

2014 InsCorp, Inc. Shareholder Report

INSBANK

WHERE GENUINE MATTERS.

MESSAGE TO SHAREHOLDERS

InsCorp Shareholder,

Consistent with our update provided to you earlier in the year, our 2014 annual report exhibits continued success for INSBANK. The company's prosperity was based on a familiar formula: maintaining a forward-looking business model; capitalizing on a vibrant local Nashville market; hiring and retaining quality team members; and building on niche opportunities. InsCorp increased its earnings per share more than 20% over the prior year, but did so while maintaining a strong rate of asset growth, further investing in its lines of business, and adding to the balance of loan loss reserves.

As previously communicated, InsCorp was able to augment its common stock capital with a holding company credit facility in 2014. This afforded the bank greater lending capacity and incremental leverage opportunity. As a result, accelerated earnings enabled the board of directors to increase the annual dividend 40% from $0.10 to $0.14 per share, while at the same time retaining capital to fuel continued growth in 2015.

Growth experienced in 2014 found us utilizing almost all available space at our Green Hills headquarters, and planning for future expansion. We are excited to announce that we have received approval from our regulators to proceed with developing a location in Brentwood, TN. The new site, south of downtown Nashville and located near Interstate-65 and Old Hickory Blvd., will provide convenient access for customers in Oak Hill, Brentwood, and parts of Franklin. This location will be highly visible and provide ample office space for continuing the bank's growth through additions of key personnel.

INSBANK's financial performance, growth, asset quality, and location in an attractive market are all contributing to a growing intrinsic value of the company. At the same time the community banking industry continues to see positive trends in valuations both for traded stocks and privately-held shares such as InsCorp. As part of on-going efforts by the board of directors to increase the value of individual shares, we are in the application process to have InsCorp shares traded on the over-the counter market (OTC-BX), or what is commonly known as "pink sheet" trading. It would be our expectation that this would enhance liquidity for InsCorp shares. As soon as we have more to report on this matter, a communication will be sent to all shareholders.

Despite being in a very competitive market, INSBANK is among only a handful of banks actually based and locally managed in Nashville. This will continue to be a strategic advantage for both the company and its shareholders in the near future, as the market is expected to experience continued growth. We appreciate the support of our shareholders as we further leverage our company's strengths, and welcome any opportunity to serve your banking or mortgage needs.

Sincerely,



Thomas H. Loventhal
Chairman, InsCorp



James H. Rieniets, Jr.
President/CEO, INSBANK



Michael A. Qualls
Chairman, INSBANK

INSBANK

WHERE GENUINE MATTERS.



Jim Rieniets, *President/CEO*

INSBANK's primary lines of business are commercial lending and treasury management, and interest-bearing retail deposits. Each is delivered through a unique "high-tech, high-touch" operating philosophy that emphasizes convenience for the customer. The bank also maintains a valuable niche market with independent insurance agents, which is a legacy of the bank's original business model.

INSBANK has established itself as a leader not just in the banking industry but also in the overall business community, having been a finalist for 3 consecutive years for the Nashville Business Journal "Best in Business Awards". Through continued service, innovation and expertise, INSBANK is poised to maintain its position as a banking innovator and leader: INSBANK is truly "Where Genuine Matters".

TMA™ Medical Banking

A division of INSBANK



Blake Wilson, *VP/Division Head*

INSBANK partnered with the Tennessee Medical Association to form TMA Medical Banking in mid-2013. This division of INSBANK provides commercial lending and deposit services to Tennessee's medical community, which includes physicians' practices, medical real estate, and health care companies. In addition to working and/or growth capital, equipment, and real estate, TMA Medical Banking provides niche commercial lending services for Merger & Acquisition and joint venture transactions. TMA Medical Banking's Relationship Managers are active in the State's health care associations including the TMA, the Nashville Health Care Council, Leadership Health Care, and MGMA and the division has recently been featured in the Nashville Medical News and the Nashville Globe.

