ANNUAL REPORT 2024

INSCORP

PARENT COMPANY OF INSBANK

"They came alongside me as a co-dreamer."

Spencer Patton
FOUNDER AND PRESIDENT, PATTON LOGISTICS, INC.

INSBANK

LETTER TO SHAREHOLDERS

JIM RIENIETS
President/Chief Executive Officer

Unlike a couple of notable recent years for the industry, 2024 was without much of the drama associated with either a pandemic or a banking crisis. And while we were spared another unexpected unpleasantness, those events remained in the rear-view mirror while the economy reckoned with an increase in interest rates of historical significance. Against this backdrop, INSBANK methodically pursued objectives of its strategic plan, resulting in a year characterized by continued growth, prudent risk management practices, and investments in personnel and technologies paramount to sustaining our trajectory and relevancy over the coming years. A more detailed review of operations and financial performance is included in this annual report, but I have summarized highlights of the year below.

19% INCREASE
NON-INTEREST BEARING DEPOSITS FOR THE YEAR

Growth

After a relatively slow start to the year, the latter two quarters saw robust activity on both sides of the balance sheet. In 2024, new operating account deposit relationships reached a record high, shown by a 19% increase in non-interest bearing deposits. On the other side of the ledger, loan growth was driven by a combination of local commercial lending, as well as Medquity's healthcare banking activities, which spans a nationwide footprint. For the year, loan growth of $83.2 million, or 12%, exceeded our plan for 2024, as well as the growth rate of our peers.

Risk Management

As an economic tug-of-war persisted, INSBANK continued to balance seeking opportunity with prudently ensuring that various risk scenarios did not expose the bank's capital. Aggregate measures of credit quality in 2024 remained consistent with historical performance. Loan charge-offs were negligible while non-performing loans reduced during the year. With volatility in market rate expectations, our team utilized a variety of tools during the year to minimize exposure to wide movements in future rates.

Operations & Technology

A critical component of the INSBANK business model is our commitment to efficient operations and leveraging technology. During the year, our process improvement and innovation committees continued to refine procedures, evaluate software solutions, and assess fintech partners for either enhancing customer experience or improving back-office functions. In addition to projects addressing current needs, our team continued its work towards the development of a data warehouse, which will be an essential precursor to eventual utilization of artificial intelligence.

Investing in Our Future

As the bank charts a course of growth to exceed the $1 billion threshold, it is imperative to do so in a manner that is both sustainable and meets the expectations of all our stakeholders. To that end, a significant theme for 2024 was recruiting additional team members into new positions to ensure that our plans for growth are durable, minimize risks, and applicable to the ever-changing financial services landscape. These additions to our team bolstered the depth of various departments, including finance and accounting; credit underwriting and administration; treasury management; human resources; and information technology. As part of our strategic objectives, we launched a Private Banking Division with the addition of an experienced local banker to lead that effort.

Financial Performance

Results for the year were very consistent with our budgeted expectations, given cycle-driven margin compression, a normalized loan loss provision expense, and investments in personnel. IBTN's consolidated return on equity was 10.1% and fully diluted earnings per share totaled $2.46 in 2024. While we cannot predict all the variables affecting financial results, our expectations include positive operating leverage with continued growth for the foreseeable future. In the following pages, the management discussion of financials provides detailed analysis of 2024 financial performance.

Forthcoming Milestone

Later this year the bank will commemorate 25 years in business. As an original member of the team at INSBANK, previously known as Insurors Bank of Tennessee, I am proud of what the company has achieved over the years.

- **Business Model Adaptation & Evolution:** When the banking industry didn't avail itself as a formidable competitor to independent insurance agents in our formative years, our management team and board of directors adapted. We did this by maintaining a niche industry vertical while diversifying to a broader commercial market with a focus on the growing Nashville metropolitan area. Equally important, however, was preserving a vision of delivery of services through technology. Once thought of as the "little green Martians" of banking for not having branches, ATM's, or drive-thru's, today most of our competitors are endeavoring to shed traditional branches in favor of our branch-lite model.

- **Navigating Crises & Preserving Shareholder Value:** With the thought of "knock on wood", I am grateful that our team successfully piloted the INSBANK ship through three notable industry adversities. While the Great Recession, COVID Pandemic, and the banking crisis of 2023 each presented new and unique challenges, none of those events resulted in an erosion of capital nor did they manifest in a material setback to our plans for growth. As a result, our tangible book value has experienced steady average annual growth of 9.2% over the last five years.

- **Organic Growth & Scale:** Now preparing for enhanced audit requirements that coincide with growth to $1 billion in assets, I am proud of our track record of balanced organic growth and focus on earnings after starting with a very modest $6 million in capital. Although it was the 18th most recently chartered bank in Tennessee, INSBANK has risen to become the 33rd largest out of 112 banks based in the state, thanks to consistently surpassing peers in organic growth over the years.. While our board and management team routinely evaluate other means of generating scale, those opportunities have to consider risks to tangible capital creation, operational costs of additional traditional delivery channels, and alignment of cultural elements necessary for the "aspirations of a whiteboard" to become reality.

Reflecting on these attributes of our first 25 years, I am confident that our team will continue to innovate, minimize risks to capital, and create the necessary scale for increasing shareholder value in the future.

On behalf of the entire INSBANK team, I would like to thank our shareholders for their ongoing support.

Sincerely,

Jim Rieniets
Chairman & CEO

OUR TANGIBLE BOOK VALUE HAS EXPERIENCED STEADY AVERAGE ANNUAL GROWTH OF

9.2 PERCENT

OVER THE LAST FIVE YEARS.

A **CRITICAL COMPONENT** OF THE INSBANK BUSINESS MODEL IS OUR COMMITMENT TO **EFFICIENT OPERATIONS** AND **LEVERAGING TECHNOLOGY.**

2024 INSBANK Annual Report

ABOUT US

At INSBANK, we're more than just a bank – we're a partner in your success. Built by Nashville business leaders, for Nashville business leaders, we believe in creating an environment where genuine relationships and shared success flourish. Experience the INSBANK difference.

Our 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.

Our 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 complementary 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.

INSBANK

TMA Medical Banking
A division of INSBANK

MEDQUITY
HEALTHCARE BANKING

2024 INSBANK Annual Report

INNOVATIVE BUSINESS MODEL

SCOTT GUPTON
Executive VP/Chief Operating Officer

INSBANK's culture of innovation was born out of its original vision and mission, and has continued to be a critical component, supporting growth while managing efficiency. Through a technology-forward posture and a culture of efficiency, the bank wraps its operating model with strategic initiatives that support its continued relevancy and maintains its position as an innovator. By utilizing unique staffing models, positions, and committees, its ability to be nimble and proactive in a rapidly changing banking environment is enhanced and allows the bank to focus its resources on technology modernization and fintech initiatives that support the changing needs of its customer base. This structure allows the bank to react quickly to opportunities and further enhances the bank's ability to maintain market optionality.

With a modern open API core operating system, INSBANK leverages access, integration and data availability that enhances the bank's position to innovate. System utilization and integration with strategic partners are critical components in continuing to offer a modern banking environment for both internal and external stakeholders. Access to information in a modern technology infrastructure fosters data driven decision-making, allowing more precision to the execution of the bank's strategic initiatives.

