

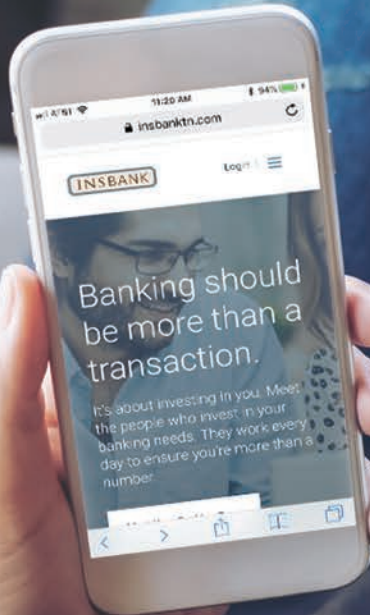
WHERE GENUINE MATTERS



2018 ANNUAL REPORT



Banking Made Simple



LETTER TO SHAREHOLDERS

If there were themes to attach to our report to shareholders this year, they might be “adapt” and “evolve”. As our board and management team assesses strategy, we feel that the pace of change in the banking industry is accelerating in various ways. To best serve our shareholders, it is incumbent upon us to be proactive as financial services morph and the competitive landscape changes for banks. We know that technology is revolutionizing our industry, as it has many others, and we are staying focused on meeting challenges and opportunities. Our staff is balancing resource allocation so that we can optimize current results while planning for the future.

The Year Just Passed

While more detailed information is in the pages that follow, our team is pleased to report that 2018 was InsCorp’s best-ever year of financial performance. Earnings per share of \$1.49 were driven by steady growth and realizing operating leverage of prior investments in personnel, platform technologies, and infrastructure. Notable accomplishments included significant growth in non-interest bearing deposits and treasury services, while the Private Client Group, our most recent initiative, increased its customer base and contributed to growth on both sides of the balance sheet. A strategic decision was made to exit the conventional mortgage business, as that industry becomes further commoditized with large, on-line lenders gaining market share while reducing profit margins for traditional competitors. In the fourth quarter of 2018 InsCorp also completed a subordinated debt offering which will enhance growth capacity in the coming quarters.

The Near-Term

Execution of our organic growth strategy continues to be our focus, while attention is paid to maintaining asset quality and executing tactical plans in our business units. We continue to recruit for quality bankers in our market to augment existing resources. A top priority for our team is to maintain the momentum of 2018 in treasury services and commercial deposit growth. This will assist in margin stability in the near term and enhances franchise value over the long run. Bolstering our Private Client efforts is the creation of our new Philanthropy Account, which is a money market option for which the bank makes charitable contributions based on client account balances. Our team is excited to be promoting a product which highlights the bank’s commitment to our community. On the operational front, continuous efforts are made to leverage technologies to enhance our efficiency and manage data.

James H. Rieniets, Jr., President/CEO



The Long-Term

Our vision for the bank and its industry is positive, though we believe it is imperative for community banks to meet certain criteria in the future in order to enhance shareholder value. One of these necessities is operating in a market where expectations of future population, job, and economic growth are strong. As a financial institution located in Nashville, INSBANK’s organic growth opportunity is superior to most community banks. As web-based competition increases for the consumer payments system, residential mortgages, and small-dollar business loans, we also believe that banks must deliver products and services where there is opportunity for value creation. This is why INSBANK will continue to focus on commercial lending, treasury services, and certain niche lending products. Given consumers’ growing acceptance of digital providers for financial services, we also expect increased competition for interest-bearing deposits. For this reason, our research and development team is working to deliver a full-digital deposit platform, while our operations personnel pursue technology solutions to ensure the bank lowers its efficiency ratio as we grow.

Our shareholders should also know that while innovation is a relevant theme, a focus on fundamentals remains paramount. A technology-oriented, forward-looking business model means little without consistent attention to core principles such as loan portfolio diversification; interest rate risk management; and a healthy corporate culture. We feel this is particularly compelling in the current environment of economic, political, and regulatory uncertainty. On behalf of our customers, employees, and board of directors we thank our shareholders for their support.



ABOUT US

Frankly, we're different. We're a bank where advice isn't prepackaged. Where clients talk directly to our decision-makers—not a chain of middlemen trapped in branches and bureaucracy.

