



INBANKSHARES, CORP

FOR IMMEDIATE RELEASE

INBANKSHARES, CORP REPORTS SECOND QUARTER 2024 FINANCIAL RESULTS

Denver, CO – July 30, 2024 – InBankshares, Corp (OTCQX: INBC) (the “Company”), parent company of InBank (“InBank” or the “Bank”), today announced its unaudited financial results for the quarter ended June 30, 2024. The Company reported consolidated net income of \$2.4 million, or \$0.20 per share, for the second quarter of 2024 compared to \$1.9 million, or \$0.16 per share, for the first quarter of 2024, and \$2.6 million, or \$0.22 per share, for the second quarter of 2023.

Highlights for the second quarter of 2024:

- Pre-provision, pre-tax net revenue (“PPNR”) for the quarter was \$3.8 million, an increase of \$638,000, or 19.9% compared to the linked quarter, and increased \$390,000, or 11.3%, compared to the second quarter of 2023.
- Net interest margin was 3.57% for the quarter, an increase of 4 bps compared to 3.53% for the linked quarter, and a decrease of 2 bps compared to 3.59% for the second quarter of 2023.
- Noninterest income increased \$1.0 million, or 47.6% compared to the linked quarter and increased \$1.6 million, or 116.4% compared to the second quarter of 2023.
- The Company’s tangible book value per share at June 30, 2024 improved to \$8.50, up \$0.24 from the linked quarter, and tangible common equity to tangible assets ratio improved to 7.59%.
- The Bank’s capital ratios remain strong and well above the “well-capitalized” regulatory standards, with a leverage ratio of 10.41%, common equity Tier 1 capital ratio of 11.80% and total capital ratio of 12.98% at June 30, 2024.
- Loans held for investment at June 30, 2024 increased \$24.0 million, or 2.6%, compared to March 31, 2024, and increased \$60.8 million, or 6.8%, compared to June 30, 2023.
- Total deposits at June 30, 2024 decreased \$9.3 million, or 0.8%, compared to March 31, 2024, and increased \$61.8 million, or 5.8%, compared to June 30, 2023.
- Nonperforming assets were \$6.3 million for the quarter, an increase of \$3.5 million compared to the linked quarter, and increased \$3.9 million compared to June 30, 2023. Net charge-offs were \$23,000 for the second quarter of 2024, or an annualized charge-off rate of 0.01% to average loans.

Ed Francis, Chairman of the Board and Chief Executive Officer of the Company, commented, “We continue to see positive results in revenue growth resulting from investments in our commercial and SBA teams, our experienced bankers, and management restructuring we made over the past twelve months. Our margin has expanded by 4 basis points compared to the linked quarter and our noninterest income improved \$1.6 million compared to the same quarter last year. As our revenue momentum continues to improve, we believe our loan, deposit, and fee income pipelines are at the highest levels over the past several quarters. InBank continues to attract top talent and we recently onboarded a proven healthcare focused banking team in the Denver Metro market.”

Mr. Francis continued, “We are also focused on all operating units to ensure their return on investment and allocated capital are driving stronger operating leverage for the Company. We recognize there is continued improvement to be made in our efficiency and net overhead ratios, and through the combination of additional scale, continued revenue growth, and reduced operating expenses we expect to see our quarterly profitability trends improve over the next several quarters.”

“Our credit quality metrics deteriorated in the second quarter as reflected in our higher levels of past due loans, nonperforming loans, and loans internally graded as watch or substandard. Some of the stress comes from our construction portfolio, which has been impacted by increases in material costs and delays in some projects. We believe that the inflationary environment and increased interest rates on debt capital continue to contribute to challenges for our borrowers. As a result of these trends, our allowance for credit losses and provision expense have increased for several quarters. However, unlike past economic cycles, collateral values continue to hold in our markets and we believe our risk of loss is somewhat mitigated by this factor,” Mr. Francis concluded.

Results of Operations

Net income for the second quarter of 2024 was \$2.4 million, or \$0.20 per share, an increase of \$497,000, or \$0.04 per share, compared to the linked quarter, and decreased \$234,000, or \$0.02 per share, compared to the same quarter last year. The increase over the linked quarter was primarily due to higher noninterest income and lower provision for credit losses, partially offset by lower net interest income and higher noninterest expense.

Net interest income for the second quarter of 2024 was \$10.8 million, a decrease of \$90,000, or 0.8%, over the linked quarter, and flat compared to the same quarter last year. The decrease in net interest income compared to the linked quarter was due to a \$93,000 increase in interest expense, partially offset by a \$3,000 increase in interest income.

- **Interest income** was \$17.3 million during the second quarter of 2024, flat compared to the linked quarter, and increased \$1.9 million, or 12.0%, compared to \$15.5 million during the same quarter last year.
 - Compared to the linked quarter, the yield on interest earning assets increased 12 basis points, while average interest earning assets decreased \$24.5 million.

- The increase in interest income compared to the same quarter last year was primarily due to higher yields on loans of 6.20%, which was an increase of 60 basis points from the same quarter last year and an increase of \$8.3 million in average interest earning assets.
- Accretion of the purchase discount on acquired loans was \$286,000 in the second quarter of 2024, compared to \$347,000 in the linked quarter, and \$329,000 in the second quarter of 2023.
- **Interest expense** was \$6.6 million in the second quarter of 2024, an increase of \$93,000, or 1.4%, compared to \$6.5 million during the linked quarter, and an increase of \$1.9 million, or 39.4% compared to \$4.7 million during the same quarter last year.
 - The increase over the linked quarter was primarily due to an 8 basis point increase in the cost of funds, partially offset by a \$25.6 million decrease in average interest-bearing liabilities. The cost of deposits was up 8 basis points and the cost of borrowings was up 7 basis points from the linked quarter.
 - The increase from the same quarter last year was due to an increase of \$82.8 million in average interest-bearing deposits, and a 65 basis point increase in the cost of funds due to higher market interest rates, partially offset by a \$39.6 million decrease in average borrowings.

Net interest margin (NIM), expressed as net interest income as a percentage of average earning assets, was 3.57% during the second quarter of 2024, compared to 3.53% during the linked quarter, and 3.59% during the same quarter last year. NIM during the second quarter increased 4 basis points as a result of higher yields on interest-earning assets, partially offset by increases in costs on funding liabilities due to higher market interest rates.

