



INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

**INBANKSHARES, CORP REPORTS
SECOND QUARTER 2022 FINANCIAL RESULTS**

Company completed acquisition; achieved 58% asset growth and tripled EPS during quarter

Denver, CO – July 28, 2022 – InBankshares, Corp (OTCQX: INBC) (the “Company”), parent company of InBank (“InBank” or the “Bank”), today announced its unaudited financial results for the quarter ended June 30, 2022. The Company reported consolidated net income of \$2.1 million or \$0.20 per share, for the second quarter of 2022 compared to \$444,000, or \$0.06 per share, for the first quarter of 2022, and \$778,000, or \$0.10 per share, for the second quarter of 2021.

The second quarter and the first quarter of 2022 earnings include pre-tax acquisition costs of \$876,000 and \$173,000, respectively, related to the acquisition of Legacy Bank (“Legacy”), which reduced earnings by \$0.07 and \$0.02 per common share for the second and first quarters, respectively. The second quarter of 2021 did not include acquisition costs.

Highlights for the quarter:

- Successfully completed the acquisition of Legacy on April 29, 2022 with total acquired assets of \$462.7 million, and completed the core system conversion on July 25, 2022
- Core loans held for investment, excluding SBA Paycheck Protection Program (“PPP”) loans, increased \$327.1 million, or 69.4%, compared to the linked quarter and increased \$440.0 million, or 122.7%, compared to the same quarter last year
- Organic loan growth, excluding PPP and acquired loans, totaled \$31.3 million (26.6% annualized) for the current quarter and \$144.3 million (40.2% annualized) for the trailing one-year period
- Total deposits increased \$426.8 million, or 68.0%, compared to the linked quarter and \$472.5 million, or 81.2%, compared to Q2 2021
- Organic deposit growth, excluding acquired deposits, totaled \$9.6 million (6.1% annualized) for the current quarter and \$55.3 million (9.5% annualized) for the trailing one-year period

- Quarterly net income of \$2.1 million and basic EPS of \$0.20, which included \$0.07 per share negative impact from acquisition-related expenses; an increase of \$1.7 million, or 373.9%, and \$0.14 per share compared to the linked quarter
- Quarterly pre-provision, pre-tax net revenue ("PPNR") was \$4.2 million, compared to \$1.0 million for the linked quarter, and \$1.4 million for Q2 2021

"I am so proud of our team of talented bankers and associates who successfully completed the transformational merger of Legacy Bank with and into InBank at the end of April. It has been impressive to watch the teamwork and collaboration shown in completing the core system conversion on schedule earlier this week. I am grateful for their tireless preparation and continuing high standard of customer service. With the closing and conversion behind us, and culture integration progressing smoothly, we can turn our focus back to building customer relationships and organically growing market share across our expanded footprint. We are looking forward to wrapping up remaining systems and process integration in the third quarter and expect to recognize the remainder of the integration-related expenses." said Ed Francis, Chairman of the Board, President and Chief Executive Officer of the Company and InBank. Mr. Francis continued, "I was very pleased with our first quarter of combined operations. With two months of contribution from Legacy, it's impressive to see how the companies have come together financially and the many benefits we are seeing from our new scale. The transaction was immediately accretive to earnings per share as our second quarter EPS more than tripled compared to the linked quarter, despite the impact from acquisition-related expenses. We are seeing the immediate benefit of scale and operating leverage as our year-to-date operating expenses excluding merger and acquisition expense grew 11% compared to prior year-to-date, while our operating revenue grew approximately 30%. This quarter we also continued to deploy our liquidity into higher yielding assets, and received the benefit of acquiring the Legacy investment portfolio at fair value in the current interest rate environment, which resulted in an expansion of our net interest margin by over 70 basis points compared to prior quarter.

"Despite the focus on completing the merger, our Denver metro commercial teams continued to grow market share, as we achieved 25% annualized organic core loan growth, excluding PPP, in the second quarter of 2022 and almost 40% for the trailing 12 months. Our organic deposit growth over the prior year was almost 10%. We also expect the continued improvement in organic commercial fee and card revenue growth which has been trailing our asset growth," Mr. Francis concluded.

Merger Update

On April 29, 2022, the Company completed the transaction, whereby Colorado-based Legacy was merged with and into InBank. Legacy operated nine full-service offices serving individuals and business customers in Colorado Springs, Pueblo, Pueblo West, Cañon City, Buena Vista, Lamar, and Wiley, Colorado. The combined bank will serve customers from 19 offices, including 12 full-service offices and two loan production offices in Colorado, and five full-service offices in northern New Mexico. Subsequent to second quarter end, we completed Legacy's core system conversion on July 25, 2022.

Under the terms of the merger agreement, the Company issued 3,566,345 shares of INBC common stock and paid approximately \$21.25 million in cash consideration to the shareholders of Legacy in the aggregate.

