



## Infinity Bancorp Announces Third Quarter 2024 Financial Results

Press Release – 11/06/2024

SANTA ANA, Calif. -- (ACCESSWIRE) – 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, 2024.

### Financial highlights for the third quarter of 2024:

- A dividend of \$0.07 per share was paid during the third quarter of 2024
- Total loans increased \$13.7 million or 6.7% since June 30, 2024
- Total assets are up \$21.4 or 6.9% million from second quarter of 2024
- Total deposits grew \$21.4 million, 7.2%, from previous linked quarter
- Total stockholder’s equity increased \$1.8 million, 5.2%, from June 30, 2024

### Loans and Allowance for Credit Losses

Total loans were \$219.5 million as of September 30, 2024, compared to \$205.8 million for the second quarter of 2024, an increase of \$13.7 million, or 6.7%. When compared to the fourth quarter of 2023, total loans increased \$25.2 million, or 13%. The Bank funded \$22.4 million in new loans/advances in the third quarter of 2024. The fundings were offset by \$8.7 million in payoffs, most of which were expected based on the contractual terms of the loans. The Bank’s loan to deposit ratio decreased to 79.1% as of September 30, 2024, from 79.9% as of June 30, 2024, and increased from 62.6% from a year ago.

Due to the overall growth in the loan portfolio for both the quarter and nine-months ended September 30, 2024, the Bank made an additional provision, net of charge-offs, to the ACL of \$641 thousand during the third quarter of 2024 and \$1.4 million since December 31, 2023. During the quarter ended September 30, 2024, the Bank charged off \$715 thousand which was related to two relationships in its portfolio. Year to date, the Bank charged off \$988 thousand related to four relationships. At the time of the charge-offs the necessary reserves had already been established in the Bank’s Allowance for Credit Losses (ACL). The Bank’s ACL reduced to 1.58% when compared to the previous quarter at 1.72% and increased 20 basis points from September 30, 2023.

Yields on total loans decreased to 9.30% during the third quarter of 2024, compared to 9.45% from second quarter of 2024 and 9.42% in the third quarter, 2023. For the nine-months ended September 30, 2024, yield on total loans decreased to 9.38% compared to 9.43% for the same period in 2023.

### Deposits and Borrowed Funds

Total deposits equaled to \$277.5 million as of September 30, 2024, an increase of \$19.9 million, or 7.7% from the second quarter of 2024, and an increase of \$27.8 million, or 11.2% from December 31, 2023. Interest-bearing deposits increased by \$11.5 million, or 9.9% when compared to second quarter of 2024 and increased \$1.9 million, or 1.5% when compared to December 31, 2023. Non-interest-bearing deposits increased \$8.4 million, or 5.9% during the third quarter to \$149.5 million as of September 30, 2024, and comprise 54% of total deposits. Non-interest-bearing demand accounts increased \$25.9 million, or 21% when compared to December 31, 2023. The changes in deposits were generally related to organic evolution in customer deposits.

FHLB borrowings and other borrowings remained flat at \$10 million on September 30, 2024 from June 30, 2024 and \$11.1 million from December 31, 2023. The remaining FHLB borrowings have staggered maturities of \$5 million in December 2024 and June 2025. The FHLB notes bear interest at 4.69% and 5.02%, with interest payments due semiannually and the scheduled maturity date. The FHLB notes are secured by the Company’s available for sales securities. The decrease of \$11.1 million from December 31, 2023, was due to a \$5.0 million payoff of the FHLB borrowings and \$6.1 payoff of the line of credit agreement with a correspondent financial institution which was used to facilitate the tender offer during the fourth quarter of 2023. Under the line of credit, the Company may borrow up to \$8 million. The line requires quarterly interest payments at a variable interest rate (currently 8.25%) and matures in October 2025. The line is subject to certain financial and non-financial covenants.

The Company’s cost of funds was down to 2.08% for the quarter ended September 30, 2024, compared to 2.33% from the previous linked quarter and up from 1.76% for the same quarter last year. For the nine-months ended September 30, 2024, the cost of funds

increased to 2.29% from 1.43% for the same period in 2023. Cost of funds decreased during the third quarter due the maturity of FHLB borrowings and brokered CD's both of which had a higher cost of funds. The cost of funds increased over the third quarter of 2023 and nine-months ended September 30, 2023 in part due to the increase in both FHLB borrowings and brokered CD's during the fourth quarter of 2023 as well as an increase in interest rates paid on deposits in response to the increases in the federal funds rates that were approved by the Federal Open Market Committee in 2022 and 2023.

### **Net-interest Income**

Net-interest income for the third quarter of 2024 was \$4.3 million, an increase of \$261 thousand, or 6.4% from the second quarter of 2024 and an increase of \$328 thousand, or 8.2% over the third quarter of 2023. For the nine-months ended September 30, 2024, net-interest income was \$12.2 million, an increase of \$130 thousand, or 1.1% from the same period in 2023.

