For Immediate Release

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Date: April 29, 2025

INSBANK Reports Solid Growth in 1Q25 and InsCorp, Inc. Declares Quarterly Cash Dividend

NASHVILLE, Tenn., April 29, 2025 – Today, InsCorp, Inc. (OTCQX: IBTN) reported results for 1Q25, which reflected earnings per share ("EPS") of $0.57 in the first quarter of 2025 ("1Q25") compared to EPS of $0.66 in 4Q24 and $0.61 in 1Q24. "Our plans for 2025 include onboarding additional personnel to not only maintain a double-digit growth rate, but also to get ahead of the additional audit standards required of banks as they cross the $1 billion threshold," said President and CEO of INSBANK, Jim Rieniets. "Historically, many banks effectively interrupt their growth trajectory at this juncture, stalling their ascent," continued Rieniets. "In the first quarter we actually were ahead of our hiring schedule, which impacted noninterest expense, but for which we expect to be rewarded with accelerating positive operating leverage during the year," added Rieniets in conclusion. InsCorp generated a ROA of 0.74%, ROATCE of 9.0% in 1Q25, and an efficiency ratio of 66.1% versus 0.86%, 10.2%, and 60.1%, respectively, in 1Q24.

The decline in EPS on a compared to 1Q24 ("Y/Y") basis was primarily due to: (1) an increase in overhead of $1,040,000, or 29% Y/Y, (2) an increase in provision of $238,000, or 952% Y/Y, and (3) a decrease in noninterest income of $42,000, or -7% Y/Y, which were offset in part by (4) growth in net interest income of $831,000, or 15% Y/Y, in 1Q25. Personnel growth of $763,000, or 33% Y/Y, represented 73% of expense growth in 1Q25. Net interest income benefited from net interest margin expansion 16 bp Y/Y to 3.02% and average earning asset growth of 10% Y/Y in 1Q25.

Loan growth continued to improve in 1Q25, increasing to 16% Y/Y in 1Q25 versus 12% Y/Y in 4Q24. Linked-quarter annualized ("LQA") loan growth returned to a more "normal" level of 10% in 1Q25 compared to the record of 35% in 4Q24, 10% in 3Q24, 4% in 2Q24, and -2% in 1Q24. Given the relatively significant level of loan fundings in December (i.e., $38 million of the $63 million of growth in 4Q24) and a solid January ($13 million of the $19.5 million of LQ growth in 1Q25), average loans increased 29% LQA to $774 million in 1Q25 versus $722 million in 4Q24. Growth in C&I (21% Y/Y; 9% LQA), CRE (7% Y/Y; 7% LQA), Multifamily (32% Y/Y; flat LQ), C&D (20% Y/Y; -7% LQ), Residential (24% Y/Y; 23% LQ), and HELOC (51% Y/Y; 22% LQA) segments all contributed to Y/Y growth comparisons. Growth in HELOC balances was attributable to the hiring of INSBANK's Lead Private Banker in April 2024, while growth in Residential and Multifamily primarily reflected migration from C&D categories over the past six months.

Medquity, INSBANK's healthcare business, continues to provide solid growth and diversification given its national focus and reduced sensitivity to economic and real estate cycles. Although Medquity's loan growth slowed to 13% Y/Y (-2% LQA) in 1Q25 versus 15% Y/Y (22% LQA) in 4Q24, funded loan growth thus far in 2Q25 approximated $21 million, or ~77% of growth recorded thus far in 2Q25. Importantly, the bank's C&I, CRE, and private banking business reported loan growth in aggregate of 17% Y/Y (+15% LQA) in 1Q25. As a result, the healthcare segment's loan balance of $231 million declined slightly LQ to approximately 29% of the portfolio versus approximately 30% a quarter ago and a year ago. Medquity's origination and pipeline activity suggest solid growth in 2025. However, as Medquity's portfolio continues to season, it is reasonable to expect lumpiness in growth due to increasing payoff activity, primarily due to successful client enterprise sales.

Bank-wide loan originations were $34 million in 1Q25 compared to $99 million in 4Q24, and $23 million in 1Q24. Origination volume in the quarter reflected solid contributions from commercial and industrial ("C&I"), commercial real estate ("CRE"), and Medquity, which represented 35%, 32%, and 21% of originations, respectively, in 1Q25 compared to respective contributions of 12%, 38%, and 37%, in 4Q24. Consumer/Other loans represented 11% of originations in 1Q25 versus 12% in 4Q24. Although management expects payoff/paydown activity to increase over the balance of 2025, net funded loan balances are expected to grow at least 10% for the year. Notably, funded loan growth of approximately $27 million in the month of April lifted loan growth to 6.2%, or approximately 20% on an annualized basis on a YTD basis, as of April 25, 2025. Given the level of fundings through April 25th, the loan pipeline has decreased to $95 million versus $111 million at year-end, the peak of $124 million two quarters ago, and $67 million a year ago.

