver-based private equity firm, and the former Chairman, Founder and CEO of CIC Bancshares, a Colorado-based bank holding company, and Chairman of Centennial Bank. He served as a senior executive with Heartland Financial USA, Inc. a \$12 billion bank holding company, after Heartland's acquisition of Centennial Bank in 2016. Kevin has 35 years of expertise as an operator and investor in private equity, banking, financial services and investment management.



**Lisa Narrell-Mead**

Lisa is the CEO of Everett Advisory Partners, a financial services advisory firm. She has extensive private law practice and corporate management experience, as well as 15 years of banking experience as Chief Employment Counsel at Regions Bank and Founding Executive of Cadence Bank. Lisa has a B.S. from Birmingham-Southern College and a JD from Emory University.



**Richard Trice**

Richard is a former Executive Officer and Senior Credit Officer for InBank. He has over 38 years of experience in commercial banking and investments, including Sunwest Bank, Bank of America and SunAmerica Securities. He serves on various community philanthropic boards, including The Whited Foundation and Santa Fe Trail School for the Performing Arts. Richard is a graduate of the New Mexico School of Banking, Western States Agricultural School of Banking and Stonier Graduate School of Banking.



**Scott Reed**

Scott is a Partner, Director and Co-Founder of BankCap Partners, a private equity firm focused on financial services. He has 20 years in financial services and strategic consulting, including Bain and Bear Stearns. Scott has a B.S. and B.A. from the University of Virginia, and an MBA from the Amos Tuck School of Business at Dartmouth College.



**Stan Viner**

Stan is the President of SJViner & Associates. He has more than 35 years in the financial services industry. Prior to founding his company in 2017, he was the General Manager/National Sales of Banking at Jack Henry & Associates. Stan held this role for over 15 years – after nearly 28 years, he retired from Jack Henry. Stan has a BBA from Ole Miss and a Managerial Leadership Certificate from the University of Texas/McCombs School of Business. He is an instructor at the Graduate School of Banking at Colorado (Boulder).



**Travis Conway**

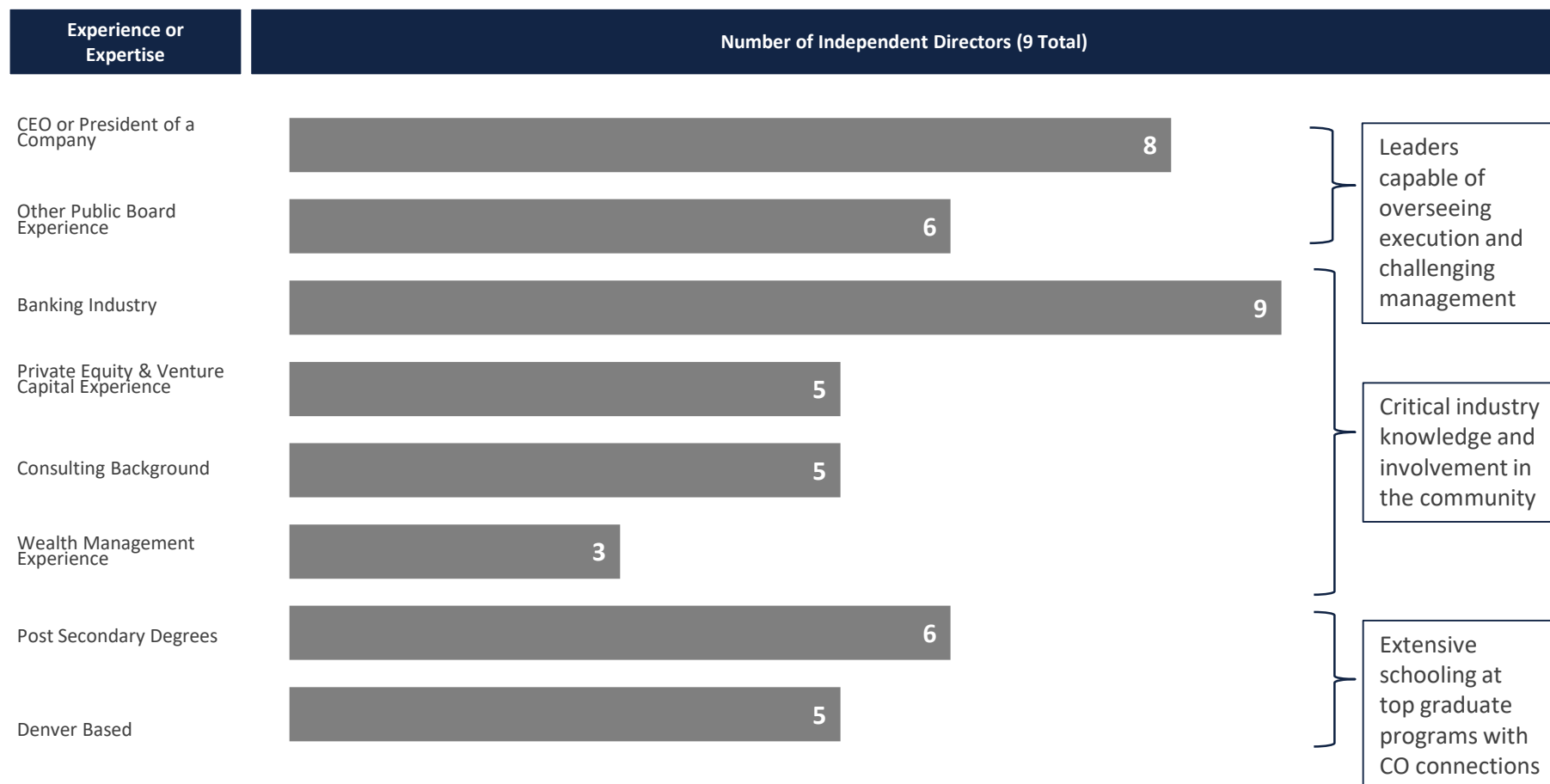
Travis is a Founding Partner of Rallyday Partners, a Colorado-based private equity middle market-focused firm. He is the former President and Managing Director of SDR Ventures, a Colorado-based boutique middle market investment bank. Travis has significant litigation and dispute advisory experience from Navigant Consulting and Ernst & Young.



**Wil Armstrong**

Wil is Chairman and CEO of Three Tree Capital, a privately held investment company focused on venture capital, early stage growth companies, and private equity. He is the former Chairman of Cherry Creek Mortgage Company, a nationally ranked residential mortgage bank and a former board member of Colorado Community Bank and Heritage Bank. Wil has a BBA from James Madison University.

