



# **IN**BANKSHARES, CORP

Investor Deck | Second Quarter 2021

IN BANKSHARES, CORP

# 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 (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

- 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 25.8%

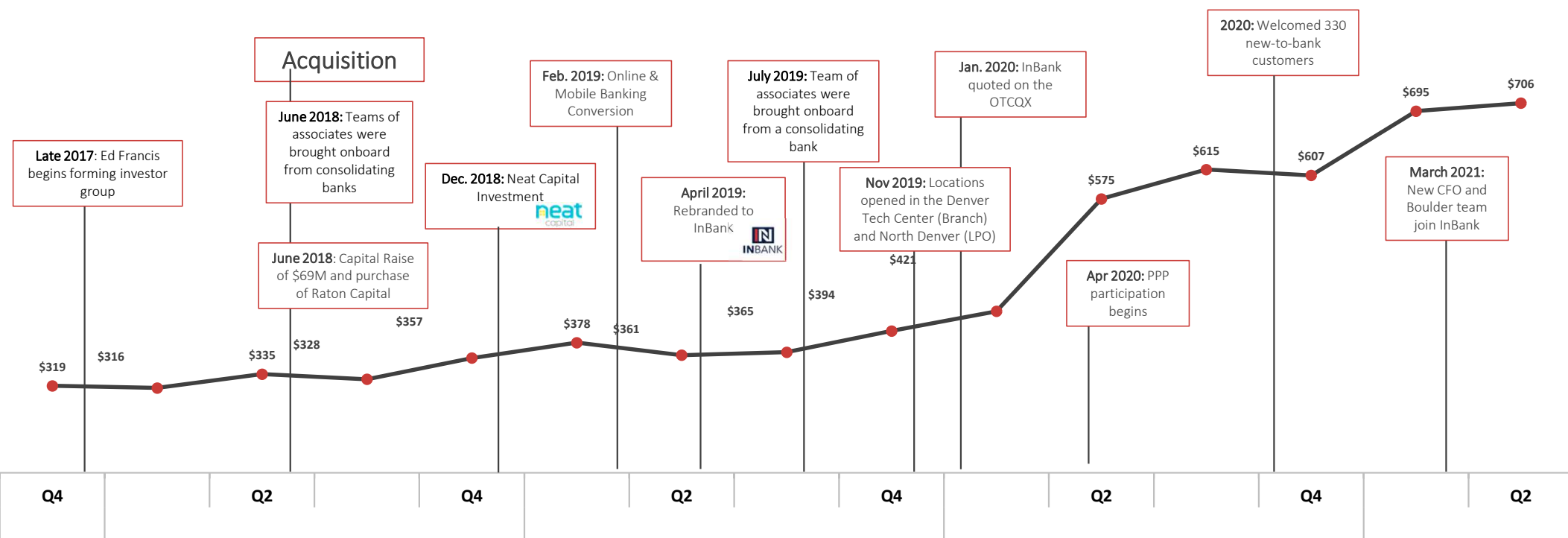


# InBank Timeline



INBANKSHARES, CORP

— InBank Total Assets in millions (Bank Subsidiary)





## Denver Metro Region

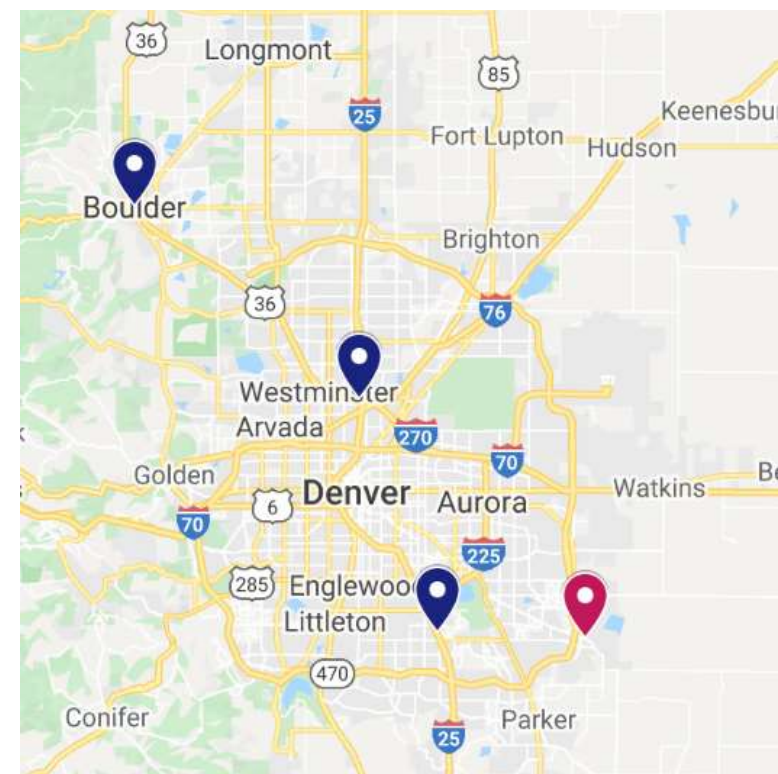
- People-centric vs branch-centric
- The strategy is to be the premier business bank in the metro area for businesses with \$5 – 50 million in revenue
- Full relationship bank – business, business owners, management, and employees