This continued culture of innovation is driven by the bank's Director of Innovation and Innovation Committee, supported by the bank's Senior Management and Board of Directors, allowing the bank to continue its history as a highly efficient organization that leverages innovation for the benefit of all its stakeholders. This focus on innovation, technology and efficiency is designed to support key banking niches, while adding value and expertise to specific segments in the market. Identifying and focusing on these niches has allowed INSBANK to develop products and services that support the unique needs of businesses, benefiting the customers and developing lasting relationships based on providing advisors and advocates in addition to solutions.

THROUGH A **TECHNOLOGY-FORWARD POSTURE** AND A **CULTURE OF EFFICIENCY,** THE BANK WRAPS ITS OPERATING MODEL WITH STRATEGIC INITIATIVES THAT SUPPORT ITS CONTINUED RELEVANCY AND MAINTAINS ITS POSITION AS AN INNOVATOR.

INSBANK

With a history built upon a unique business model that encourages thoughtful approaches to solving customers' needs, INSBANK's ability to be nimble and pivot towards solutions continues to keep pace with a rapidly changing industry. The banking industry is realizing change not just isolated to technology and innovation but also in customer expectations, customer interactions, balance sheet structure and needs, and adaptable personnel poised to navigate this evolution.

Continued adaptability within the bank's business model further allows INSBANK to focus on key strategies without the noise of traditional banking models. Executing innovative and creative strategies is key to the bank's growth in areas not serviced by others, with a level of expertise it achieves through its focused mission.

INSBANK continues to service a growing and diverse client base from two office buildings in the metropolitan Nashville market. Through expertise in commercial banking and treasury management, paired with excellence in private client services, the bank continues to grow its reputation as a subject matter expert in areas that support its client base and strategic growth. Carefully augmenting these services as needs in the client base grow further embodies the strategy of demanding expertise in order to exceed expectations. In this spirit, the bank also provides a strategic approach to trust services, not to the masses, but instead to niches within the commercial and private client spaces, where it can provide a high level of quality and serve as a trusted advisor, ensuring trusts are governed as intended and remain beneficial to the client. INSBANK's ability to adapt to developing needs, coupled with its innovative and unique business model, supports sustainable growth for all its stakeholders.

> INSBANK'S ABILITY TO **ADAPT TO DEVELOPING NEEDS**, COUPLED WITH ITS INNOVATIVE AND UNIQUE BUSINESS MODEL, **SUPPORTS SUSTAINABLE GROWTH** FOR ALL ITS STAKEHOLDERS.

With both Medquity and Finworth, the bank's client base continues to expand across the nation. While traditional relationships in its primary market continue to be a core strategy, these other silos provide diversification critical for a sustainable growth trajectory. A focus on automation and efficiency provides the bank's staff the ability to focus on unique business opportunities and innovate the process and interaction with its borrowers and depositors. With its infrastructure and resources, client relationships that fit the bank's strategy can occur anywhere.

MEDQUITY
HEALTHCARE BANKING

Medquity, a division of INSBANK, is dedicated to delivering specialized banking services to the healthcare industry. With more than 900 healthcare companies based in Nashville, developing expertise in this sector was a strategic move for the bank. The Division utilizes its 16-member physician Advisory Board and active participation in healthcare conferences to provide banking solutions that align with the industry's trends, challenges, and opportunities.

Originally established in collaboration with the Tennessee Medical Association (TMA Medical Banking), Medquity has expanded its reach nationwide, now serving clients in 28 states and continuing to grow. The US healthcare industry is extensive, with healthcare spending representing nearly 20% of the US GDP. Over three million healthcare businesses generate more than $3 trillion in revenue, a number that continues to rise. Healthcare services demonstrate consistent performance during economic downturns due to their relative inelasticity to price and income. These characteristics reinforce the bank's strategy to pursue growth within this segment.

Medquity provides comprehensive banking solutions tailored to the healthcare services sector, specifically targeting medical, dental, and veterinary practices, management companies, and their providers. Current offerings are diversified across consumer, C&I, CRE, and owner-occupied categories and include loans for working capital, equipment and build-out, residential and commercial real estate, business and practice acquisitions (often by private equity-backed management services organizations), and independent or joint venture centers for physicians, operators, and/or health systems. Tailored treasury solutions include the reconciliation of ERAs/EOBs to payment transactions with robust analytics.

Medquity is committed to creating niche solutions for the healthcare industry, demonstrated by its fintech platform launched in 2020 to refinance medical and dental student loans. This platform has since expanded to offer loans to doctors investing in joint venture ambulatory centers, such as surgery centers, and a personal loan application for doctors.

Medquity's profound understanding of the healthcare landscape allows the bank to continually provide financial resources that meet the evolving needs of providers, practices, and healthcare companies.

FINWORTH
A DIVISION OF INSBANK

'Fintech' ventures often uniquely solve a customer's need. In some cases, solving a need through technology may not be unique unto itself, but rather may provide the bank a conduit to customers and customers a conduit to a distinctive experience. INSBANK's national on-line presence, Finworth, does both by virtue of creating a simple access point for deposit customers to source interest-bearing deposit solutions without the need for proximity while providing access to bankers in tandem with this technology.

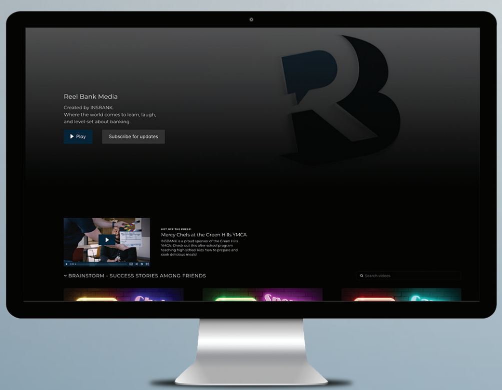
Through a virtual environment, clients nationwide can access competitive interest-bearing accounts, engage in the opening process and complete the acquisition of an account on their timeline. This technology driven access point also provides access to Private Client Advocates, combining innovation and convenience, with expertise and guidance. This approach allows depositors to select the level of engagement they desire. Finworth strives to automate the deposit opening experience in tandem with access to experienced bankers when one size may not fit all.

REELBANK MEDIA

INSBANK is known for many things, but there's one aspect that might surprise you. It's a bit of an inside secret. Or at least it was. INSBANK makes movies. Why? Well, why not? What started as a fun and creative way to engage our team and clients has quickly become a core element of our internal culture. Each year, we write and produce our short films, blending original writing, opportunistic locations, and inspiration or parody from the classics. These projects culminate in a premiere at our annual INSBY awards.

Recently, this creative endeavor has expanded into our marketing and advertising efforts, resulting in the establishment of Reel Bank Media. This new brand serves as a depository for all of INSBANK's video adventures. From "Brainstorm," an original podcast featuring some of Nashville's most intriguing entrepreneurs, to educational content about staying protected from fraudsters, Reel Bank Media is unique not only in its approach to branding and content but also in its very existence.