The Company's results of operations and financial condition include the Legacy acquisition beginning on April 29, 2022. The following table summarizes preliminary fair value for each major class of assets acquired and liabilities assumed on such date:

	April 29, 2022	
	(in thousands)	
Merger consideration		\$ 55,131
Assets acquired, at fair value		
Cash and cash equivalents	\$ 21,292	
Investment securities	111,168	
Nonmarketable equity investments	834	
Loans, net	295,872	
Premises and equipment, net	9,099	
Core deposit intangible	7,513	
BOLI	8,429	
Other assets	8,463	
Total assets acquired		462,670
Liabilities acquired, at fair value		
Deposits	417,210	
Other liabilities	1,044	
Total liabilities assumed		418,254
Total net assets acquired, at fair value		44,416
Goodwill		\$ 10,715

Results of Operations

Net income for the second quarter of 2022 was \$2.1 million, or \$0.20 per share, compared to net income of \$444,000, or \$0.06 per share, for the linked quarter, and \$778,000, or \$0.10 per share, for the same quarter last year. The increases over the linked quarter and the same quarter last year were significantly impacted by the acquisition of Legacy. The second quarter of 2022 included two months of combined operations, which resulted in favorable variances in net interest income and noninterest income and were partially offset by unfavorable variances in provision for loan loss, noninterest expense, and income tax expense. Net income for the six months ended June 30, 2022 was \$2.5 million, or \$0.28 per share, representing an increase of \$1.1 million, or 77.2%, compared to \$1.4 million, or \$0.19 per share, for the same period in 2021.

Net interest income for the second quarter of 2022 was \$10.4 million, an increase of \$4.8 million, or 85.1%, over the linked quarter, and an increase of \$4.2 million, or 67.3%, over the same quarter last year, primarily as a result of the impact of the Legacy acquisition and an expansion in net interest margin.

- Interest income increased \$5.0 million, or 81.2%, to \$11.1 million during the second quarter of 2022, compared to \$6.1 million during the linked quarter, and increased \$4.5 million, or 67.6%, compared to \$6.6 million during the same quarter last year.
 - The increase from the linked quarter was primarily due to an increase of \$273.9 million in average interest earning assets (both loans and investments) due to the Legacy acquisition and continued organic growth, as well as higher loan and investment yields.
 - The second quarter of 2022 also included a one-time recognition of \$766,000 in prior period charged-off loan interest income collected on purchase credit impaired loans.
 - The increase compared to the same quarter last year was primarily due to an increase of \$332.4 million increase in average interest earning assets and higher yields on investments and core loans, partially offset by a decrease in PPP loan interest and fee income of \$1.0 million.
 - Accretion of the discount on acquired loans was \$436,000 in the second quarter of 2022, compared to \$161,000 in the linked quarter, and \$146,000 in the same quarter in 2021.
- Interest expense was \$653,000 during the second quarter of 2022, an increase of \$172,000, or 35.8%, compared to \$481,000 during the linked quarter, and an increase of \$276,000, or 73.2%, compared to \$377,000 during the same quarter last year.
 - The increase over the linked quarter was primarily due to increases in average interest-bearing deposits and other borrowing balances, partially offset by a two basis point decrease in the cost of funds.
 - The increase from the same quarter last year was due to an increase in interest on \$20 million of subordinated debentures that were issued in the fourth quarter of 2021 (see below), and due to increases in average interest-bearing deposits.

Net interest margin (NIM), expressed as net interest income as a percentage of average earning assets, was 4.17% during the second quarter of 2022, compared to 3.14% during the linked quarter, and 3.73% during the same quarter last year. Adjusting the second quarter of 2022 for the one-time loan interest recognition described above, NIM in the second quarter of 2022 would have been 3.86%. The NIM expansion compared to the linked quarter was primarily the result of deploying cash balances into higher yielding investments and loans, as well as increases in yields on all earning-assets due to higher market interest rates. Margin expansion from the same quarter a year ago was primarily attributable to an increase in loan balances as a percentage of earning assets.

Noninterest income for the second quarter of 2022 was \$965,000, an increase of \$109,000, or 12.7%, over the linked quarter, and an increase of \$161,000, or 20.0%, from the same quarter last year. The increase over the linked quarter was primarily due to an increase of \$231,000 in service charge income and a \$102,000 increase in other noninterest income, partially offset by a decrease of \$106,000 in gain on sale of SBA loans and a decrease of \$96,000 in gain on sale of other real estate ("OREO"). The increase from the same quarter last year was due to an increase in deposit service charge income, including commercial credit card interchange income, partially offset by a decrease in mortgage income.

Noninterest expense for the second quarter of 2022 was \$8.1 million, an increase of \$2.5 million, or 43.4%, when compared to the linked quarter, and an increase of \$2.4 million, or 42.7%, from the same quarter last year. The increase over the linked quarter was primarily due to increases in non-core merger and acquisition expense of \$703,000 and intangible amortization of \$229,000 in connection with the Legacy transaction, plus increases of \$1.5 million in salaries and employee benefits, occupancy and equipment, data processing and software, and other expenses combined, primarily due to the addition of Legacy's operating expenses. The increase over the same quarter last year was also primarily due to increases in non-core merger and acquisition expense of \$876,000 and intangible amortization of \$208,000 in connection with the Legacy transaction, and \$1.3 million across most categories of operating expenses due to the Legacy acquisition and organic growth. Full time equivalent ("FTE") employees were 166 at June 30, 2022, compared to 110 at March 31, 2022 and 118 at June 30, 2021.

The Company's core efficiency ratio (non-GAAP), which excludes gain on sales of securities and merger and acquisition expense, was 63.4% in the second quarter of 2022, compared with 84.3% in the linked quarter and 80.6% in the second quarter of 2021.