## 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

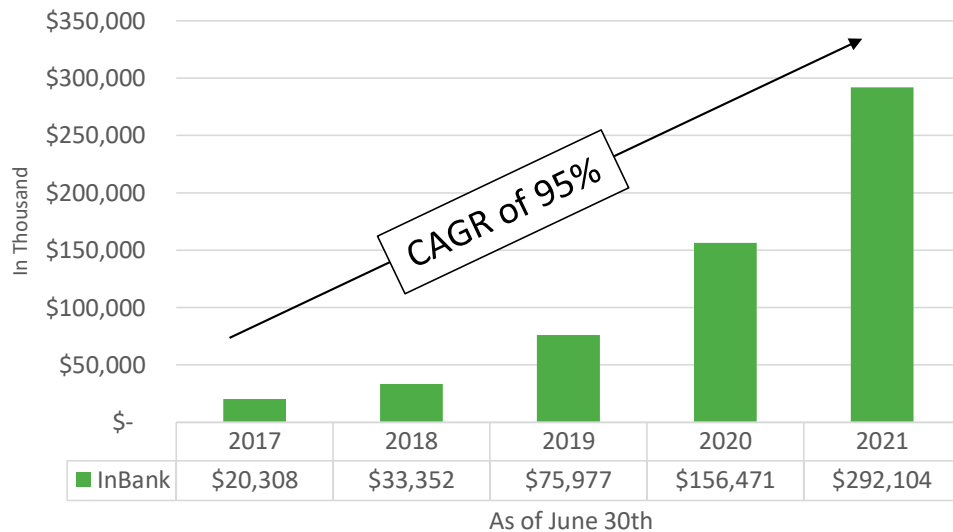


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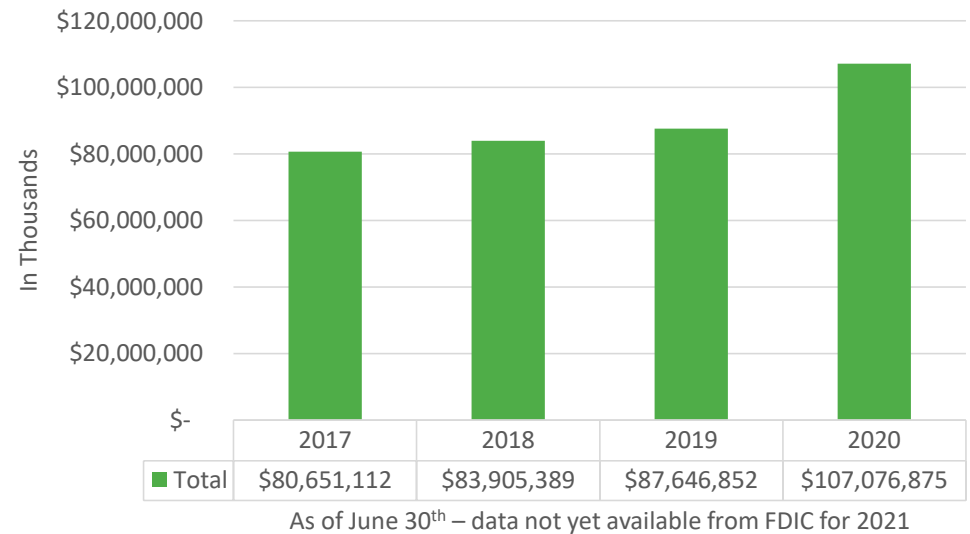


# Denver MSA Offers Huge Opportunity for Growth

InBank - Denver MSA Deposits



Total Deposit Market in Denver MSA



# Culture Matters



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

## Improve customer experience/Wow!

- service, solutions, speedy decisions, technology, and products to best serve the client locally

## Build organizational health

- culture, attract and retain talent, employee engagement, development, etc.

## Growth in customer accounts and balances

- loans, deposits and fee-based services; continued focus on growing new to bank clients

## Improve process, efficiency, and performance

- driving investor value by creating scale, process improvements, making it easier to do business internally and externally

## Manage risk and compliance

- foundational; great regulatory relations, transparency, safe & sound

## M&A

- develop expertise in deal execution and integration to take advantage of a consolidating industry; creating scale matters



# 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

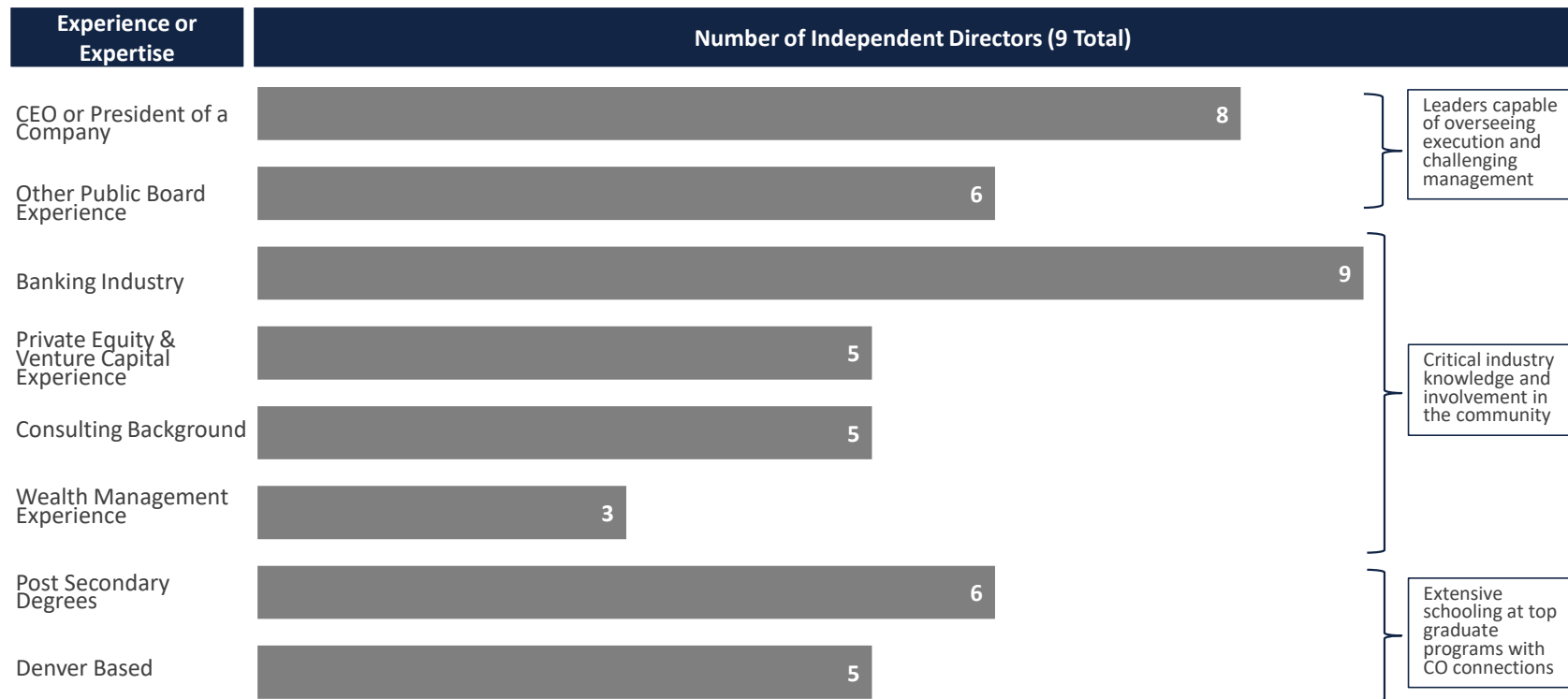
Wil is Chairman and CEO of Three Tree Capital, a privately held investment company focused on venture capital, early stage growth companies, and private equity. He is the former Chairman of Cherry Creek Mortgage Company, a nationally ranked residential mortgage bank and a former board member of Colorado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



