



Infinity Bancorp Announces First Quarter 2025 Financial Results

Press Release – 4/28/2025

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, March 31, 2025.

Financial highlights for the first quarter of 2025:

- A cash dividend of \$0.07 per common share was paid to shareholders during the first quarter of 2025
- Total assets increased \$6 million, or 1.81% since December 31, 2024
- Total deposits increased \$4 million, or 1.31% compared to the fourth quarter of 2024
- Total stockholders’ equity increased \$1.5 million from December 31, 2024
- Net interest margin increased 21 basis points from quarter ended December 31, 2024
- Net income increased 49% when compared to the first quarter of 2024

Loans and Allowance for Credit Losses

Total loans were \$224.4 million as of March 31, 2025, compared to \$226.3 million for the fourth quarter of 2024, a decrease of \$1.9 million, or (0.9%). When compared to the first quarter of 2024, total loans increased \$22.6 million, or 11.2%. The Bank funded \$40.6 million in new loans/advances in the first quarter of 2025. The fundings were offset by \$42.4 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 77.8% as of March 31, 2025, from 79.5% as of December 31, 2024, and increased from 76.9% from a year ago.

In order to maintain the Bank’s Allowance for Credit Losses (ACL) at its current level, as a percentage of total loans, the Bank made an additional provision, net of charge-offs, to the ACL of \$220 thousand during the first quarter of 2025. The Bank recorded \$269 thousand in net charge-offs related to four relationships during the quarter ended March 31, 2025. At the time of the charge-offs the necessary reserves had already been established in the Bank’s ACL. The Bank’s ACL remained flat when compared to the previous quarter at 1.64% and decreased 8 basis points from March 31, 2024.

Yields on total loans decreased to 8.89% during the first quarter of 2025, compared to 9.12% in the fourth quarter of 2024 and decreased from 9.39% in the first quarter, 2024. The decrease in yields was due to 100 basis point reduction in the federal funds rates that were approved by the Federal Open Market Committee in the third and fourth quarters of 2024 as well as fluctuations with the mix of the portfolio.

Deposits and Borrowed Funds

Total deposits equaled \$288.3 million as of March 31, 2025, an increase of \$3.7 million, or 1.3% from the fourth quarter of 2024, and an increase of \$25.9 million, or 9.9% from March 31, 2024. Non-interest-bearing deposits increased \$7.6 million, or 5.1% during the first quarter to \$157.9 million as of March 31, 2025, and comprise 55% of total deposits. Non-interest-bearing demand accounts increased \$25.2 million, or 19% when compared to March 31, 2024. Interest-bearing deposits decreased by \$3.9 million, or (2.9%) when compared to the fourth quarter of 2024 and increased \$763 thousand, or 0.6% when compared to March 31, 2024. The changes in deposits were generally related to organic evolution in customer deposits.

Federal Home Loan Bank (FHLB) and other borrowings totaled \$5 million at March 31, 2025, remaining flat from previous linked quarter and down from \$21.1 million at March 31, 2024. The remaining FHLB advance of \$5 million matures in June 2025. The note bears interest at 4.69%, with interest due at maturity. The FHLB note is secured by the Company’s available for sale securities. The decrease of \$16.1 million from March 31, 2024, was due to a \$10.0 million payoff of the FHLB borrowings and \$6.1 million 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 7.75%) 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 1.73% for the quarter ended March 31, 2025, compared to 2.04% from the previous linked quarter and down from 2.40% for the same quarter last year. Cost of funds decreased during the first quarter in response to decreases in

the federal funds rate as well as the maturity of FHLB borrowings and brokered deposits during the third and fourth quarters of 2024. The FHLB borrowings and brokered deposits had a higher cost of funds.

Net-interest Income

Net-interest income for the first quarter of 2025 was \$4.5 million, a slight decrease of \$52 thousand, or (1.1%) from the fourth quarter of 2024 and an increase of \$655 thousand, or 16.9% from the same period in 2024.

The Company's net interest margin for the first quarter of 2025 was up 21 basis points to 5.79% when compared to the fourth quarter ended December 31, 2024, and up 51 basis points from 5.28% for the comparable period ended March 31, 2024. The increase in the net interest margin in both periods is due to a decrease in borrowings and the replacement of brokered deposits with deposits at a lower interest rate, resulting in a lower cost of funds over both periods. 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 March 31, 2025, non-interest income totaled \$113 thousand, a decrease of \$9 thousand, or (7.4%) when compared to the previous quarter and increased \$30 thousand, or 36.1% from the same period in 2024. Non-interest income continues to be driven primarily by fees on loans and deposit accounts.

Non-interest Expense

For the first quarter of 2025, non-interest expense totaled \$2.7 million, an increase of \$44 thousand, or 1.7% from the fourth quarter of 2024 and an increase of \$322 thousand, or 13.7% when compared to same quarter in 2024. The increase was driven primarily by an increase in salaries and employee benefits and other expenses. The increases in salaries and employee benefits are tied to and driven by the Company's continued growth and other performance indicators. The Company's efficiency ratio equaled to 57.7% for the quarter ended March 31, 2025, compared to 56.0% as of December 31, 2024, and 59.5% for the same quarter in 2024.

