Infinity Bancorp Announces Third Quarter 2026 Financial Results

Press Release – 10/29/26

SANTA ANA, CA, -- (ACCESS Newswire) – Infinity Bancorp (OTCQB: INFT) (the "Company" or "Bancorp"), the holding company for Infinity Bank (the "Bank"), today announced financial results for the quarter ended, September 30, 2026.

Financial highlights for the third quarter of 2026:

- Net income of $1.4 million; basic EPS of $0.44
- Deposits increased $20.8 million, or 6.7%, during the quarter
- Non-interest-bearing deposits increased to 64% of total deposits
- No FHLB or other borrowings outstanding
- Loan portfolio increased 13.4% year-to-date
- Quarterly cash dividend of $0.10 per share

Loans and Allowance for Credit Losses

Total loans were $260.5 million at September 30, 2026, compared to $255.1 million for the second quarter of 2026, an increase of $5.4 million, or 2.1%. When compared to the fourth quarter of 2025, total loans increased $30.7 million, or 13.4%. The Bank funded $27.6 million in new loans/advances in the third quarter of 2026. The fundings were offset by $22.3 million in payoffs, most of which were expected based on the contractual terms of the loans. The loan-to-deposit ratio decreased to 78.9% from 82.5% at June 30, 2026. Compared to 65.9% a year ago, the increase reflects strong loan growth over the past twelve months.

In order to maintain the Bank's Allowance for Credit Losses (ACL) at its current expected loss rate, as a percentage of total loans, the Bank recorded a credit to provision expense of $87 thousand during the third quarter of 2026, reflecting stable credit quality and the maintenance of an appropriate allowance level. The Bank recorded $204 thousand in net charge-offs during the first quarter of 2026 and no significant charge-offs during the second or third quarters. At the time of the charge-offs the necessary reserves had already been established in the Bank's ACL. The Bank's ACL at 1.44% decreased from 1.51% when compared to the previous quarter.

Yields on total loans decreased to 8.21% during the third quarter of 2026, compared to 8.34% from the second quarter of 2026 and decreased from 8.92% in the third quarter, 2025. For the nine months ended September 30, 2026, yield on loans decreased to 8.37% compared to 8.92% for the same period in 2025. The decrease in yields from 2025 was due to three 25 basis point rate cuts in the federal funds rates that were approved by the Federal Open Market Committee in the third and fourth quarters of 2025 offset by a 25 basis point increase late in the third quarter of 2026, as well as fluctuations with the mix of the portfolio.

Deposits and Borrowed Funds

Total deposits equaled $330.3 million at September 30, 2026, an increase of $20.8 million, or 6.7% from the second quarter of 2026, and an increase of $27.9 million, or 9.2% from December 31, 2025. The deposit growth was driven primarily by non-interest-bearing operating accounts, resulting in non-interest-bearing deposits representing 64% of total deposits at September 30, 2026. Non-interest-bearing demand accounts increased $36.6 million, or 20.8% to $212.6 million as of September 30, 2026. Non-interest-bearing demand accounts increased $39.2 million, or 22.6% when compared to December 31, 2025. Interest-bearing deposits decreased by $15.8 million, or (11.8%) when compared to the second quarter of 2026 and $11.3 million, or (8.8%) when compared to December 31, 2025.

The Company did not have any Federal Home Loan Bank (FHLB) or other borrowings at September 30, 2026, or June 30, 2026, decreasing from $5 million in overnight borrowings at December 31, 2025.

The Company's cost of funds was down to 1.19% for the quarter ended September 30, 2026, compared to 1.28% from the

previously linked quarter and down from 1.41% for the same quarter last year. For the nine months ended September 30, 2026, the cost of funds decreased to 1.26% from 1.57% for the same period in 2025. Cost of funds decreased in response to decreases in the federal funds rate in 2025 as well as the payoff of FHLB borrowings in 2026.

Net Interest Income

Net interest income for the third quarter of 2026 was $5.1 million, an increase of $216 thousand, or 4.4% from the second quarter of 2026 and an increase of $128 thousand, or 2.6% over the third quarter of 2025. For the nine-months ended September 30, 2026, net interest income was $14.7 million, an increase of $599 thousand, or 4.2% from the same period in 2025.