Provision for credit losses for the quarter ended June 30, 2024 totaled \$800,000, compared to \$810,000 for the quarter ended March 30, 2024, and \$83,000 for the quarter ended June 30, 2023. The Company recorded a provision for credit losses on loans of \$900,000 and recorded a benefit for credit losses on unfunded commitments of \$100,000 in the second quarter of 2024. The second quarter 2024 provision for credit losses on loans was primarily due to the \$24.0 million increase in loan balances and \$8.7 million increase in unfunded commitments combined with an increase in qualitative factors related to increases in trend and volume of loans past due and loans graded as watch or substandard. In the first quarter of 2024, the provision for credit losses on loans was \$850,000 and the benefit for credit losses on unfunded commitments was \$40,000. In the first quarter of 2023, the provision for credit losses on loans was \$264,000 and the benefit for credit losses on unfunded commitments was \$181,000.

Noninterest income for the second quarter of 2024 was \$3.0 million, an increase of \$955,000, or 47.6% compared to the linked quarter, and an increase of \$1.6 million, or 116.4%, from the same quarter last year. The increase over the linked quarter was primarily due to an increase in the gain on sale of loans of \$975,000 from our SBA business and an increase in service charges and fees of \$64,000, partially offset by a decrease in other noninterest income of \$92,000. The increase from the same quarter last year was primarily due to a \$1.3 million increase in gain on sale of loans, a \$158,000 increase in other noninterest income, and a \$120,000 increase in service charges and fees.

Noninterest expense for the second quarter of 2024 was \$9.9 million, an increase of \$227,000, or 2.3%, when compared to the linked quarter, and an increase of \$1.2 million, or 13.9%, from the same quarter last year. The increase over the linked quarter was primarily due to a \$197,000 increase in other noninterest expense mostly due to increase in expense related to our SBA business, and small increases in other categories, partially offset by a \$23,000 decrease in intangible asset amortization. The increase in noninterest expense compared to the same quarter in the prior year was due to a \$1.0 million increase in salaries and benefits expense, mostly due to an increase in the number of employees including the investment in our SBA business, a \$132,000 increase in other noninterest expense, and a \$86,000 increase data processing and software expense, partially offset by a \$54,000 decrease in intangible asset amortization. Full-time equivalent employees were 176 at June 30, 2024, 182 at March 31, 2024 and 167 at June 30, 2023.

The Company's core efficiency ratio, which excludes loss on sales of investment securities, write-downs of nonmarketable equity securities, and intangible amortization was 69.3% in the second quarter of 2024, compared with 72.0% in the linked quarter and 68.1% in the second quarter of 2023. The decrease in the core efficiency ratio compared to the linked quarter was largely due to the increase in noninterest income, partially offset by the increase in noninterest expense and the decrease in net interest income. The Company's PPNR for the quarter was \$3.8 million, compared to \$3.2 million for the linked quarter, and \$3.4 million for the second quarter of 2023.

Balance Sheet Summary

Total assets were \$1.34 billion at June 30, 2024, an increase of \$14.5 million, or 1.1%, from March 31, 2024. During the quarter, cash and cash equivalents decreased \$4.6 million, investment securities decreased \$9.7 million, and intangible assets decreased \$377,000; these decreases were partially offset by a \$24.0 million increase in loans. At June 30, 2024, investment securities were \$264.4 million and total cash and equivalents were \$59.5 million, which combined represented 24.1% of total assets. Total assets increased \$41.3 million, or 3.2%, from \$1.30 billion at June 30, 2023, primarily as a result of increases in loans and cash and cash equivalents, partially offset by decreases in investment securities.

Total loans held-for-investment ("HFI"), were \$958.6 million at June 30, 2024, compared to \$934.6 million at March 31, 2024, which was an increase of \$24.0 million. Total loans HFI increased \$60.8 million, or 6.8%, from June 30, 2023.

Total deposits were \$1.12 billion at June 30, 2024, a decrease of \$9.3 million, or 0.8%, compared to the linked quarter and increased \$61.8 million, or 5.8%, compared to the same quarter in the prior year. Noninterest-bearing deposits increased 2.3% from the linked quarter, and decreased 10.8% from June 30, 2023, representing 29.2% of total deposits at June 30, 2024. During the second quarter of 2024, total brokered certificates of deposits and listing service deposits increased \$7.5 million, or 8.3%, and represented 8.8% of total deposits at June 30, 2024, compared to 8.0% at March 31, 2024 and 4.5% at June 30, 2023.

Estimated uninsured deposits, excluding secured public funds deposits, totaled \$282.1 million, or 25.2% of total deposits as of June 30, 2024.

Other borrowings were \$59.0 million at June 30, 2024, an increase of \$20.0 million compared to the linked quarter, and decreased \$31.3 million compared to June 30, 2023. At June 30, 2024, the Bank had \$20.0 million in short-term borrowings under the Federal Reserve Bank's Bank Term Funding Program, compared to \$20.0 million at March 31, 2024 and \$17.1 million at June 30, 2023. The Bank increased FHLB borrowings to \$30.0 million at June 30, 2024, compared to zero at March 31, 2024, and a decrease of \$40.0 million compared to \$70.0 million at June 30, 2023. The Bank decreased federal funds borrowings to \$6.0 million at June 30, 2024, compared to \$16.0 million at March 31, 2024, and increased from \$200,000 at June 30, 2023. The Company has a \$5.0 million revolving line of credit, and had \$3.0 million outstanding on the line as of June 30, 2024, December 31, 2023 and June 30, 2023.

Subordinated debentures were \$24.7 million at June 30, 2024, compared to \$24.7 million in the linked quarter, and increased \$110,000 compared to the same quarter in the prior year due to amortization of the acquisition discount.

Asset Quality

Nonperforming assets, which include nonperforming loans and other real estate owned ("OREO"), were \$6.3 million, or 0.47% of total assets at June 30, 2024 and \$2.8 million, or 0.21% of total assets, at March 31, 2024. Nonperforming loans, which include non-accrual loans and loans more than 90 days past due and still accruing, were \$5.8 million, or 0.60% of total loans HFI, at June 30, 2024 compared to \$2.6 million, or 0.28% of total loans HFI, at March 31, 2024. The increase in nonperforming loans in the second quarter of 2024, compared to the linked quarter was primarily due to the transition to nonaccrual of three customer relationships, including a \$1.4 million loan that was paid in full in July.

Loans delinquent (past due) 30-89 days were \$20.7 million, or 2.16% of total loans HFI, at June 30, 2024, compared to \$12.0 million, or 1.28% of total loans HFI, at March 31, 2024. Of the \$20.7 million in past due loans, \$8.5 million were matured loans that renewed in July and \$7.2 million were paid current in July (\$15.7 million combined).