We're a place where the client's best interests — not the bank's — come first. Where experts go below the surface because they live and breathe your industry and don't just sell to it.

We're a true local bank—built by and for Nashville business leaders. A place where our people and partners are having as much fun as they are having success.

Never heard of a bank like this? It's probably because you haven't been to one where genuine matters.

Welcome to INSBANK.



MISSION

To generate risk-appropriate returns for shareholders through the delivery of financial services that provide value and help fulfill the goals of businesses and individuals in the communities we serve.

VISION

Within a competitive industry, INSBANK seeks to differentiate and create competitive advantage through a unique combination of strategies, tactics, and attributes.

The bank strategically targets small businesses and consumers for whom large banks have difficulty delivering quality service.

Tactically, INSBANK utilizes a complimentary mix of convenient technologies with accessible and capable employees to add value to competitively priced services.

Elements of INSBANK's cultural foundation include respect for clients, employees, and shareholders, as well as adaptability as it pertains to an evolving industry.

GOVERNANCE

Good corporate governance is fundamental to INSBANK's business. It is essential that we practice responsible business principles, and continue to demonstrate our commitment to excellence to sustain value for our investors and stakeholders. INSBANK has long been proactive in establishing policies and practices that support strong

corporate governance and transparency in financial reporting. These practices provide an important framework within which our Board of Directors and management can pursue the strategic objectives of INSBANK and ensure its long term vitality for the benefit of shareholders.

WHAT WE DO

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.



Commercial Banking:

INSBANK continues to maintain a focus on the existing small business owner that prefers to deal with a small-to-mid size bank that provides access to local decision makers. INSBANK is in a good position to capitalize on the existing core of Nashvillians that desire to have a community bank that can continue to deliver quality service and quality solutions.



Private Banking:

At INSBANK, we offer a customized line of banking products and client-centric solutions to our highly valued clients. As a member of the Private Client Group, clients receive a dedicated, experienced private banker to personally help them navigate through the various lifestyle stages and who is also readily accessible to supply the personalized attention and expert advice necessary.



TMA Medical Banking:

TMA Medical Banking, a division of INSBANK, provides commercial loans and deposits for Tennessee's physicians, medical practices, healthcare companies and medical real estate investments, as well as, services for mergers, acquisitions and joint venture transactions. The focus is business-line expertise in healthcare, accessibility to relationship managers and decision makers, excellent customer service and quick turnaround times.



Treasury Management:

Treasury Management services streamline companies' deposit relationships by accelerating the collection process, improving cash flow, quickly determining daily cash requirements, tracking banking activity and allowing customers to make financial decisions with confidence. INSBANK offers a sophisticated platform of solutions, through technology and partnerships, necessary to manage a business' cash flow with confidence and security.

HOW WE DO IT

INSBANK uses a delicate and strategic balance between collaboration amongst its experienced bankers and clients and leveraging technology and 'fintech' initiatives to produce a balance between high touch and high technology that eliminates gaps in service, systems and processes.

People:

The team assembled at INSBANK consists of a diverse group of experienced bankers that each bring unique skills and vision to the organization. Through careful recruiting and excellent retention, this team collaborates cohesively to deliver banking in a unique and refreshing way. Reflected in the company's assets per employee, this team is both quality and results driven, working together to achieve the bank's strategic goals and vision.

Processes:

Processes centered around efficiency while focusing on risk management are driven through workflow automation to ensure consistency and accuracy. While the expertise of our team is a key component to successfully operating the business, their ability to do so is enhanced through well thought out processes assisted with automation. To ensure processes constantly remain efficient and effective, the bank has an open culture of change embraced by all associates.

Systems:

INSBANK strives to operate with the most viable systems available to execute on its strategic initiatives. Systems are evaluated in an ongoing format to ensure they are continually leveraged. The growth of the bank, changes in the industry and updates to systems require that each system is considered an ever expanding tool for the efficient operation of the organization. The bank strives to push upward the usage percentage of each system in order to maximize the return on investment.

Technology:

INSBANK approaches 'fintech' with an open and curious mind, continually evaluating opportunities to enhance its services and operations. Artificial Intelligence, cloud based operating systems, mobile technology, automation and custom development are all viable in the banking industry and are strategically folded into the bank's operations, products and services. INSBANK operates with a technology forward culture while ensuring it invests only in technology that drives the bank's strategic plan forward and meets earnings goals.