The Company's net interest margin for the third quarter of 2026 was up 9 basis points to 5.93% when compared to the second quarter ended June 30, 2026, and up 12 basis points from 5.81% for the comparable period ended September 30, 2025. The net interest margin for the nine months ended September 30, 2026, decreased to 5.81% compared to 5.84% for the same period in 2025. The change in the net interest margin from period to period is due to fluctuations in the mix of both loans and deposits as well as changes in rates related to three 25 basis point rate cuts implemented by the Federal Reserve from September through December 2025 offset by a 25 basis point increase in rates in September 2026. The Company's primary source of net interest income continues to be driven by interest on loans followed by other short-term investments.

Non-Interest Income

For the third quarter of 2026, non-interest income totaled $157 thousand, a decrease of $17 thousand, or (9.8%) when compared to the previous quarter and an increase of $14 thousand, or 9.8% from same period in 2025. For the nine-months ended September 30, 2026, non-interest income totaled $467 thousand, up $75 thousand, or 19.1% from same period in 2025. Non-interest income continues to be driven primarily by fees on loans and deposit accounts.

Non-Interest Expense

For the third quarter of 2026, non-interest expense totaled $3.4 million, an increase of $484 thousand, or 16.9% from the second quarter of 2026 and $392 thousand, or 13.2% when compared to same quarter in 2025. For the nine-months ended September 30, 2026, non-interest expense increased $578 thousand, or 6.8%, to $9.1 million from same period in 2025. The increases were driven primarily by increased marketing and promotional costs related to a new deposit program. The Company's efficiency ratio equaled 64.1% for the quarter ended September 30, 2026, compared to 57.1% at June 30, 2026, and 58.2% for the same quarter in 2025. The primary driver behind the increase in both non-interest expense and the efficiency ratio for the third quarter of 2026 was an increase in marketing and advertising expense as the Company invested in its branding and sales efforts during the period. The efficiency ratio for the nine months ended September 30, 2026, was 60.1% compared to 58.9% for the same period in 2025.

Net Income

For the third quarter of 2026 the Company's net income remained stable at $1.4 million, or $0.44 basic earnings per share when compared to net income and basic earnings per share for the second quarter of 2026. When compared to the third quarter of 2025, profitability decreased $113 thousand, or $0.03 basic earnings per share. For the nine months ended September 30, 2026, net income was relatively flat at $4.0 million, or $1.28 basic earnings per share, compared to $4.1 million, or $1.30 basic earnings per share for the first nine months of 2025. Profitability remained relatively stable as improvements in net interest margin and non-interest income were largely offset by increases in operating expenses.

The return on average assets decreased 4 basis points to 1.56% for the third quarter of 2026 as compared to 1.60% for the second quarter of 2026 and 15 basis points from 1.71% for the third quarter of 2025. For the nine months ended September 30, 2026, the return on average assets decreased 11 basis points to 1.55% from 1.66% for the same period in 2025. All return on average asset ratios are represented on an annualized basis for comparative purposes.

The return on average equity for the third quarter of 2026 was 12.27%, down 17 basis points from 12.44% for the second quarter of 2026 and decreased 230 basis points from 14.57% for the third quarter of 2025. For the nine months ended September 30, 2026, the return on average equity decreased 174 basis points to 12.25% from 13.99% for the same period in 2025. All return on average equity ratios are represented on an annualized basis for comparative purposes.

Capital Management and Subsequent Event

The Company maintained capital levels well above regulatory requirements, ending the quarter with a Tier 1 leverage ratio of 13.20%, Tier 1 risk-based capital ratio of 15.50%, and total risk-based capital ratio of 18.10%.

On October 28, 2026, the Company declared a $0.10 cash dividend to shareholders of record as of November 16, 2026, payable on November 30, 2026.