The allowance for credit losses on loans totaled \$12.4 million at June 30, 2024, compared to \$11.6 million at March 31, 2024, and \$10.4 million at June 30, 2023. The increase of \$877,000 in the allowance for credit losses on loans during the second quarter of 2024 was comprised of a \$900,000 provision for loan loss, partially offset by net charge-offs of \$23,000. The allowance for credit losses on loans was 1.30% of total loans HFI as of June 30, 2024. The allowance for unfunded commitments totaled \$810,000 at June 30, 2024, compared to \$910,000 at March 31, 2024 and \$1.2 million at June 30, 2023. The \$100,000 decrease in the allowance for unfunded commitments during the second quarter of 2024 was due to a reverse provision primarily due to adjustments to projected funding on unfunded commitments evaluated on qualitative factors. The total allowance for lending related credit losses, which represents the sum of the allowance for credit

losses on loans and the allowance for unfunded commitments, was 1.38% of total loans HFI as of June 30, 2024. The Company also had \$2.3 million in purchase discounts on loans acquired in previous acquisitions. When combined, the purchase discounts and allowance for lending related credit losses represented 1.61% of total loans HFI plus purchase discounts at the end of the quarter.

Capital

Capital ratios of the Company and InBank continue to exceed the “well-capitalized” regulatory thresholds. At June 30, 2024, InBank’s leverage ratio was 10.41%, its common equity Tier 1 capital ratio was 11.80%, and its total risk-based capital ratio was 12.98%.

At June 30, 2024, the Company had tangible common equity of \$100.2 million and tangible book value per share (“TBVPS”) of \$8.50, with 11,784,524 shares of common stock issued and outstanding as of the same date. Tangible common equity increased \$3.2 million and TBVPS increased \$0.24, or 3.0%, compared to March 31, 2024, mostly due to an increase in surplus and retained earnings of \$2.5 million and a small increase in accumulated other comprehensive income (“AOCI”) on investment securities of \$281,000, compared to the linked quarter. Year-over-year, the TBVPS increased \$0.96, or 12.7%, compared to June 30, 2023 primarily due to a \$7.9 million increase in surplus and retained earnings and an increase in the AOCI of \$2.1 million, or \$0.18 per share, or 2.4%. During the second quarter of 2024, common shares outstanding increased 37,095 shares, due to vesting of director and employee RSUs.

The Company’s tangible common equity to tangible assets ratio was 7.59% at June 30, 2024. The Company paid no dividends during the first or second quarter of 2024 or any quarter of 2023. The Bank paid \$500,000 in dividends to the Company in the second quarter of 2024, compared to \$600,000 in the linked quarter, and \$700,000 in the second quarter of 2023.

Non-GAAP Financial Measures

Some of the financial measures included in this press release are not measures of financial performance recognized in accordance with generally accepted accounting principles in the United States (“GAAP”). These non-GAAP financial measures include: (i) tangible common equity, (ii) tangible assets, (iii) tangible common equity to tangible assets, (iv) tangible book value per share, (v) adjusted tangible book value per share, (vi) return on average tangible common equity, (vii) pre-provision pre-tax net revenue, or PPNR, (viii) adjusted net income, (ix) core efficiency ratio, (x) adjusted return on average assets, (xi) adjusted income per share, and (xii) core noninterest expense to average assets. The Company believes these non-GAAP financial measures provide both management and investors a more complete understanding of the Company’s financial position and performance. These non-GAAP financial measures are supplemental and are not a substitute for any analysis based on GAAP financial measures. Not all companies use the same calculation of these measures; therefore, this presentation may not be comparable to other similarly titled measures as presented by other companies. A reconciliation of our non-GAAP financial measures to the comparable GAAP financial measures is included at the end of the financial statement tables.

About InBankshares, Corp

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

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)

| | <u>June 30, 2024</u> | <u>March 31, 2024</u> | <u>June 30, 2023</u> |
|---|----------------------------|----------------------------|----------------------------|
| ASSETS | | | |
| Cash and due from banks | \$ 15,037 | \$ 12,742 | \$ 16,300 |
| Interest-bearing deposits in banks | 44,512 | 51,402 | 36,938 |
| Total cash and cash equivalents | <u>59,549</u> | <u>64,144</u> | <u>53,238</u> |
| Investment securities, available-for-sale | 136,499 | 144,249 | 156,938 |
| Investment securities, held-to-maturity | 128,245 | 130,177 | 135,335 |
| Total investment securities | <u>264,744</u> | <u>274,426</u> | <u>292,273</u> |
| Nonmarketable equity securities | 5,452 | 5,317 | 6,361 |
| Loans held for sale | - | - | - |
| Loans HFI, excluding PPP loans | 958,448 | 934,456 | 897,617 |
| PPP loans | 117 | 117 | 117 |
| Total loans held for investment | <u>958,565</u> | <u>934,573</u> | <u>897,734</u> |
| Allowance for credit losses on loans | <u>(12,439)</u> | <u>(11,562)</u> | <u>(10,439)</u> |
| Net loans | <u>946,126</u> | <u>923,011</u> | <u>887,295</u> |
| Premises and equipment, net | 14,334 | 12,271 | 12,557 |
| Other real estate owned | 553 | 267 | 236 |
| Goodwill | 18,660 | 18,660 | 18,660 |
| Core deposit intangible | 5,578 | 5,955 | 7,195 |
| Bank owned life insurance | 8,967 | 8,900 | 8,708 |
| Accrued interest and other assets (2) | 19,209 | 15,699 | 15,311 |
| Total assets | <u>\$ 1,343,172</u> | <u>\$ 1,328,650</u> | <u>\$ 1,301,834</u> |
| LIABILITIES | | | |
| Noninterest-bearing deposits | \$ 327,063 | \$ 319,601 | \$ 366,708 |
| Interest-bearing deposits | 791,810 | 808,594 | 690,332 |
| Total deposits | <u>1,118,873</u> | <u>1,128,195</u> | <u>1,057,040</u> |
| Securities sold under agreements to repurchase | 5,997 | 6,593 | 8,434 |
| Other borrowings | 59,000 | 39,000 | 90,273 |
| Subordinated debentures | 24,731 | 24,703 | 24,621 |
| Other liabilities (2) | 10,164 | 8,559 | 7,102 |
| Total liabilities | <u>1,218,765</u> | <u>1,207,050</u> | <u>1,187,470</u> |
| STOCKHOLDER'S EQUITY | | | |
| Common stock | 118 | 118 | 117 |
| Surplus | 110,454 | 110,303 | 109,851 |
| Retained earnings | 20,795 | 18,420 | 13,470 |
| Accumulated other comprehensive income (loss) | (6,960) | (7,241) | (9,074) |
| Total stockholders' equity | <u>124,407</u> | <u>121,600</u> | <u>114,364</u> |
| Total liabilities and stockholders' equity | <u>\$ 1,343,172</u> | <u>\$ 1,328,650</u> | <u>\$ 1,301,834</u> |