Name another powerhouse commercial lender with their own multimedia studio and creative marketing team; we'll wait. Reel Bank Media embodies the innovative spirit of INSBANK, setting us apart as one of the most forward-thinking banks in the game.



SCAN ME!

2024 INSBANK Annual Report

INSBANK CULTURE

KRISTIN MURGUIA
FVP, Director of Employee Engagement

This past year marked a significant transformation for INSBANK, particularly through enhanced Human Resource efforts which provide a dedicated focus to maintaining our culture. Our commitment to creating a supportive and thriving workplace ensures that employees feel valued, engaged, and motivated to contribute their best.

Enriching Recruitment and Retention

By refining our recruitment strategies and implementing robust on-boarding programs, we have successfully attracted and retained top-tier talent. Our focus on culture has fostered a sense of belonging and loyalty, evident in the high levels of job satisfaction among our staff. Regular feedback sessions and employee recognition initiatives further reinforce our commitment to a positive work environment.

Promoting Health, Wellness, and Professional Growth

We prioritize our employees' well-being through comprehensive health and wellness programs that include mental health support and fitness initiatives. This focus on well-being nurtures a balanced work-life dynamic. Furthermore, we provide continuous learning and development opportunities through workshops, seminars, and on-line courses, empowering our staff to grow professionally while contributing to the bank's success.

Empowering Leadership and Collaboration

Our HR department supports our leadership team by offering strategic guidance on best practices for managing and inspiring their teams. This collaboration fosters a dynamic and inclusive workplace, where open communication and teamwork drive productivity and innovation.

By emphasizing wellness, professional growth, and collaborative support, we are building a resilient and motivated team poised to drive our bank's continued success. We are proud of the positive impact these cultural initiatives have on our organization and the communities we serve.

CORPORATE 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 and non-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.

Board of Directors

Our annually elected board of directors is comprised of independent directors, with the only exception being the CEO, James H. Rieniets, Jr. Each director provides a unique business perspective, experience, and skills, all valuable to the Bank. The board plays a vital oversight role, which fosters shareholder value and affects stakeholder confidence through discussions with senior management and external advisors covering a wide range of matters, including strategy, financial performance, compliance, and policy.

Board Committees

Committee and committee chair assignments are reviewed annually by the Board of Directors after considering factors such as the directors' business and corporate governance experience, the Governance Committee's recommendations, criteria for specific committee service, individual skill sets, the directors' other responsibilities and scheduling flexibility. Assignments are periodically reviewed to ensure that each committee has an appropriate mix of tenure and experience in order to introduce fresh perspectives while preserving continuity.

- Governance Committee *
- Audit Committee *
- Compensation Committee *
- Asset / Liability Committee
- Management Committee
- Loan Policy and Oversight Committee
- Executive Loan Committee

*outside director membership only, in order to ensure independence

Bank Committees

The bank's daily processes and procedures are better managed and monitored through a committee structure that allows the various departments and management input into enterprise-wide issues. Executive Management recommends committee assignments based on subject matter experience and departmental representation. Executive management is represented on each committee.

- IT Steering Committee (includes Board observation rights)
- Compliance Committee
- Officer Loan Committee
- Innovation Committee
- Process Improvement Committee

ESG

Environmental, social, and governance (ESG) considerations are an important component for banks and financial institutions. ESG provides a framework for understanding a company's sustainability and ethical impact. As a responsible corporate citizen, we recognize the significance of ESG factors and have integrated them into our business strategy. As a bank, ESG factors can have a significant impact on our business, including our ability to manage risk, attract and retain customers, and contribute to the well-being of the communities we serve.

As part of our commitment to environmental sustainability, we promote sustainable business practices throughout our organization and facilities. Additionally, as a bank, we are in a unique position to assist clients in our community who facilitate responsible environmental stewardship for the community, themselves and others.

Social responsibility reflects the bank's desire to be a partner in its community. Having a diverse and inclusive work force provides the bank with a multitude of talents, perspectives and backgrounds in an environment that values, promotes and respects the voices and thoughts of all employees. Reflecting the communities that we operate in enhances our ability to connect with and serve our markets in step with our customer base. In addition to providing banking solutions, we also provide financial education programs and support for financial literacy initiatives in the communities we serve, helping to promote financial inclusion and economic empowerment. The bank further supports initiatives to give back to the communities in which we operate, such as volunteering, charitable donations, and community outreach programs, which are further highlighted in this report.

The bank has established strong governance frameworks to ensure that we conduct our business in a responsible and ethical manner, including transparency and accountability. Our board of directors provides oversight and guidance on ESG issues, and we regularly engage with stakeholders to understand their concerns and incorporate their feedback into our decision-making processes. These commitments reflect our dedication to creating long-term value for our shareholders, customers, employees, and communities while building a more sustainable future for all.

THE THREE PILLARS OF ESG

ENVIRONMENTAL

THIS PILLAR FOCUSES ON A COMPANY'S IMPACT ON THE NATURAL WORLD.

SOCIAL

THIS ASPECT EXAMINES HOW A COMPANY INTERACTS WITH AND IMPACTS SOCIETY, ENCOMPASSING TOPICS LIKE EMPLOYEE RIGHTS, COMMUNITY ENGAGEMENT, AND CUSTOMER RELATIONS.

GOVERNANCE

THIS PILLAR FOCUSES ON THE STRUCTURE AND ACCOUNTABILITY OF A COMPANY, INCLUDING ETHICAL BUSINESS PRACTICES, TRANSPARENCY, AND RISK MANAGEMENT.

PHILANTHROPY BENEFICIARIES

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 established The INSBANK Philanthropic Fund in 2019. This fund facilitates giving back through all the bank's stakeholders, including its customers, who can participate through The Philanthropy Account. The Philanthropy Account offers the same convenience of a typical money market account, but with the added benefit of supporting local organizations. This innovative account allows customers to earn a competitive rate of interest while supporting the community as the bank makes a contribution to the fund based on aggregate deposits in these accounts. Coupling the fund with account holders and employees towards a common pursuit, INSBANK is able to combine contributions with time and talent, enhancing its desire to create positive impact in the community.

Three T's of Philanthropy

Time: Your time is one of the most valuable gifts you can offer. Use it to listen, learn, and support your community—often through volunteering, the most popular way to make a meaningful impact.

Talent: Your skills are unique—use them! Reach out to a local nonprofit or community foundation to see how your expertise can help. No matter your talent, there's a cause that can benefit from it.

Treasure: We're not talking pirate gold—your charitable donations, big or small, fuel the work of nonprofits. Find a cause you care about and see where your contributions can make the biggest difference.

Ancora[TN]

Grow Cook Share
The Nashville Food Project

OZ Arts · Nashville

Alzheimer's® Tennessee
www.alzTennessee.org

National Museum of African American Music

CASA Court Appointed Special Advocates for Children

w.o. smith nashville community music school

Nashville Children's Theatre

2024 BENEFICIARIES INCLUDE **NASHVILLE CHILDREN'S THEATRE** AND **W.O. SMITH MUSIC SCHOOL.**

INSBY AWARDS

Since 2015, we have proudly celebrated entrepreneurship as a cornerstone of our growth. Each year, the INSBY Awards honor three outstanding customers who excel in creating value, driving innovation in their industries, and generating jobs. This event also supports the Women's Business Center at Pathway Lending, a cherished nonprofit dedicated to fostering small business and job creation in Nashville. By celebrating these entrepreneurs, we strengthen our relationships and underscore the vital role of innovation and job creation in our community.