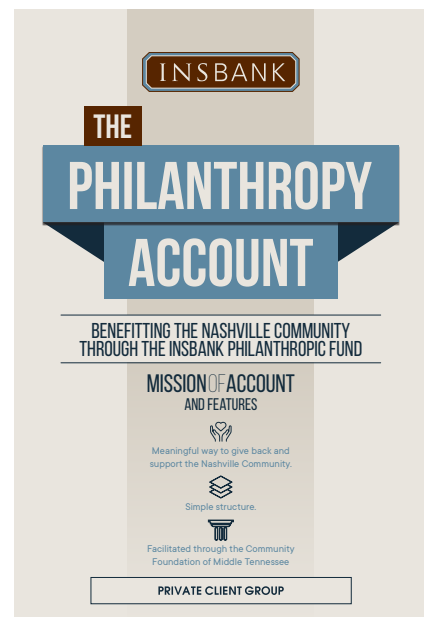
COMMUNITY INVOLVEMENT

INSBANK and its employees, management and directors all find value in community involvement. These stakeholders devote time and resources to support what inspires them, both personally and professionally. The bank also contributes to these initiatives through allocation of time, organization of group efforts, and monetary contributions. As a component of its Wellness Program, INSBANK organizes and facilitates regular volunteer activities for its employees. With the belief that wellness includes body, mind, and spirit the company encourages volunteerism as a way to enhance wellness.

Employees' participation in charitable organizations, whether as board members, committee members or volunteers, is supplemented by the company's financial support of a wide variety of non-profit organizations. INSBANK believes in

supporting a variety of needs in our local community, and maintains a desire to contribute when it's needed and where it's needed. In this same spirit, and to enhance the bank's existing corporate giving, the company has established The INSBANK Philanthropic Fund. This fund facilitates giving back through all the banks stakeholders, including its customers, who can participate through The Philanthropy Account.

INSBANK continues to seek innovation in all its endeavors. In this spirit, it continues to strive to find ways to elevate its giving posture and expand its reach in the community. This page displays examples of the organizations that INSBANK has been proud to support in a variety of ways over the last year.