Revenue improved 13% Y/Y (flat LQ) to $7.0 million in 1Q25, as net interest income comparisons improved for the third consecutive quarter since bottoming in 1Q24-2Q24. Net interest income increased $831,000, or 15% Y/Y (+2% LQA), to $6,424,000 in 1Q25, as interest income growth of $1,028,000 Y/Y exceeded interest expense growth of $197,000 Y/Y for the second consecutive quarterly period; on a LQ basis, net interest income growth of $33,000 reflected reductions in interest income of $30,000 and interest expense of $63,000 in 1Q25. Noninterest income decreased $42,000, or -7%, Y/Y to $535,000 in 1Q25. Treasury and deposit service charge income increased by 20% Y/Y (+10% LQA) to $124,000 in 1Q25 versus $104,000 in 1Q24, which reflected significant commercial client and account growth. The entire LQ and Y/Y decline in noninterest income was related to a $75,000 Y/Y and LQ decrease in the level of income on the bank's investments in SBIC funds.

Noninterest expenses grew $1,040,000 Y/Y (29% Y/Y; 8% LQ) to $4,599,000 in 1Q25, as a jump in salaries and benefits costs of $763,000 represented 73% of Y/Y growth in 1Q25. The remainder of the Y/Y increase was attributable to increases in other expenses of $170,000, occupancy and equipment of $60,000, and data processing of $49,000 in 1Q25. The increase in salaries and benefits was primarily related to an increase in headcount to 69 people versus 66 a quarter ago, 62 two quarters ago, and 56 a year ago, in addition to merit raises and increased benefit costs. Although growth in headcount reflected a variety of support and revenue production roles across the bank in 2024, hiring activity will reflect a focus on revenue production roles in 2025; specifically, three of the five hires on a YTD25 basis through April 25th consisted of revenue producers, including a Medquity banker, a commercial relationship manager, and the bank's third commercial deposit calling officer. The increase in DP was related to the annual increases, some one-time expenses, and expenses associated with the ongoing implementation of a data warehouse.

The bank-level net interest margin of 3.20% in 4Q24 compared to 3.18% in 4Q24 and 2.94% in 1Q24. Although relatively stable during 1Q24-4Q24, the cost of CDs dropped 34 bp LQ to 4.43% (-22 bp Y/Y), which drove a 28 bp LQ reduction in the cost of deposits to 3.60% (-21 bp Y/Y) in 1Q25. On a LQ basis, the NIM was adversely affected by a 10 bp LQ decrease in the loan yield to 6.63% (-10 bp Y/Y) and a 56 bp LQ decline in the yield on liquidity to 4.34% (-13 bp Y/Y), which was offset by the drop in the cost of CDs (and IBDs) in the quarter. IBTN's consolidated margin, which includes interest expense on holding debt, decreased 2 bp LQ to 3.02% in 1Q25 (+23 bp Y/Y) as the average balance of holding company debt increased slightly over the past quarter.

Management remains optimistic that the continued reduction in the cost of CDs along with continued loan growth should result in an improvement in the NIM over the balance of 2025. As a result of the bank's asset sensitive balance sheet, particularly within six months of a reduction in the Fed Funds rate, the bank executed at-the-money interest rate floor corridors with a notional value totaling $100 million in 1Q25 to protect interest income against a 200 bp drop in the Fed Funds rate; although the floor corridors will not eliminate the bank's sensitivity to a lower Fed Funds rate, they will reduce the adverse effects of a 35-200 bp drop in the Fed Funds rate, relative to the cost of the floors, in 2025. The floors qualified for hedge accounting treatment and the cost (or benefit, if any) will be included as an adjustment to loan interest income through expiration of the floors on January 1 and February 1, 2026.