The Company's net interest margin for the third quarter of 2024 was up 17 basis points to 5.80% when compared to second quarter ended June 30, 2024, and up 26 basis points from 5.53% for the comparable period ended September 30, 2023. The net interest margin for the nine-months ended September 30, 2024, decreased 3 basis points to 5.57% compared to the same period in 2023. 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 quarter ended September 30, 2024, non-interest income totaled \$99 thousand, an increase of \$16 thousand, or 19.3% when compared to the previous quarter and flat with the same period in 2023. For the nine-months ended September 30, 2024, non-interest income totaled \$265 thousand, flat from linked period in 2023. Non-interest income continues to be driven primarily by fees on loans and deposit accounts.

### **Non-interest Expense**

For the third quarter of 2024, non-interest expense totaled \$2.5 million, an increase of \$34 thousand, or 1.4% from the second quarter of 2024 and an increase of \$194 thousand, or 8.4% when compared to same quarter in 2023. The increase was driven primarily by an increase in salaries and employee benefits and other expenses. For the nine-months ended September 30, 2024, non-interest expense increased \$590 thousand, or 8.7%, to \$7.3 million from linked period in 2023 due primarily to an increase in salaries and employee benefits which is tied to and driven by the Company's continued growth and other performance indicators. In addition, as inflation continues to increase costs for our third-party vendors and service providers, the Company's costs are expected to rise as well. The Company's efficiency ratio equaled to 56.9% for the quarter ended September 30, 2024, compared to 59.9% as of June 30, 2024 and 56.7% for the same quarter in 2023. The efficiency ratio for the nine-months ended September 30, 2024, was 58.7% compared to 54.6% for the same period in 2023.

### **Net Income**

For the third quarter of 2024 the Company's net income decreased \$24 thousand to \$879 thousand, or \$0.28 per share compared to \$903 thousand, or \$0.30 per share for the second quarter of 2024. When compared to the third quarter of 2023, profitability decreased \$184 thousand, or \$0.26 per share. For the nine-months ended September 30, 2024, net income decreased \$974 thousand, \$0.18 per share, when compared to the nine-months of 2023. The decrease in profitability as compared to both the quarter and nine-months ended September 30, 2023, was due primarily to the increase in the cost of funds, provision for credit losses and non-interest expense as discussed above. Additionally, the Company has taken a significantly more cautious approach in its evaluation of the provision for credit losses, despite the limited number of actual losses experienced. This cautious approach is due to the economic uncertainty related to elevated interest rates and sustained higher inflation.

The return on average assets decreased 7 basis points to 1.16% for the third quarter of 2024 as compared to 1.23% for the second quarter of 2024 and decreased 135 basis points from 2.51% for the third quarter of 2023. For the nine-months ended September 30, 2024, the return on average assets decreased 46 basis points to 1.16% from 1.62% for the same period in 2023.

The return on average equity for the third quarter of 2024 was 9.99%, down 118 basis points from 11.17% for the second quarter of 2024 and decreased 1285 basis points from 22.84% for the third quarter of 2023. For the nine-months ended September 30, 2024, the return on average equity decreased 486 basis points to 10.89% from 15.74% for the same period in 2023.

The decrease in both return on average assets and return on average equity is due to a combination of an increase in average assets and average equity as of September 30, 2024 as well as the decrease in net income as discussed above.

### **Capital Management and Subsequent Event**

The Company continues to be well-capitalized and exceeds minimum regulatory requirement ratios with a tier 1 leverage ratio of 12.38%, tier 1 risk-based capital ratio of 14.60%, and a total risk-based capital ratio of 17.37%.

On October 30, 2024, the Company declared a \$0.07 cash dividend to shareholders of record as of November 14, 2024, payable on November 29, 2024.

The book value of the Company's common stock was \$11.50 as of September 30, 2024, up from \$10.95 as of June 30, 2024 and \$9.56 as of September 30, 2023. The increase in the book value of the Company's common stock as of September 30, 2024, as compared to June 30, 2024 and September 30, 2023, is primarily due to the decrease in the unrealized loss on investment securities as well as a decrease in the weighted average number of shares outstanding. The investment portfolio consists entirely of government agency or government sponsored enterprise securities and therefore, the risk of incurring an actual loss is unmeasurably low. Although the Company holds its investment securities ("securities") as available for sale, we do not have the intent to sell any securities at this time. 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 \$750 thousand in monthly payments that are reinvested in higher yielding assets. As of September 30, 2024, the portfolio has an average life of 2.8 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 the website at [www.infinity.bank](http://www.infinity.bank)

This news release contains a number of 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 are not guaranteeing of 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.