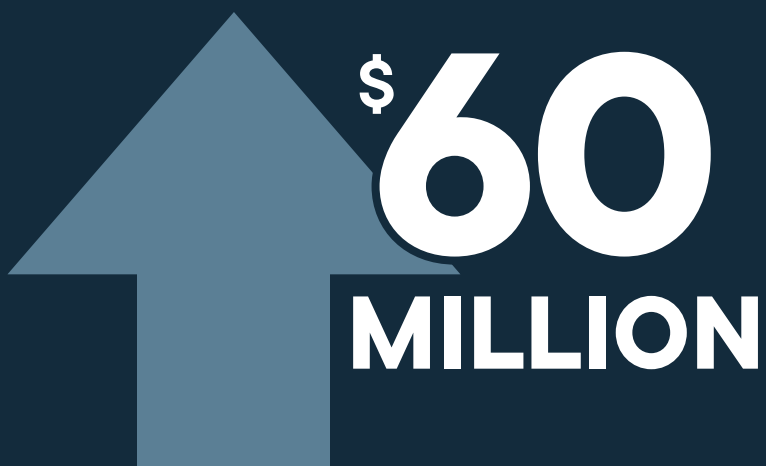


FINANCIALS

NON-INTEREST BEARING
DEPOSIT GROWTH



LOAN GROWTH



EFFICIENCY RATIO

60.6%

ASSETS PER EMPLOYEE

\$12.3 MILLION



FDIC PEER GROUP AVERAGE

\$5.4 MILLION

CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheets		
	12/31/18	12/31/17
Assets		
Cash and Cash Equivalents	\$ 5,080	\$ 3,580
Interest Bearing Deposits	25,740	18,486
Securities	22,874	20,193
Loans Held for Sale	531	2,431
Loans	436,354	376,498
Allowance for Loan Losses	(4,831)	(4,313)
Net Loans	431,523	372,185
Premises and Equipment, net	14,245	13,808
Bank Owned Life Insurance	9,612	9,361
Restricted Equity Securities	4,454	3,996
Goodwill and Related Intangibles, net	1,091	1,241
Other Assets	3,693	4,129
Total Assets	\$ 518,843	\$ 449,410
Liabilities and Shareholders' Equity		
<i>Liabilities</i>		
Deposits		
Non-interest-bearing	\$ 35,364	\$ 19,946
Interest-bearing	376,817	338,243
Total Deposits	412,181	358,189
Federal Home Loan Bank Advances	45,000	42,000
Subordinated Debentures	15,000	-
Other Liabilities	2,355	8,662
Total Liabilities	474,536	408,851
<i>Shareholders' Equity</i>		
Common Stock	30,654	30,505
Accumulated Retained Earnings	14,005	10,256
Accumulated Other Comprehensive Income	(352)	(202)
Total Stockholders' Equity	44,307	40,559
Total Liabilities and Shareholders' Equity	\$ 518,843	\$ 449,410
Book Value per share	\$ 15.14	\$ 13.97

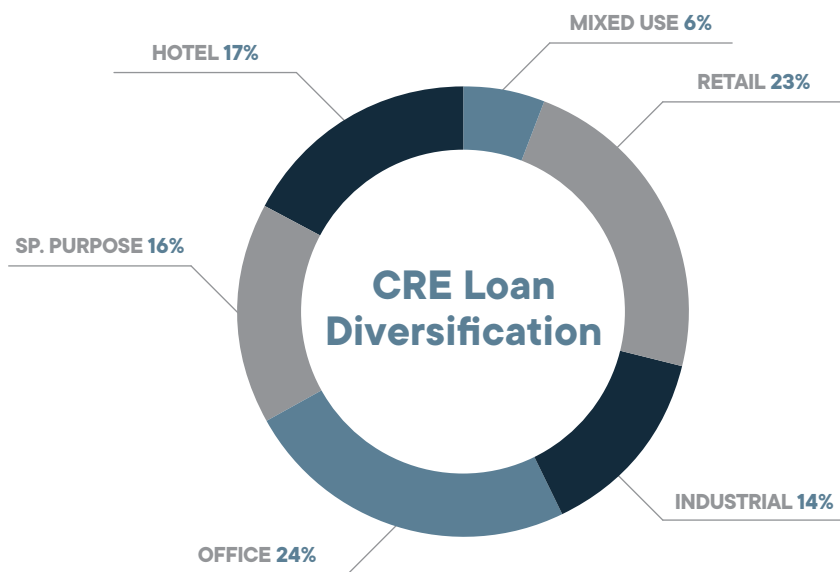
CONSOLIDATED FINANCIAL STATEMENTS

Income Statements	Year Ended	Year Ended
	12/31/18	12/31/17
Net Interest Income	\$ 15,309	\$ 13,033
Provision for Loan Losses	905	698
Non-Interest Income		
Service Charges on Deposit Accounts	110	117
Residential Mortgage Services	1,251	1,534
Bank Owned Life Insurance	251	244
Other	451	642
Non Interest Expense		
Salaries and Benefits	6,366	5,866
Occupancy and Equipment	1,108	983
Data Processing	504	415
Marketing and Advertising	449	432
Other	2,463	2,392
Net Income from Operations	5,577	4,784
Net Gains on Security Transactions	-	-
Pre-Tax Income	5,577	4,784
Income Tax Expense	(1,244)	(1,612)
Effect of Income Tax Rate Change on Deferred Tax Assets	-	(404)
Net Income	4,333	\$ 2,768
Earnings Per Share	\$ 1.49	\$ 0.97
Statement of Changes in Shareholder's Equity		
Beginning Balance	\$ 40,559	\$ 37,524
Stock Compensation Expense	98	63
Exercise of Stock Options	51	795
Dividends		
Common Stock	(584)	(516)
Net Income	4,333	2,768
Change in Unrealized Loss on Securities Available for Sale	(150)	(75)
Ending Balance	\$ 44,307	\$ 40,559