Deposit growth of 16% Y/Y versus loan growth of 16% Y/Y resulted in a loan to deposit ratio of 100.4% at 1Q25-end versus 101.9% a quarter ago and 100.9% a year ago. Noninterest bearing (21% Y/Y; 9% LQ) and non-CD interest bearing deposit ("IBDs") balances (21% Y/Y; 7% LQ) compared to growth in higher-cost CDs (12% Y/Y; 6% LQ) in 1Q25. As a result, noninterest-bearing and non-CD IBDs represented 47.3% of deposits versus 45.8% a quarter ago and 43.1% a year ago. Balance sheet liquidity of $106.2 million versus $100.0 million a quarter ago and $109.6 million a year ago reflected an increase in cash and interest-bearing deposits of $9.9 million Y/Y and a decrease in investments of $13.3 million Y/Y in 1Q25.

Asset quality measures remain healthy. Net chargeoffs represented 0.00% of average loans in 1Q25, 4Q24, and 1Q24. Provision for credit losses totaled $263,000 in 1Q25 versus $339,000 in 4Q24 and $25,000 in 1Q24. The allowance for credit losses of 1.30% of loans (-7 bps Y/Y) represented 196% of nonperforming loans compared to 186% a quarter ago and 123% a year ago. The allowance for unfunded commitments represented 0.37% of unfunded loans. Total unfunded commitments increased 23% Y/Y (-7% LQ) to $104.6 million. The Y/Y increase reflected unfunded C&I commitment growth of $12 million, HELOC commitment growth of $4.3 million, and C&D commitment growth of $3 million in 1Q25; on a LQ basis, unfunded C&I and C&D commitments decreased $2.4 million and $7.2 million, respectively, which was partially offset by unfunded HELOC commitment growth of $2.0 million in 1Q25.

Nonperforming loans ("NPLs") improved to 0.66% of loans versus 0.70% a quarter ago and 1.11% a year ago. Virtually all nonperforming assets are well-secured and collateralized by real estate with significant equity, for which specific reserves are relatively low. As previously noted, in 2024, one very well-collateralized real estate loan accounted for 64% of NPLs, or 0.42% of loans, at 1Q25-end. Loans 30-days past due represented 0.24% of loans at 1Q25-end versus 0.13% a quarter ago and 0.00% a year ago.

C&D and CRE concentration levels decreased compared to a quarter ago but remained consistent with historical levels in 1Q25. Due to the decrease in funded C&D balances in the quarter, C&D loans declined to 87% of total capital compared to 94% a quarter ago and 77% a year ago. Total CRE, including C&D loans, represented 307% of total capital versus 314% a quarter ago and 285% a year ago. On a LQ basis in 1Q25, an increase in CRE-investor loans of $4.9 million was overshadowed by a decline in C&D of $7.2 million. Although INSBANK's CRE loans exceeded regulatory guidance of 300% of capital, "long ago our team developed a robust CRE risk management framework stressing diversification across property types, and we have periodically enhanced it to include high durability overlay requirements and granular limits on speculative projects," said CEO Rieniets. "We believe our portfolio analytics and consistent application of underwriting standards across the economic cycle positions INSBANK to take advantage of growth opportunities in the vibrant middle Tennessee market" Rieniets continued. The increase in C&D and CRE loans over the past year resulted in growth in non-farm, non-residential real estate of 31% over the past three years compared to growth in capital of 37% over the same period.

Existing capital levels and ratios remain supportive of solid balance sheet growth in 2025. INSBANK remained "well capitalized" from a regulatory perspective with a tier-1 leverage ratio of 11.33% (-18 bps Y/Y), a common equity tier-1 capital ratio of 11.97% (-64 bps Y/Y), and a total risk-based capital ratio of 13.20% (-66 bps Y/Y). InsCorp, Inc.'s tangible common equity ratio was 8.01% as of 1Q25-end, versus 8.16% a quarter ago and 8.52% a year ago. Tangible book value increased 6%, or $1.36 per share, Y/Y to $25.84, as of March 31, 2025. Accumulated Other Comprehensive Income was ($2,383,000), or approximately 2.3% of bank-level tier-1 capital of $102,423,000, as of March 31, 2025.

The Board of Directors has approved the payment of a quarterly dividend of $0.11 per common share on June 6, 2025, to shareholders of record on May 16, 2025. The annualized quarterly dividend rate of $0.44 per share represents an increase of 10% compared to dividends of $0.40 per share in 2024. The Company repurchased 7,500 shares during the quarter, leaving 85,500 shares, or 2.8% of the Company's outstanding shares, available for repurchase under the existing authorization through January 27, 2026.