# Seasoned Board of Directors



# 2021 YTD (9.30.2021) Highlights

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- Four new producers hired in the Denver/Boulder area, including a team devoted to the Boulder market
- Dan Patten joined InBank as EVP, Chief Financial Officer in April 2021
- Year-to-date net income of \$2.1 million, or \$0.27 per share, approximately double the \$1.0 million, or \$0.15 per share, for the same period in 2020
- Net interest income of \$18.2 million, compared to \$14.5 million for the same period in 2020
- Core loan growth, excluding SBA Paycheck Protection Program (“PPP”) loans, of \$68.5 million, or 20.9%, compared to year end
- Total deposit growth of \$119.0 million, or 24.7%, compared to year end
- Non-performing assets were 0.10% of assets, down from 0.29% at year end



INBANKSHARES, CORP

# Q3 2021 Highlights

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- Quarterly net income of \$621,000, or \$0.08 per share, compared to \$778,000, or \$0.10 per share for the linked quarter, and \$19,000, or \$0.00 for Q2-2020
- Core loan growth, excluding PPP loans, of \$38.0 million, or 10.6%, when compared to the linked quarter and up \$108.5 million, or 37.7%, compared to Q3-2020
- Total deposit growth of \$18.9 million, or 3.3%, when compared to the linked quarter and up \$162.5 million, or 37.1%, compared to Q3-2020; noninterest bearing deposits accounted for \$18.8 million of the quarterly deposit growth
- Net interest margin was 3.45%, compared to 3.73% for the linked quarter and 3.23% for Q3-2020
- Funding costs decreased to 0.21% in the quarter, a decrease of 3 basis points from the linked quarter, and a decrease of 15 basis points from Q3-2020
- Subsequent to quarter close, on 10.1.2021, the Company issued \$20 million of Subordinated Debt (3.75% fixed to floating after five years, and 10-year maturity, not callable for five years)

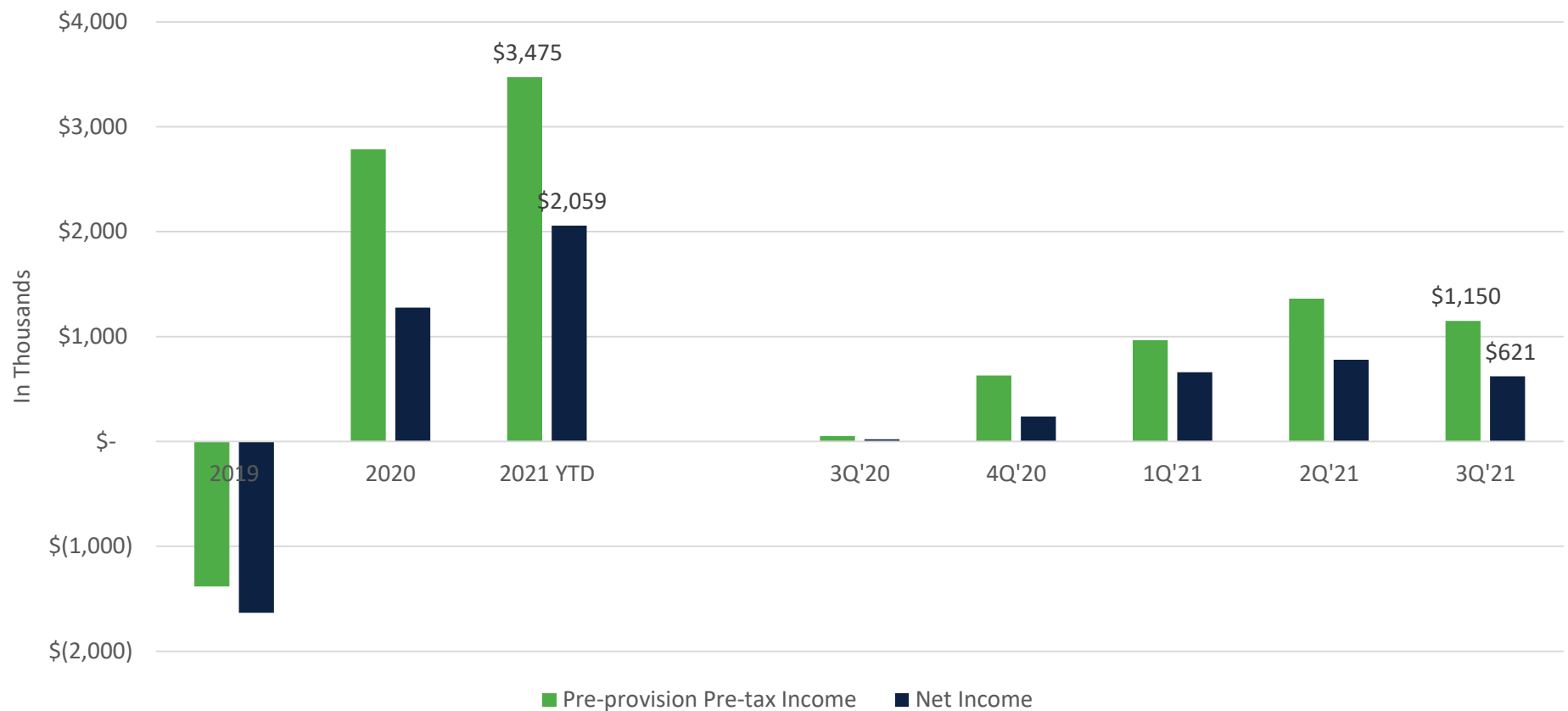


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# Building Earnings Momentum