Dollars in Thousands

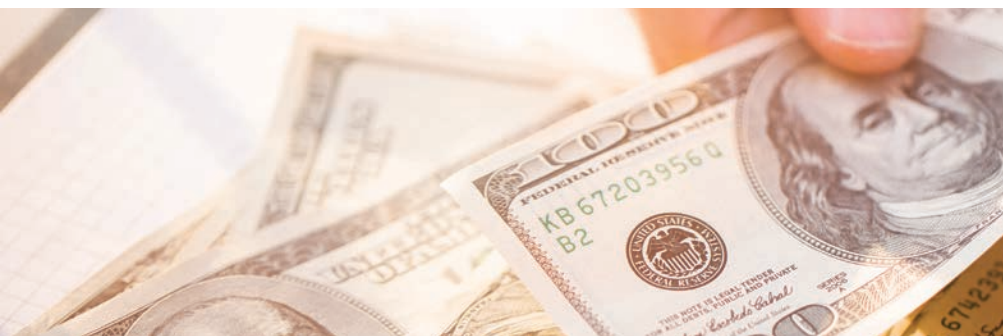
MANAGEMENT DISCUSSION OF **FINANCIALS**

Financial performance objectives were met on various metrics, including: growth, margin, operating leverage, liquidity, and asset quality. Margin expansion was enabled by increased yield on assets, loan fee income, and growth of non-interest bearing deposits, despite the headwind of rising cost of funding. The combination of earning asset growth and improved margin resulted in operating income increasing at a greater percentage than operating expenses. With only modest net charge-offs against resulting operating income, the company generated record profits.



LENDING

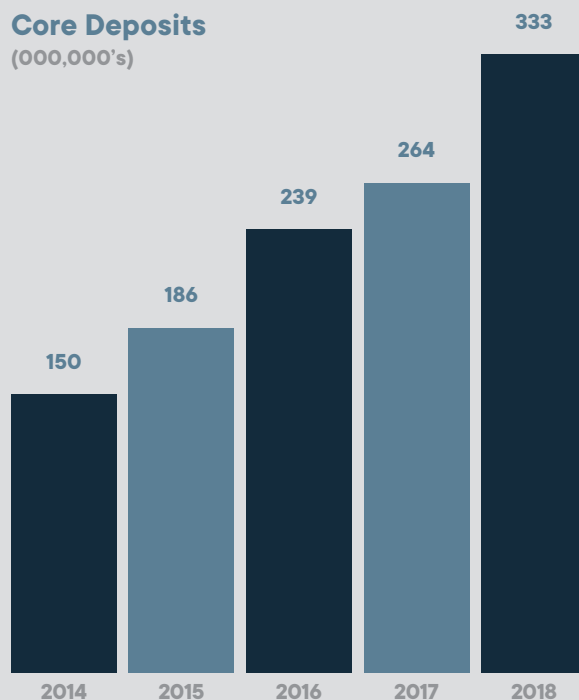
Our lending team achieved its goals in both growth and portfolio composition as commercial lending and owner-occupied commercial real estate had the most significant relative increases of 18% and 30%, respectively. Total portfolio growth was 15%. While the bank continues to provide construction financing, the timing of projects exiting the construction phase or converting to permanent financing was such that the construction portfolio decreased slightly during the year. TMA Medical Banking continued its steady growth of physician-focused loans, which now constitute 10% of the total loan portfolio. In general loan demand in the Nashville market remains healthy as population and job growth continue to drive economic activity.



DEPOSITS AND FUNDING

While deposit gathering to fund the growth needs of the bank is a primary focus of our commercial relationship managers, private bankers, and treasury management staff, the bank is also continually evaluating technologies for gaining efficiencies in account acquisition, on-boarding, and day-to-day service delivery. Our treasury staff is regularly deploying relevant hardware and software to customers after identifying their specific cash management needs. These efforts are reflected in an increase of 70% in non-interest bearing deposits in 2018, the vast majority of which were commercial accounts. This fits into the bank's strategy for optimizing funding costs through the management of the deposit mix and the related costs of all products offered. For the year total deposits increased 15% while core deposits grew 26%. It is worth noting that competition for interest-bearing deposits is robust as evidenced by ads in print and digital media by local, regional, and national financial institutions.