INFINITY  
— BANK —

6 Hutton Centre Drive, Suite 100  
Santa Ana, CA 92707

Bala Balkrishna  
CEO  
Phone: (657) 223-1000  
[Bala@infinity.bank](mailto:Bala@infinity.bank)

Victor Guerrero  
President, COO  
Phone: (562) 631-3042  
[Victor@infinity.bank](mailto:Victor@infinity.bank)

Allison Duncan  
CFO  
Phone: (657) 304-2378  
[Allisond@infinity.bank](mailto:Allisond@infinity.bank)

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

|   | September 30,<br>2024 | June 30,<br>2024  | December 31,<br>2023 |
|---|-----------------------|-------------------|----------------------|
| <b>ASSETS:</b>                                    |                       |                   |                      |
| Cash and due from banks                           | \$ 69,907             | \$ 61,032         | \$ 64,158            |
| Securities available for sale                     | 37,502                | 38,349            | 42,514               |
| Total Loans                                       | 219,531               | 205,786           | 194,284              |
| Allowance for loan and lease losses               | (3,469)               | (3,543)           | (3,104)              |
| Net Loans   | 216,062               | 202,243           | 191,180              |
| Premises and equipment, net                       | 1,356                 | 1,428             | 1,570                |
| Other assets                                      | 4,899                 | 5,282             | 5,542                |
| <b>TOTAL ASSETS</b>                               | <b>\$ 329,726</b>     | <b>\$ 308,334</b> | <b>\$ 304,964</b>    |
| <b>LIABILITIES</b>                                |                       |                   |                      |
| Deposits:   |                       |                   |                      |
| Non-interest bearing                              | \$ 149,517            | \$ 141,138        | \$ 123,616           |
| Interest bearing                                  | 127,935               | 116,412           | 126,042              |
| Time certificates of deposit                      | 50                    | 50                | -                    |
| Total deposits                                    | 277,502               | 257,600           | 249,658              |
| Other liabilities                                 | 2,376                 | 2,666             | 2,388                |
| FHLB and other borrowings                         | 10,000                | 10,000            | 21,071               |
| Subordinated debt                                 | 3,961                 | 3,956             | 3,946                |
| <b>TOTAL LIABILITIES</b>                          | <b>293,839</b>        | <b>274,222</b>    | <b>277,063</b>       |
| Stockholders' Equity:                             |                       |                   |                      |
| Common stock                                      | 33,249                | 33,051            | 28,344               |
| Retained earnings (Accumulated deficit)           | 2,361                 | 2,579             | (882)                |
| Net income  | 2,602                 | 1,723             | 3,871                |
| Accumulated other comprehensive gain (loss)       | (2,325)               | (3,241)           | (3,432)              |
| <b>TOTAL STOCKHOLDERS' EQUITY</b>                 | <b>35,887</b>         | <b>34,112</b>     | <b>27,901</b>        |
| <b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b> | <b>\$ 329,726</b>     | <b>\$ 308,334</b> | <b>\$ 304,964</b>    |

**INFINITY BANCORP**  
**UNAUDITED STATEMENTS OF OPERATIONS**  
(Dollars in thousands except share and per share amounts)

