

2018 Annual Report

INTRUST FINANCIAL CORPORATION



TRADITION **FOR** *Today*



| C. Q. Chandler II

Tradition for **Today**

MEANS UNCHANGING VALUES ARE MORE RELEVANT THAN EVER.

Our company has built itself upon the same values my great-grandfather brought with him to frontier Kansas. We've encapsulated that principled approach to business into three words: Tradition for Today. These words embody who we are, how we're different and what we aspire to.

From our earliest beginnings, we have known that traditional principles are the key to lasting success. We have always been innovative and growth-oriented, because that's what our customers need us to be. But at INTRUST, we grow by adhering to our principles. We believe that relying on timeless values makes us one of the most contemporary banks in business.

"Tradition for Today" is far more than a slogan. It's a promise to our communities that the best of the past and present can come together.



Charles Q. "Charlie" Chandler IV
Chairman and CEO, INTRUST Bank, N.A.

Principles, service, innovation.

The lineage we belong to stretches back to those very first days of the last century. Not just a line of time and history, but an unbreakable cord tied to our founding principles.

With those principles guiding our course, we continue our progress into the future. As the pace of change accelerates, so does the pace of our growth and innovation.



1883

At age 18, C.Q. Chandler II purchases one-half ownership in Elk City Bank. Over the next 40 years, C.Q., along with other family members, would either start or purchase control of almost 60 banks in five states.

Adapting quickly to the post-WWII consumer revolution, Charles J. "C.J." Chandler helps create a consumer loan department to provide customers with a way to pay for new cars, refrigerators and air conditioners in installments.

1945



1953

To further the company's focus on consumer needs – and efficiency – C.J. opens Wichita's first drive-in bank with four cashier windows.

In a pioneering effort among Wichita banks, C.Q. "Chuck" Chandler III oversees the bank's move to automate services, installing the company's first computer system.

1962



1968

Chuck leads the bank's move to deliver credit cards to customers in the late '60s, providing them with a new form of credit.

1971

Chuck Chandler becomes president of the bank. Chuck ushers in electronic banking and cash management, and expands credit card usage and acceptance.



1973

To thrive in an increasingly competitive market, Chuck moves deliberately to install the first completely automated teller machine in Kansas. While not meant to replace the judgment of a seasoned teller, it has become the way most people access cash.

After securing degrees from Kansas State and Northwestern universities, C.Q. "Charlie" Chandler IV joins the bank to begin a career that continues to this day.

1976



1990

Grocery store banking, a novel concept at the time, is welcomed by customers when the bank opens its first in-store location in Dillons. Small business customers, in particular, have come to appreciate the evening deposit option, making it easier to run their companies.

The First National Bank in Wichita changes its name to INTRUST Bank. As Chuck states at the time, "INTRUST uniquely fits the way we do business; a tradition of trust has been our legacy for over 100 years."

1993

In July, the bank celebrates a successful merger with Kansas State Bank & Trust, bringing company assets to \$1.25 billion, with 20 locations and 35 ATMs.

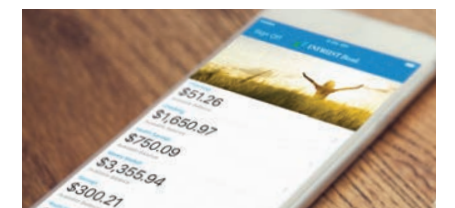


2009

INTRUST Bank is well-positioned during the Great Recession, counting on the strength and stability it has fostered for more than 100 years. As stated by Charlie in the annual report to shareholders, "INTRUST will remain a vital, resilient and steadfast part of our region's landscape and a beacon of trust to those we serve – regardless of the economic times."

Mobile banking is introduced to a generation – and their grandparents – who have come to expect banking at their fingertips.

2011



2019

After closing the books on one of the best years in the company's history, INTRUST looks forward with the introduction of Tradition for Today, building on its reputation for honest, principled business practices.