FINWORTH MORTGAGE

an INSBANK company



Keith Collison, *FVP/Managing Director*

Acquired by INSBANK in 2008, Finworth Mortgage has grown from a small acquisition to a premier mortgage banker. Finworth is a realtor- and builder-based mortgage company driven to provide a consumer-friendly operation at the highest level of service. This same level of service and quality has allowed Finworth to grow its Community Bank Program, providing a secondary market mortgage solution to community banks throughout the region.

Looking to the future, Finworths ability to provide big company resources, combined with the agility to move quickly as an independent mortgage bank, will ensure continued success. The financial strength of its parent, INSBANK, enables it continued access to credit facilities and investor groups that are essential to the mortgage industry.

Finworth Mortgage provides a vast array of mortgage products, which gives its customers and business partners a clear advantage. In addition, with active participation, Finworth has developed expertise in state and local government loan programs.

Finworth continues its growth with a focus on the customer and assisting them to "Borrow Wisely".

The diversity of these business units work together to build sustainable shareholder value. Each one benefits from its relationship and affiliation with the other. The result is a cohesive group, focused on a common goal. Each unit builds off the success of the others, maintaining a culture of growth and success.



CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheets

	12/31/14	12/31/13
Assets		
Cash and Cash Equivalents	$ 1,577	$ 1,730
Interest Bearing Deposits	13,070	17,994
Securities	14,367	17,887
Loans Held for Sale	2,448	899
Loans	217,132	174,392
Allowance for Loan Losses	(2,740)	(2,511)
Net Loans	214,392	171,881
Premises and Equipment, net	5,298	5,000
Bank Owned Life Insurance	4,367	4,238
Restricted Equity Securities	2,712	2,362
Goodwill and Related Intangibles, net	1,241	1,241
Other Assets	2,061	2,771
Total Assets	$ 261,533	$ 226,003
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Non-interest-bearing	$ 18,272	$ 13,624
Interest-bearing	181,005	155,897
Total Deposits	199,277	169,521
Federal Home Loan Bank Advances	34,650	33,650
Other Liabilities	4,048	1,166
Total Liabilities	237,975	204,337
Shareholders' Equity		
Preferred Stock *	3,000	3,000
Common Stock	17,107	17,082
Accumulated Retained Earnings	3,394	1,694
Accumulated Other Comprehensive Income	57	(110)
Total Stockholders' Equity	23,558	21,666
Total Liabilities and Shareholders' Equity	$ 261,533	$ 226,003
Book Value per share	$ 11.36	$ 10.32

Income Statements

	Year Ended 12/31/14	Year Ended 12/31/13
Net Interest Income	$ 8,229	$ 6,847
Provision for Loan Losses	330	(170)
Non-Interest Income		
Service Charges on Deposit Accounts	85	73
Residential Mortgage Services	644	192
Bank owned Life Insurance	129	138
Other	62	28
Non-Interest Expense		
Salaries and Benefits	3,486	2,854
Occupancy and Equipment	450	418
Data Processing	254	248
Marketing and Advertising	274	208
Other	1,328	1,191
Net Income from Operations	3,027	2,529
Income Tax Expense	(1,043)	(900)
Net Income	$ 1,984	$ 1,629

Statement of Changes in Shareholders' Equity

Balance at December 31, 2013	$ 21,666
Dividends	
Preferred Stock	(30)
Common Stock	(253)
Stock Compensation Expense	24
Net Income	1,984
Change in Unrealized Gain on Securities Available for Sale	167
Balance at December 31, 2014	$ 23,558