## Annual and YTD 2021

## Trailing Five Quarters

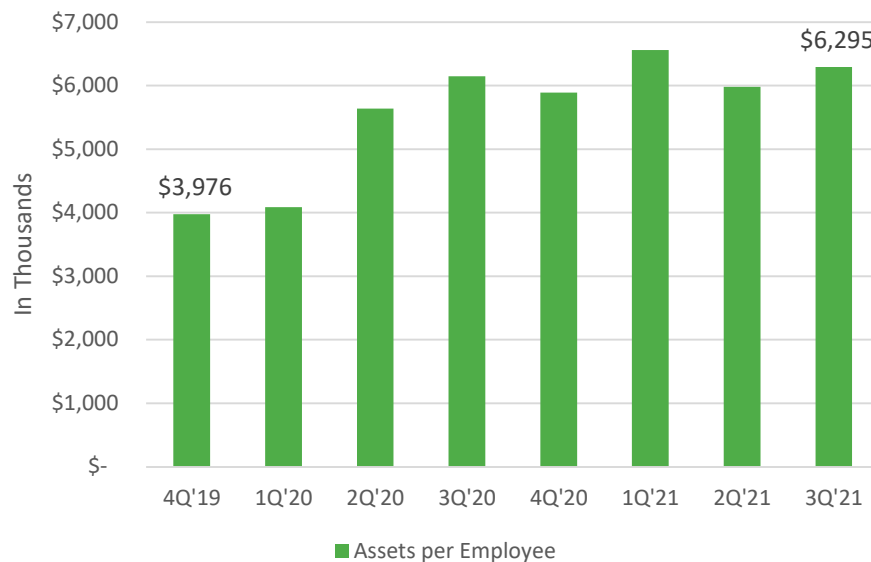


# Improving Scale

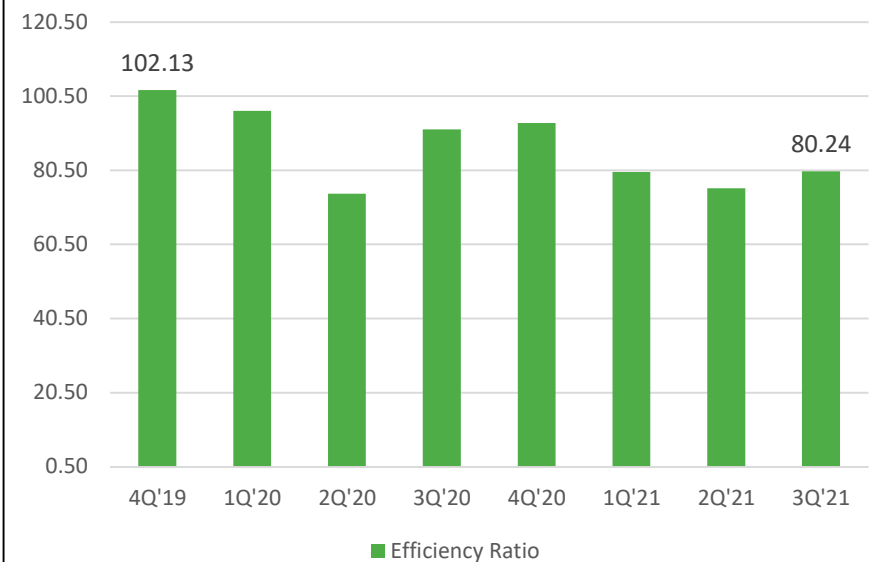


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## Assets per Employee



## Efficiency Ratio



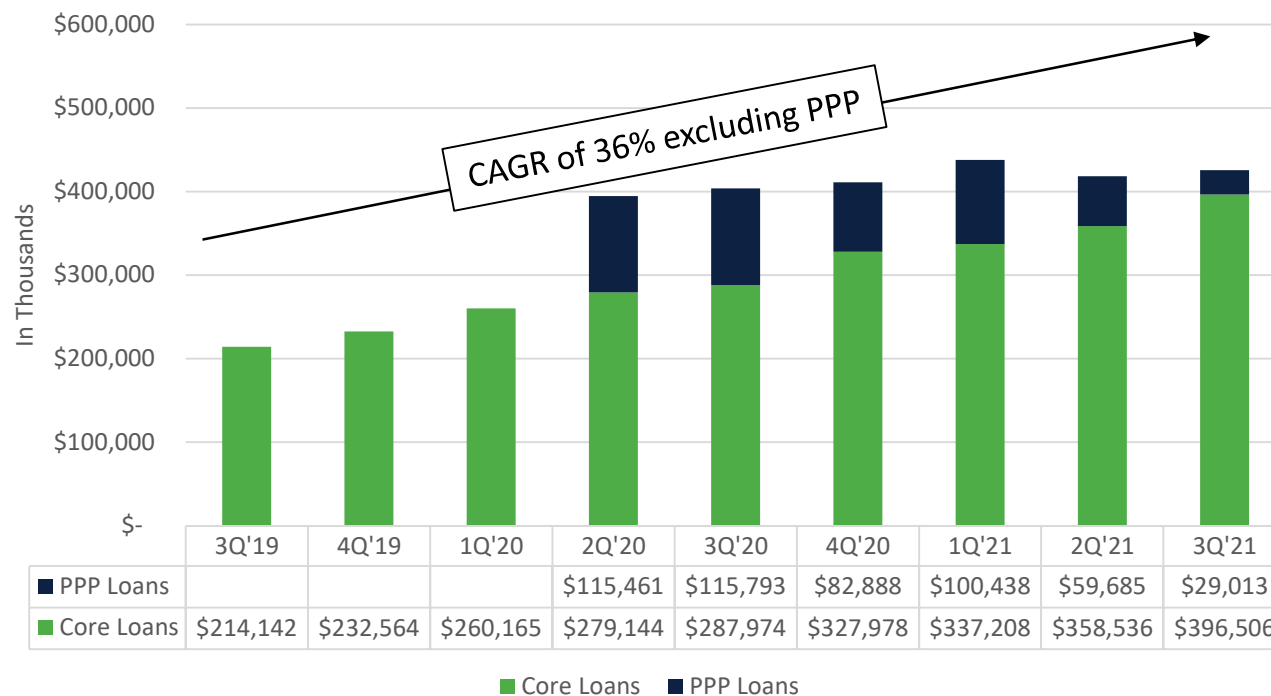
- Data for subsidiary InBank
- Source S&P Global

# Loan Growth



INBANKSHARES, CORP

## Loans Held for Investment (HFI)



- Total Loans HFI of ~\$426 million
- Core loans of ~\$397 million
- Annual core loan growth \$109 million or 38%
- \$211 million in total growth (\$182 million excluding PPP loans) since 3Q-2019
- CAGR of 41% (36% excluding PPP) since 3Q-2019
- MRQ loan yield 5.12% for core loans (excluding PPP)