Select additional information and ratios:

| | | | |
|---|------------|------------|------------|
| Net loans to deposits | 84.6% | 81.8% | 83.9% |
| Tangible common equity (1) | \$ 100,169 | \$ 96,985 | \$ 88,509 |
| Tangible common equity to tangible assets (1) | 7.59% | 7.44% | 6.94% |
| Common shares outstanding | 11,784,524 | 11,747,429 | 11,738,902 |
| Book value per share | \$10.56 | \$10.35 | \$9.74 |
| Tangible book value per share (1) | \$8.50 | \$8.26 | \$7.54 |

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

(2) Certain assets and liabilities have been reclassified from prior period reporting

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

| | For the Quarter Ended | | |
|--|-----------------------|-------------------|------------------|
| | June 30, 2024 | March 31, 2024 | June 30, 2023 |
| INTEREST INCOME | | | |
| Interest and fees on loans | \$ 14,512 | \$ 13,716 | \$ 12,596 |
| Interest on securities & interest bearing balances | 2,809 | 3,602 | 2,873 |
| Total interest income | <u>17,321</u> | <u>17,318</u> | <u>15,469</u> |
| INTEREST EXPENSE | | | |
| Interest on deposits | 5,850 | 5,777 | 3,500 |
| Interest on repurchase agreements & other borrowings | 373 | 354 | 878 |
| Interest on subordinated debentures | 327 | 326 | 322 |
| Total interest expense | <u>6,550</u> | <u>6,457</u> | <u>4,700</u> |
| NET INTEREST INCOME | 10,771 | 10,861 | 10,769 |
| Provision for credit losses | 800 | 810 | 83 |
| NONINTEREST INCOME | | | |
| Service charges and fees | 1,042 | 978 | 922 |
| Mortgage fees and gain on loans held for sale | - | - | 7 |
| Other noninterest income | 447 | 539 | 289 |
| Gain on sale of loans | 1,471 | 496 | 156 |
| Gain (loss) on sale of OREO and other assets | - | (8) | (6) |
| Gain (loss) on sale of investment securities | - | - | - |
| Total noninterest income (1) | <u>2,960</u> | <u>2,005</u> | <u>1,368</u> |
| NONINTEREST EXPENSE | | | |
| Salaries and employee benefits | 5,587 | 5,566 | 4,561 |
| Occupancy and equipment | 583 | 562 | 569 |
| Data processing and software | 1,371 | 1,360 | 1,285 |
| Intangible amortization | 377 | 400 | 431 |
| Other noninterest expense | 1,977 | 1,780 | 1,845 |
| Total noninterest expense (1) | <u>9,895</u> | <u>9,668</u> | <u>8,691</u> |
| Income before income taxes | 3,036 | 2,388 | 3,363 |
| Income tax expense | 662 | 511 | 755 |
| Net income | <u>\$ 2,374</u> | <u>\$ 1,877</u> | <u>\$ 2,608</u> |
| Basic income per share | \$ 0.20 | \$ 0.16 | \$ 0.22 |
| Weighted average shares outstanding - basic | 11,761,174 | 11,733,322 | 11,705,738 |
| Pre-provision pre-tax net revenue ("PPNR") (2) | \$ 3,836 | \$ 3,198 | \$ 3,446 |

(1) Certain income and expense categories have been reclassified from prior period reporting

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

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

| | For the Six Months Ended | |
|--|--------------------------|------------------|
| | June 30, 2024 | June 30, 2023 |
| INTEREST INCOME | | |
| Interest and fees on loans | \$ 28,228 | \$ 24,517 |
| Interest on securities & interest bearing balances | 6,411 | 5,696 |
| Total interest income | <u>34,639</u> | <u>30,213</u> |
| INTEREST EXPENSE | | |
| Interest on deposits | 11,627 | 5,706 |
| Interest on repurchase agreements & other borrowings | 726 | 1,638 |
| Interest on subordinated debentures | 653 | 635 |
| Total interest expense | <u>13,006</u> | <u>7,979</u> |
| NET INTEREST INCOME | 21,633 | 22,234 |
| Provision for credit losses | 1,610 | 376 |
| NONINTEREST INCOME | | |
| Service charges and fees | 2,020 | 1,785 |
| Mortgage fees and gain on loans held for sale | - | 15 |
| Other noninterest income | 985 | 542 |
| Gain on sale of loans | 1,967 | 387 |
| Gain (loss) on sale of OREO and other assets | (8) | 32 |
| Total noninterest income (1) | <u>4,964</u> | <u>2,761</u> |
| NONINTEREST EXPENSE | | |
| Salaries and employee benefits | 11,153 | 9,300 |
| Occupancy and equipment | 1,145 | 1,157 |
| Data processing and software | 2,731 | 2,446 |
| Intangible amortization | 777 | 886 |
| Other noninterest expense | 3,757 | 3,458 |
| Total noninterest expense (1) | <u>19,563</u> | <u>17,247</u> |
| Income before income taxes | 5,424 | 7,372 |
| Income tax expense | 1,173 | 1,633 |
| Net income | <u>\$ 4,251</u> | <u>\$ 5,739</u> |
| Basic income per share | \$ 0.36 | \$ 0.49 |
| Weighted average shares outstanding - basic | 11,747,248 | 11,690,676 |
| Pre-provision pre-tax net revenue ("PPNR") (2) | \$ 7,034 | \$ 7,748 |

(1) Certain income and expense categories have been reclassified from prior period reporting