|  | For the Three Months Ended |                  |                       | For the Nine Months Ended |                       |
|--|----------------------------|------------------|-----------------------|---------------------------|-----------------------|
|  | September 30,<br>2024      | June 30,<br>2024 | September 30,<br>2023 | September 30,<br>2024     | September 30,<br>2023 |
| <b>Interest Income:</b>  |                            |                  |                       |                           |                       |
| Loans  | \$ 4,895                   | \$ 4,792         | \$ 3,968              | \$ 14,221                 | \$ 11,427             |
| Investment securities  | 142                        | 146              | 165                   | 443                       | 504                   |
| Other short-term investments   | 664                        | 631              | 1,003                 | 2,095                     | 2,998                 |
| <b>Total interest income</b>   | <b>5,701</b>               | <b>5,569</b>     | <b>5,136</b>          | <b>16,759</b>             | <b>14,929</b>         |
| <b>Interest expense:</b>   |                            |                  |                       |                           |                       |
| Deposits   | 1,208                      | 1,235            | 1,095                 | 3,693                     | 2,666                 |
| Borrowed funds   | 173                        | 275              | 49                    | 818                       | 145                   |
| <b>Total interest expense</b>  | <b>1,381</b>               | <b>1,510</b>     | <b>1,144</b>          | <b>4,511</b>              | <b>2,811</b>          |
| <b>Net interest income</b>   | <b>4,320</b>               | <b>4,059</b>     | <b>3,992</b>          | <b>12,248</b>             | <b>12,118</b>         |
| <b>Provision for loan and lease losses</b>                           | <b>641</b>                 | <b>342</b>       | <b>246</b>            | <b>1,353</b>              | <b>509</b>            |
| <b>Net interest income after provision for loan and lease losses</b> | <b>3,679</b>               | <b>3,717</b>     | <b>3,746</b>          | <b>10,895</b>             | <b>11,609</b>         |
| <b>Non-interest income:</b>  |                            |                  |                       |                           |                       |
| Service charges  | 52                         | 49               | 49                    | 147                       | 153                   |
| Other income   | 47                         | 34               | 51                    | 118                       | 114                   |
| <b>Total non-interest income</b>                                     | <b>99</b>                  | <b>83</b>        | <b>100</b>            | <b>265</b>                | <b>267</b>            |
| <b>Non-interest expense:</b>   |                            |                  |                       |                           |                       |
| Salaries and employee benefits                                       | 1,835                      | 1,779            | 1,603                 | 5,385                     | 4,791                 |
| Occupancy  | 62                         | 68               | 94                    | 190                       | 273                   |
| Furniture, fixture & equipment                                       | 42                         | 43               | 32                    | 123                       | 96                    |
| Data processing  | 144                        | 148              | 165                   | 411                       | 401                   |
| Professional & legal   | 142                        | 175              | 151                   | 423                       | 424                   |
| Marketing  | 65                         | 58               | 22                    | 183                       | 53                    |
| Other expense  | 225                        | 210              | 254                   | 633                       | 720                   |
| <b>Total non-interest expense</b>                                    | <b>2,515</b>               | <b>2,481</b>     | <b>2,321</b>          | <b>7,348</b>              | <b>6,758</b>          |
| <b>Income before taxes</b>   | <b>1,263</b>               | <b>1,319</b>     | <b>1,525</b>          | <b>3,812</b>              | <b>5,118</b>          |
| <b>Income tax expense</b>  | <b>384</b>                 | <b>416</b>       | <b>462</b>            | <b>1,210</b>              | <b>1,542</b>          |
| <b>Net Income</b>  | <b>\$ 879</b>              | <b>\$ 903</b>    | <b>\$ 1,063</b>       | <b>\$ 2,602</b>           | <b>\$ 3,576</b>       |
| <b>Earnings per share ("EPS"): Basic</b>                             | <b>\$ 0.28</b>             | <b>\$ 0.30</b>   | <b>\$ 0.54</b>        | <b>\$ 0.88</b>            | <b>\$ 1.06</b>        |
| <b>Common shares outstanding</b>                                     | <b>3,121,015</b>           | <b>3,114,586</b> | <b>3,409,145</b>      | <b>3,121,015</b>          | <b>3,409,145</b>      |

**INFINITY BANCORP**  
**UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS**

|                                     | At and For the Three Months Ended |                  |                       | At and For the Nine Months Ended |                       |
|-------------------------------------|-----------------------------------|------------------|-----------------------|----------------------------------|-----------------------|
|                                     | September 30,<br>2024             | June 30,<br>2024 | September 30,<br>2023 | September 30,<br>2024            | September 30,<br>2023 |
| <b>Performance Ratios:</b>          |                                   |                  |                       |                                  |                       |
| Net interest margin                 | 5.80%                             | 5.63%            | 5.53%                 | 5.57%                            | 5.60%                 |
| Cost of funds                       | 2.08%                             | 2.33%            | 1.76%                 | 2.29%                            | 1.43%                 |
| Loan to deposit ratio               | 79.11%                            | 79.89%           | 62.63%                | 79.11%                           | 62.63%                |
| Yield on total loans                | 9.30%                             | 9.45%            | 9.42%                 | 9.38%                            | 9.43%                 |
| Return on average assets            | 1.16%                             | 1.23%            | 2.51%                 | 1.16%                            | 1.62%                 |
| Return on average equity            | 9.99%                             | 11.17%           | 22.84%                | 10.89%                           | 15.74%                |
| Efficiency ratio                    | 56.91%                            | 59.90%           | 56.72%                | 58.72%                           | 54.57%                |
| Book value of common stock          | \$ 11.50                          | \$ 10.95         | \$ 9.56               |                                  |                       |
| <b>Asset Quality Summary:</b>       |                                   |                  |                       |                                  |                       |
| Allowance for loan loss/Total loans | 1.58%                             | 1.72%            | 1.38%                 | 1.58%                            | 1.38%                 |
| <b>Capital Ratios:</b>              |                                   |                  |                       |                                  |                       |
| Tier 1 risk-based capital ratio     | 14.60%                            | 15.09%           | 16.87%                | 14.60%                           | 16.87%                |
| Total risk-based capital ratio      | 17.37%                            | 17.94%           | 19.87%                | 17.37%                           | 19.87%                |
| Tier 1 leverage ratio               | 12.38%                            | 12.40%           | 12.45%                | 12.38%                           | 12.45%                |