# Seasoned Board of Directors



INBANKSHARES, CORP



# 2021 First Half Highlights



INBANKSHARES, CORP

- 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
- Net income of \$1.4 million or \$0.19 per share, compared to \$1.0 million, or \$0.14 per share, for the first half of 2020
- Net interest income of \$12.4 million, compared to \$9.8 million for the first half of 2020
- Excluding SBA Paycheck Protection Program (“PPP”) loans, core loan growth of \$30.6 million, or 9.3%, during the first half of 2021
- Deposit growth of \$100.1 million, or 20.8%, during the first half of 2021
- Non-performing assets were 0.16% of assets, down from 0.29% at year end

# Q2 2021 Highlights



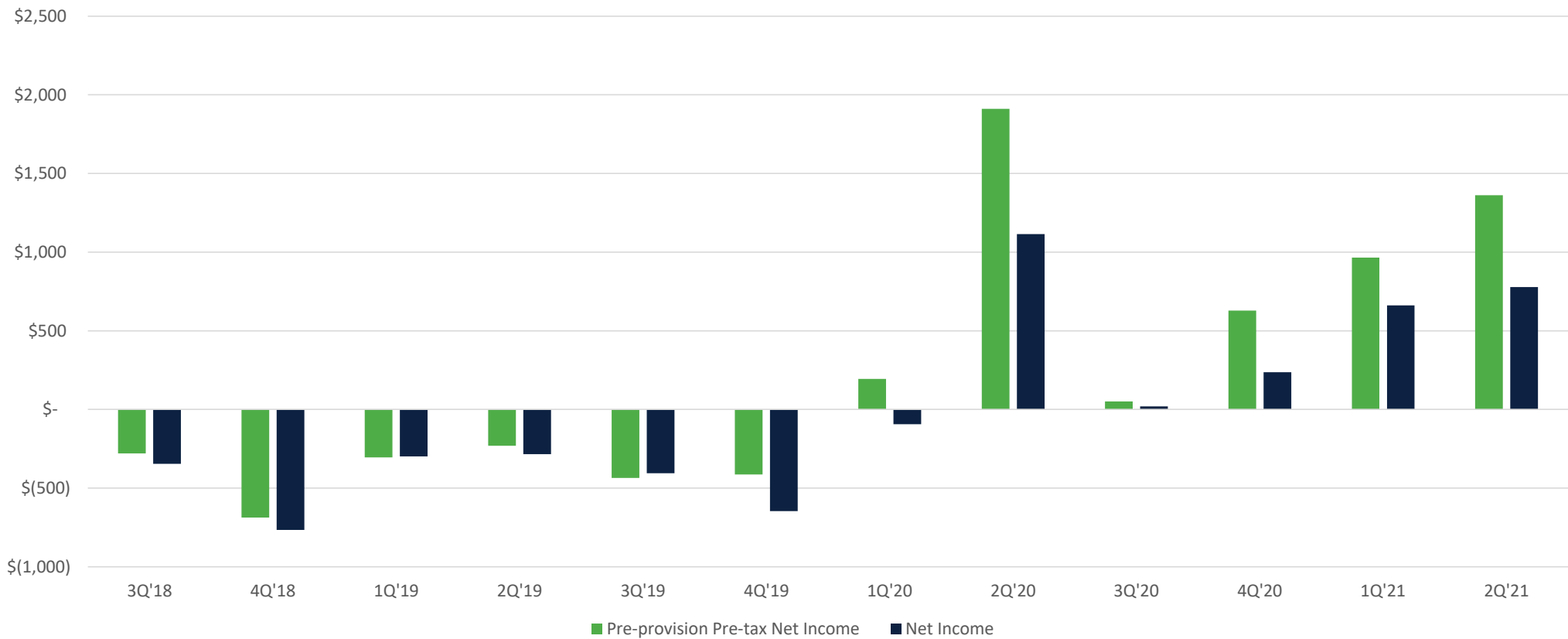
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- Net income of \$778,000, or \$0.10 per share, compared to \$661,000, or \$0.09 per share for the linked quarter and \$1.1 million, or \$0.16 for Q2-2020
- Net interest income of \$6.2 million, compared to \$6.1 million for the linked quarter and \$5.8 million for Q2-2020
- Excluding PPP loans, core loan growth of \$21.3 million, or 6.3%, when compared to the linked quarter and up \$79.4 million, or 28.4%, compared to Q2-2020
- Deposit growth of \$6.0 million, or 1.0%, when compared to the linked quarter and up \$180.7 million, or 45.1%, compared to Q2-2020
- Net interest margin was 3.73%, compared to 3.98% for the linked quarter and 4.62% for Q2-2020
- Funding costs declined to 0.24% in the quarter, a decrease of 5 basis points from the linked quarter and a decrease of 23 basis points from Q2-2020
- All “InNeed” loan modifications have returned to normal payments

# Building Earnings Momentum



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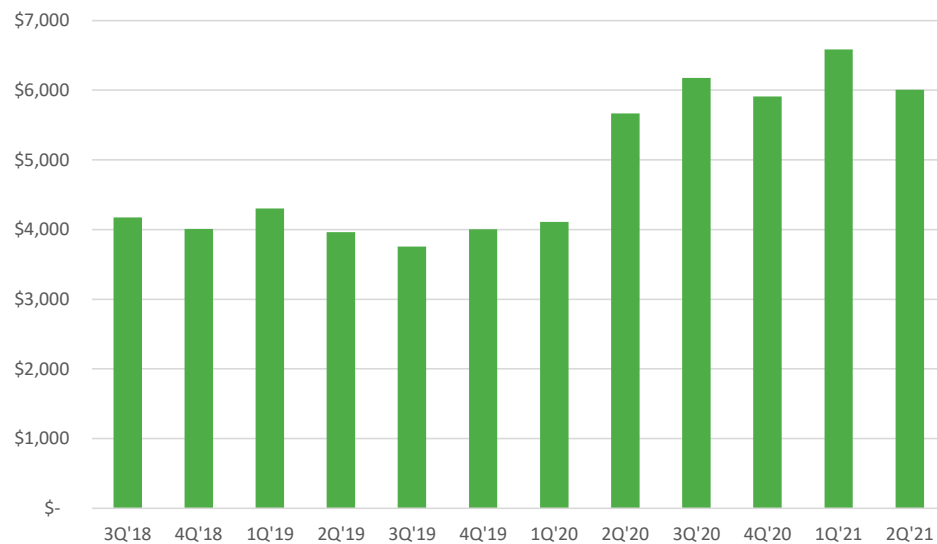