Dollars in Thousands

** Issued to the US Treasury through the Small Business Lending Fund (SBLF)*

MANAGEMENT DISCUSSION OF FINANCIALS

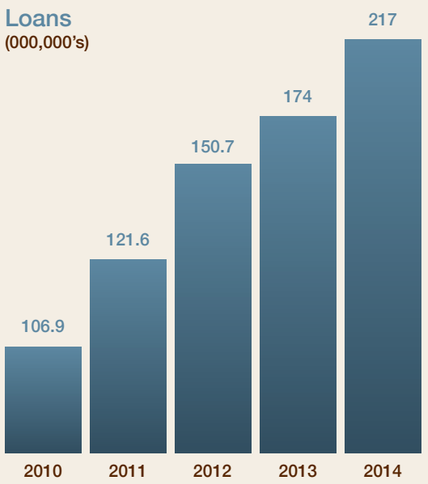
Financial performance in 2014 continued along the positive trajectory of the past few years. Strategic objectives of asset growth and earnings acceleration were balanced with investing in niche opportunities, risk management, and operational sustainability. While the interest rate environment remains a challenge for all banks' net interest margins, INSBANK demonstrated margin stability and growth was achieved in an efficient manner. The combination of a healthy market and a talented team of bankers continued to deliver results exceeding our budget. Highlights of the various elements of our business are as follows:

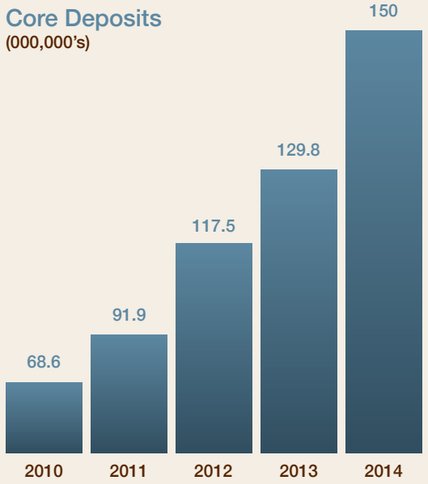
Lending

The momentum of the prior year continued in 2014, with lending driven by core commercial banking, robust local real estate activity, and growth of our TMA Medical Banking division. With a net loan increase of more than 25%, INSBANK again placed in the 90th percentile of its FDIC peer group for loan growth, as it also did in 2013. In addition to growth, the portfolio saw an increase in the share of commercial and industrial lending, which supports strategic goals for portfolio diversification, yield, and duration.

Deposits and Funding

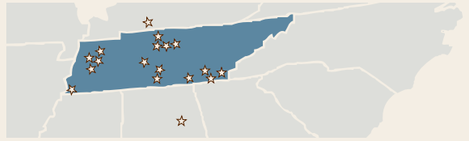
Much like the loan portfolio, deposits grew significantly, increasing 18% during the year. Additionally, excess liquidity at the beginning of the year was deployed along with funds provided by the $3.5 million holding company loan to fund loan growth. Marketing efforts focused on time deposits in an effort to attract new household relationships, and to extend the duration of funding for the purpose of managing interest rate risk. Core deposit growth was greater than $20,000,000, or roughly 16% for the year.



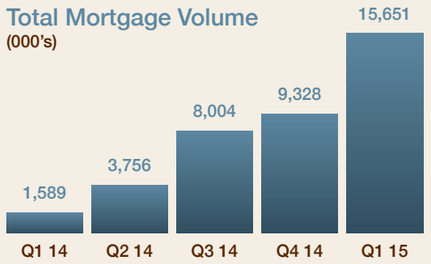


Finworth Mortgage

2014 was a transformative year for our mortgage business, on two fronts. First, with the middle Tennessee housing market steadily growing as a result of population growth, we expanded our traditional retail channel by recruiting additional experienced retail mortgage lenders and support staff in the 2nd half of the year. Retail loan volume has been increasing as these producers migrate their client bases. The second mortgage initiative last year was the Community Bank Program (CBP), which was designed to provide a secondary market mortgage solution for community banks which might not close the volume of loans required to justify the necessary infrastructure. This opportunity for our company