Balance Sheet Summary

Select ending balances (dollars in thousands)	Jun 30, 2022	Mar 31, 2022	\$ Change	Acquired Fair Value at 4/29/22	Organic \$ Change	Annualized Organic % Change
Assets	\$ 1,203,390	\$ 763,576	\$ 439,814	\$ 462,670	\$ (22,856)	-12.0%
Loans HFI	799,171	480,216	318,955	295,872	23,083	19.2%
Loans HFI, excl PPP	798,563	471,493	327,070	295,755	31,315	26.6%
Investment securities	317,905	239,268	78,637	111,168	(32,531)	-54.4%
Cash and equivalents	20,158	11,420	8,738	21,292	(12,554)	-439.7%
Deposits	1,054,140	627,345	426,795	417,210	9,585	6.1%
Other borrowings	3,000	26,000	(23,000)	-	(23,000)	-353.8%
Subordinated debentures	24,509	24,482	27	-	27	0.4%

	Jun 30, 2022	Jun 30, 2021	\$ Change	Acquired Fair Value at 4/29/22	Organic \$ Change	Annualized Organic % Change
Assets	\$ 1,203,390	\$ 708,436	\$ 494,954	\$ 462,670	\$ 32,284	4.6%
Loans HFI	799,171	418,221	380,950	295,872	85,078	20.3%
Loans HFI, excl PPP	798,563	358,536	440,027	295,755	144,272	40.2%
Investment securities	317,905	192,342	125,563	111,168	14,395	7.5%
Cash and equivalents	20,158	68,350	(48,192)	21,292	(69,484)	-101.7%
Deposits	1,054,140	581,655	472,485	417,210	55,275	9.5%
Other borrowings	3,000	34,000	(31,000)	-	(31,000)	-91.2%
Subordinated debentures	24,509	4,885	19,624	-	19,624	401.7%

Total assets were \$1.20 billion at June 30, 2022, an increase of \$439.8 million, or 57.6%, from \$763.6 million at March 31, 2022. The fair value of the assets acquired as part of the Legacy transaction were \$462.7 million. During the quarter, cash and equivalents increased \$8.7 million, investment securities increased \$78.6 million and total loans HFI increased \$319.0 million due to an increase in core loans of \$327.1 million, partially offset by a decrease in PPP loans of \$8.1 million, premise and equipment increased \$9.2 million, intangible assets increased \$17.9 million, and bank owned life insurance acquired was \$8.5 million. These increases were partially offset by a \$9.8 million decrease in reverse repurchase agreements. At June 30, 2022, investment securities were \$317.9 million and total cash and equivalents were \$20.2 million, which combined represented 28.1% of total assets. Total assets increased \$495.0 million, or 69.9%, over the same quarter last year, primarily as a result of the Legacy acquisition and strong organic growth.

Total deposits were \$1.05 billion at June 30, 2022, an increase of \$426.8 million, or 68.0%, from \$627.3 million at March 31, 2022, and increased by \$472.5 million, or 81.2%, compared to \$581.7 million at June 30, 2021. Noninterest-bearing deposits grew by 56.7% from the linked quarter, and increased by 80.9% from June 30, 2021, representing 38.9% of total deposits at June 30, 2022.

- The fair value of the deposits acquired as part of the Legacy transaction was \$417.2 million.
- Organic deposit growth during the quarter was \$9.6 million, or 6.1%, on an annualized basis. The growth was slightly impacted as we reduced listing service deposits by \$6.5 million and replaced them with core customer balances.

Total loans held-for-investment ("HFI"), which excluded loans held-for-sale ("HFS"), were \$799.2 million at June 30, 2022, compared to \$480.2 million at March 31, 2022, which was an increase of \$319.0 million, or 66.4%. Total loans HFI increased \$381.0 million, or 91.1%, from June 30, 2021.

- PPP loan balances were \$0.6 million at June 30, 2022 compared to \$8.7 million at March 31, 2022, and \$59.7 million at June 30, 2021. As of June 30, 2022, there were approximately \$26,000 remaining in fees to be recognized upon forgiveness or repayment of PPP loans.
- Excluding PPP loans, core loans were \$798.6 million at June 30, 2022, an increase of \$327.1 million, or 69.4% during the quarter, and increased \$440.0 million, or 122.7%, from June 30, 2021.
- The fair value of the loans acquired as part of the Legacy transaction was \$295.9 million.
- Organic loan growth, excluding PPP, during the quarter was \$31.3 million, or 26.6%, on an annualized basis.

Subordinated debentures and other borrowings, combined, were \$27.5 million on June 30, 2022, a decrease of \$23.0 million compared to the linked quarter and a decrease of \$11.4 million compared to the same quarter in the prior year. During the second quarter of 2022, the Company entered into a loan agreement for a revolving line of credit. Available credit under the line is \$5.0 million, and the Company had \$3.0 million outstanding on the line as of June 30, 2022. The outstanding balance accrues interest at 0.25% above the prime rate published by the Wall Street Journal. The line is collateralized by all the common stock of the Bank. In addition, the Bank decreased its short-term borrowings by \$26.0 million to a balance of zero during the second quarter of 2022. Compared to the same quarter last year, subordinated debentures

balances increased \$19.6 million primarily due to the completion of a private placement in the fourth quarter of 2021 of \$20 million of 3.75% Fixed-to-Floating Rate Subordinated Notes due 2031. The Bank decreased its short-term borrowings \$34.0 million compared to the same quarter last year.