# Improving Scale

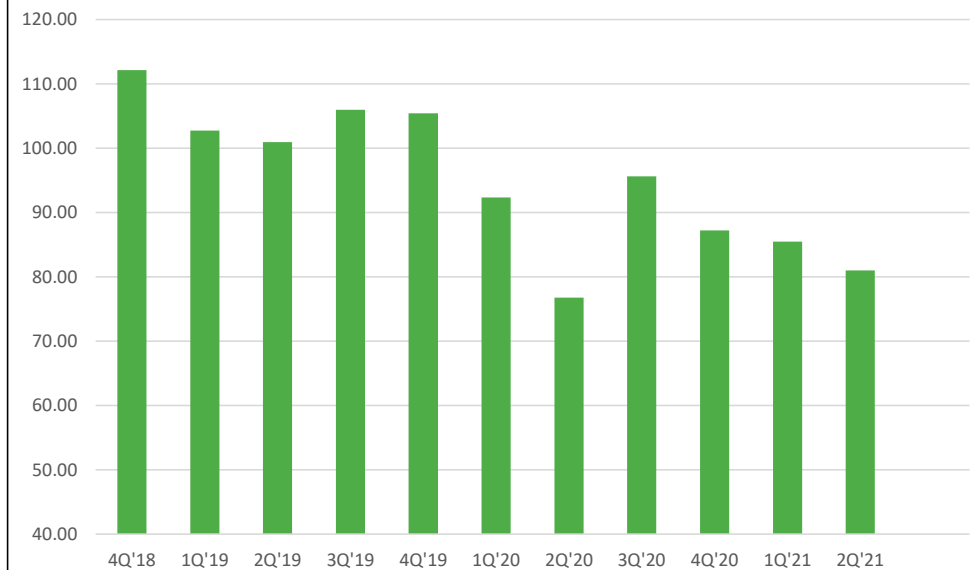


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## Assets per Employee



## Efficiency Ratio

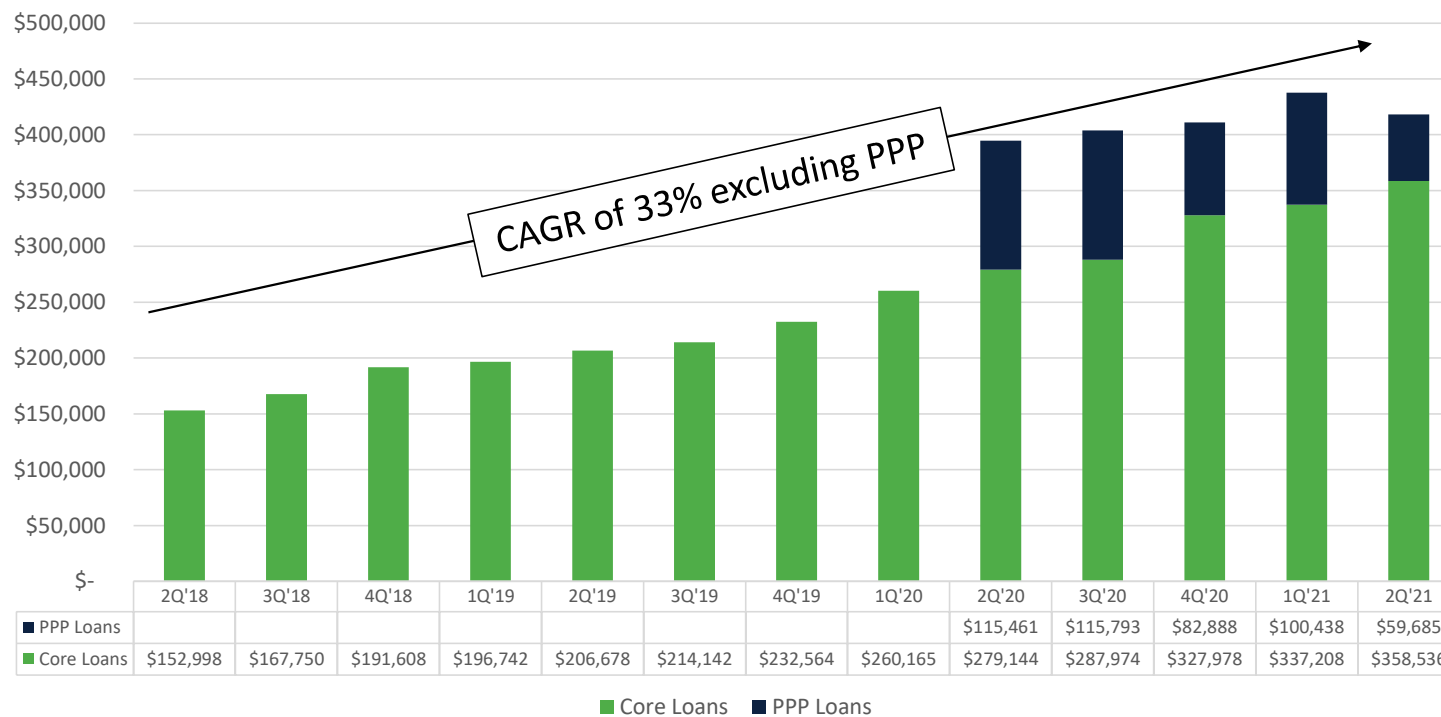


# Loan Growth



INBANKSHARES, CORP

Loans Held for Investment (HFI)



- Total Loans HFI of ~\$418 million
- Core loans of ~\$359 million
- Annual core loan growth \$79 million or 28.4%
- \$265 million in total growth (\$206 million excluding PPP loans) since 2Q-2018
- CAGR of 40% (33% excluding PPP) since 2Q-2018
- MRQ loan yield 4.95% for core loans (excluding PPP)