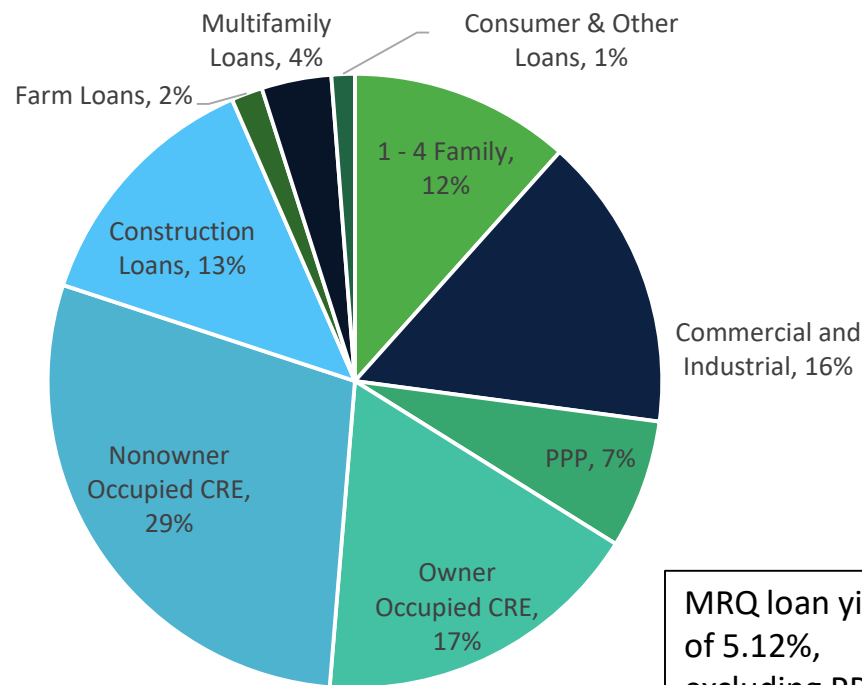


INBANKSHARES, CORP

# Diverse Loan Portfolio

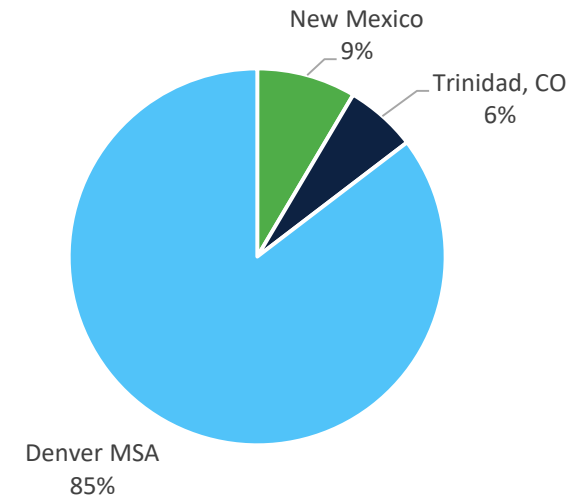
## Loan Portfolio 9/30/2021

\$426.2 Million (HFI and HFS)