2018 Financials

INTRUST Financial Corporation Balance Sheets — Five-Year Summary (dollars in thousands)

Years ended December 31,

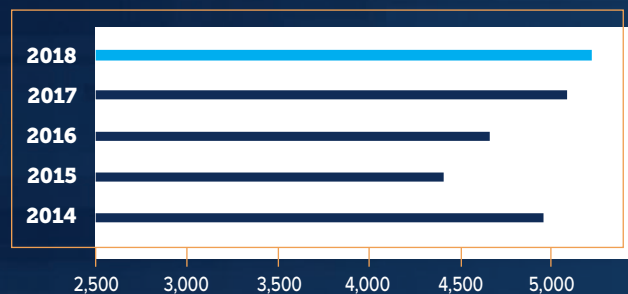
Assets	2018	2017	2016	2015	2014
Cash and cash equivalents:					
Cash and due from banks	\$167,066	\$388,247	\$204,109	\$125,271	\$607,132
Federal funds sold	125	5,480	7,855	8,205	10,180
Total cash and cash equivalents	<u>167,191</u>	<u>393,727</u>	<u>211,964</u>	<u>133,476</u>	<u>617,312</u>
Investment securities:					
Taxable investment securities	1,485,423	1,570,976	1,385,271	1,505,271	1,702,190
Nontaxable investment securities	16,879	20,141	27,935	30,267	30,894
Total investment securities	<u>1,502,302</u>	<u>1,591,117</u>	<u>1,413,206</u>	<u>1,535,538</u>	<u>1,733,084</u>
Loans, net of allowance for loan losses	<u>3,357,508</u>	<u>2,972,382</u>	<u>2,866,255</u>	<u>2,602,538</u>	<u>2,441,835</u>
Buildings and equipment	<u>66,566</u>	<u>65,995</u>	<u>66,576</u>	<u>67,853</u>	<u>67,109</u>
Other assets	<u>123,069</u>	<u>113,871</u>	<u>93,435</u>	<u>91,562</u>	<u>102,232</u>
Total assets	<u>\$5,216,636</u>	<u>\$5,137,092</u>	<u>\$4,651,436</u>	<u>\$4,430,967</u>	<u>\$4,961,572</u>
Liabilities and Stockholders' Equity					
Deposits:					
Demand	\$844,207	\$813,106	\$671,966	\$652,752	\$715,013
Savings and interest-bearing demand	2,482,873	2,559,880	2,815,798	2,543,719	2,500,656
Brokered	275,418	0	0	0	0
Time	619,338	584,002	324,632	315,927	342,969
Total deposits	<u>4,221,836</u>	<u>3,956,988</u>	<u>3,812,396</u>	<u>3,512,398</u>	<u>3,558,638</u>
Short-term debt	<u>543,555</u>	<u>708,626</u>	<u>399,118</u>	<u>482,337</u>	<u>967,845</u>
Long-term debt	<u>123,719</u>	<u>123,719</u>	<u>128,869</u>	<u>128,869</u>	<u>128,869</u>
Other liabilities	<u>56,039</u>	<u>44,758</u>	<u>38,142</u>	<u>42,756</u>	<u>40,518</u>
Total liabilities	<u>4,945,149</u>	<u>4,834,091</u>	<u>4,378,525</u>	<u>4,166,360</u>	<u>4,695,870</u>
Stockholders' equity	<u>271,487</u>	<u>303,001</u>	<u>272,911</u>	<u>264,607</u>	<u>265,702</u>
Total liabilities and stockholders' equity	<u>\$5,216,636</u>	<u>\$5,137,092</u>	<u>\$4,651,436</u>	<u>\$4,430,967</u>	<u>\$4,961,572</u>

INTRUST Financial Corporation Condensed Statements of Income — Five-Year Summary (dollars in thousands, except per-share data)