Asset Quality

Nonperforming assets, which include nonperforming loans and OREO, increased \$1.9 million to \$7.0 million, or 0.58% of total assets at June 30, 2022, compared to \$5.1 million, or 0.67% of total assets at March 31, 2022, and compared to \$1.1 million, or 0.16% of total assets at June 30, 2021. Nonperforming loans, which include non-accrual loans and loans more than 90 days past due and still accruing, were \$6.8 million, or 0.85% of total loans HFI at June 30, 2022, compared to \$4.9 million, or 1.02% of total loans HFI at March 31, 2022. The increase in nonperforming loans during the quarter was primarily due to the addition of nonperforming loans from Legacy with a fair value of \$1.9 million as of June 30, 2022. The nonperforming loans at June 30, 2022 and March 31, 2022 include a \$4.4 million real estate loan, on which the Bank has started the foreclosure process in the first quarter 2022 and expects to resolve by the end of the third quarter 2022. The Bank believes the loan is well-secured and is adequately reserved. OREO balances remained flat during the quarter and were \$200,000 at June 30, 2022 and March 31, 2022, compared to \$414,000 at June 30, 2021.

Loans delinquent (past due) 30-89 days were \$1.2 million, or 0.14% of total loans HFI at June 30, 2022, compared to \$0.4 million, or 0.09% of total loans HFI at March 31, 2022. The increase was primarily due to loans from Legacy with a fair value of \$0.8 million at June 30, 2022.

The allowance for loan and lease losses (“ALLL”) totaled \$4.2 million, or 0.53% of total loans HFI at June 30, 2022. As of June 30, 2022, the Company also had \$9.0 million in purchase discounts on loans acquired in the acquisition of Legacy in the second quarter of 2022 and the Bank in 2018. When combined, the purchase discounts and ALLL represent 1.63% of total loans HFI plus purchase discounts at the end of the quarter. Provision for loan losses expense for the quarter ended June 30, 2022, totaled \$497,000, compared to \$305,000 for the quarter ended March 31, 2022, and \$375,000 for the quarter ended June 30, 2021. The increase in the provision expense in the second quarter 2022 was primarily due to core loan growth during the quarter. The Company recorded \$81,000 of net recoveries for the second quarter of 2022 and recorded \$47,000 of net charge-offs in the first quarter of 2022 related to prior period accrued interest on the nonperforming real estate loan described above.

Capital

Capital ratios of the Company and InBank continue to exceed the “well-capitalized” regulatory thresholds. At June 30, 2022, InBank’s leverage ratio was 10.54% and the total risk-based capital ratio was 11.09%.

At June 30, 2022, the Company had tangible common equity of \$79.4 million and tangible book value of \$6.84 per share, with 11,616,576 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$15.7 million compared to March 31, 2022, due to an increase in

common stock and surplus of \$34.2 million primarily related to the issuance of stock to Legacy shareholders, plus an increase in retained earnings of \$2.1 million, partially offset by an increase in intangible assets of \$17.9 million and a decrease in accumulated other comprehensive income of \$2.7 million on investment securities due to rising market interest rates. The Company's tangible common equity to tangible assets ratio was 6.76% at June 30, 2022. The Company and the Bank paid no dividends during the second quarter of 2022.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States ("GAAP"). These non-GAAP financial measures include: (i) tangible common equity, (ii) tangible assets, (iii) tangible common equity to tangible assets, (iv) tangible book value per share, (v) return on average tangible common equity, (vi) pre-provision pre-tax net revenue, or PPNR, (vii) core efficiency ratio, and (viii) adjusted return on average assets excluding M&A. Tangible common equity is computed by subtracting goodwill and core deposit intangibles from total stockholders' equity. Tangible assets is computed by subtracting goodwill and core deposit intangibles from total assets. Tangible common equity to tangible assets is computed by dividing tangible common equity by tangible assets. Tangible book value per share is computed by dividing tangible common equity by common shares outstanding. Return on average tangible common equity is computed by dividing net income, less intangible amortization, tax effected, by average stockholders' equity less average intangible assets. PPNR is computed by adding provision for loan losses expense, merger and acquisition expense, and income tax expense to net income. Core efficiency ratio is computed by dividing noninterest expense, less merger and acquisition expense, by the sum of noninterest income exclusive of gain/loss on sale of securities and net interest income. Adjusted return on average assets excluding M&A is computed by dividing net income, less merger and acquisition expense, tax effected, by average assets. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company's financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies.

About InBankshares, Corp

InBankshares, Corp is the holding company for InBank, an independent commercial bank growing throughout the Colorado Front Range and serving southern Colorado and northern New Mexico markets. InBank offers a full suite of commercial, business, personal and mortgage banking solutions with a focus on personalized service, technology, and local decision-making. InBank was built on the entrepreneurial spirit and is led by a team of experienced banking professionals committed to the mission of positively impacting the lives of its customers, communities, and associates. For more information, visit www.InBank.com.

Forward-Looking Statements

This press release contains, among other things, certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, statements preceded by, followed by, or that include the words “may,” “could,” “should,” “would,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “projects,” “outlook” or similar expressions. These statements are based upon the current belief and expectations of the Company’s management team and are subject to significant risks and uncertainties that are subject to change based on various factors (many of which are beyond the Company’s control). Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, the Company can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the Company or any other person that the future events, plans, or expectations contemplated by the Company will be achieved.