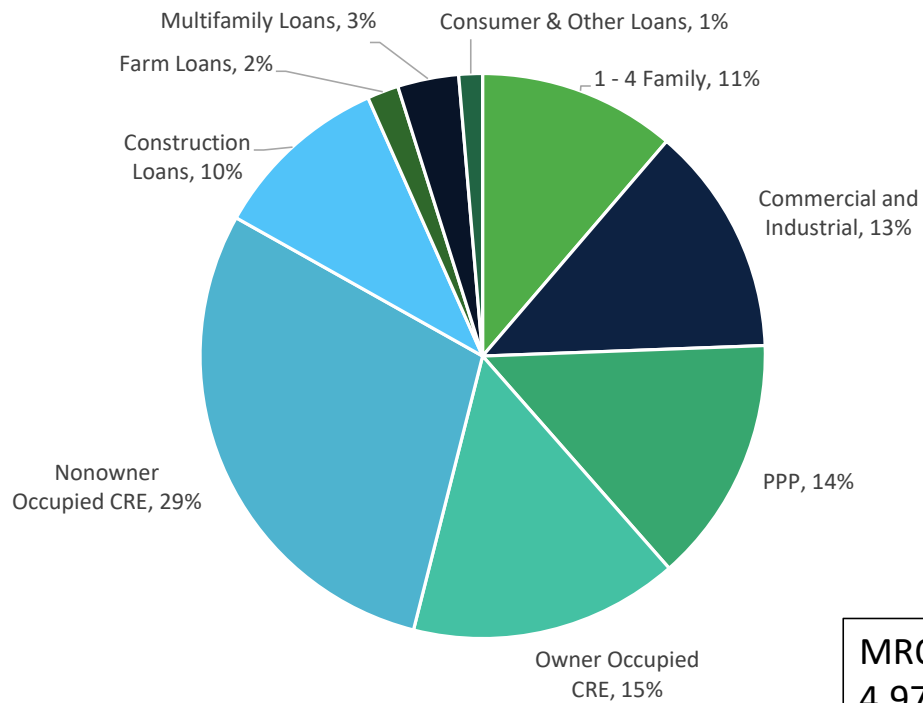


# Diverse Loan Portfolio



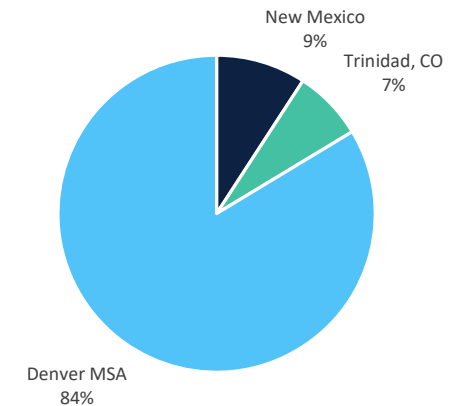
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Loan Portfolio 6/30/2021

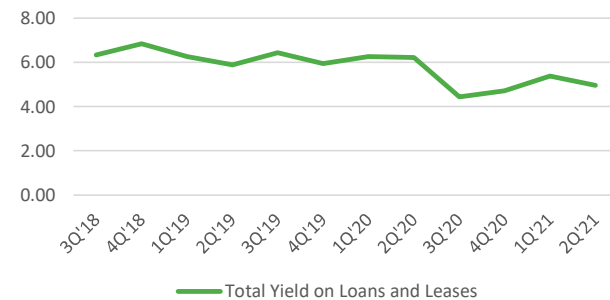


MRQ loan yield of 4.97%

Loan Geography 6/30/2021



Total Yield on Loans and Leases

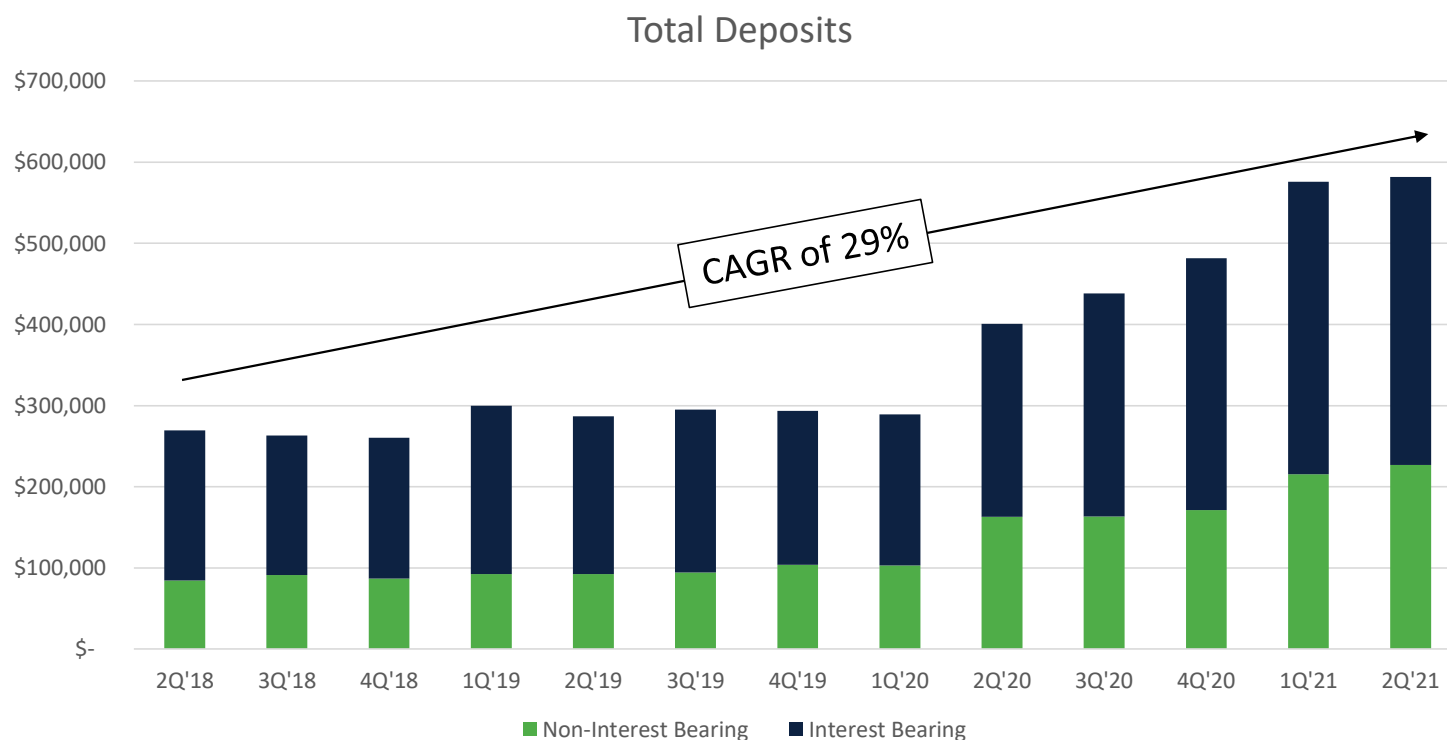


\* Data for subsidiary InBank

# Deposit Growth



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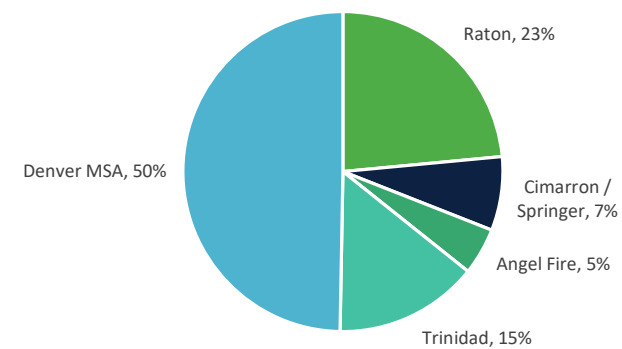
- Total deposits ~ \$582 million
- MRQ growth of \$6.0 million or 1.0%
- \$312 Million in total deposit growth since 2Q-2018
- CAGR of 29% since 2Q-2018
- Non-interest bearing make up 39% of total deposits, up from 31% in 2Q-2018
- MRQ cost of deposits 0.21%
- MRQ interest bearing deposit cost 0.34%