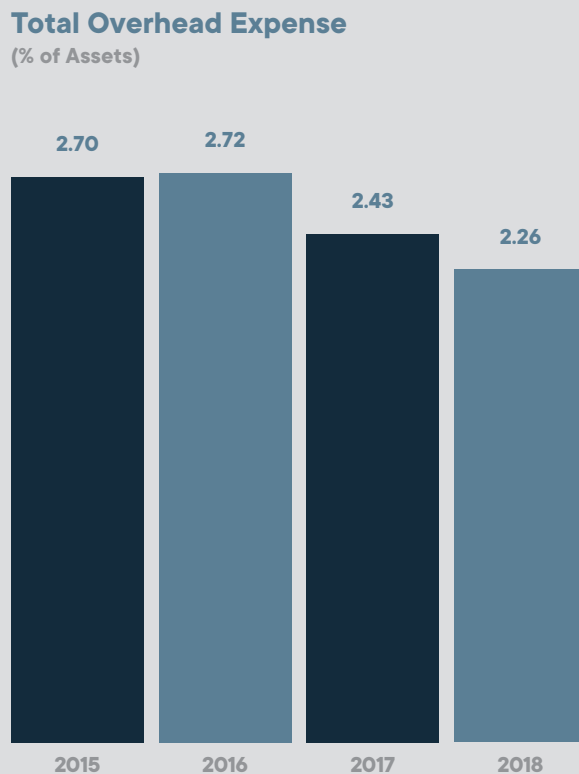
Core Deposits (000,000's)