The 2024 Winners


Patton Logistics, Inc.
Spencer Patton, Founder and President


High-Level Marketing
Nathan Yates, CEO, and Scott Bell, CFO


KGV Studios
Kelly Magill, Owner

THE COMBINATION OF CASH DIVIDENDS AND SHARE REPURCHASES REPRESENTED APPROXIMATELY

30%

OF NET INCOME IN 2024

MANAGEMENT DISCUSSION OF FINANCIALS

The financial section of the annual report provides an overview of InsCorp's financial performance over the past year compared to prior periods. The balance sheet and income statement present a snapshot of InsCorp's financial position, revenue, and expenses. This section includes a discussion of important financial ratios and metrics, which can be helpful in assessing the performance, efficiency, liquidity, and returns of the company compared to industry peers.

Financial information and other press releases can be found throughout the year on our website (*www.insbank.com*), on the OTCQX page for InsCorp (*www.otcmarkets.com/stock/IBTN/overview*), and on the FFIEC website (*www.cdr.ffiec.gov*).

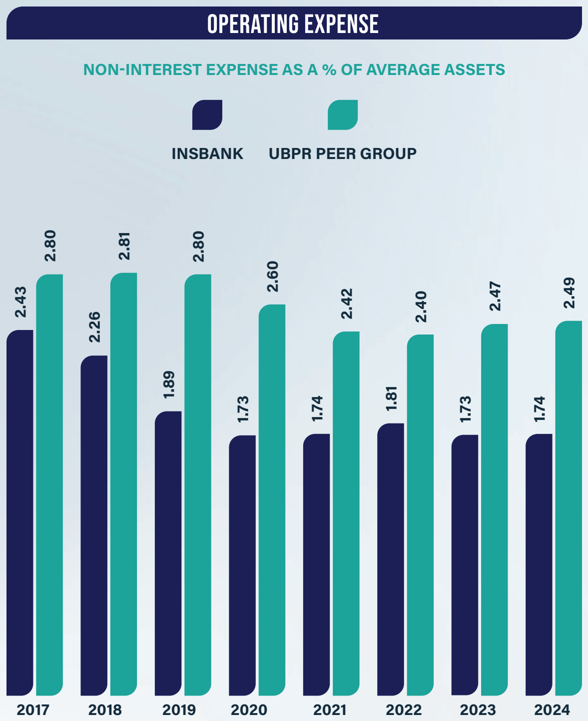
Financial Highlights

Fully diluted earnings per share ("EPS") of $2.46 in 2024 compared to $2.85 in 2023, $3.51 in 2022, and $2.01 in 2021. The decline in EPS was due primarily to net interest margin pressure in the beginning of the year, a pronounced increase in hiring activity in the second half of the year, and back-end weighted loan growth. Although the timing of margin pressure and overhead growth pressured income in 2024, income comparisons will benefit from the acceleration of loan growth on a linked-quarter annualized basis to 11% in 3Q24 and 35% in 4Q24. Excluding realized and unrealized gains and (losses) on interest rate derivatives and securities transactions, operating EPS of $2.58 in 2024 compared to $2.94 in 2023, $2.81 in 2022, and $1.81 in 2021. From a longer-term perspective, reported EPS improved 10.4% on average annually over the past five years, and by 12.9% annually excluding securities and loan sale gains and losses and interest rate derivative gains and losses.

Excluding realized and unrealized derivatives and securities gains (losses), ROAA of 0.92% and ROAE of 10.6% in 2024 compared to 1.07% and ROAE of 12.8% in 2023, and 1.13% and 13.6%, respectively, in 2022. On the same basis, the Company's efficiency ratio was 60.1% in 2024 versus 56.0% in 2023 and 54.9% in 2022.

Revenue of $25.5 million in 2024 was essentially flat compared to 2023, as non-interest income growth of 26.1% Y/Y to $1.9 million slightly exceeded a decline in net interest income of 1.5% during the year. The $0.4 million decrease in net interest income in 2024 reflected growth in interest income of $5.9 million, or 12.8%, compared to interest expense growth of $6.3 million, or 28.2%, during the year. Excluding gains (losses) from derivatives and securities transactions of ($0.5 million) in 2024, ($0.4) million in 2023, and $2.8 million in 2022, recurring non-interest income increased 26% to $2.4 million in 2024 versus $1.9 million in 2023 and $1.7 million in 2022. Interest rate derivatives will remain a part of the Bank's ongoing risk management process for the foreseeable future.

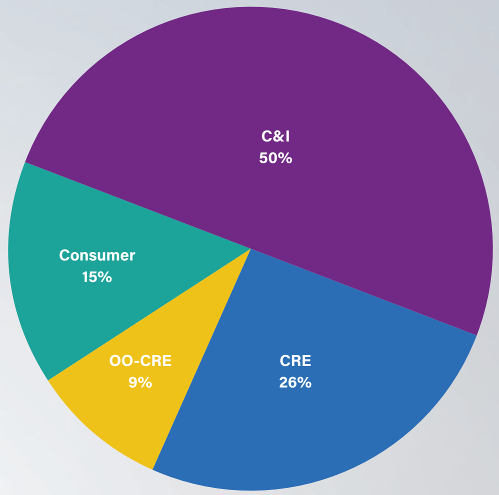
INSCORP, INC. PAID CASH DIVIDENDS TOTALING $0.40 IN 2024, AN **INCREASE OF 18%**



CORE NON-INTEREST INCOME GROWTH OF

26%

MEDQUITY LOAN PORTFOLIO MIX



MEDQUITY CREDIT TOP 10 STATES

Rank	State	Relationships	Loans	% of Portfolio
1	TN	155	$137M	60.7%
2	FL	34	$28M	12.5%
3	OH	18	$12M	5.5%
4	NY	14	$11M	4.9%
5	HI	5	$6M	2.8%
6	TX	10	$6M	2.6%
7	CA	7	$6M	2.6%
8	MD	3	$4M	1.6%
9	GA	7	$3M	1.1%
10	NM	2	$2M	1%

MEDQUITY GENERATED NET LOAN GROWTH OF

$31M

InsCorp, Inc.'s consolidated net interest margin was 2.93% in 2024 versus 3.17% in 2023 and 3.43% in 2022. The bank's asset sensitive interest rate risk profile resulted in expansion of the bank-level net interest margin to a peak of 3.43% in 3Q23 from a low of 2.81% in 2021. Just as the margin's peak mirrored the return of the Fed Funds target rate to a more "normal" pre-Global Financial Crisis range of 5.25%-5.50%, the trough in the margin followed shortly after the return of the Fed Funds target rate range to 0.00%-0.25% (i.e., in response to the Pandemic).