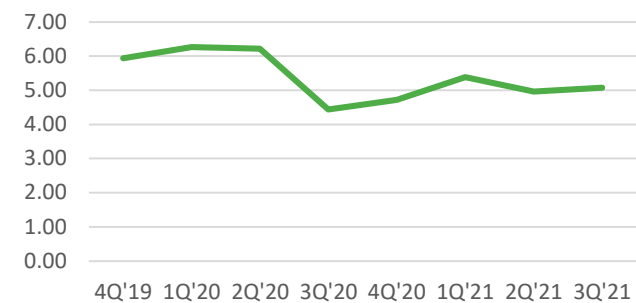


MRQ loan yield of 5.12%, excluding PPP

## Loan Geography 9/30/2021



## Total Yield on Loans and Leases

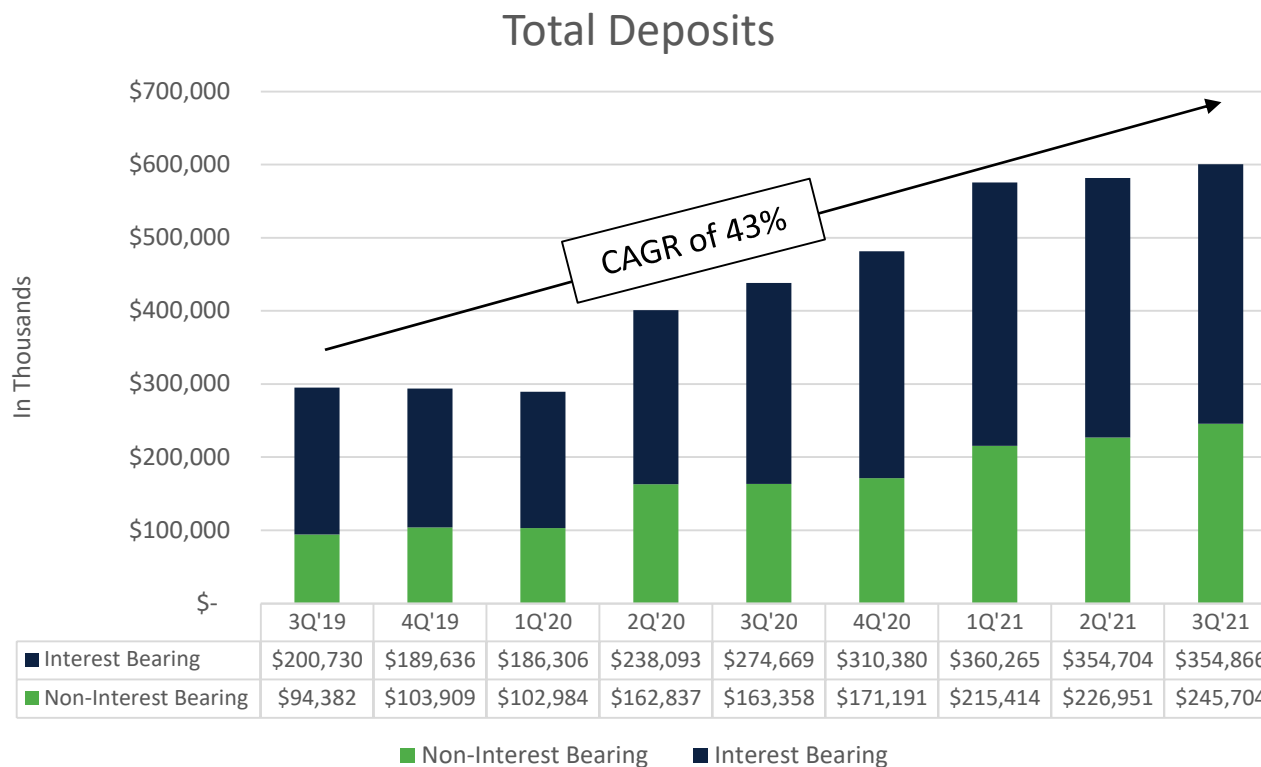


\* Data for subsidiary InBank

# Deposit Growth



INBANKSHARES, CORP



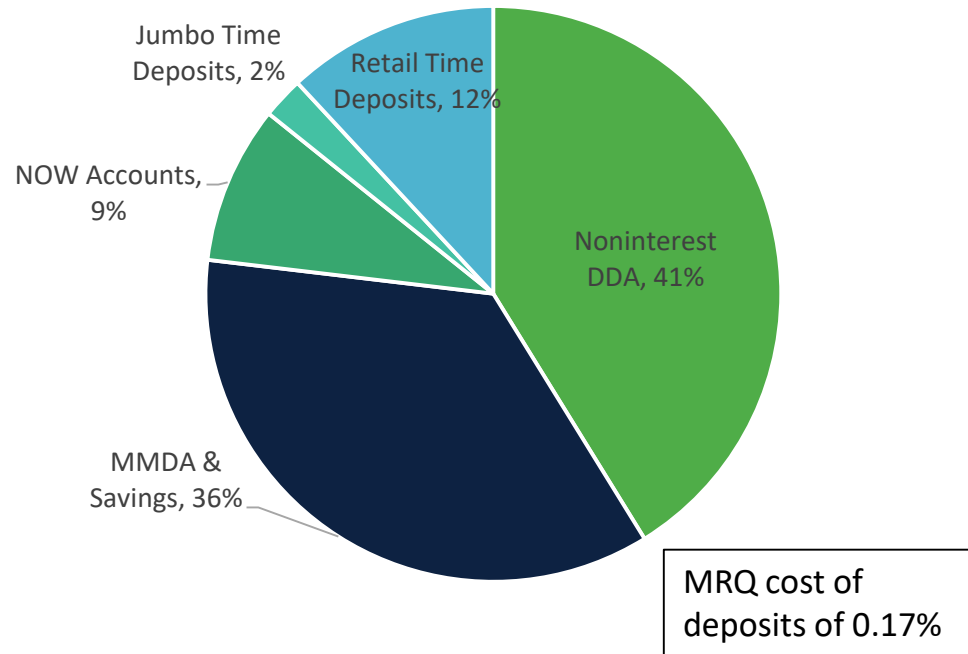
- Total deposits ~ \$601 million
- MRQ growth of \$19 million or 3.3%
- \$305 million in total deposit growth since 3Q-2019
- CAGR of 43% since 3Q-2019
- Non-interest bearing make up 41% of total deposits, up from 32% in 3Q-2019
- MRQ cost of deposits 0.17%
- MRQ interest bearing deposit cost 0.29%

# Strong Deposit Portfolio



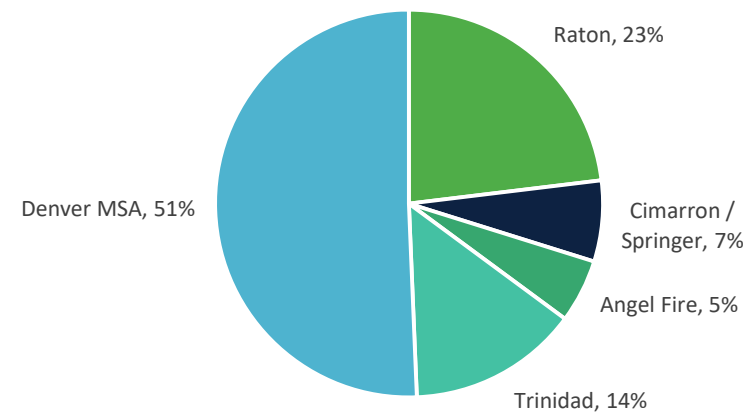
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Deposit Portfolio 9/30/2021  
\$603.5 Million