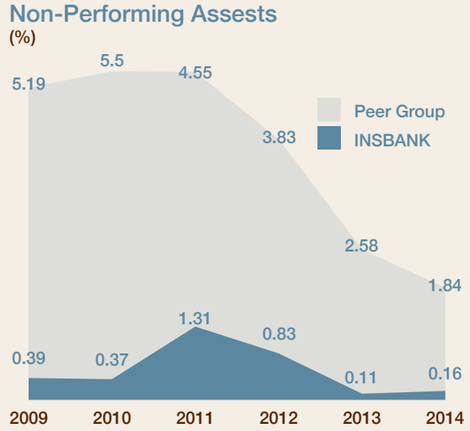


was born out of the Dodd-Frank legislation, which has made it hard for small banks to manage the complexities and compliance requirements of mortgage lending. The CBP steadily gained momentum last year, generating $5 million in annual loan volume. Program growth has continued in 2015, with volume already exceeding $2 million thru the first quarter. As of April, there were 18 banks enrolled in this program, participating at varying levels.



Risk Management

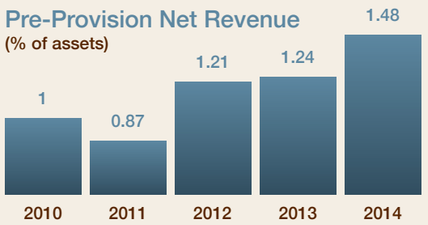
While much external attention is on growth and earnings, INSBANK's management team remains equally focused on managing risks. Despite a vibrant market, our credit philosophy has not changed. This may exclude us from certain lending opportunities as we are observing some competitors relax underwriting criteria. Measures of asset quality remain superior by industry standards, with non-performing assets at just 0.16% as of 12/31/14 and $0 in foreclosed real estate. For the year net charge-offs were a modest 0.05%. In a zero interest rate environment managing risks to rising rates is also a priority. In an effort to minimize this risk, INSBANK utilizes a combination of term funding with the Federal Home Loan Bank; interest rate cap purchases; and strategies to incent CD customers to extend terms. Cyber security is also an omnipresent risk management focus, which includes a comprehensive strategy of software security systems, audits, process controls, and regular employee training to minimize exposure to these risks.



Operations

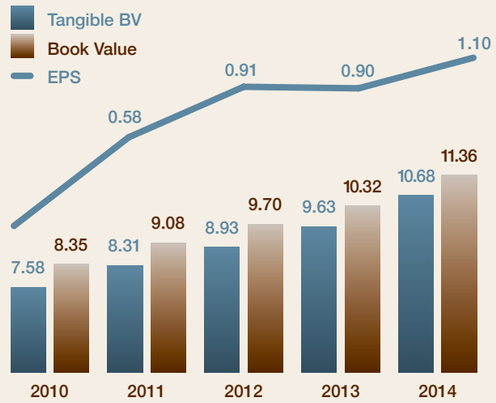
While increasing earnings and achieving a high rate of growth are not mutually exclusive objectives, INSBANK was able to accomplish both in 2014 due to efficient operations. Industry measurements including efficiency ratio (61.6%) and overhead net of non-interest income (2.00%) improved relative to the prior year. Despite hiring additional personnel for expanding our mortgage business, assets per employee of $8.5 million remained well above the FDIC peer group average of $5.8 million. Pre-provision net revenue (PPNR) is an industry ratio highlighting operational performance that provides analysis that is not skewed by variations in taxes and loan loss reserve expenses. INSBANK's PPNR has steadily grown over the last several years, and exceeds its peer group average.

Pre-Provision Net Revenue
(% of assets)



Earnings Analysis

As enumerated in the above review, the collective impact of growth, stable margin, operational efficiencies, and asset quality resulted in record performance for InsCorp. Earnings per share grew 20% to $1.10 per share, while return on average common equity increased to 10.1%. This follows the trend of the past several years, and further increased the value of InsCorp shares.



2015 Outlook

The current year is off to a good start with a healthy first quarter in the books. The existing team of bankers and mortgage officers has been augmented with new additions to our staff. Expectations for the remainder of the year include further growth in loans, deposits, and mortgage revenues. Protracted low interest rates and robust competition will likely manifest in modest margin compression, but efficiencies afforded by growth are expected to elevate earnings per share more than 10% for the year, despite the expectation for more growth-driven loan loss reserve expense.