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

For further information:

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

	June 30, 2022	March 31, 2022	June 30, 2021
ASSETS			
Cash and due from banks	\$ 15,959	\$ 8,235	\$ 6,478
Interest-bearing deposits in banks	4,199	3,185	61,872
Total cash and cash equivalents	20,158	11,420	68,350
Reverse repurchase agreements	-	9,796	5,111
Investment securities , available-for-sale	213,538	132,882	192,342
Investment securities , held-to-maturity	104,367	106,386	-
Total investment securities	317,905	239,268	192,342
Nonmarketable equity securities	4,136	3,750	3,024
Loans held for sale	-	340	1,770
Loans HFI, excluding PPP loans	798,563	471,493	358,536
PPP loans	608	8,723	59,685
Total loans held for investment	799,171	480,216	418,221
Allowance for loan losses	(4,210)	(3,632)	(2,680)
Net loans	794,961	476,584	415,541
Premises and equipment, net	15,777	6,553	7,223
Other real estate owned	200	200	414
Goodwill	18,660	7,944	7,944
Core deposit intangible	9,032	1,880	2,322
Bank owned life insurance	8,468	-	-
Accrued interest and other assets (2)	14,093	5,841	4,395
Total assets	\$ 1,203,390	\$ 763,576	\$ 708,436
LIABILITIES			
Noninterest-bearing deposits	\$ 410,525	\$ 261,940	\$ 226,951
Interest-bearing deposits	643,615	365,405	354,704
Total deposits	1,054,140	627,345	581,655
Securities sold under agreements to repurchase	8,730	8,505	6,796
Other borrowings	3,000	26,000	34,000
Subordinated debentures	24,509	24,482	4,885
Other liabilities (2)	5,872	3,637	3,864
Total liabilities	1,096,251	689,969	631,200
STOCKHOLDER'S EQUITY			
Common stock	116	80	80
Surplus	109,228	75,100	74,552
Retained earnings	3,466	1,362	(393)
Accumulated other comprehensive income (loss)	(5,671)	(2,935)	2,997
Total stockholders' equity	107,139	73,607	77,236
Total liabilities and stockholders' equity	\$ 1,203,390	\$ 763,576	\$ 708,436
Select additional information and ratios:			
Net loans to deposits	75.4%	76.0%	71.4%
Tangible common equity (1)	\$ 79,447	\$ 63,783	\$ 66,970
Tangible common equity to tangible assets (1)	6.76%	8.46%	9.59%
Common shares outstanding	11,616,576	8,000,150	7,946,858
Book value per share	\$9.22	\$9.20	\$9.72
Tangible book value per share (1)	\$6.84	\$7.97	\$8.43

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

(2) Certain other assets and other 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		
	June 30, 2022	March 31, 2022	June 30, 2021
INTEREST INCOME			
Interest and fees on loans	\$ 9,052	\$ 4,780	\$ 5,343
Interest on securities & interest bearing balances	2,016	1,327	1,260
Total interest income	11,068	6,107	6,603
INTEREST EXPENSE			
Interest on deposits	344	213	306
Interest on repurchase agreements & other borrowings	42	13	25
Interest on subordinated debentures	267	255	46
Total interest expense	653	481	377
NET INTEREST INCOME	10,415	5,626	6,226
Provision for loan losses	497	305	375
NONINTEREST INCOME			
Service charges and fees	727	496	331
Mortgage fees and gain on loans held for sale	26	48	93
Other noninterest income	212	110	380
Gain on sale of SBA and CRE loans	-	106	-
Gain (Loss) on sale of OREO and other assets	-	96	-
Total noninterest income (1)	965	856	804
NONINTEREST EXPENSE			
Salaries and employee benefits	4,190	3,307	3,587
Occupancy and equipment	504	382	477
Data processing and software	804	611	455
Intangible amortization	362	133	154
Merger and acquisition expense	876	173	-
Other noninterest expense	1,353	1,033	996
Total noninterest expense (1)	8,089	5,639	5,669
Income before income taxes	2,794	538	986
Income tax expense	690	94	208
Net income	\$ 2,104	\$ 444	\$ 778
Basic income per share	\$ 0.20	\$ 0.06	\$ 0.10
Weighted average shares outstanding - basic	10,450,863	8,000,150	7,601,132
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 4,167	\$ 1,016	\$ 1,361

(1) Certain noninterest 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 Six Months Ended	
	June 30, 2022	June 30, 2021
INTEREST INCOME		
Interest and fees on loans	\$ 13,832	\$ 11,046
Interest on securities & interest bearing balances	3,343	2,100
Total interest income	17,175	13,146
INTEREST EXPENSE		
Interest on deposits	557	634
Interest on repurchase agreements & other borrowings	55	61
Interest on subordinated debentures	522	93
Total interest expense	1,134	788
NET INTEREST INCOME	16,041	12,358
Provision for loan losses	802	504
NONINTEREST INCOME		
Service charges and fees	1,223	616
Mortgage fees and gain on loans held for sale	74	277
Other noninterest income	322	454
Gain (Loss) on sale of SBA and other loans	106	-
Gain (Loss) on sale of OREO and other assets	96	-
Total noninterest income (1)	1,821	1,347
NONINTEREST EXPENSE		
Salaries and employee benefits	7,497	7,184
Occupancy and equipment	886	947
Data processing and software	1,415	872
Intangible amortization	495	308
Merger and acquisition expense	1,049	-
Other noninterest expense	2,386	2,068
Total noninterest expense (1)	13,728	11,379
Income before income taxes	3,332	1,822
Income tax expense	784	384
Net income	\$ 2,548	\$ 1,438
Basic income per share	\$ 0.28	\$ 0.19
Weighted average shares outstanding - basic	9,232,276	7,456,262
Pre-provision pre-tax net revenue ("PPNR") (2)	\$ 5,183	\$ 2,326

(1) Certain noninterest 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)