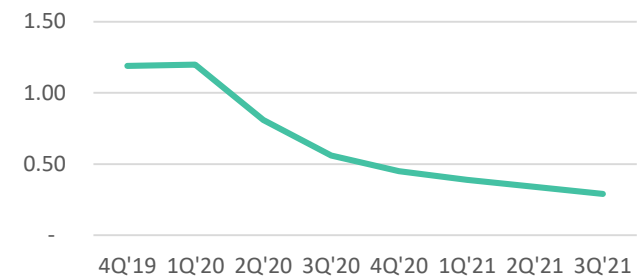


\* Data for subsidiary InBank

Deposit Geography 9/30/2021



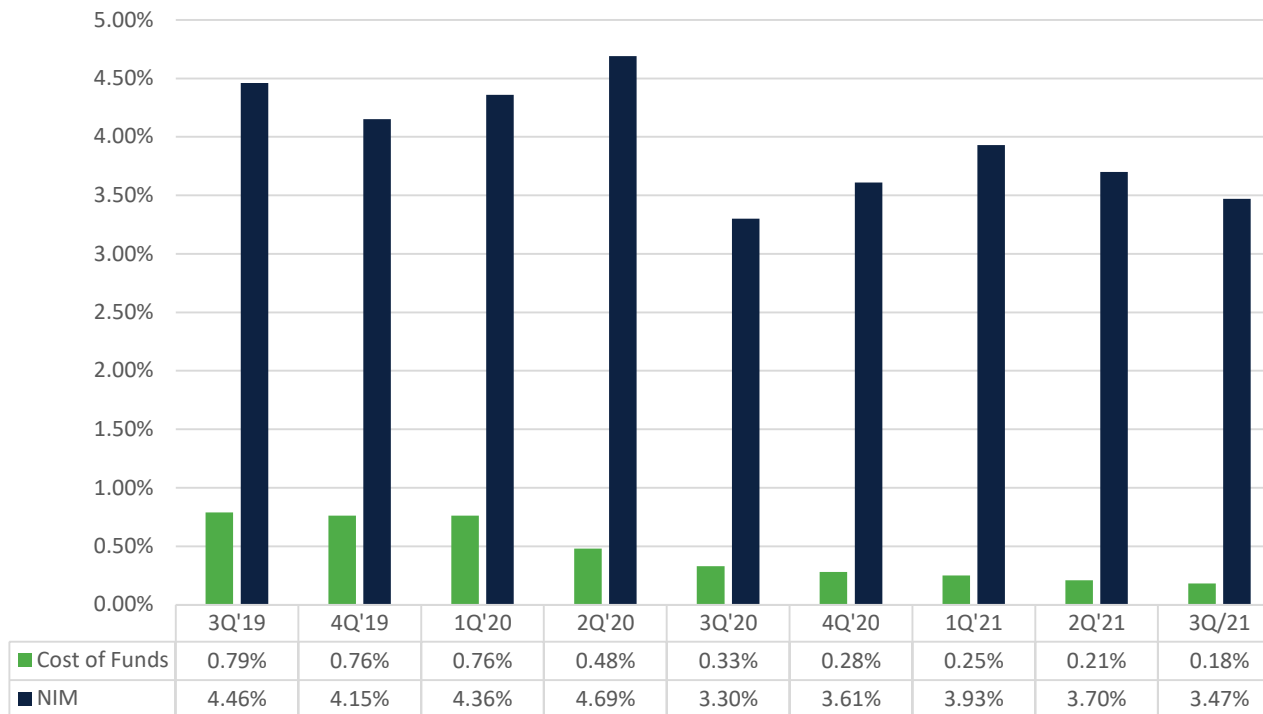
Cost of interest bearing deposits



# InBank NIM and Cost of Funds



INBANKSHARES, CORP



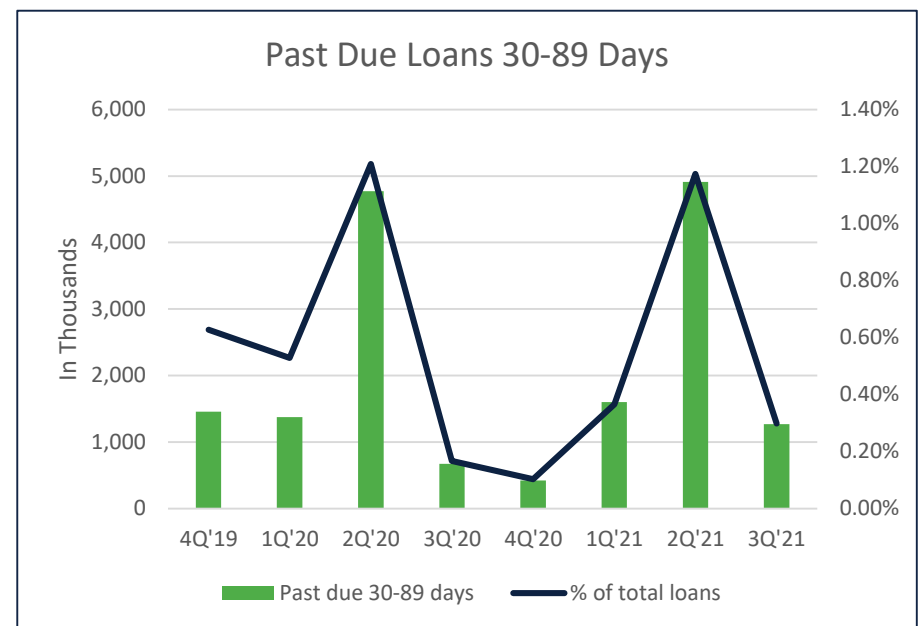
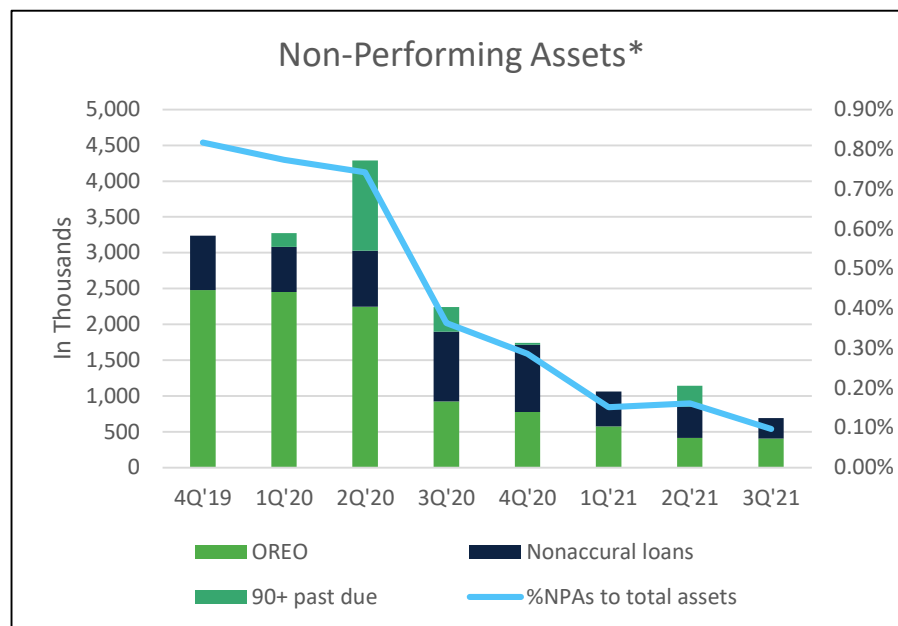
- MRQ NIM of 3.47%
- Cost of funds of 0.18% improved by 60 bps from Q3-2019 to Q3-2021
- Core loan yield of 5.12% for Q3-2021
- Loan to deposit ratio of ~71% (~66% without PPP loans) for Q3-2021