The increase in the earning asset yield to 6.45% (+30 basis points) in 2024 was driven by a 45 basis point increase in the loan yield to 6.68% in 2024, which was partially offset by a 53 basis point drop in the yield on liquidity management assets of 5.08% in 2024. Unfortunately, the cost of deposits increased 82 basis points to 3.94%, a reflection of the cost of CDs of 4.74% (+83 basis points Y/Y) in 2024. The FOMC's reduction in the Fed Funds target rate of 100 basis points during the last four months of the year resulted in a 20 basis point linked-quarter ("LQ") decline in the loan yield to 6.73%, while the cost of CDs of 4.77% was flat LQ in 4Q24—reflecting the bank's asset sensitive interest rate risk position. Importantly, bank-level net interest income improved 3.1% Y/Y in 4Q25 to a run-rate of $26.7 million, which ended a five-quarter run of negative Y/Y growth in net interest income dating back to 3Q23.

The bank's efficiency ratio of 54.7% in 2024 compared to an average of 65.3% for FDIC peer banks and reflected a relatively low non-interest expense to asset ratio of 1.74% vs. 2.49% for peers and an assets per employee ratio of $13.7 million compared to an average of $7.3 million for FDIC peer banks. The increase in the efficiency ratio compared to 51.4% in 2023 reflected a small reduction in the asset per employee ratio and a nearly 18% Y/Y increase in our talent pool to 66 associates, as management invested across all areas of the Company to prepare for growth and FDICIA compliance in the future.

2024 INSBANK Annual Report

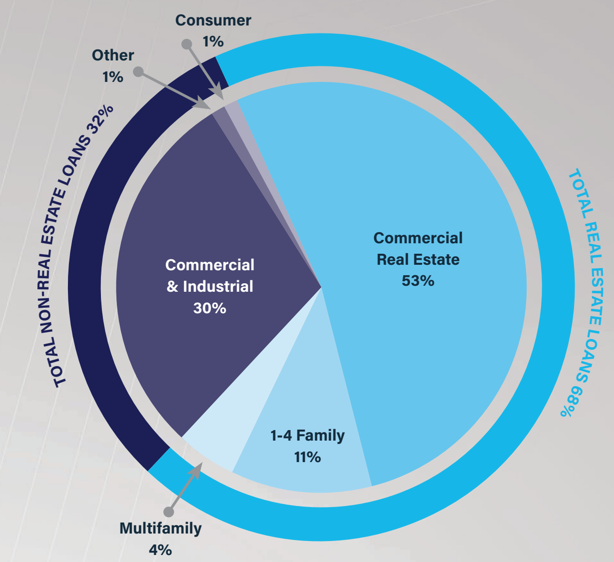
Lending

After slowing in 2023, loan growth improved progressively and broadened out across the bank's various segments throughout the year—increasing to 12.2% in 2024 compared to 5.1% in 2023. Commercial ("C&I") and real estate-secured loans grew 20.5% Y/Y and 8.6% Y/Y, respectively, as balance growth was split between C&I (51% of annual growth) and commercial real estate ("CRE"; 49%) in 2024 compared to a dependency on C&I in 2023 (84%). Loan growth at Medquity, INSBANK's healthcare focused business, improved to 15.4% Y/Y in 2024 versus 11.7% in 2023, which represented 37% of total loan growth in 2024 compared to 63% in 2023.

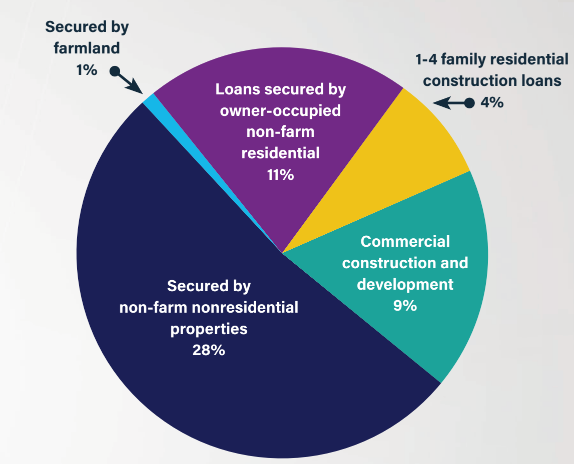
Real estate-secured loans increased 8.6% Y/Y in 2024 compared to 1.8% in 2023, as balance growth of $40.4 million during the year reflected similar volume contributions from Construction ("C&D") of $12.3 million (+13.2% Y/Y), CRE of $14.2 million (+4.6% Y/Y), and Residential real estate of $13.9 million (+20.8% Y/Y) in 2024. After experiencing a combination of elevated payoff activity and a more discerning stance by borrowers in 2023, due to higher interest rates, origination and payoff activity migrated toward "normal" ranges. Loan composition reflected a higher mix of C&I and Residential loans, which increased to 32.8% and 10.6% of loans, respectively, while C&D was stable at 13.7% of loans, and CRE decreased to 42.1% of the portfolio in 2024 compared to respective levels of 30.6%, 9.8%, 13.6%, and 45.1% of loans at the end of 2023.

Medquity generated net loan growth of $31 million in 2024 versus $21 million in 2023 and $58 million in 2022, which represented 30.3% of total loans at year-end compared to 29.5% a year ago and 17.3% five years ago. The portfolio of physician-focused healthcare loans remains very well diversified across geographies, healthcare specialties, facility types, and repayment sources.

LOAN COMPOSITION

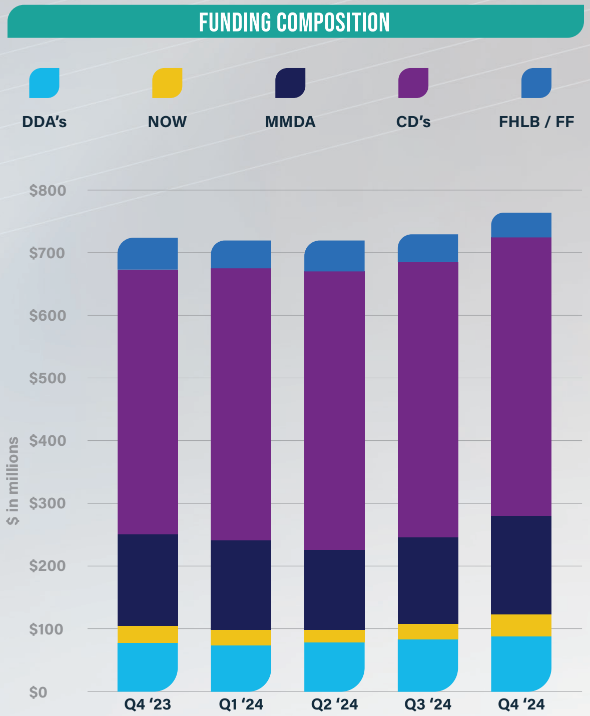


— Commercial Real Estate Breakdown (53% of Loans) —



Deposits and Funding

Total deposits increased 9.4% Y/Y to $750.5 million during 2024 compared to 19.0% in 2023 and a 1.4% decline in 2022. Coupled with stronger loan growth of 12.2%, the loan to deposit ratio increased to 101.9% versus 99.3% a year ago. After successfully improving the mix of non-interest bearing and interest-bearing transactional balances through 2021, the normalization of the Fed Funds interest rate to 5.25% to 5.50% resulted in rationalization of excess balances by clients to reduce loan balances, fund capital expenditure needs, and shift balances into higher yielding alternatives such as certificates of deposits ("CDs"), US Treasuries, and money market mutual funds. This resulted in an increase in CDs to nearly 60.6% of deposits versus 62.8% a year ago, 43.4% two years ago, and 37.9% at 2021-end. Importantly, commercial customer growth remained strong during the past two years as treasury management and deposit fee income increased 25% to $460,000 in 2024 compared to 22% Y/Y growth in 2023.