The book value of the Company's common stock was $14.49 as of September 30, 2026, up from $14.18 as of June 30, 2026, and up from $13.13 at September 30, 2025. The increase in the book value of the Company's common stock is primarily related to the additional income recorded in the quarter and nine months ended September 30, 2026, as well as the continued decrease in the unrealized loss on investment securities. The investment portfolio consists entirely of government agency or government sponsored enterprise securities; therefore, management considers the risk of credit loss to be minimal. Although the Company holds its investment securities ("securities") as available for sale, we do not currently have the intent to sell any securities. These securities are pledged to the Federal Home Loan Bank and provide the Company with liquidity by allowing us to borrow approximately 95% of the fair market value of the portfolio. Also, the securities are amortizing, which provides the Company with additional liquidity of approximately $650 thousand in monthly payments that are reinvested in higher yielding assets. As of September 30, 2026, the portfolio has an average life of 2.5 years.

ABOUT INFINITY BANCORP AND INFINITY BANK

Infinity Bank is the sole subsidiary of Infinity Bancorp. Infinity Bancorp, formed on October 21, 2022, is the bank holding company for Infinity Bank. The Bancorp does not have any operations other than through its sole subsidiary, Infinity Bank. The Bank is a community bank that commenced operations in February 2018. The Bank is focused on serving the banking needs of commercial businesses, professional service entities, their owners, employees, and families. The Bank offers a broad selection of depository products and services as well as business loan and commercial real estate financing products uniquely designed for each client. For more information about Infinity Bank and its services, please visit www.infinity.bank

This news release contains several forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). These statements may be identified by use of words such as "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "likely," "may," "outlook," "plan," "potential," "predict," "project," "should," "will," "would" and similar terms and phrases, including references to assumptions. Forward-looking statements are based upon various assumptions and analyses made by the Bancorp (which includes the Bank) considering management's experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate under the circumstances. These statements do not guarantee future performance and are subject to risks, uncertainties, and other factors (many of which are beyond the Bancorp's control) that could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Accordingly, you should not place undue reliance on such statements. Factors that could affect the Bancorp's results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Bancorp's control; there may be increases in competitive pressure among financial institutions or from non-financial institutions; changes in the interest rate environment may reduce interest margins; changes in deposit flows, loan demand or real estate values may adversely affect the business of the Bancorp; unanticipated or significant increases in loan losses; changes in accounting principles, policies or guidelines may cause the Bancorp's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Bancorp's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Bancorp conducts business, or conditions in the securities markets or the banking industry may be less favorable than the Bancorp currently anticipates; legislation or regulatory changes may adversely affect the Bancorp's business; technological changes may be more difficult or expensive than the Bancorp anticipates; there may be failures or breaches of information technology security systems; success or consummation of new business initiatives may be more difficult or expensive than the Bancorp anticipates; or litigation or other matters before regulatory agencies, whether currently existing or commencing in the future, may delay the occurrence or non-occurrence of events longer than the Bancorp anticipates.

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INFINITY BANCORP
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands)

	September 30, 2026	June 30, 2026	December 31, 2025
ASSETS:			
Cash and due from banks	**$ 97,684**	$ 78,815	$ 97,077
Securities available for sale	**20,894**	23,724	27,106
Total Loans	**260,488**	255,149	229,790
Allowance for credit losses	**(3,756)**	(3,853)	(3,639)
Net Loans	**256,732**	251,296	226,151
Premises and equipment, net	**1,036**	1,069	1,189
Other assets	**4,666**	4,604	4,464
TOTAL ASSETS	**$ 381,012**	$ 359,508	$ 355,987
LIABILITIES			
Deposits:			
Non-interest bearing	**$ 212,575**	$ 175,983	$ 173,357
Interest bearing	**117,718**	133,490	129,044
Total deposits	**330,293**	309,473	302,401
Other liabilities	**1,767**	2,005	2,290
FHLB and other borrowings	**-**	-	5,000
Subordinated debt	**3,952**	3,994	3,984
TOTAL LIABILITIES	**336,012**	315,472	313,675
Stockholders' Equity:			
Common stock	**33,212**	33,198	33,537
Retained earnings (Accumulated deficit)	**9,412**	9,723	4,956
Net income	**4,010**	2,639	5,364
Accumulated other comprehensive gain (loss)	**(1,634)**	(1,524)	(1,545)
TOTAL STOCKHOLDERS' EQUITY	**45,000**	44,036	42,312
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 381,012**	$ 359,508	$ 355,987