	June 30, 2022			For the Quarter Ended March 31, 2022			June 30, 2021		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Earning Assets									
Investment securities	\$ 295,493	\$ 1,971	2.68%	\$ 235,156	\$ 1,283	2.21%	\$ 177,260	\$ 1,217	2.75%
Other interest-bearing balances	19,826	45	0.91%	56,216	44	0.32%	63,324	43	0.27%
Total investments and interest-bearing	315,319	2,016	2.56%	291,371	1,327	1.85%	240,584	1,260	2.10%
Loans, excluding PPP loans	687,079	8,891	5.19%	427,910	4,599	4.36%	339,363	4,187	4.95%
PPP loans	4,327	161	14.92%	11,600	181	6.33%	91,419	1,155	5.07%
Total Loans	691,406	9,052	5.25%	439,510	4,780	4.41%	430,782	5,343	4.97%
Less allowance for loan losses	(5,335)	-	0.00%	(3,438)	-	0.00%	(2,385)	-	0.00%
Net loans	686,071	9,052	5.29%	436,072	4,780	4.45%	428,397	5,343	5.00%
Total interest earning assets	1,001,390	11,068	4.43%	727,443	6,107	3.40%	668,981	6,603	3.96%
Noninterest earning assets	66,319			33,078			36,790		
Total assets	<u>\$ 1,067,709</u>			<u>\$ 760,521</u>			<u>\$ 705,771</u>		
Interest-Bearing Liabilities									
Interest-bearing transaction deposits	\$ 117,919	\$ 100	0.34%	\$ 50,346	\$ 72	0.58%	\$ 60,068	\$ 74	0.49%
Savings and MMDA deposits	321,516	110	0.14%	236,836	72	0.12%	204,637	121	0.24%
Time deposits	122,321	134	0.44%	83,478	68	0.33%	91,260	111	0.49%
Total interest-bearing deposits	561,756	344	0.25%	370,659	212	0.23%	355,965	306	0.34%
Repurchase agreements & other borrowings	15,859	42	1.06%	10,082	14	0.56%	42,314	25	0.24%
Subordinated debentures	24,491	267	4.37%	24,464	255	4.23%	4,881	46	3.78%
Total interest-bearing liabilities	602,107	653	0.44%	405,204	481	0.48%	403,160	377	0.38%
Noninterest bearing deposits	366,467	-	0.00%	276,091	-	0.00%	224,999	-	0.00%
Total funding liabilities	968,574	653	0.27%	681,295	481	0.29%	628,159	377	0.24%
Other noninterest bearing liabilities	4,225			4,213			3,812		
Total liabilities	972,799			685,508			631,971		
Stockholders' equity	94,910			75,012			73,799		
Total liabilities and stockholders' equity	<u>\$ 1,067,709</u>			<u>\$ 760,521</u>			<u>\$ 705,771</u>		
Net Interest Income		<u>\$10,415</u>			<u>\$ 5,626</u>			<u>\$ 6,226</u>	
Net Interest Margin			4.17%			3.14%			3.73%
Total Cost of Deposits	\$ 928,223	\$ 344	0.15%	\$ 646,750	\$ 212	0.13%	\$ 580,964	\$ 306	0.21%

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

For the Six Months Ended

	June 30, 2022			June 30, 2021		
	Average Balance	Interest	Rate	Average Balance	Interest	Rate
Earning Assets						
Investment securities	\$ 265,491	\$ 3,254	2.47%	\$ 158,288	\$ 2,013	2.56%
Other interest-bearing balances	37,920	89	0.47%	64,335	87	0.27%
Total investments and interest-bearing	303,411	3,343	2.22%	222,623	2,100	1.90%
Loans, excluding PPP loans	558,628	13,490	4.87%	335,589	8,393	5.04%
PPP loans	7,526	342	9.16%	91,361	2,653	5.86%
Loans	566,154	13,832	4.93%	426,950	11,046	5.22%
Less allowance for loan losses	(4,392)	-	0.00%	(2,296)	-	0.00%
Net loans	561,762	13,832	4.97%	424,654	11,046	5.25%
Total interest earning assets	865,173	17,175	4.00%	647,277	13,146	4.10%
Noninterest earning assets	49,790			34,546		
Total assets	<u>\$ 914,963</u>			<u>\$ 681,823</u>		
Interest Bearing Liabilities						
Interest bearing transaction deposits	\$ 84,319	\$ 172	0.41%	\$ 58,751	\$ 150	0.51%
Savings and MMDA deposits	279,410	182	0.13%	196,386	241	0.25%
Time deposits	103,007	203	0.40%	91,366	243	0.54%
Total interest bearing deposits	466,735	557	0.24%	346,503	634	0.37%
Repurchase agreements & other borrowings	12,986	55	0.85%	42,795	61	0.29%
Subordinated debentures	24,478	522	4.30%	4,878	93	3.84%
Total interest bearing liabilities	504,199	1,134	0.45%	394,176	788	0.40%
Noninterest bearing deposits	321,529	-	0.00%	210,950	-	0.00%
Total funding liabilities	825,728	1,134	0.28%	605,126	788	0.26%
Other noninterest bearing liabilities	4,219			3,887		
Total liabilities	829,947			609,013		
Stockholders' equity	85,016			72,810		
Total liabilities and stockholders' equity	<u>\$ 914,963</u>			<u>\$ 681,823</u>		
Net Interest Income		<u>\$ 16,041</u>			<u>\$ 12,358</u>	
Net Interest Margin			3.74%			3.85%
Total Cost of Deposits	\$ 788,264	\$ 557	0.14%	\$ 557,453	\$ 634	0.23%