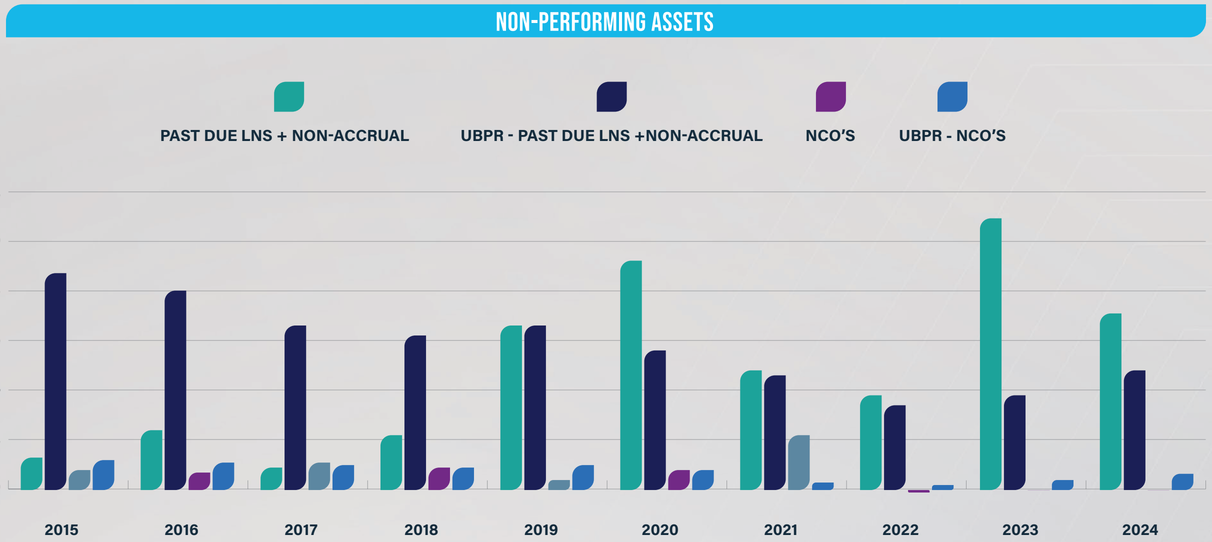


After launching Finworth in 2022, deposit growth increased nearly five-fold to approximately $150 million at 2023-end. Finworth enabled the bank to improve its liquidity position without affecting its existing deposit franchise. Over the course of 2024, management focused on managing its cost of funds lower, which resulted in a decrease of $26.8 million, or -17.9% Y/Y in 2024. As we ended the year, local demand for CDs remained solid, but at reduced cost to the bank compared to previous quarters in 2023-3Q24.

Risk Management

INSBANK's historical strategy has been to remain relatively neutral to the direction of interest rate changes, and to minimize the risk associated with highly volatile scenarios. The bank has utilized various methods to minimize these risks including balancing the mix of fixed and variable rate loans, minimizing price risk in the bond portfolio, prudently using structured term funding, and employing interest rate caps and floors and interest rate swaps. Collectively, these tactics have enabled the bank to avoid any meaningful AOCI adjustment to equity, and to maintain a net interest margin with sufficient cushion over the bank's operating expenses.

While risk management remains paramount in an era of increased interest rate volatility, the bank remains committed to prudent underwriting and credit monitoring standards across the economic cycle. Measures of asset quality across the industry demonstrated strength in 2023 and 2024, which held true for INSBANK, too. Non-performing assets ("NPAs") represented 0.70% of loans as of December 31, 2024, compared to 1.09% a year ago. The increase in NPAs in 2023 represented the migration of one well-secured real estate loan to non-performing status at year-end, while the decrease in 2024 was largely related to a material curtailment of that loan in 4Q24. Net charge-offs were 0.00% of average loans in 2024 and 2023. The allowance for credit losses increased to $9.9 million, or 1.29% of total loans, compared to $9.1 million, or 1.34% a year ago, and 1.26% for the bank's peer group average.



INSBANK maintains a robust CRE policy that includes portfolio diversification, stress-testing, and requirements for a high durability underwriting overlay for all concentration thresholds.

Although improved loan growth in 2024 pressured capital ratios slightly during the year compared to levels at the end of 2023, capital ratios remain consistent with historical levels. INSBANK's total risk-based capital ratio decreased 43 basis points to 13.11% in 2024 and its common equity tier-1 capital ratio decreased 39 basis points to 11.90%—both of which remained solidly above respective "well-capitalized" regulatory thresholds of 10.00% and 6.50%. An increase in total capital of $32.2 million, or 40.7%, over the past three years compared to growth in non-owner occupied CRE of $92.0 million, or 35.7%; although CRE increased to 314% of total capital at the end of 2024 compared to 298% at the end of 2023, the level remained consistent with the range of 311% to 332% during 2020-2022, and solidly below the range of 334% to 393% during 2015-2019.

Capital Management and Dividends

InsCorp, Inc. paid cash dividends totaling $0.40 per share during 2024, which represented an increase of 17.6% compared to dividends of $0.34 per share paid in 2023. During 2024, the Company's Board of Directors elected to declare dividends on a quarterly basis versus its previous practice of semi-annual payments. Most recently, the Company paid a cash dividend of $0.11 per share in 1Q25, which represented a 10% increase compared to the annualized rate in 2024. The increased dividend payout ratio to 16% of net income versus 12.0% of reported net income during 2021-2023 reflected the increase in the dividend rate and a decrease in EPS. Nonetheless, significant retained earnings remained available to support future asset growth.

On July 24, 2024, the Company's Board of Directors authorized the repurchase of 125,000 shares, or 4.3% of outstanding shares, through January 27, 2026. Subsequently, 41,381 shares were repurchased during the remainder of the year for $1,006,375, or an average price of $24.32 per share, compared to 33,069 shares repurchased in 2023 for $669,085, or $20.23 per share. The average repurchase price represented approximately 98% of IBTN's average tangible book value per share ("TBVPS") of $24.80 in 2024 and 88% of TBVPS of $22.89 in 2023. The combination of cash dividends and share repurchases represented approximately 30% of net income in 2024 versus 20% of net income in 2023.

CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet	Year Ended 12/31/24	Year Ended 12/31/23
Assets		
Cash and Cash Equivalents	$ 4,222	$ 7,688
Interest Bearing Deposits	39,354	49,757
Securities	56,426	58,162
Loans	764,795	681,558
Allowance for Credit Losses	(9,895)	(9,126)
Net Loans	754,900	672,432
Premises and Equipment, net	12,451	12,715
Bank Owned Life Insurance	14,458	14,065
Restricted Equity Securities	10,225	8,890
Goodwill	1,091	1,091
Other Assets	11,345	12,290
Total Assets	$ 904,471	$ 837,090
Liabilities and Shareholders' Equity		
Liabilities		
Deposits		
Non-interest bearing	$ 84,017	$ 70,418
Interest-bearing	666,467	615,778
Total Deposits	750,483	686,196
Federal Home Loan Bank Advances	44,000	45,000
Federal Funds Purchased	-	-
Subordinated Debentures	17,371	17,348
Line of Credit	7,800	8,750
Other Liabilities	9,998	9,939
Total Liabilities	829,652	767,233
Shareholders' Equity		
Common Stock	29,395	29,230
Accumulated Retained Earnings	47,891	41,727
Accumulated Other Comprehensive Income	(2,467)	(1,100)
Total Stockholders' Equity	74,819	69,857
Total Liabilities and Shareholders' Equity	$ 904,471	$ 837,090
Tangible Book Value per share	$ 25.35	$ 23.92

CONSOLIDATED FINANCIAL STATEMENTS

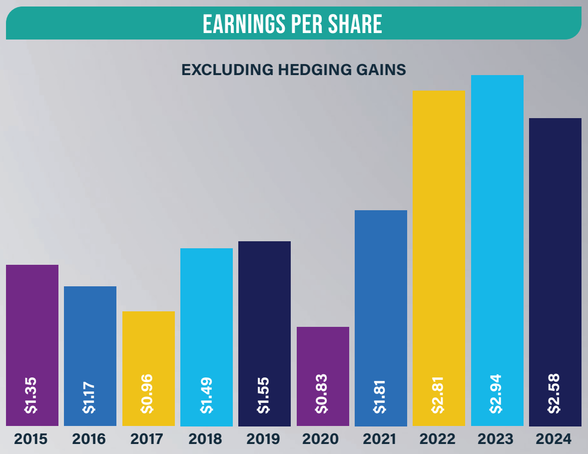
Income Statement	Year Ended 12/31/24	Year Ended 12/31/23
Interest Income	$ 52,142	$ 46,208
Interest Expense	28,576	22,287
Net Interest Income	23,566	23,921
Provision for Loan Losses	701	315
Non-interest Income		
Service Charges on Deposit Accounts	378	252
Bank Owned Life Insurance	392	345
Other	1,657	1,329
Total Non-interest Income	2,428	1,926
Non-interest Expense		
Salaries and Benefits	10,358	9,434
Occupancy and Equipment	1,701	1,562
Data Processing	442	382
Marketing and Advertising	444	519
Other	2,672	2,576
Total Non-interest Expense	15,617	14,473
Net Income from Operations	9,676	11,059
Gain on Interest Rate Hedges	(480)	(382)
Pretax Income	9,196	10,677
Income Tax Expense	(1,826)	(2,273)
Net Income	$ 7,370	$ 8,404
Earnings Per Share, Fully Diluted	$2.46	$2.85

Statement of Changes in Shareholders' Equity		
Beginning Balance	$ 69,857	$ 63,840
Issuance of Common Stock	52	52
Purchase of Common Stock	(1,006)	(669)
Stock Compensation Expense	553	378
Exercise of Stock Options	565	26
Dividends	(1,206)	(994)
Net Income	7,370	8,404
Change in Accumulated Other Comprehensive Income	(1,366)	(687)
Cumulative change in Accounting Principle	-	(493)
Ending Balance	$ 74,819	$ 69,857

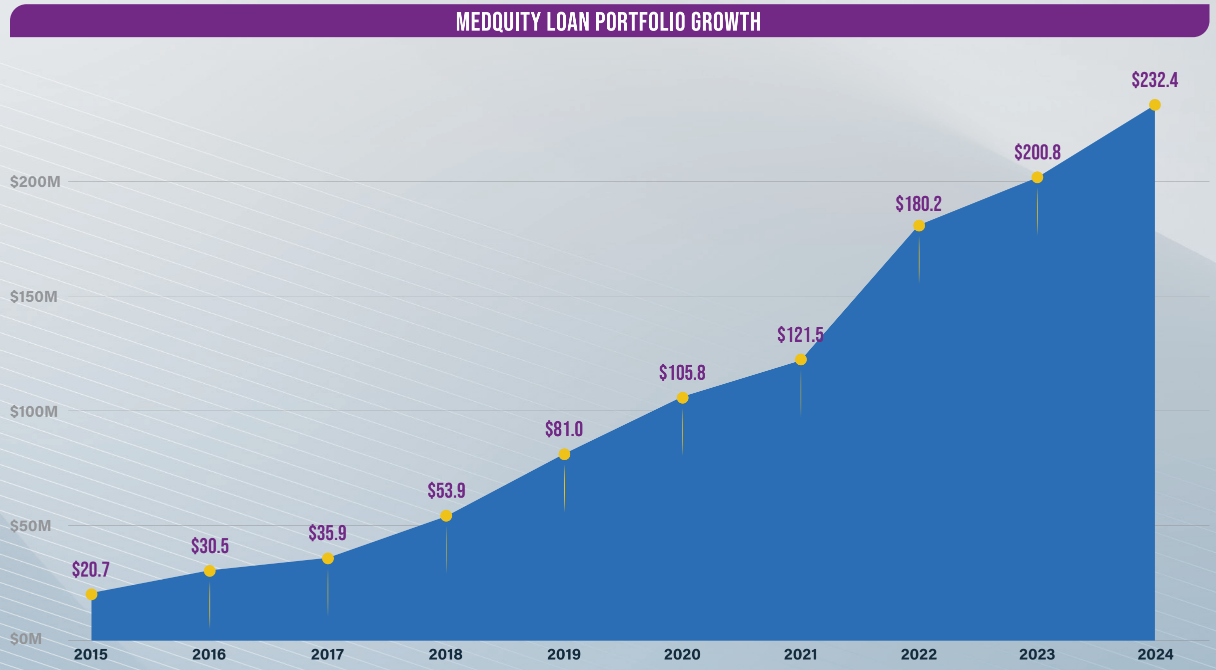
*Dollars in Thousands

Outlook for 2025

Despite recent industry trends reflecting slower asset growth and margin pressure, management remains optimistic that the significant increase in the loan and deposit customer pipeline across 2024 will provide double digit asset growth in 2025. In addition to volume growth, management expects margin expansion to result in 2025, assuming a 25-50 basis point reduction in the Fed Funds target rate, continued growth in lower-cost interest-bearing and non-interest bearing deposits, and a reduction in the cost of CDs. In addition to the 10 new associates that joined INSBANK in 2024, six more have joined us as of this report in 2025—including three officers on the commercial deposit and banking teams. Credit metrics remain favorable across the board and are generally expected to remain so. However, with increased fears of recession, and resulting interest rate volatility, management will remain steadfast on its historical risk management disciplines in the future. Early in 2025, the bank executed interest rate floor transactions at reasonable expense, which significantly reduced the potential adverse effect of lower overnight interest rates on net interest income within the first 90 days of a reduction.