# Strong Deposit Portfolio

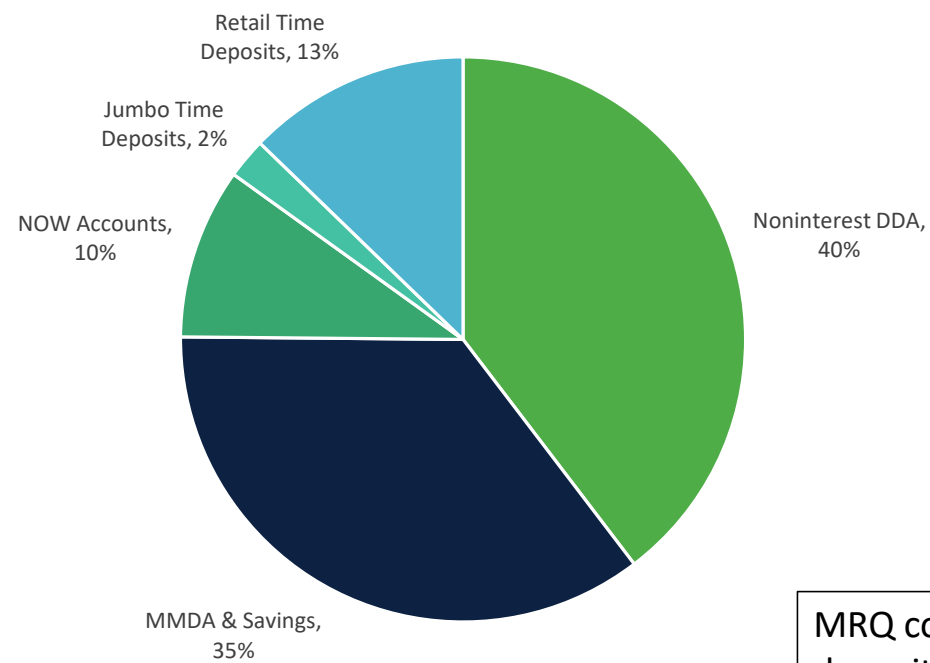


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Deposit Geography 6/30/2021

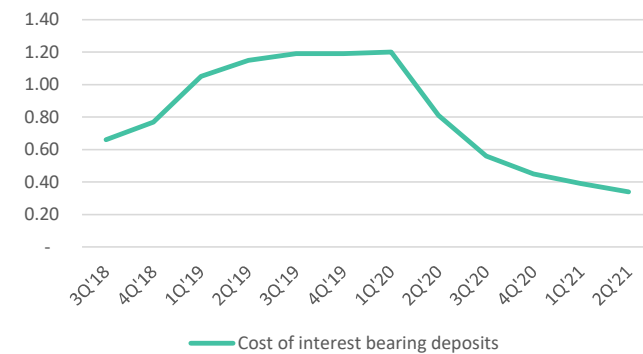


Deposit Portfolio 6/30/2021



MRQ cost of deposits of 0.21%

Cost of interest bearing deposits

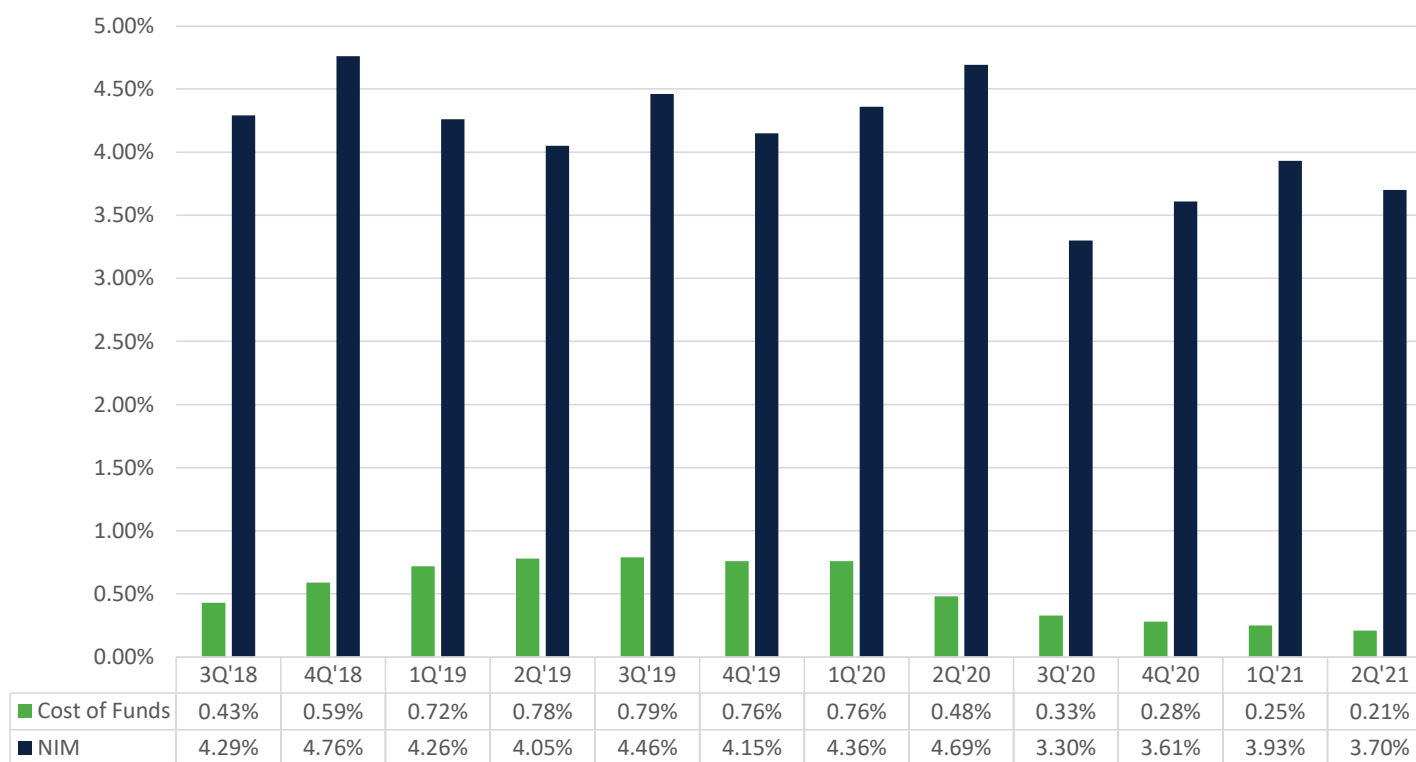