Years ended December 31,

Assets	2018	2017	2016	2015	2014
Interest income:					
Loans	\$144,216	\$116,497	\$104,141	\$96,768	\$96,594
Investment securities	38,324	29,851	22,566	22,694	17,935
Federal funds sold and other	4,750	6,011	4,274	1,799	882
Total interest income	<u>187,290</u>	<u>152,359</u>	<u>130,981</u>	<u>121,261</u>	<u>115,411</u>
Interest expense:					
Deposits	21,561	10,039	6,153	6,210	6,644
Federal funds purchased and securities sold under agreements to repurchase	1,579	702	204	351	373
Other indebtedness	13,728	10,912	7,957	5,002	3,456
Total interest expense	<u>36,868</u>	<u>21,653</u>	<u>14,314</u>	<u>11,563</u>	<u>10,473</u>
Net interest income	<u>150,422</u>	<u>130,706</u>	<u>116,667</u>	<u>109,698</u>	<u>104,938</u>
Provision for loan losses	<u>7,585</u>	<u>3,000</u>	<u>11,000</u>	<u>7,500</u>	<u>11,000</u>
Net interest income after provision for losses	<u>142,837</u>	<u>127,706</u>	<u>105,667</u>	<u>102,198</u>	<u>93,938</u>
Non-interest income:					
Service charges	9,587	10,125	11,993	12,558	13,703
Fiduciary income	27,395	26,359	24,449	24,935	24,291
Credit card fees	4,575	4,497	8,146	12,101	11,426
Other income	31,315	22,764	29,448	19,161	17,433
Total non-interest income	<u>72,872</u>	<u>63,745</u>	<u>74,036</u>	<u>68,755</u>	<u>66,853</u>
Non-interest expense:					
Salaries and employee benefits	76,056	75,035	74,093	67,747	66,167
Net occupancy and equipment expense	17,219	16,075	15,198	15,121	14,114
Advertising and promotional activities	5,076	3,860	4,712	4,926	5,060
Data processing expense	15,132	13,748	14,625	13,975	13,488
Other expense	26,989	21,160	10,616	18,254	17,894
Total non-interest expense	<u>140,472</u>	<u>129,878</u>	<u>119,244</u>	<u>120,023</u>	<u>116,723</u>
Income before provision for income taxes	<u>75,237</u>	<u>61,573</u>	<u>60,459</u>	<u>50,930</u>	<u>44,068</u>
Provision for income taxes	<u>3,819</u>	<u>3,037</u>	<u>2,788</u>	<u>2,357</u>	<u>2,025</u>
Net income	<u>\$71,418</u>	<u>\$58,536</u>	<u>\$57,671</u>	<u>\$48,573</u>	<u>\$42,043</u>
Per-share data:					
Earnings per share	\$39.94	\$31.81	\$31.28	\$26.24	\$22.68
Book value per share	\$157.99	\$164.79	\$148.09	\$143.16	\$143.10

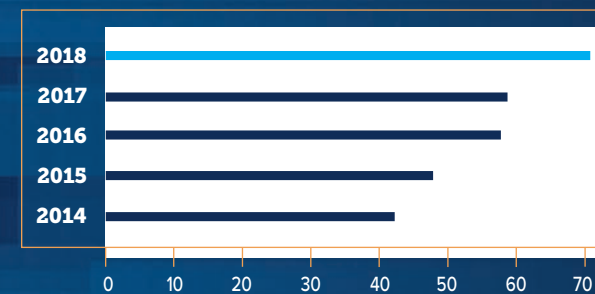
Total Assets (\$ Millions)



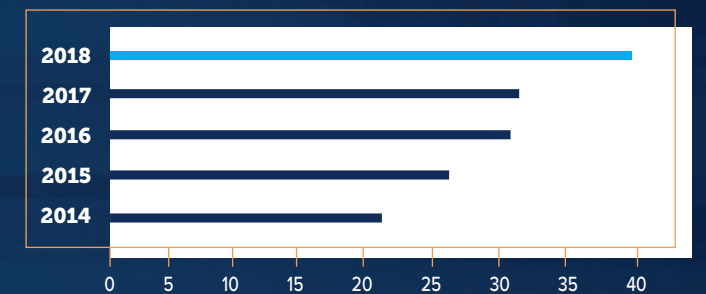
Loans (\$ Millions)



Net Income (\$ Millions)



Earnings per Share (Dollars/Share)



Board of Directors

C. Robert Buford
Zenith Drilling Corp.

C.Q. “Charlie” Chandler IV
INTRUST Bank

Stephen L. Clark
Clark Investment Group

Brian A. Heinrichs
INTRUST Bank

Richard M. Kerschen
The Law Co. Inc.

Charles G. Koch (Advisory Director)
Koch Industries Inc.

J.V. Lentell
INTRUST Bank

Kevin Lockett
Fulcrum Global Capital

Sam Marnick
Spirit AeroSystems

David Murfin (Advisory Director)
Murfin Inc.

Lynn R. Nichols
Yingling Aviation

Jon Rolph
Thrive Restaurant Group

Kenneth Shannon
Metal-Fab Inc.

Stephen B. Slawson
Slawson Companies Inc.

Jay Smith
INTRUST Bank

John T. Stewart III
Stewart Companies

Jeffrey L. Turner
TNW Group

INTRUST Bank Executive Team

C.Q. “Charlie” Chandler IV
Chairman and Chief Executive Officer

Dan Eilert
Chief Credit Officer

Brian Heinrichs
Chief Financial Officer

Dan Heinz
Chief Lending Officer

J.V. Lentell
Vice Chairman

Stan Ricketts
Executive Director – Regional Markets

Jay Smith
President and Chief Operating Officer