INSCORP	1Q 2025
Net Interest Income	$ 6,424
Provision	$ 263
Non-interest Income	$ 535
Operating Revenue	$ 6,696
Operating Expenses	$ 4,599
Gain/(Losses)	$ (5)
Income Before Tax	$ 2,092
Taxes	$ (440)
Net Income	$ 1,652



BOARD MEMBERS AND LEADERSHIP

Board Members

Chairman of the Board & InsCorp
James H. Rieniets, Jr., President and CEO
INSBANK

Lead Director
Philip R. Zanone, Jr., Chief Operating Officer
B. Riley Wealth Management

Board of Directors
Russell Echlov, Partner
Ledyard Capital

James Fields, President/CEO
Concept Technology Inc.

Richard S. Hollis, Jr., Managing Partner
Higginbotham

Stacey Garrett Koju, Partner
Spencer Fane LLP

Robert W. Lowe, Jr., Executive Managing Director
Stream Realty Nashville

Hope W. Lundt, Investment Manager
Spence Limited, L.P.

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

Leadership

James H. Rieniets, Jr.
President/Chief Executive Officer

Peyton N. Green
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

Blake Wilson
Senior Vice President, INSBANK
President, Medquity

Andrew T. Smith
Senior Vice President/Chief Deposit Officer

Public Relations

Phene Wardlaw

Shareholder Relations

Financial Inquiries: Peyton Green
Administrative Information: Amanda Richardson

Transfer Agent: Computershare

Market: OTC-QX
Symbol: IBTN

SHAREHOLDER INFORMATION

OTCQX

InsCorp shares are listed on the OTCQX Market under the symbol IBTN. Shareholders can access real-time quotes and trading information at *www.otcmarkets.com*. To buy or sell shares of IBTN, shareholders should work with a licensed broker. Certain corporate information and financial reports are posted to the OTCQX on a quarterly basis.

Restricted Shares

InsCorp shares purchased in a private offering and held for over one year may be eligible for the removal of the restrictive legend. Once restrictions are removed, shares can be reissued as either book-entry (electronic) shares or certificated shares.

To request legend removal, shareholders must:

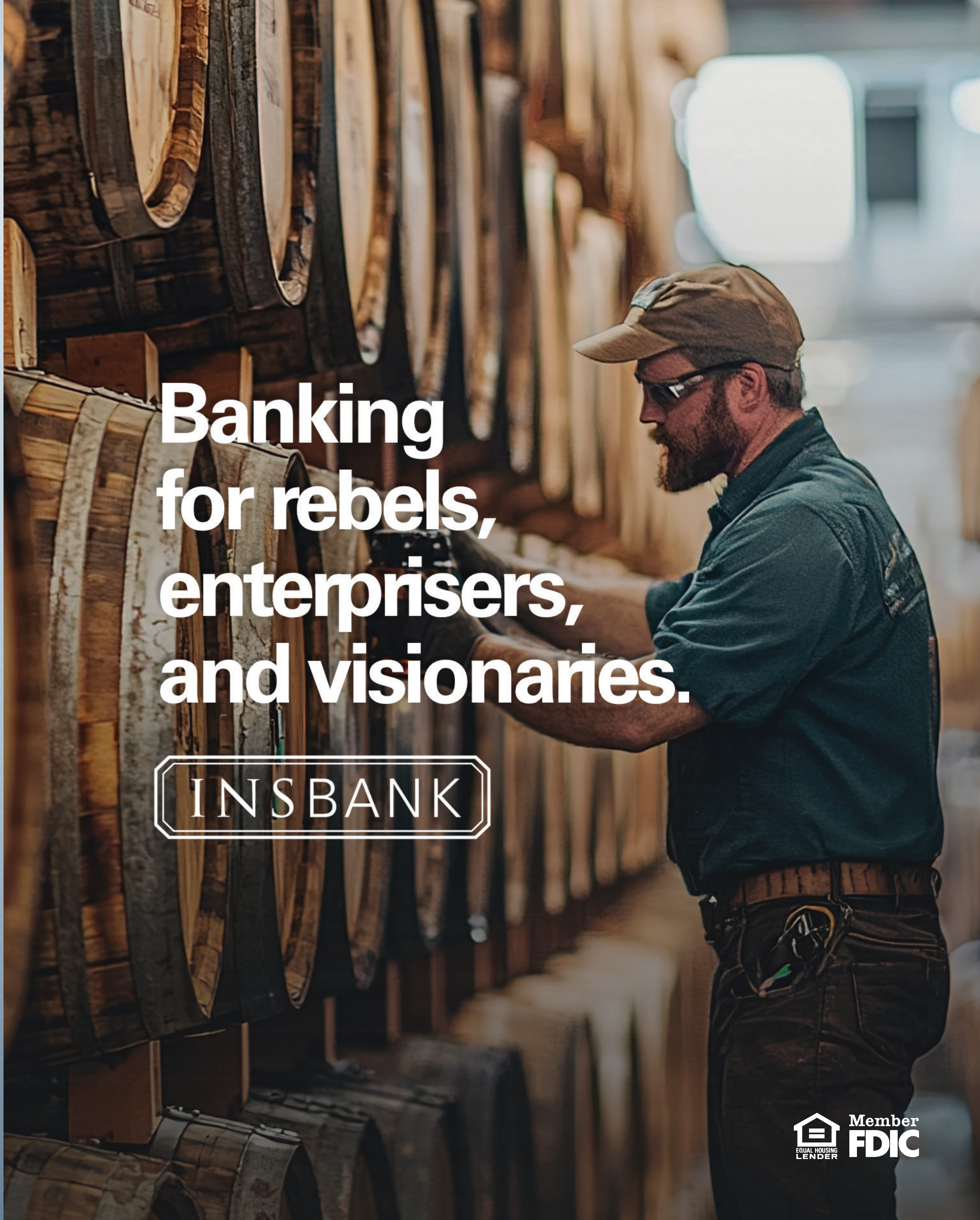
- Contact InsCorp's Shareholder Relations representative, **Amanda Richardson**, at **arichardson@insbank.com** or **(615) 515-4280**
- Sign a Shareholder Rule 144 Letter
- Submit the original stock certificates to Computershare's Processing Office

Transfer Agent

Computershare serves as the transfer agent for InsCorp, maintaining detailed records of the stock transactions. Shareholders can log into their account at *https://www-us.computershare.com/Investor* to view share balances, dividend payment history, transaction records, and more.

Shareholders interested in listing their InsCorp shares for sale but do not currently have a brokerage account can contact Computershare's Investor Services for assistance with listing shares and setting an asking price. For inquiries, please contact **Computershare** at **(877) 373-6374**.

ON BEHALF OF OUR BOARD OF DIRECTORS AND EMPLOYEES, **WE THANK YOU FOR YOUR SUPPORT OF OUR COMPANY**, AS WE ASPIRE TO FURTHER ENHANCE YOUR INVESTMENT WHILE DELIVERING VALUE TO OUR CUSTOMERS AND SUPPORTING THE ECONOMIC GROWTH OF THE MARKETS WE SERVE.



PARENT COMPANY OF INSBANK

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