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# InBank NIM and Cost of Funds



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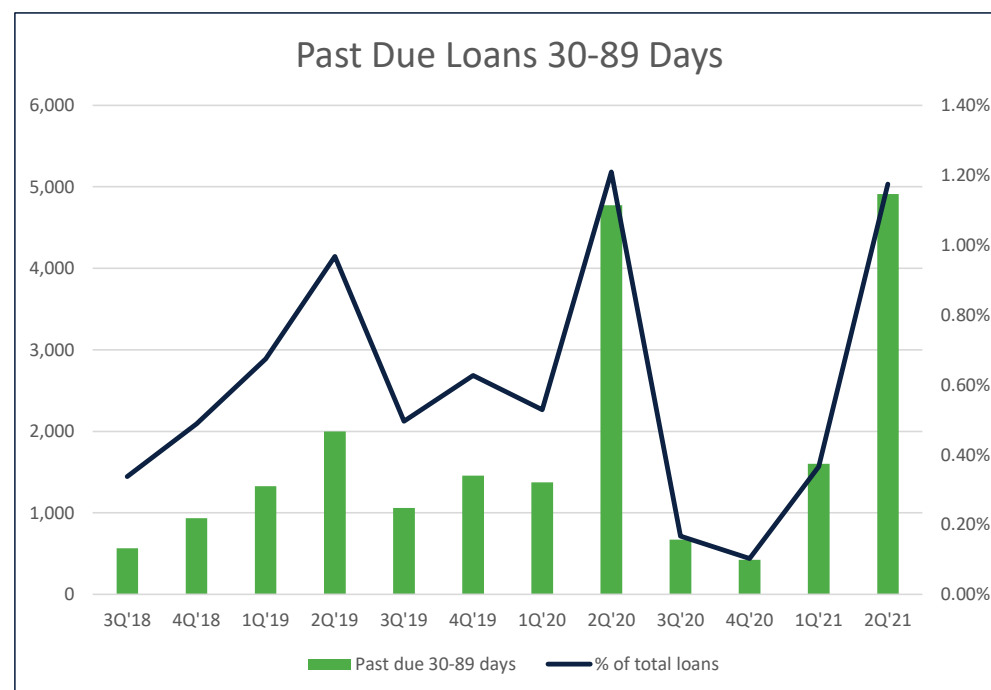
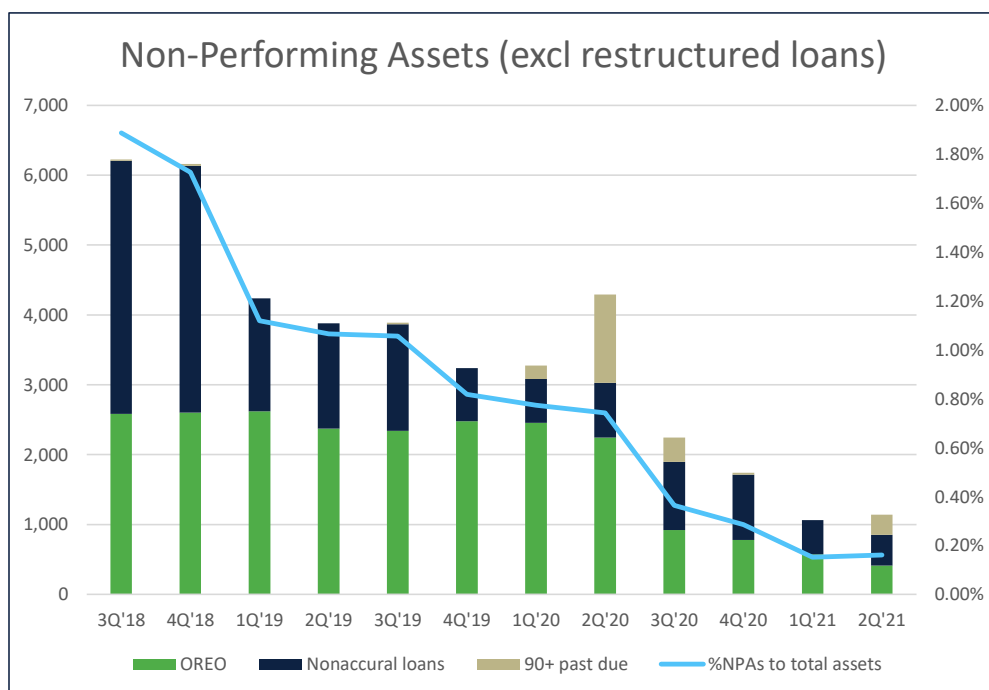
- MRQ NIM of 3.70%
- Cost of funds of 0.21% improved by 27 bps from Q2-2020 to Q2-2021
- Core loan yield of 4.95% for Q2-2021
- Loan to deposit ratio of 62% without PPP loans for Q2-2021