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

	As of and For the Quarter Ended				
	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Performance Ratios (1)					
Return on average assets	0.79%	0.24%	0.37%	0.35%	0.44%
Adjusted return on average assets excluding M&A (2)	1.05%	0.31%	0.49%	0.35%	0.44%
Return on average equity	8.89%	2.40%	3.55%	3.16%	4.23%
Return on average tangible common equity (2)	12.34%	3.42%	4.81%	4.34%	5.69%
Net interest margin	4.17%	3.14%	3.31%	3.45%	3.73%
Cost of funds	0.27%	0.29%	0.29%	0.21%	0.24%
Cost of deposits	0.15%	0.13%	0.14%	0.17%	0.21%
Efficiency ratio	71.08%	86.99%	83.42%	85.13%	80.64%
Core efficiency ratio (2)	63.38%	84.33%	79.17%	85.13%	80.64%
Noninterest income to average assets	0.36%	0.46%	0.50%	0.61%	0.46%
Noninterest expense to average assets	3.04%	3.01%	3.05%	3.24%	3.22%
Earnings per share - basic	\$0.20	\$0.06	\$0.09	\$0.08	\$0.10

	As of and For the Quarter Ended				
	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Selected Balance Sheet Ratios					
Net loans HFI to deposits	75.41%	75.97%	68.17%	70.34%	71.44%
Noninterest-bearing deposits to total deposits	38.94%	41.75%	40.72%	40.91%	39.02%
Share Data:					
Shares outstanding	11,616,576	8,000,150	8,000,150	8,000,150	7,946,858
Book value per share	\$9.22	\$9.20	\$9.65	\$9.57	\$9.72
Tangible book value per share (2)	\$6.84	\$7.97	\$8.41	\$8.31	\$8.43

InBank Regulatory Capital Ratios (3)					
Tier 1 leverage ratio	10.54%	9.08%	9.13%	9.25%	8.76%
Common equity tier 1 capital ratio	10.68%	11.17%	12.32%	12.58%	12.29%
Tier 1 capital ratio	10.68%	11.17%	12.32%	12.58%	12.29%
Total capital ratio	11.09%	11.77%	12.95%	13.17%	12.84%

(1) Ratios are annualized

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

(3) Represents data for InBank

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

	As of and For the Quarter Ended				
	June 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Loans					
Total loans held for investment (HFI)	\$ 799,171	\$ 480,216	\$ 431,283	\$ 425,519	\$ 418,221
Loans HFI, excluding PPP loans	\$ 798,563	\$ 471,493	\$ 416,288	\$ 396,506	\$ 358,536
Average loans HFI over period	\$ 691,406	\$ 439,510	\$ 434,297	\$ 412,222	\$ 430,782
Asset Quality					
Loans past due (30-89 days)	\$ 1,157	\$ 409	\$ 5,045	\$ 1,269	\$ 4,911
Nonaccrual loans	\$ 6,502	\$ 4,585	\$ 202	\$ 287	\$ 439
Accruing loans past due 90 days or more	317	310	310	-	289
Total nonperforming loans (NPLs)	6,819	4,895	512	287	728
Other real estate owned (OREO)	200	200	436	404	414
Total nonperforming assets (NPAs)	\$ 7,019	\$ 5,095	\$ 948	\$ 691	\$ 1,142
Performing troubled debt restructured loans	\$ 4,228	\$ 4,054	\$ 4,462	\$ 4,432	\$ 4,129
Allowance for Loan and Lease Losses (ALLL)					
ALLL balance, beginning of period	\$ 3,632	\$ 3,374	\$ 3,059	\$ 2,680	\$ 2,291
Provision for loan losses	497	305	240	375	375
Net (chargeoffs) / recoveries	81	(47)	75	4	14
ALLL balance, end of period	\$ 4,210	\$ 3,632	\$ 3,374	\$ 3,059	\$ 2,680
Purchase discounts on loans acquired in M&A	\$ 8,999	\$ 3,286	\$ 3,447	\$ 3,653	\$ 3,803
ALLL plus purchase discount	\$ 13,209	\$ 6,918	\$ 6,821	\$ 6,712	\$ 6,483
Selected Ratios					
Loans past due 30-89 days to total loans HFI	0.14%	0.09%	1.17%	0.30%	1.17%
NPLs to total loans HFI	0.85%	1.02%	0.12%	0.07%	0.17%
NPAs to total loans HFI and OREO	0.88%	1.06%	0.22%	0.16%	0.27%
NPAs to total assets	0.58%	0.67%	0.13%	0.10%	0.16%
ALLL to total loans HFI	0.53%	0.76%	0.78%	0.72%	0.64%
ALLL to loans HFI, excluding PPP loans	0.53%	0.77%	0.81%	0.77%	0.75%
ALLL plus purch. discount to total loans HFI plus purch. discount	1.63%	1.43%	1.57%	1.56%	1.54%
Net (chargeoffs) / recoveries to average loans (1)	0.05%	-0.04%	0.07%	0.00%	0.01%

(1) Ratios are annualized

InBankshares, Corp
Non-GAAP Financial Measures (unaudited)

(Dollars in thousands, except per share data)