- Data for subsidiary InBank
- Source S&P Global



INBANKSHARES, CORP

# Asset Quality Improving Since Acquisition



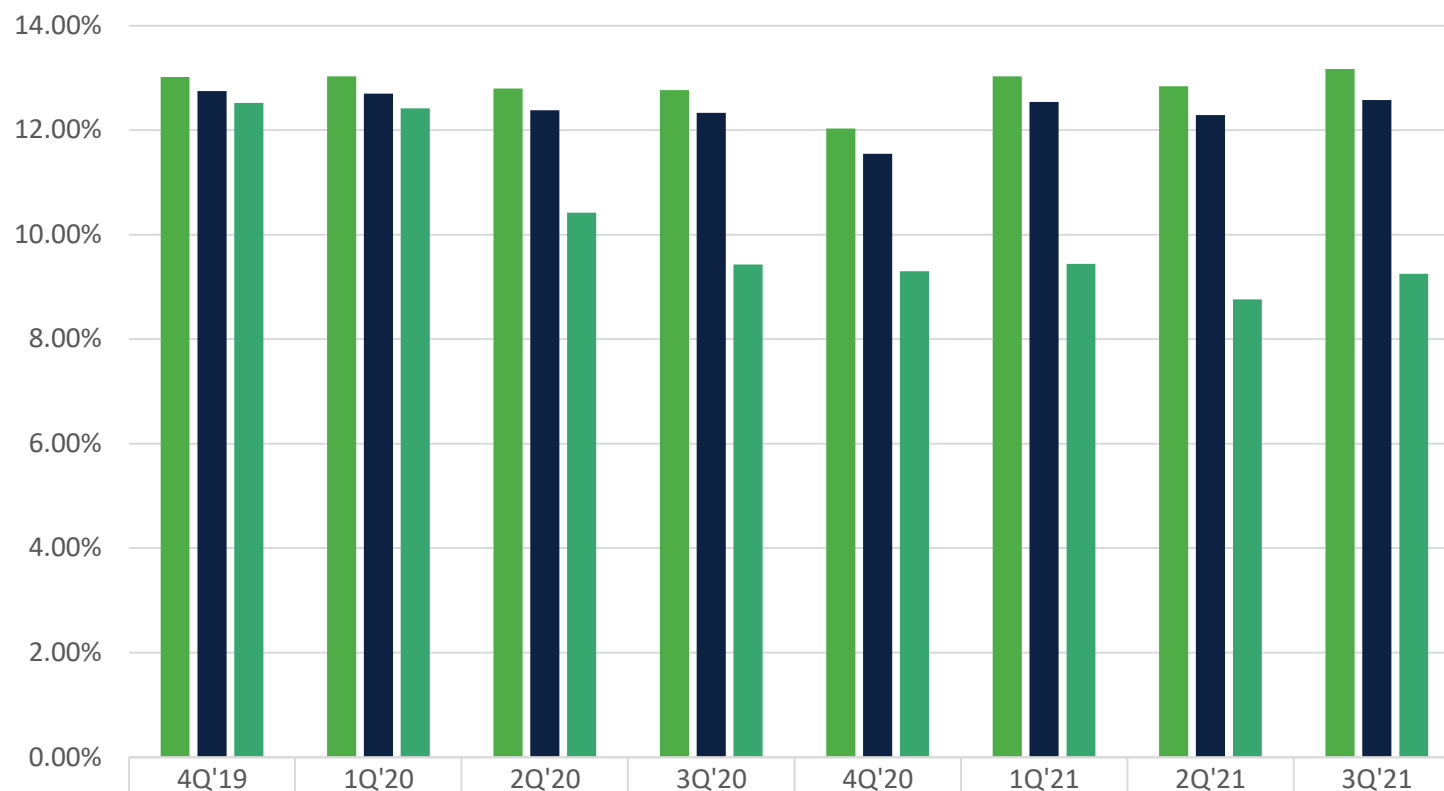
\* Non-Performing Assets excludes performing troubled debt restructured loans

\* Data for subsidiary InBank

# InBank is Well Capitalized



INBANKSHARES, CORP

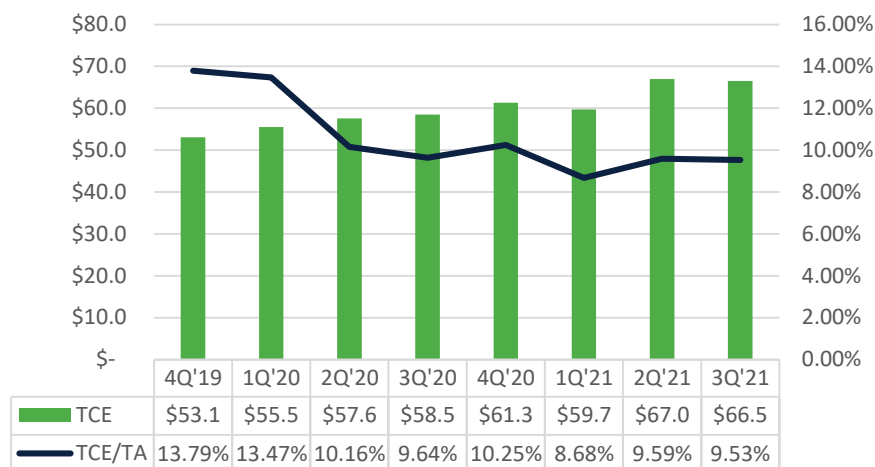


Total Capital Ratio	13.02%	13.03%	12.80%	12.77%	12.03%	13.03%	12.84%	13.17%
Common Equity Tier 1 Capital Ratio	12.75%	12.70%	12.38%	12.33%	11.55%	12.54%	12.29%	12.58%
Tier 1 Leverage Ratio	12.52%	12.42%	10.42%	9.43%	9.30%	9.44%	8.76%	9.25%

\* Data for subsidiary InBank

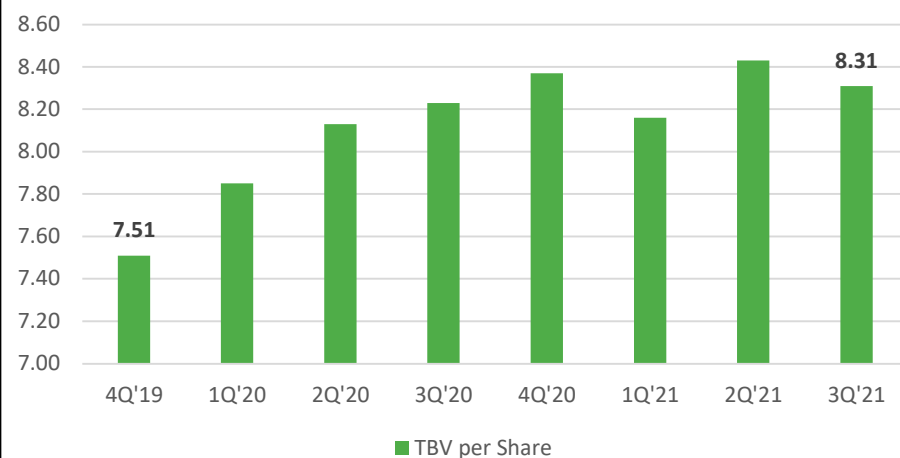
# INBC Consolidated Capital

INBC Tangible Common Equity / Tangible Assets



9/30/2021 Tangible book value per share of \$8.31

TBV per Share



- Tangible common equity (TCE) equals total stockholders' equity less intangible assets
- Tangible assets (TA) equals total assets less intangible assets
- Tangible book value per share equals TCE divided by total common shares outstanding of 8,000,150 as of 9/30/2021