\* Data for subsidiary InBank

# Asset Quality Improving Since Acquisition



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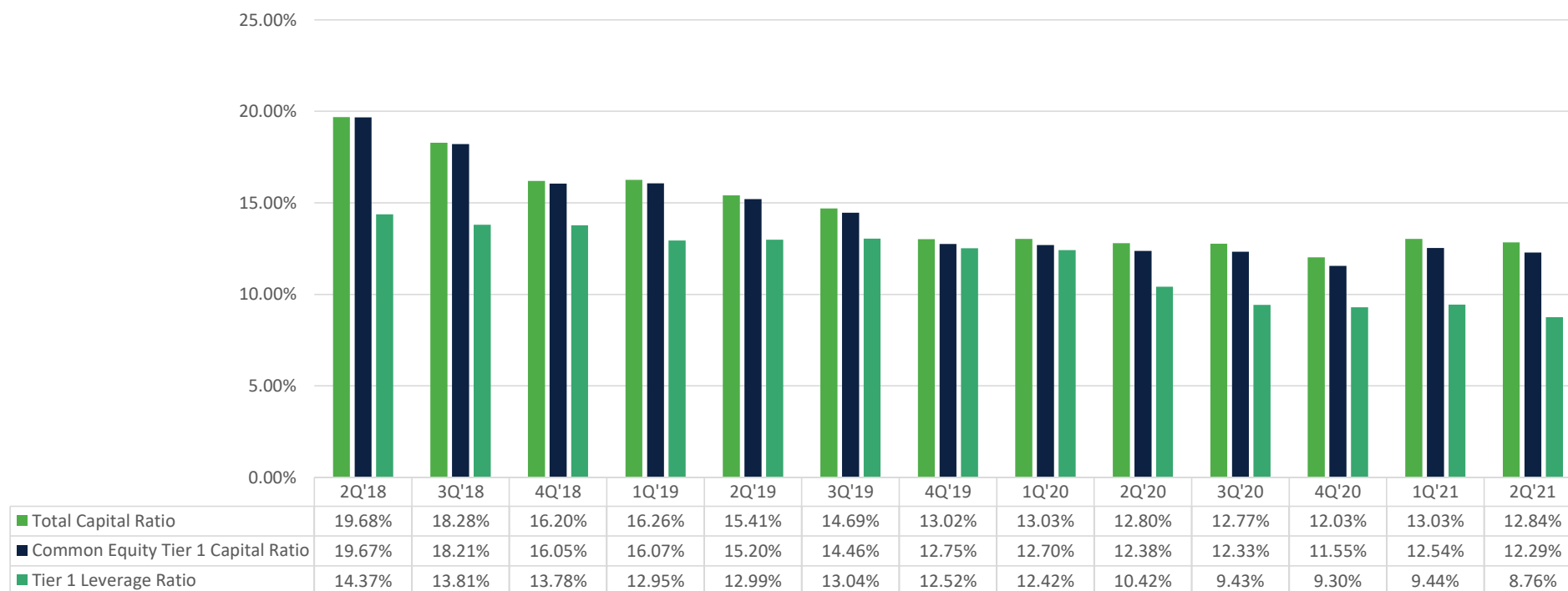
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# InBank is Well Capitalized



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InBank Capital Ratios



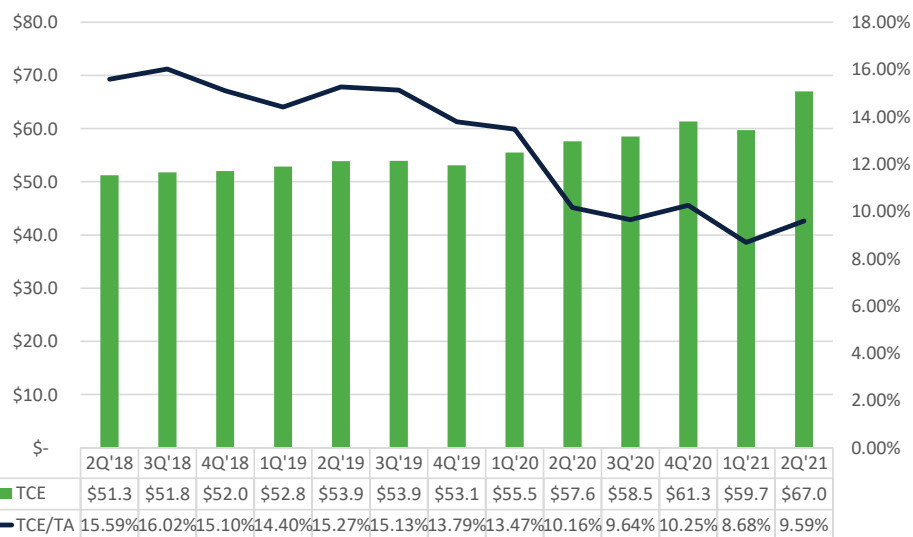
# INBC Consolidated Capital



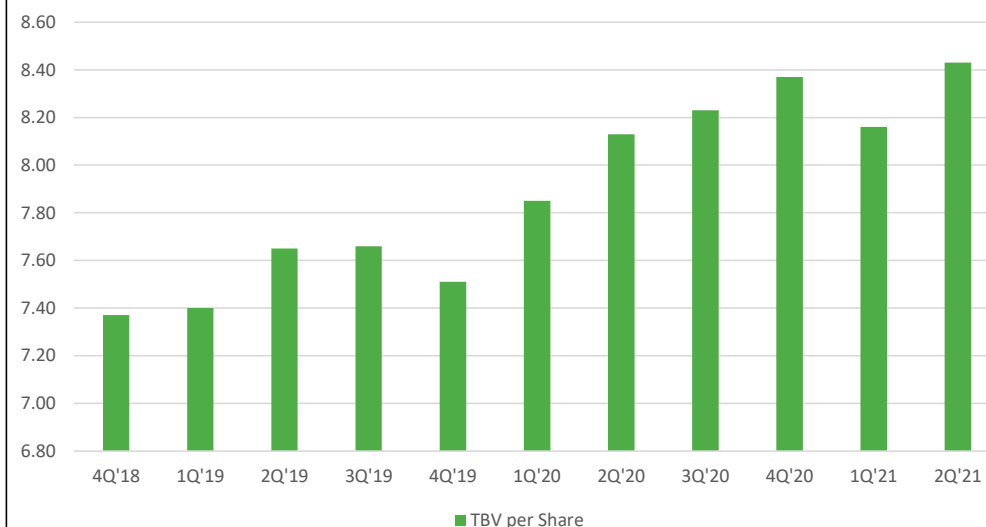
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6/30/2021 Tangible book value per share of \$8.43

INBC Tangible Common Equity / Tangible Assets



Tangible Book Value 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 tangible common equity divided by total common shares outstanding of 7,946,858 as of 6/30/2021

# Why Invest in InBankshares?



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

Edward Francis

- Chairman, President and CEO
- [Edward.Francis@inbank.com](mailto:Edward.Francis@inbank.com)
- 720-907-8130

Dan Patten

- EVP, Chief Financial Officer
- [Dan.Patten@inbank.com](mailto:Dan.Patten@inbank.com)
- 720-552-8327

Amsbry Ball

- VP, Investor Relations
- [Amsbry.Ball@inbank.com](mailto:Amsbry.Ball@inbank.com)
- 720-907-8133



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