INFINITY BANCORP
UNAUDITED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(Dollars in thousands)

	For the Three Months Ended			For the Nine Months Ended	
	September 30, 2026	**June 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Interest Income:					
Loans	**$ 5,285**	$ 5,136	$ 4,895	**$ 15,265**	$ 14,868
Investment securities	**98**	90	123	**327**	385
Other short-term investments	**577**	570	995	**1,961**	2,274
Total interest income	**5,960**	5,796	6,013	**17,553**	17,527
Interest expense:					
Deposits	**842**	894	1,023	**2,663**	3,119
Borrowed funds	**47**	47	47	**142**	259
Total interest expense	**889**	941	1,070	**2,805**	3,378
Net interest income	**5,071**	4,855	4,943	**14,748**	14,149
Provision for credit losses	**(87)**	205	-	**331**	146
Net interest income after provision for credit losses	**5,158**	4,650	4,943	**14,417**	14,003
Non-interest income:					
Service charges	**108**	115	91	**312**	243
Other income	**49**	59	52	**155**	149
Total non-interest income	**157**	174	143	**467**	392
Non-interest expense:					
Salaries and employee benefits	**2,293**	2,054	2,151	**6,395**	6,289
Occupancy	**64**	66	61	**193**	183
Furniture, fixture & equipment	**29**	24	37	**87**	114
Data processing	**164**	160	142	**478**	425
Professional & legal	**169**	191	161	**522**	437
Marketing	**225**	76	100	**354**	221
Other expense	**409**	298	309	**1,108**	890
Total non-interest expense	**3,353**	2,869	2,961	**9,137**	8,559
Income before taxes	**1,962**	1,955	2,125	**5,747**	5,836
Income tax expense	**591**	596	641	**1,737**	1,757
Net Income	**$ 1,371**	$ 1,359	$ 1,484	**$ 4,010**	$ 4,079
Earnings per share ("EPS"): Basic	**$ 0.44**	$ 0.44	$ 0.47	**$ 1.28**	$ 1.30
Earnings per share ("EPS"): Dilutive	**$ 0.40**	$ 0.39	$ 0.44	**$ 1.17**	$ 1.25
Common shares outstanding	**3,105,141**	3,105,141	$ 3,127,641	**3,105,141**	3,127,641

INFINITY BANCORP
UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS

	At and For the Three Months Ended			At and For the Nine Months Ended	
	September 30, 2026	**June 30, 2026**	**Septemebr 30, 2025**	**September 30, 2026**	**Septemebr 30, 2025**
Performance Ratios:					
Net interest margin	**5.93%**	5.84%	5.81%	**5.81%**	5.84%
Cost of funds	**1.19%**	1.28%	1.41%	**1.26%**	1.57%
Loan to deposit ratio	**78.87%**	82.45%	65.86%	**78.87%**	65.86%
Yield on total loans	**8.21%**	8.34%	8.92%	**8.37%**	8.92%
Return on average assets	**1.56%**	1.60%	1.71%	**1.55%**	1.66%
Return on average equity	**12.27%**	12.44%	14.57%	**12.25%**	13.99%
Efficiency ratio	**64.14%**	57.05%	58.22%	**60.05%**	58.86%
Book value of common stock	**$ 14.49**	$ 14.18	$ 13.13		
Asset Quality Summary:					
Allowance for credit losses/Total loans	**1.44%**	1.51%	1.68%	**1.44%**	1.68%
Capital Ratios:					
Tier 1 risk-based capital ratio	**15.50%**	15.31%	16.49%	**15.50%**	16.49%
Total risk-based capital ratio	**18.10%**	17.94%	19.29%	**18.10%**	19.29%
Tier 1 leverage ratio	**13.20%**	13.03%	12.21%	**13.20%**	12.21%