# Why Invest in InBankshares?

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INBANKSHARES, CORP

CO-  
headquartered  
commercial bank

Strong granular  
core deposit base

Proven,  
dedicated and  
high caliber  
team

Taking market  
share in a  
growing market

Building long  
term advisory  
based  
relationships

Focused on  
building  
shareholder  
value



# Contact Information

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## Edward Francis

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- 720-907-8130

## Dan Patten

- EVP, Chief Financial Officer
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## Amsbry Ball

- VP, Investor Relations
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**IN**BANKSHARES, CORP



**IN**BANK

# InBankshares, Corp

## Consolidated Statements of Condition (Unaudited)

(Dollars in thousands except per share data)

	September 30, 2021	June 30, 2021	September 30, 2020
<b>ASSETS</b>			
Cash and due from banks	\$ 5,815	\$ 6,478	\$ 5,509
Interest-bearing deposits in banks	36,621	61,872	85,164
Total cash and cash equivalents	42,436	68,350	90,673
Investment securities	211,477	192,342	95,115
Reverse repurchase agreements	5,157	5,111	-
Nonmarketable equity securities	3,209	3,024	4,515
Loans held for sale	643	1,770	1,821
PPP loan balance	29,013	59,685	115,793
Loans HFI, excluding PPP	396,506	358,536	287,974
Total loans held for investment	425,519	418,221	403,767
Allowance for loan losses	(3,059)	(2,680)	(1,787)
Net loans	422,460	415,541	401,980
Premises and equipment, net	7,100	7,223	7,585
Other real estate owned	404	414	922
Goodwill	7,944	7,944	7,944
Core deposit intangible	2,168	2,322	2,804
Accrued interest and other assets	4,621	4,395	4,086
<b>Total assets</b>	<b>\$ 707,619</b>	<b>\$ 708,436</b>	<b>\$ 617,445</b>
<b>LIABILITIES</b>			
Noninterest-bearing deposits	\$ 245,704	\$ 226,951	\$ 163,358
Interest-bearing deposits	354,866	354,704	274,669
Total deposits	600,570	581,655	438,027
Securities sold under agreements to repurchase	11,147	6,796	11,445
Other short-term borrowings	10,000	34,000	90,205
Subordinated debentures	4,890	4,885	4,868
Other liabilities	4,413	3,864	3,646
Total liabilities	631,020	631,200	548,191
<b>STOCKHOLDER'S EQUITY</b>			
Common stock	80	80	70
Surplus	74,686	74,552	67,234
Retained earnings	229	(393)	(2,068)
Accumulated other comprehensive income	1,604	2,997	4,018
Total stockholders' equity	76,599	77,236	69,254
<b>Total liabilities and stockholders' equity</b>	<b>\$ 707,619</b>	<b>\$ 708,436</b>	<b>\$ 617,445</b>
<b>Select additional information and ratios:</b>			
Net loans to deposits	70.3%	71.4%	91.8%
Tangible common equity	\$ 66,487	\$ 66,970	\$ 58,506
Tangible common equity to tangible assets	9.53%	9.59%	9.64%
Common shares outstanding	8,000,150	7,946,858	7,107,196
Book value per share	\$9.57	\$9.72	\$9.74
Tangible book value per share	\$8.31	\$8.43	\$8.23

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

	For the Quarter Ended		
	September 30, 2021	June 30, 2021	September 30, 2020
<b>INTEREST INCOME</b>			
Interest and fees on loans	\$ 5,227	\$ 5,343	\$ 4,419
Interest on securities & interest bearing balances	981	1,260	710
Total interest income	6,208	6,603	5,129
<b>INTEREST EXPENSE</b>			
Interest on deposits	254	306	346
Interest on repurchase agreements & other borrowings	27	25	83
Interest on subordinated debentures	48	46	48
Total interest expense	329	377	477
<b>NET INTEREST INCOME</b>	5,879	6,226	4,652
<b>Provision for loan losses</b>	375	375	67
<b>NONINTEREST INCOME</b>			
Service charges and fees	422	331	370
Other noninterest income	539	473	145
Gain on sale of investment securities	133	-	4
Total noninterest income	1,094	804	519
<b>NONINTEREST EXPENSE</b>			
Salaries and employee benefits	3,647	3,587	3,062
Occupancy and equipment	500	477	455
IT and data processing	436	455	455
Intangible amortization	154	154	175
Other noninterest expense	1,086	996	973
Total noninterest expense	5,823	5,669	5,120
Income before income taxes	775	986	(16)
Income tax expense	154	208	(35)
Net income	\$ 621	\$ 778	\$ 19
Basic income per share	\$0.08	\$0.10	\$0.00
Weighted average shares outstanding - basic	7,970,028	7,601,132	7,107,196

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

	<b>For the Nine Months Ended</b>	
	<b>September 30, 2021</b>	<b>September 30, 2020</b>
<b>INTEREST INCOME</b>		
Interest and fees on loans	\$ 16,273	\$ 13,754
Interest on securities & interest bearing balances	3,082	2,402
Total interest income	19,355	16,156
<b>INTEREST EXPENSE</b>		
Interest on deposits	888	1,282
Interest on repurchase agreements & other borrowings	88	235
Interest on subordinated debentures	140	179
Total interest expense	1,116	1,696
<b>NET INTEREST INCOME</b>	18,239	14,460
<b>Provision for loan losses</b>	879	789
<b>NONINTEREST INCOME</b>		
Service charges and fees	1,143	908
Other noninterest income	1,164	372
Gain on sale of investment securities	133	1,019
Total noninterest income	2,440	2,299
<b>NONINTEREST EXPENSE</b>		
Salaries and employee benefits	10,831	8,901
Occupancy and equipment	1,446	1,385
IT and data processing	1,309	1,090
Intangible amortization	462	524
Other noninterest expense	3,156	2,704
Total noninterest expense	17,204	14,604
Income before income taxes	2,596	1,366
Income tax expense	537	327
Net income	\$ 2,059	\$ 1,039
Basic income per share	\$0.27	\$0.15
Weighted average shares outstanding - basic	7,629,400	7,099,121