

# Stephens Financial Institutions Group Transaction Announcement

InBankshares, Corp (OTCQX: INBC) Has Agreed to Acquire Legacy Bank  
**Stephens served as exclusive financial advisor to InBankshares, Corp and rendered a fairness opinion to its Board**

November 30, 2021

**\$56.0 Million**



**INBANKSHARES, CORP**

HAS AGREED TO ACQUIRE

**LEGACY BANK**

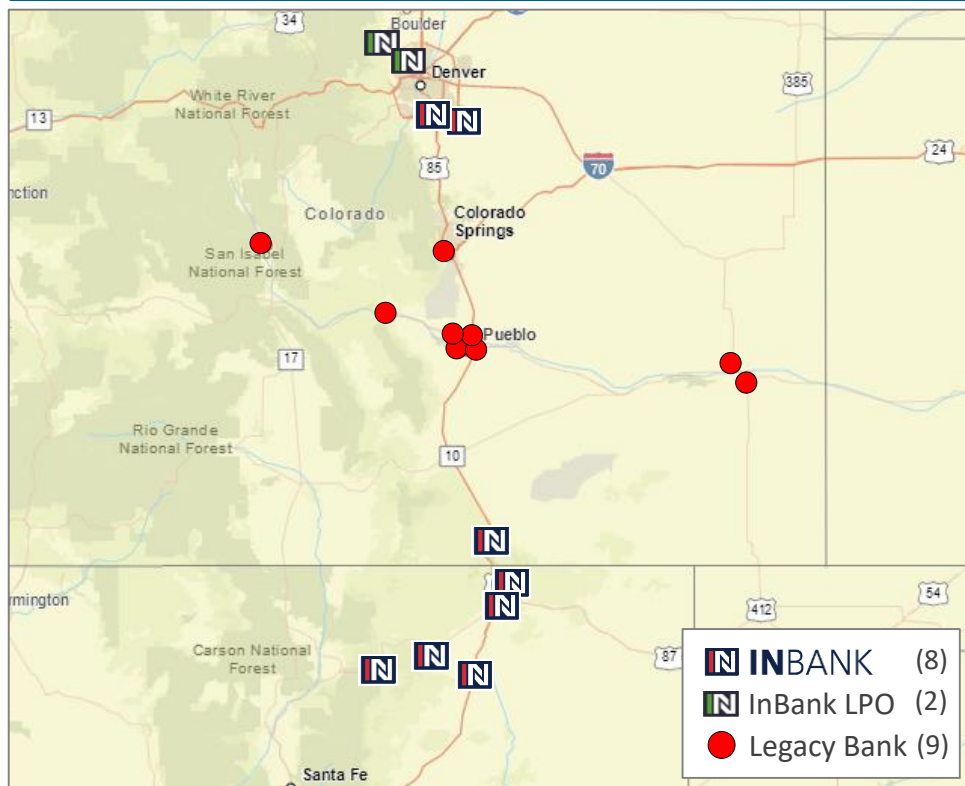
## Transaction Details

- InBankshares, Corp (OTCQX: INBC) ("INBC") and Legacy Bank ("Legacy") announced that they entered into a definitive merger agreement, pursuant to which Legacy will merge with and into InBank, the wholly-owned subsidiary of INBC, in a stock and cash transaction
- Under the terms of the merger agreement, INBC will issue 3,566,387 shares of INBC common stock and pay \$21.25 million in cash to the shareholders of Legacy Bank in the aggregate
- Prior to the closing of the transaction, Legacy will distribute to its shareholders other real estate owned (OREO) and other assets, and will pay its shareholders a special cash dividend, the amount of which will depend upon Legacy's tangible common equity at the closing, net of certain seller-paid transaction expenses
- Merger will create a Colorado-headquartered commercial bank with approximately \$1.2 billion in total assets, serving the Colorado Front Range and northern New Mexico
- INBC expects the transaction to be over 50% accretive to its earnings per share within the first year of combined operations (FY-2023E) with a pro forma return on average assets approaching 1.0%, and a tangible book value earn back of approximately 2.5 years

## Valuation and Consequences

Deal Value (Millions):	\$56.0
Price / Tangible Book Value <sup>(1)</sup> :	1.33X
Price / LTM Net Income <sup>(2)</sup> :	8.9X
2023E EPS Accretion:	+50%
Tang. Book Value per Share Dilution:	~10%
Tang. Book Value per Share Earnback:	~2.5 yrs

## Pro Forma Footprint



## Legacy Bank Highlights<sup>(3)</sup>

Headquarters:	Wiley, CO
Assets (Millions):	\$497
Total Loans (Millions):	\$316
Total Deposits (Millions):	\$426
Loans to Deposits:	74.1%
ROAA <sup>(2)</sup> (MRQ):	1.34%
Net Interest Margin (FTE):	3.82%
Efficiency Ratio (MRQ):	50.5%

<sup>1)</sup> Based on Legacy Bank reported tangible common equity of \$63.9 million as of September 30, 2021, less the \$4.9 million pre-closing distribution and the maximum pre-closing cash dividend of \$16.3 million

<sup>2)</sup> 22% Tax-effect due to Sub-S corporate structure

<sup>3)</sup> Data as of or for the three months ended September 30, 2021

Sources: Company Investor Presentation and Company Press Release

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