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

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

| | June 30, 2024 | | | For the Quarter Ended March 31, 2024 | | | June 30, 2023 | | |
|--|---------------------|------------------|--------------|---|------------------|--------------|---------------------|------------------|--------------|
| | Average Balance | Interest | Rate | Average Balance | Interest | Rate | Average Balance | Interest | Rate |
| Earning Assets | | | | | | | | | |
| Investment securities | \$ 270,514 | \$ 2,638 | 3.92% | \$ 275,965 | \$ 2,769 | 4.04% | \$ 295,431 | \$ 2,664 | 3.62% |
| Other interest-bearing balances (1) | 12,474 | 171 | 5.51% | 60,886 | 833 | 5.50% | 17,280 | 209 | 4.85% |
| Total investments and interest-bearing | 282,988 | 2,809 | 3.99% | 336,851 | 3,602 | 4.30% | 312,711 | 2,873 | 3.69% |
| Loans, excluding PPP loans | 940,842 | 14,512 | 6.20% | 910,664 | 13,716 | 6.06% | 901,968 | 12,596 | 5.60% |
| PPP loans | 117 | - | 0.00% | 117 | - | 0.00% | 117 | - | 0.00% |
| Total Loans | 940,959 | 14,512 | 6.20% | 910,781 | 13,716 | 6.06% | 902,085 | 12,596 | 5.60% |
| Less allowance for credit losses on loans | (11,704) | - | 0.00% | (10,903) | - | 0.00% | (10,872) | - | 0.00% |
| Net loans | 929,255 | 14,512 | 6.28% | 899,878 | 13,716 | 6.13% | 891,213 | 12,596 | 5.67% |
| Total interest earning assets | 1,212,243 | 17,321 | 5.75% | 1,236,729 | 17,318 | 5.63% | 1,203,924 | 15,469 | 5.15% |
| Noninterest earning assets | 82,808 | | | 81,504 | | | 83,375 | | |
| Total assets | <u>\$ 1,295,051</u> | | | <u>\$ 1,318,233</u> | | | <u>\$ 1,287,299</u> | | |
| Interest-Bearing Liabilities | | | | | | | | | |
| Interest-bearing transaction deposits | \$ 182,648 | \$ 748 | 1.65% | \$ 179,196 | \$ 609 | 1.37% | \$ 183,797 | \$ 380 | 0.83% |
| Savings and MMDA deposits | 350,441 | 2,451 | 2.81% | 382,188 | 2,632 | 2.77% | 313,982 | 1,580 | 2.02% |
| Time deposits | 241,600 | 2,651 | 4.41% | 235,133 | 2,536 | 4.34% | 194,086 | 1,540 | 3.18% |
| Total interest-bearing deposits | 774,689 | 5,850 | 3.04% | 796,517 | 5,777 | 2.92% | 691,865 | 3,500 | 2.03% |
| Repurchase agreements & other borrowings | 31,936 | 373 | 4.70% | 30,728 | 354 | 4.63% | 71,516 | 878 | 4.92% |
| Subordinated debentures | 24,713 | 327 | 5.32% | 24,685 | 326 | 5.31% | 24,602 | 322 | 5.25% |
| Total interest-bearing liabilities | 831,338 | 6,550 | 3.17% | 851,930 | 6,457 | 3.05% | 787,983 | 4,700 | 2.39% |
| Noninterest bearing deposits | 330,975 | - | 0.00% | 335,971 | - | 0.00% | 376,817 | - | 0.00% |
| Total funding liabilities | 1,162,313 | 6,550 | 2.27% | 1,187,901 | 6,457 | 2.19% | 1,164,800 | 4,700 | 1.62% |
| Other noninterest bearing liabilities | 9,291 | | | 9,109 | | | 7,642 | | |
| Total liabilities | 1,171,604 | | | 1,197,010 | | | 1,172,442 | | |
| Stockholders' equity | 123,447 | | | 121,223 | | | 114,857 | | |
| Total liabilities and stockholders' equity | <u>\$ 1,295,051</u> | | | <u>\$ 1,318,233</u> | | | <u>\$ 1,287,299</u> | | |
| Net Interest Income | | <u>\$ 10,771</u> | | | <u>\$ 10,861</u> | | | <u>\$ 10,769</u> | |
| Net Interest Margin | | | 3.57% | | | 3.53% | | | 3.59% |
| Total Cost of Deposits | \$ 1,105,664 | \$ 5,850 | 2.13% | \$ 1,132,488 | \$ 5,777 | 2.05% | \$ 1,068,682 | \$ 3,500 | 1.31% |

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

| | For the Six Months Ended | | | | | |
|--|--------------------------|-------------------------|--------------|---------------------|-------------------------|--------------|
| | June 30, 2024 | | | June 30, 2023 | | |
| | Average Balance | Interest | Rate | Average Balance | Interest | Rate |
| Earning Assets | | | | | | |
| Investment securities | \$ 273,239 | \$ 5,407 | 3.98% | \$ 300,007 | \$ 5,373 | 3.61% |
| Other interest-bearing balances (1) | 36,680 | 1,004 | 5.50% | 13,187 | 323 | 4.94% |
| Total investments and interest-bearing | 309,919 | 6,411 | 4.16% | 313,194 | 5,696 | 3.67% |
| Loans, excluding PPP loans | 925,753 | 28,228 | 6.13% | 891,400 | 24,517 | 5.55% |
| PPP loans | 117 | - | 0.00% | 117 | - | 0.00% |
| Loans | 925,870 | 28,228 | 6.13% | 891,517 | 24,517 | 5.55% |
| Less allowance for credit losses on loans | (11,303) | - | 0.00% | (10,630) | - | 0.00% |
| Net loans | 914,567 | 28,228 | 6.21% | 880,887 | 24,517 | 5.61% |
| Total interest earning assets | 1,224,486 | 34,639 | 5.69% | 1,194,081 | 30,213 | 5.10% |
| Noninterest earning assets | 82,156 | | | 84,013 | | |
| Total assets | <u>\$ 1,306,642</u> | | | <u>\$ 1,278,094</u> | | |
| Interest Bearing Liabilities | | | | | | |
| Interest bearing transaction deposits | \$ 180,922 | \$ 1,357 | 1.51% | \$ 170,660 | \$ 600 | 0.71% |
| Savings and MMDA deposits | 366,314 | 5,083 | 2.79% | 320,101 | 2,702 | 1.70% |
| Time deposits | 238,367 | 5,187 | 4.38% | 175,588 | 2,404 | 2.76% |
| Total interest bearing deposits | 785,603 | 11,627 | 2.98% | 666,349 | 5,706 | 1.73% |
| Repurchase agreements & other borrowings | 31,332 | 726 | 4.66% | 70,856 | 1,638 | 4.66% |
| Subordinated debentures | 24,699 | 653 | 5.32% | 24,588 | 635 | 5.21% |
| Total interest bearing liabilities | 841,634 | 13,006 | 3.11% | 761,793 | 7,979 | 2.11% |
| Noninterest bearing deposits | 333,473 | - | 0.00% | 393,738 | - | 0.00% |
| Total funding liabilities | 1,175,107 | 13,006 | 2.23% | 1,155,531 | 7,979 | 1.39% |
| Other noninterest bearing liabilities | 9,200 | | | 8,835 | | |
| Total liabilities | 1,184,307 | | | 1,164,366 | | |
| Stockholders' equity | 122,335 | | | 113,728 | | |
| Total liabilities and stockholders' equity | <u>\$ 1,306,642</u> | | | <u>\$ 1,278,094</u> | | |
| Net Interest Income | | <u>\$ 21,633</u> | | | <u>\$ 22,234</u> | |
| Net Interest Margin | | | 3.55% | | | 3.75% |
| Total Cost of Deposits | \$ 1,119,076 | \$ 11,627 | 2.09% | \$ 1,060,087 | \$ 5,706 | 1.09% |