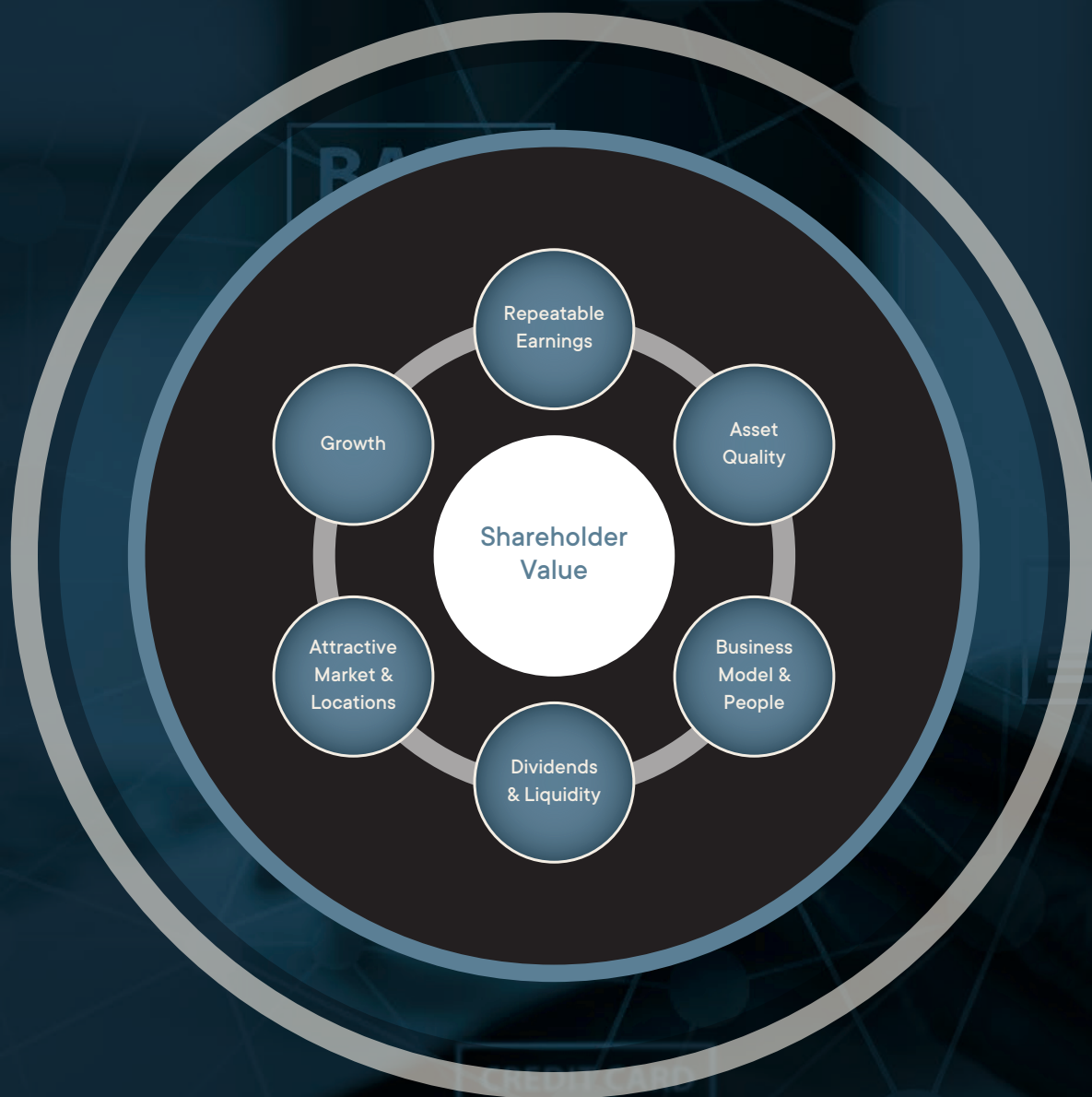


OPERATIONS

A core component of our business model is to strive for ever-escalating efficiency of operations, but without compromising quality of service and asset protection. 2018 was an indicative year of realizing the benefits of this philosophy. Non-interest expense as a percentage of assets was 2.26%, which placed the bank in the top quartile of performance amongst its peers nationwide. The bank's efficiency ratio improved by reducing to 60.6%, which also compared favorably to the peer average of 63.6%. The bank continues to be an industry leader in leverage of both personnel as well as physical locations. Areas of on-going focus include technologies for automating loan administration functions, integrating client-facing, web-based software, and enhancing management information systems.

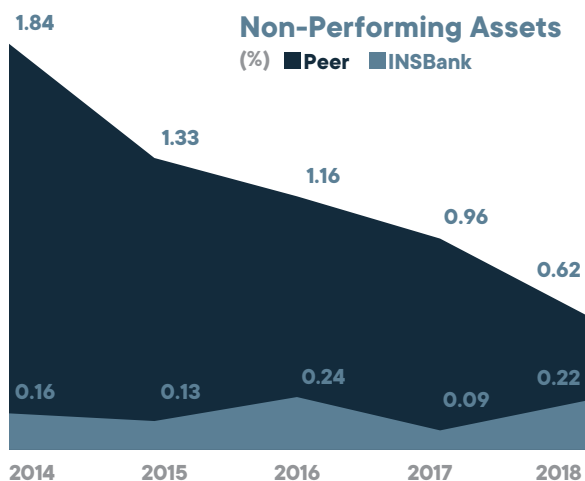
Total Overhead Expense (% of Assets)





RISK MANAGEMENT

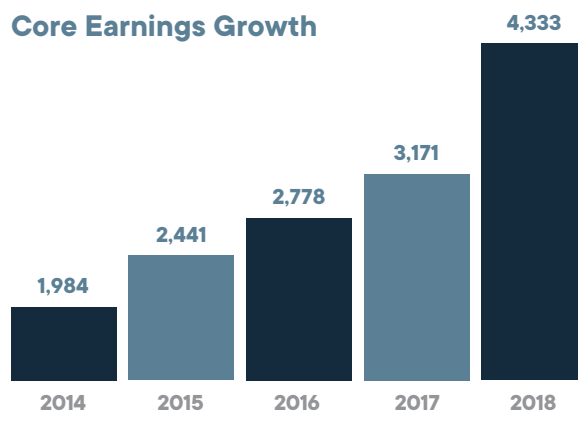
The risk environment is one of dynamic change which requires sure-footedness and nimble responsiveness. During 2018 priorities included asset quality, cyber-security, interest rate risk management, and liquidity. Across the industry regulatory focus has seemingly shifted from capital to liquidity, as most banks are considered to be well-capitalized at levels that exceeded those before the Great Recession. At December 31, 2018, the bank had in excess of \$53 million in cash and unpledged securities or 10.3% of its total assets in basic liquidity. As cyber assaults continue to be a regular threat for all banks and their customers, risk mitigation takes the form of robust hardware and software installations, as well as regular employee training. Additionally, INSBANK provides outreach to its customers on best practices for minimizing cyber risks. Credit risk related to the bank's loan portfolio, its largest asset, has historically been a strong point for the bank and was again in 2018 with non-performing assets at December 31 of just 0.22% and net charge-offs of 0.09% for the full year. Interest rate risk in its totality returned in 2018 with additional rate increases by the Fed and economic uncertainty defining the environment as the year ended. Managing the myriad of risks each day is a challenge our team embraces on behalf of the bank, its customers, and its shareholders.