		As of and For the Quarter Ended				
		Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Tangible Common Equity, Tangible Assets, Tangible Common Equity to Tangible Assets, and Tangible Book Value Per Share						
Total stockholders' equity (GAAP)	(A)	\$ 107,139	\$ 73,607	\$ 77,239	\$ 76,599	\$ 77,236
Less: Goodwill		(18,660)	(7,944)	(7,944)	(7,944)	(7,944)
Less: Core deposit intangible, net		(9,032)	(1,880)	(2,014)	(2,168)	(2,322)
Tangible common equity (non-GAAP)	(B)	\$ 79,447	\$ 63,783	\$ 67,281	\$ 66,487	\$ 66,970
Total assets (GAAP)	(C)	\$ 1,203,390	\$ 763,576	\$ 745,233	\$ 707,619	\$ 708,436
Less: Goodwill		(18,660)	(7,944)	(7,944)	(7,944)	(7,944)
Less: Core deposit intangible, net		(9,032)	(1,880)	(2,014)	(2,168)	(2,322)
Tangible assets (non-GAAP)	(D)	\$ 1,175,698	\$ 753,752	\$ 735,275	\$ 697,507	\$ 698,170
Equity to assets (GAAP)	(A/C)	8.90%	9.64%	10.36%	10.82%	10.90%
Tangible common equity to tangible assets (non-GAAP)	(B/D)	6.76%	8.46%	9.15%	9.53%	9.59%
Common shares outstanding	(E)	11,616,576	8,000,150	8,000,150	8,000,150	7,946,858
Book value per share (GAAP)	(A/E)	\$ 9.22	\$ 9.20	\$ 9.65	\$ 9.57	\$ 9.72
Tangible book value per share (non-GAAP)	(B/E)	\$ 6.84	\$ 7.97	\$ 8.41	\$ 8.31	\$ 8.43

		As of and For the Quarter Ended				
		Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Pre-Provision, Pre-Tax Net Revenue (PPNR)						
Net income (GAAP)		\$ 2,104	\$ 444	\$ 690	\$ 621	\$ 778
Add: Provision for loan losses		497	305	240	375	375
Add: Income tax expense		690	94	207	154	208
Add: Merger and acquisition expense		876	173	292	-	-
Pre-provision, pre-tax net revenue (PPNR) (non-GAAP)		\$ 4,167	\$ 1,016	\$ 1,429	\$ 1,150	\$ 1,361

		As of and For the Quarter Ended				
		Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Return on Average Tangible Common Equity						
Net income (GAAP)	(A)	\$ 2,104	\$ 444	\$ 690	\$ 621	\$ 778
Add: Intangible amortization		362	133	154	154	154
Less: Tax effect on intangible amortization (at 21.0%)		(76)	(28)	(32)	(32)	(32)
Tangible income to common stockholders (non-GAAP)	(B)	\$ 2,390	\$ 549	\$ 812	\$ 743	\$ 900
Average stockholders equity	(C)	\$ 94,910	\$ 75,012	\$ 77,079	\$ 78,058	\$ 73,799
Less: Average intangible assets		(17,241)	(9,905)	(10,052)	(10,206)	(10,361)
Average tangible common equity	(D)	\$ 77,669	\$ 65,107	\$ 67,027	\$ 67,852	\$ 63,438
Return on average equity	(A/C)	8.89%	2.40%	3.55%	3.16%	4.23%
Return on average tangible common equity	(B/D)	12.34%	3.42%	4.81%	4.34%	5.69%

InBankshares, Corp
Non-GAAP Financial Measures (unaudited)

(Dollars in thousands, except per share data)

		As of and For the Quarter Ended				
		Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Core Efficiency Ratio						
Noninterest expense (GAAP)	(A)	\$ 8,089	\$ 5,639	\$ 5,722	\$ 5,823	\$ 5,669
Less: Merger and acquisition expense		(876)	(173)	(292)	-	-
Adjusted noninterest expense (non-GAAP)	(B)	\$ 7,213	\$ 5,466	\$ 5,430	\$ 5,823	\$ 5,669
Noninterest income (GAAP)		\$ 965	\$ 856	\$ 934	\$ 1,094	\$ 804
Less: (Gain) loss on sale of investment securities		-	-	-	(133)	-
Adjusted noninterest income (non-GAAP)	(C)	\$ 965	\$ 856	\$ 934	\$ 961	\$ 804
Net interest income (GAAP)	(D)	\$ 10,415	\$ 5,626	\$ 5,925	\$ 5,879	\$ 6,226
Efficiency ratio	(A)/(C+D))	71.08%	86.99%	83.42%	85.13%	80.64%
Core efficiency ratio (non-GAAP)	(B)/(C+D))	63.38%	84.33%	79.17%	85.13%	80.64%

		As of and For the Quarter Ended				
		Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Adjusted Return on Average Assets excluding M&A						
Net income (GAAP)	(A)	\$ 2,104	\$ 444	\$ 690	\$ 621	\$ 778
Add: Merger and acquisition expense		876	173	292	-	-
Less: Tax effect on merger and acquisition expense (at 21.0%)		(184)	(36)	(61)	-	-
Adjusted income excluding M&A	(B)	\$ 2,796	\$ 581	\$ 921	\$ 621	\$ 778
Average assets	(C)	\$ 1,067,709	\$ 760,521	\$ 744,037	\$ 712,695	\$ 705,771
Return on average assets (GAAP)	(A/C)	0.79%	0.24%	0.37%	0.35%	0.44%
Adjusted return on average assets excl. M&A (non-GAAP)	(B/C)	1.05%	0.31%	0.49%	0.35%	0.44%