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

| | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | |
|---|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 |
| | Performance Ratios (1) | | | | | | |
| Return on average assets | 0.65% | 0.91% | 0.74% | 0.57% | 0.18% | 0.77% | 0.81% |
| Adjusted return on average assets excluding M&A (2) | 0.65% | 0.91% | 0.74% | 0.57% | 0.69% | 0.77% | 0.81% |
| Return on average equity | 6.99% | 10.18% | 7.73% | 6.23% | 2.00% | 8.46% | 9.11% |
| Return on average tangible common equity (2) | 10.02% | 14.86% | 10.86% | 9.15% | 3.98% | 12.31% | 13.33% |
| Net interest margin | 3.55% | 3.75% | 3.57% | 3.53% | 3.58% | 3.56% | 3.59% |
| Cost of funds | 2.23% | 1.39% | 2.27% | 2.19% | 1.96% | 1.79% | 1.62% |
| Cost of deposits | 2.09% | 1.09% | 2.13% | 2.05% | 1.69% | 1.44% | 1.31% |
| Efficiency ratio | 73.55% | 69.00% | 72.06% | 75.14% | 84.80% | 73.42% | 71.61% |
| Core efficiency ratio (2) | 70.63% | 65.46% | 69.32% | 72.03% | 68.91% | 69.95% | 68.06% |
| Noninterest income to average assets | 0.76% | 0.44% | 0.92% | 0.61% | 0.36% | 0.45% | 0.43% |
| Noninterest expense to average assets | 3.01% | 2.72% | 3.07% | 2.95% | 3.19% | 2.77% | 2.71% |
| Core noninterest expense to average assets (2) | 2.89% | 2.58% | 2.96% | 2.83% | 2.59% | 2.64% | 2.57% |
| Earnings per share - basic | \$0.36 | \$0.49 | \$0.20 | \$0.16 | \$0.05 | \$0.21 | \$0.22 |

| | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | |
|---|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 |
| | Selected Balance Sheet Ratios | | | | | | |
| Net loans HFI to deposits | 84.56% | 83.94% | 84.56% | 81.81% | 77.02% | 85.58% | 83.94% |
| Noninterest-bearing deposits to total deposits | 29.23% | 34.69% | 29.23% | 28.33% | 36.18% | 35.96% | 34.69% |
| Share Data: | | | | | | | |
| Shares outstanding | 11,784,524 | 11,738,902 | 11,784,524 | 11,747,429 | 11,730,313 | 11,729,066 | 11,738,902 |
| Book value per share | \$10.56 | \$9.74 | \$10.56 | \$10.35 | \$10.18 | \$9.86 | \$9.74 |
| Tangible book value per share (2) | \$8.50 | \$7.54 | \$8.50 | \$8.26 | \$8.05 | \$7.69 | \$7.54 |
| Adjusted tangible book value per share (2) | \$9.09 | \$8.31 | \$9.09 | \$8.87 | \$8.68 | \$8.57 | \$8.31 |
| InBank Regulatory Capital Ratios (3) | | | | | | | |
| Tier 1 leverage ratio | 10.41% | 9.71% | 10.41% | 10.02% | 10.20% | 10.03% | 9.71% |
| Common equity Tier 1 capital ratio | 11.80% | 11.07% | 11.80% | 11.90% | 11.85% | 11.50% | 11.07% |
| Tier 1 capital ratio | 11.80% | 11.07% | 11.80% | 11.90% | 11.85% | 11.50% | 11.07% |
| Total capital ratio | 12.98% | 12.11% | 12.98% | 13.04% | 12.93% | 12.55% | 12.11% |

(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 Six Months Ended | | As of and For the Quarter Ended | | | | |
|--|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 |
| Loans and Unfunded Commitments | | | | | | | |
| Total loans held for investment (HFI) | \$ 958,565 | \$ 897,734 | \$ 958,565 | \$ 934,573 | \$ 902,141 | \$ 901,736 | \$ 897,734 |
| Loans HFI, excluding PPP loans | \$ 958,448 | \$ 897,617 | \$ 958,448 | \$ 934,456 | \$ 902,024 | \$ 901,619 | \$ 897,617 |
| Average loans HFI over period | \$ 925,870 | \$ 891,517 | \$ 940,959 | \$ 910,781 | \$ 903,866 | \$ 903,770 | \$ 902,085 |
| Unfunded commitments | \$ 240,707 | \$ 298,915 | \$ 240,707 | \$ 232,023 | \$ 257,449 | \$ 268,791 | \$ 298,915 |
| Asset Quality | | | | | | | |
| Loans past due (30-89 days) | \$ 20,708 | \$ 3,160 | \$ 20,708 | \$ 11,964 | \$ 7,607 | \$ 1,620 | \$ 3,160 |
| Nonaccrual loans | \$ 5,673 | \$ 2,010 | \$ 5,673 | \$ 2,459 | \$ 1,646 | \$ 1,720 | \$ 2,010 |
| Accruing loans past due 90 days or more | 77 | 157 | 77 | 117 | 617 | 117 | 157 |
| Total nonperforming loans (NPLs) | 5,750 | 2,167 | 5,750 | 2,576 | 2,263 | 1,837 | 2,167 |
| Other real estate owned (OREO) | 553 | 236 | 553 | 267 | 267 | 236 | 236 |
| Total nonperforming assets (NPAs) | \$ 6,303 | \$ 2,403 | \$ 6,303 | \$ 2,843 | \$ 2,530 | \$ 2,073 | \$ 2,403 |
| Allowance for Credit Losses on Loans | | | | | | | |
| Balance, beginning of period | \$ 10,724 | \$ 5,685 | \$ 11,562 | \$ 10,724 | \$ 10,259 | \$ 10,439 | \$ 10,673 |
| Provision for credit losses - loans | 1,750 | 606 | 900 | 850 | 470 | 150 | 264 |
| Net (chargeoffs) recoveries | (35) | (22) | (23) | (12) | (5) | (330) | 1 |
| Impact of adopting ASC 326 | - | 4,170 | - | - | - | - | (499) |
| Balance, end of period | \$ 12,439 | \$ 10,439 | \$ 12,439 | \$ 11,562 | \$ 10,724 | \$ 10,259 | \$ 10,439 |
| Allowance for Unfunded Commitments | | | | | | | |
| Balance, beginning of period | \$ 950 | \$ 14 | \$ 910 | \$ 950 | \$ 1,072 | \$ 1,172 | \$ 516 |
| Provision for credit losses - unfunded commitments | (140) | (231) | (100) | (40) | (122) | (100) | (181) |
| Impact of adopting ASC 326 | - | 1,389 | - | - | - | - | 837 |
| Balance, end of period | \$ 810 | \$ 1,172 | \$ 810 | \$ 910 | \$ 950 | \$ 1,072 | \$ 1,172 |
| Total Allowance for Lending Related Credit Losses | \$ 13,249 | \$ 11,611 | \$ 13,249 | \$ 12,472 | \$ 11,674 | \$ 11,331 | \$ 11,611 |
| Purchase discounts on loans acquired in M&A | \$ 2,265 | \$ 3,651 | \$ 2,265 | \$ 2,551 | \$ 2,899 | \$ 3,297 | \$ 3,651 |
| | \$ 15,514 | \$ 15,262 | \$ 15,514 | \$ 15,023 | \$ 14,573 | \$ 14,628 | \$ 15,262 |
| Allowance for lending related credit losses plus purchase discount | | | | | | | |
| Provision for Credit Losses | | | | | | | |
| Provision for credit losses - loans | \$ 1,750 | \$ 606 | \$ 900 | \$ 850 | \$ 470 | \$ 150 | \$ 264 |
| Provision for credit losses - unfunded commitments | (140) | (231) | (100) | (40) | (122) | (100) | (181) |
| Total provision for credit losses | \$ 1,610 | \$ 375 | \$ 800 | \$ 810 | \$ 348 | \$ 50 | \$ 83 |
| Selected Ratios | | | | | | | |
| Loans past due 30-89 days to total loans HFI | 2.16% | 0.35% | 2.16% | 1.28% | 0.84% | 0.18% | 0.35% |
| NPLs to total loans HFI | 0.60% | 0.24% | 0.60% | 0.28% | 0.25% | 0.20% | 0.24% |
| NPAs to total loans HFI and OREO | 0.66% | 0.27% | 0.66% | 0.30% | 0.28% | 0.23% | 0.27% |
| NPAs to total assets | 0.47% | 0.18% | 0.47% | 0.21% | 0.19% | 0.16% | 0.18% |
| Allowance for credit losses on loans to total loans HFI | 1.30% | 1.16% | 1.30% | 1.24% | 1.19% | 1.14% | 1.16% |
| Allowance for lending related credit losses to total loans HFI | 1.38% | 1.29% | 1.38% | 1.33% | 1.29% | 1.26% | 1.29% |
| Allowance for lending related credit losses plus purchase discount to total loans HFI plus purchase discount | 1.61% | 1.69% | 1.61% | 1.60% | 1.61% | 1.62% | 1.69% |
| Net (chargeoffs) recoveries to average loans (1) | -0.01% | 0.00% | -0.01% | -0.01% | 0.00% | -0.14% | 0.00% |