INSBANK-Unaudited (000's)	Q1 2015	Q1 2014	Change
Net Interest Income	2,183	1,895	288
Loan Loss Reserve Expense	124	0	124
Non-Int. Income / Inc. from Subs.	94	37	57
Operating Revenues	2,153	1,832	221
Operating Expenses	1,316	1,175	141
Gains / (Losses)	(35)	(31)	(4)
Income Before Tax	802	726	76
Taxes	294	260	34
Net Income	508	466	42
Key Ratios			
Efficiency Ratio	62.7%	63.6%	(0.9%)
Pre-Provision Net Rev. (% of assets)	1.40%	1.26%	0.14%

EMPLOYEES AND MEMBERS OF THE BOARD

CHAIRMAN OF THE BOARD
Thomas H. Loventhal
The Loventhal Group

Board of Directors
David Crabtree, *Executive Vice President*
Brookside Properties

Richard S. Hollis, Jr., *Owner*
Hollis & Burns

C. Louis Patten, Jr., *Associate Partner*
Cornerstone Insurance Group

Dennis W. Petty
Certified Public Accountant

Michael A. Qualls
Chairman, INSBANK

James H. Rieniets, *President/CEO*
INSBANK

Joel R. Sullivan, *Regional CEO*
American Red Cross

Charles T. Tagman, Jr., *President/CEO*
Strategic Risk Solutions, Inc.

Phillip R. Zanone, Jr., *President*
Wunderlich Securities

Director Emeritus
S. Norfleet Anthony, Jr., *Owner*
S.N. Anthony, Inc.

Maurice W. Pinson, *Partner*
Fridrich, Pinson, Rothberg & Associates

William E. Wallace
The Insurance Group

Administration
James H. Rieniets, Jr., *President/Chief Executive Officer*
Mark E. Bruchas, *Executive Vice President/Chief Financial Officer*
Philip Fons, *Executive Vice President/Chief Credit Officer*
J. Scott Gupton, *Executive Vice President/Chief Operating Officer*
Chad Hankins, *Executive Vice President/Senior Lending Officer*

Relationship Managers
Ellis Simmons, *Senior Vice President*
Andy Hawkins, *First Vice President*
Patrick Wright, *First Vice President*
Blake Adams, *Vice President*
Debbie Wasson, *Commercial Relationship Specialist*

TMA Medical Banking, a Division of INSBANK Relationship Managers
Blake Wilson, *Vice President/Division Head*
Joe Sullivan, *First Vice President*

Deposit Services
Leslie Smith, *Asst. Vice President, Treasury Management Officer*
Jana Spicer, *Deposit Portfolio Manager*
Tonya White, *Customer Service Specialist*

Bank Operations
Frances Laney, *First Vice President*
Heather Carr, *Asst. Vice President*
Danielle Lewis, *Operations Specialist*

Loan/Credit Administration
Tina Melton, *First Vice President, Loan Administration Manager*
Jennifer Sexton, *Asst. Loan Administrator*
Darla Ragsdale, *Loan Administration Specialist*
Carole Yung, *Loan Processor*
Aaron Lawyer, *Vice President/Senior Credit Analyst*
Katherine Daniels, *Credit Analyst*

Information Technology
Jason Stout, *Vice President, IT Manager*

Marketing
Libba Alden, *Marketing Director/Executive Support*

Accounting
Maya Demonbreum, *Asst. Controller*

Finworth Mortgage, LLC, a Subsidiary of INSBANK
Keith Collison, *First Vice President/Managing Director*
David Coldiron, *Vice President, Community Bank Program*
Tim Cornwell, *Loan Originator*
Matt Freije, *Loan Originator*
Justin Lee, *Loan Originator*
Erin Schmidt, *Community Bank Manager*
Sherry Stokes, *Loan Processor*



INSBANK

WHERE GENUINE MATTERS.

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Coming to Brentwood in 2016!