About INSBANK

Since 2000, INSBANK has offered its clients highly personalized services provided by experienced relationship managers while positioning itself as an innovator, utilizing technologies to deliver those services efficiently and conveniently. In addition to its commercial-focused operation, INSBANK operates three divisions: Medquity, TMA Medical Banking, and Finworth. Medquity offers healthcare banking solutions to physicians, partnerships, and practices nationwide, while TMA Medical Banking provides banking services specifically to members of the Tennessee Medical Association. Finworth offers nationally available virtual private client services for interest-bearing deposits. InsCorp, Inc., a Tennessee bank holding company, owns INSBANK. InsCorp, Inc. shares are traded on the OTCQX under the ticker symbol IBTN. The bank is headquartered in Nashville at 2106 Crestmoor Road and has an office in Brentwood at 5614 Franklin Pike Circle. For more information, please visit www.insbank.com.

InsCorp, Inc.
Consolidated Balance Sheets
(000's)
(unaudited)

	March 31, 2025	December 31, 2024	March 31, 2024
Assets			
Cash and Cash Equivalents	$ 5,642	$ 6,401	$ 4,521
Interest Bearing Deposits	53,714	37,175	44,920
Securities	46,866	56,426	60,149
Loans	784,251	764,795	677,457
Allowance for Credit Losses	(10,158)	(9,895)	(9,281)
Net Loans	774,093	754,900	668,176
Premises and Equipment, net	12,414	12,451	12,620
Bank Owned Life Insurance	14,558	14,458	14,160
Restricted Equity Securities	10,097	10,224	9,349
Goodwill and Related Intangibles, net	1,091	1,091	1,091
Other Assets	17,560	11,345	13,260
Total Assets	$ 936,035	$ 904,471	$ 828,246
Liabilities and Shareholders' Equity			
Liabilities			
Deposits			
Noninterest Bearing	$ 91,997	$ 84,017	$ 75,966
Interest Bearing	688,797	666,466	595,666
Total Deposits	780,794	750,483	671,632
Federal Home Loan Bank Advances	37,800	44,000	45,000
Subordinated Debentures	17,376	17,371	17,354
Notes Payable	14,000	7,800	8,750
Other Liabilities	10,081	9,998	13,922
Total Liabilities	860,051	829,652	756,658
Shareholders' Equity			
Common Stock	29,154	29,395	29,411
Accumulated Retained Earnings	49,213	47,891	43,182
Accumulated Other Comprehensive Income	(2,383)	(2,467)	(1,005)
Total Stockholders' Equity	75,984	74,819	71,588
Total Liabilities & Shareholders' Equity	$ 936,035	$ 904,471	$ 828,246
Tangible Book Value	$ 25.84	$ 25.39	$ 24.48

InsCorp, Inc.
Consolidated Statements of Income
(000's)
(Unaudited)

	For the Three Months Ended		
	March 31, 2025	***December 31, 2024***	***March 31, 2024***
Interest Income	$ 13,591	$ 13,621	$ 12,563
Interest Expense	7,167	7,230	6,970
Net Interest Income	6,424	6,391	5,593
Provision for Credit Losses	263	339	25
Noninterest Income			
Service Charges on Deposit Accounts	80	96	67
Bank Owned Life Insurance	100	100	95
Other	355	403	415
Total Noninterest Income	535	599	577
Noninterest Expense			
Salaries and Benefits	3,064	2,908	2,301
Occupancy and Equipment	453	479	393
Data Processing	143	114	94
Marketing and Advertising	117	128	119
Other	822	619	652
Total Noninterest Expense	4,599	4,248	3,559
Net Income from Operations	2,097	2,403	2,586
Gain (Loss) in Interest Rate Hedges	$ (5)	(181)	(252)
Income Before Income Taxes	2,092	2,222	2,334
Income Tax Expense	$ (440)	(276)	(571)
Net Income	$ 1,652	$ 1,946	$ 1,763
Earnings per Share	$ 0.57	$ 0.66	$ 0.61
Performance Metrics			
InsCorp, Inc.			
ROAA	0.74%	0.88%	0.86%
ROAE	8.83%	10.34%	10.03%
ROATCE	8.96%	10.49%	10.19%
Net Interest Margin	3.02%	3.04%	2.86%
Efficiency	66.13%	62.39%	60.14%
Revenue / Employee	409	418	468
Expense / Employee	270	254	270
Assets / Employee	13,566	13,601	15,627
INSBANK			
ROAA	0.94%	1.07%	1.06%
ROAE	8.47%	9.51%	9.52%
Net Interest Margin	3.18%	3.18%	2.94%
Capital Ratios			
Tier-1 Leverage	11.33%	11.53%	11.51%
Common Equity Tier-1	11.97%	11.90%	12.61%
Total Risk-Based Capital	13.20%	13.11%	13.86%