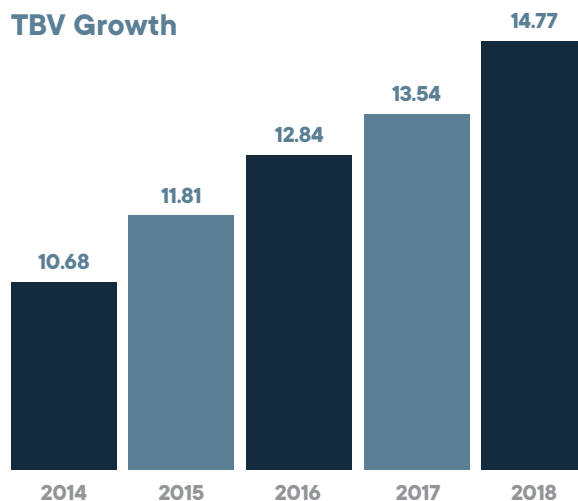
EARNINGS & DIVIDENDS

InsCorp experienced another solid year of earnings growth by remaining disciplined in growing quality earning assets, optimizing funding costs, and controlling operating expenses. As a result, pre-tax earnings per share were \$1.92 vs. \$1.67 the prior year, which was a 15% increase. After-tax earnings per share of \$1.49 was a 53% increase over the prior year due to a one-time tax charge in 2017 combined with the new reduced corporate tax rate, both a result of the Tax Relief Act of 2017. Dividends saw an 11% increase in 2018 as the semi-annual dividend payment was increased from \$.09 to \$.10 for a total \$.20 for 2018.

Core Earnings Growth



TBV Growth



SHAREHOLDER INFORMATION

OTCQX MANAGEMENT

InsCorp shares are listed on the OTCQX Market under the symbol IBTN. With InsCorp being listed on the OTCQX Market (www.otcm Markets.com), shareholders are able to view real-time quote and trading information and can work with their broker to purchase or sell shares of IBTN. Certain corporate information and financial reporting is posted to the OTCQX on a quarterly basis.

TRANSFER AGENT

Computershare, the transfer agent for InsCorp, is the institution that maintains detailed records of the stock transactions of investors. Shareholders can access their account at <https://www-us.computershare.com/Investor> to see a balance of shares held, dividend payment history, transactions and more. Shareholders interested in listing their shares of InsCorp stock that do not currently have a brokerage account can contact Computershare for assistance with listing the shares for sale and setting an asking price. You may contact **Computershare** at **877-373-6374**.

RESTRICTED SHARES

Restricted InsCorp shares that have been held for over 1 year are able to have the restrictive legend removed. This allows for shares to be reissued as book entry (electronic shares) or certificated shares. Book entry shares can be easily transferred into a brokerage account via the Direct Registration System (DRS), while certificated shares can be held in a lockbox at your brokerage office and shares manually uploaded to an account. To remove restrictions, shareholders will need to contact InsCorp's Shareholder Relations representative, **Amanda Richardson** at arichardson@insbanktn.com or **615-515-2265**, sign a Shareholder's Rule 144 Letter and turn in the original stock certificates to Computershare's Processing Office.

MANAGEMENT AND BOARD MEMBERS

CHAIRMAN OF THE BOARD & INSCorp

Michael A. Qualls, Retired CEO of INSBANK
Consultant

BOARD OF DIRECTORS

W. Page Barnes, Executive Vice President/CFO
Community Healthcare Trust

David Crabtree, Executive Vice President
Brookside Properties

Richard S. Hollis, Jr., President
Hollis & Burns, Inc.

Stacey Koju, Attorney
Bone McAllester Norton PLLC

Thomas H. Loventhal, Chairman
The Loventhal Group

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

Dennis W. Petty
Certified Public Accountant

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

Charles T. Tagman, Jr., Chairman
Risko Group LLC

Philip R. Zanone, Jr., Chief Executive Officer
B. Riley Wealth Management

DIRECTOR EMERITUS

William E. Wallace
The Insurance Group

IN MEMORIAM

Maurice W. Pinson, Partner
Fridrich, Pinson & Associates

MANAGEMENT

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

PUBLIC RELATIONS

Mallory Smith

SHAREHOLDER RELATIONS

Amanda Richardson

TRANSFER AGENT: COMPUTERSHARE

Market: OTC-QX
Symbol: IBTN



**Streamline
Your Banking**



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