(1) Ratios are annualized

InBankshares, Corp

Non-GAAP Financial Measures (unaudited)

(Dollars in thousands, except per share data)

| | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | | |
|--|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|--------------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | |
| Tangible Common Equity, Tangible Assets, Tangible Common Equity to Tangible Assets, and Tangible Book Value Per Share | | | | | | | | |
| Total stockholders' equity (GAAP) | (A) | \$ 124,407 | \$ 114,364 | \$ 124,407 | \$ 121,600 | \$ 119,464 | \$ 115,690 | \$ 114,364 |
| Less: Goodwill | | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) |
| Less: Core deposit intangible, net | | (5,578) | (7,195) | (5,578) | (5,955) | (6,355) | (6,775) | (7,195) |
| Tangible common equity (non-GAAP) | (B) | \$ 100,169 | \$ 88,509 | \$ 100,169 | \$ 96,985 | \$ 94,449 | \$ 90,255 | \$ 88,509 |
| Tangible common equity (non-GAAP) | | \$ 100,169 | \$ 88,509 | \$ 100,169 | \$ 96,985 | \$ 94,449 | \$ 90,255 | \$ 88,509 |
| Less: Accumulated other comprehensive income (loss) | | (6,960) | (9,074) | (6,960) | (7,241) | (7,318) | (10,273) | (9,074) |
| Adjusted tangible common equity (non-GAAP) | (C) | \$ 107,129 | \$ 97,583 | \$ 107,129 | \$ 104,226 | \$ 101,767 | \$ 100,528 | \$ 97,583 |
| Total assets (GAAP) | (D) | \$ 1,343,172 | \$ 1,301,834 | \$ 1,343,172 | \$ 1,328,650 | \$ 1,340,349 | \$ 1,290,701 | \$ 1,301,834 |
| Less: Goodwill | | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) | (18,660) |
| Less: Core deposit intangible, net | | (5,578) | (7,195) | (5,578) | (5,955) | (6,355) | (6,775) | (7,195) |
| Tangible assets (non-GAAP) | (E) | \$ 1,318,934 | \$ 1,275,979 | \$ 1,318,934 | \$ 1,304,035 | \$ 1,315,334 | \$ 1,265,266 | \$ 1,275,979 |
| Equity to assets (GAAP) | (A/D) | 9.26% | 8.78% | 9.26% | 9.15% | 8.91% | 8.96% | 8.78% |
| Tangible common equity to tangible assets (non-GAAP) | (B/E) | 7.59% | 6.94% | 7.59% | 7.44% | 7.18% | 7.13% | 6.94% |
| Adjusted tangible common equity to tangible assets (non-GAAP) | (C/E) | 8.12% | 7.65% | 8.12% | 7.99% | 7.74% | 7.95% | 7.65% |
| Common shares outstanding | (F) | 11,784,524 | 11,738,902 | 11,784,524 | 11,747,429 | 11,730,313 | 11,729,066 | 11,738,902 |
| Book value per share (GAAP) | (A/F) | \$10.56 | \$9.74 | \$10.56 | \$10.35 | \$10.18 | \$9.86 | \$9.74 |
| Tangible book value per share (non-GAAP) | (B/F) | \$8.50 | \$7.54 | \$8.50 | \$8.26 | \$8.05 | \$7.69 | \$7.54 |
| Adjusted tangible book value per share (non-GAAP) | (C/F) | \$9.09 | \$8.31 | \$9.09 | \$8.87 | \$8.68 | \$8.57 | \$8.31 |

| | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | | |
|--|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|----------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | |
| Pre-Provision, Pre-Tax Net Revenue (PPNR) | | | | | | | | |
| Net income (GAAP) | | \$ 4,251 | \$ 5,739 | \$ 2,374 | \$ 1,877 | \$ 594 | \$ 2,479 | \$ 2,608 |
| Add: Provision for credit losses | | 1,610 | 376 | 800 | 810 | 348 | 50 | 83 |
| Add: Income tax expense | | 1,173 | 1,633 | 662 | 511 | 717 | 695 | 755 |
| Add: Write-down of nonmarketable equity security | | - | - | - | - | 1,500 | - | - |
| Pre-provision, pre-tax net revenue (PPNR) (non-GAAP) | | \$ 7,034 | \$ 7,748 | \$ 3,836 | \$ 3,198 | \$ 3,159 | \$ 3,224 | \$ 3,446 |

| | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | | |
|--|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|------------|
| | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 | |
| Return on Average Tangible Common Equity | | | | | | | | |
| Net income (GAAP) | (A) | \$ 4,251 | \$ 5,739 | \$ 2,374 | \$ 1,877 | \$ 594 | \$ 2,479 | \$ 2,608 |
| Add: Intangible amortization | | 777 | 886 | 377 | 400 | 420 | 421 | 431 |
| Less: Tax effect on intangible amortization (at 21.0%) | | (163) | (186) | (79) | (84) | (88) | (88) | (91) |
| Tangible income to common stockholders (non-GAAP) | (B) | \$ 4,865 | \$ 6,439 | \$ 2,672 | \$ 2,193 | \$ 926 | \$ 2,812 | \$ 2,948 |
| Average stockholders equity | (C) | \$ 122,335 | \$ 113,728 | \$ 123,447 | \$ 121,223 | \$ 117,702 | \$ 116,302 | \$ 114,857 |
| Less: Average intangible assets | | (24,662) | (26,345) | (24,460) | (24,864) | (25,281) | (25,695) | (26,121) |
| Average tangible common equity (non-GAAP) | (D) | \$ 97,673 | \$ 87,383 | \$ 98,987 | \$ 96,359 | \$ 92,421 | \$ 90,607 | \$ 88,736 |
| Return on average equity | (A/C) | 6.99% | 10.18% | 7.73% | 6.23% | 2.00% | 8.46% | 9.11% |
| Return on average tangible common equity (non-GAAP) | (B/D) | 10.02% | 14.86% | 10.86% | 9.15% | 3.98% | 12.31% | 13.33% |

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

| | | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | |
|---|------------|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 |
| Core Efficiency Ratio and Core Noninterest Expense to Average Assets | | | | | | | | |
| Noninterest expense (GAAP) | (A) | \$ 19,563 | \$ 17,247 | \$ 9,895 | \$ 9,668 | \$ 10,248 | \$ 8,905 | \$ 8,691 |
| Less: Intangible amortization | | (777) | (886) | (377) | (400) | (420) | (421) | (431) |
| Less: Write-down of nonmarketable equity security | | - | - | - | - | (1,500) | - | - |
| Core noninterest expense (non-GAAP) | (B) | \$ 18,786 | \$ 16,361 | \$ 9,518 | \$ 9,268 | \$ 8,328 | \$ 8,484 | \$ 8,260 |
| Noninterest income (GAAP) | | \$ 4,964 | \$ 2,761 | \$ 2,960 | \$ 2,005 | \$ 1,162 | \$ 1,451 | \$ 1,368 |
| Add: (gain) loss on sale of investment securities | | - | - | - | - | 178 | - | - |
| Core noninterest income (non-GAAP) | (C) | \$ 4,964 | \$ 2,761 | \$ 2,960 | \$ 2,005 | \$ 1,340 | \$ 1,451 | \$ 1,368 |
| Net interest income (GAAP) | (D) | \$ 21,633 | \$ 22,234 | \$ 10,771 | \$ 10,861 | \$ 10,745 | \$ 10,678 | \$ 10,769 |
| Efficiency ratio | (A)/(C+D)) | 73.55% | 69.00% | 72.06% | 75.14% | 84.80% | 73.42% | 71.61% |
| Core efficiency ratio (non-GAAP) | (B)/(C+D)) | 70.63% | 65.46% | 69.32% | 72.03% | 68.91% | 69.95% | 68.06% |
| Average assets | (E) | \$ 1,306,642 | \$ 1,278,094 | \$ 1,295,051 | \$ 1,318,233 | \$ 1,276,268 | \$ 1,273,438 | \$ 1,287,299 |
| Noninterest expense to average assets | (A/E) | 3.01% | 2.72% | 3.07% | 2.95% | 3.19% | 2.77% | 2.71% |
| Core noninterest expense to average assets | (B/E) | 2.89% | 2.58% | 2.96% | 2.83% | 2.59% | 2.64% | 2.57% |

| | | As of and For the Six Months Ended | | As of and For the Quarter Ended | | | | |
|--|-------|---------------------------------------|-----------------|---------------------------------|-----------------|-----------------|-----------------|-----------------|
| | | Jun 30, 2024 | Jun 30, 2023 | Jun 30, 2024 | Mar 31, 2024 | Dec 31, 2023 | Sep 30, 2023 | Jun 30, 2023 |
| Adjusted Net Income, Adjusted Return on Average Assets, and Adjusted Income Per Share | | | | | | | | |
| Net income (GAAP) | (A) | \$ 4,251 | \$ 5,739 | \$ 2,374 | \$ 1,877 | \$ 594 | \$ 2,479 | \$ 2,608 |
| Add: Write-down of nonmarketable equity security | | - | - | - | - | 1,500 | - | - |
| Add: Loss (gain) on sale of investment securities | | - | - | - | - | 178 | - | - |
| Less: Applicable tax effect on adjustments | | - | - | - | - | (37) | - | - |
| Adjusted net income (non-GAAP) | (B) | \$ 4,251 | \$ 5,739 | \$ 2,374 | \$ 1,877 | \$ 2,235 | \$ 2,479 | \$ 2,608 |
| Average assets | (C) | \$ 1,306,642 | \$ 1,278,094 | \$ 1,295,051 | \$ 1,318,233 | \$ 1,276,268 | \$ 1,273,438 | \$ 1,287,299 |
| Return on average assets (GAAP) | (A/C) | 0.65% | 0.91% | 0.74% | 0.57% | 0.18% | 0.77% | 0.81% |
| Adjusted return on average assets (non-GAAP) | (B/C) | 0.65% | 0.91% | 0.74% | 0.57% | 0.69% | 0.77% | 0.81% |
| Weighted average shares outstanding - basic | (D) | 11,747,248 | 11,690,676 | 11,761,174 | 11,733,322 | 11,730,299 | 11,738,738 | 11,705,738 |
| Basic income per share (GAAP) | (A/D) | \$0.36 | \$0.49 | \$0.20 | \$0.16 | \$0.05 | \$0.21 | \$0.22 |
| Adjusted income per share (non-GAAP) | (B/D) | \$0.36 | \$0.49 | \$0.20 | \$0.16 | \$0.19 | \$0.21 | \$0.22 |