Net Income

For the first quarter of 2025 the Company's net income of \$1.22 million, or \$0.39 per share, was relatively flat when compared to \$1.28 million, or \$0.41 per share for the quarter ended December 31, 2024. When compared to the first quarter of 2024, profitability increased \$401 thousand, from \$820 thousand, or \$0.30 per share. The increase in profitability when compared to the same quarter of 2024 was due to an increase on interest income related to the \$23 million increase in loans as well as a \$16 million decrease in borrowings. In addition, \$15 million in brokered deposits were replaced by other deposits with lower interest rates resulting in a lower cost of funds.

The return on average assets was relatively flat at 1.54% for the first quarter of 2025 as compared to 1.53% for the fourth quarter of 2024 and increased 45 basis points from 1.09% for the first quarter of 2024. The increase in return on average assets over the first quarter of 2024 is due to a combination of an increase in average assets and net income as previously discussed above.

The return on average equity for the first quarter of 2025 was 13.20%, down 76 basis points from 13.96% for the fourth quarter of 2024 and up 151 basis points from 11.69% for the first quarter of 2024. The changes in the return on average equity when compared to both the first and fourth quarters of 2024 are due to a combination of increases in average equity due to the capital raise in April, as well as the changes 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 12.23%, tier 1 risk-based capital ratio of 15.68%, and a total risk-based capital ratio of 18.49%.

On April 23, 2025, the Company declared a \$0.09 cash dividend, up \$0.02 from the rate paid in 2024, to shareholders of record as of May 9, 2025, payable on May 23, 2025.

The book value of the Company's common stock was \$12.24 as of March 31, 2025, up from \$11.79 as of December 31, 2024, and \$10.43 as of March 31, 2024. The increase in the book value of the Company's common stock as of March 31, 2025, as compared to December 31, 2024 is primarily related to the additional income recorded in the first quarter while the increase as compared to March 31, 2024, is primarily due to the increase in common stock due to the capital raise in early 2024 as well as the decrease in the unrealized loss on investment securities. 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 \$743 thousand in

monthly payments that are reinvested in higher yielding assets. As of March 31, 2025, the portfolio has an average life of 2.7 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

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 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 nonfinancial 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; the effect on customers, collateral value and property insurance markets of the recent wildfires in the Los Angeles metropolitan area and similar events in the future; 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 event longer than the Bancorp anticipates.



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

	March 31, 2025	December 31, 2024	March 31, 2024
ASSETS:			
Cash and due from banks	\$ 79,001	\$ 69,057	\$ 76,677
Securities available for sale	33,085	34,947	40,383
Total Loans	224,361	226,305	201,790
Allowance for loan and lease losses	(3,682)	(3,702)	(3,473)
Net Loans	220,679	222,603	198,317
Premises and equipment, net	1,260	1,307	1,499
Other assets	4,647	4,753	5,340
TOTAL ASSETS	\$ 338,672	\$ 332,667	\$ 322,216
LIABILITIES			
Deposits:			
Non-interest bearing	\$ 157,945	\$ 150,336	\$ 132,781
Interest bearing	130,265	134,156	129,502
Time certificates of deposit	50	50	50
Total deposits	288,260	284,542	262,333
Other liabilities	3,130	2,363	6,329
FHLB and other borrowings	5,000	5,000	21,071
Subordinated debt	3,970	3,965	3,951
TOTAL LIABILITIES	300,360	295,870	293,684
Stockholders' Equity:			
Common stock	33,569	33,437	28,373
Retained earnings (Accumulated deficit)	5,801	2,142	2,798
Net income	1,221	3,877	820
Accumulated other comprehensive gain (loss)	(2,279)	(2,659)	(3,459)
TOTAL STOCKHOLDERS' EQUITY	38,312	36,797	28,532
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 338,672	\$ 332,667	\$ 322,216

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

	For the Three Months Ended			
	March 31, 2025		December 31, 2024	March 31, 2024
Interest Income:				
Loans	\$ 4,980		\$ 5,159	\$ 4,534
Investment securities	133		137	155
Other short-term investments	610		777	800
Total interest income	5,723		6,073	5,489
Interest expense:				
Deposits	1,094		1,328	1,250
Borrowed funds	106		170	371
Total interest expense	1,200		1,498	1,621
Net interest income	4,523		4,575	3,868
Provision for loan and lease losses	220		240	370
Net interest income after provision for loan and lease losses	4,303		4,335	3,498
Non-interest income:				
Service charges	69		66	46
Other income	44		56	37
Total non-interest income	113		122	83
Non-interest expense:				
Salaries and employee benefits	2,000		1,898	1,771
Occupancy	61		63	60
Furniture, fixture & equipment	36		36	38
Data processing	130		133	119
Professional & legal	148		214	105
Marketing	62		62	60
Other expense	236		223	198
Total non-interest expense	2,673		2,629	2,351
Income before taxes	1,743		1,828	1,230
Income tax expense	522		553	410
Net Income	\$ 1,221		\$ 1,275	\$ 820
Earnings per share ("EPS"): Basic	\$ 0.39		\$ 0.41	\$ 0.30
Common shares outstanding	3,131,015		3,121,015	2,734,586

INFINITY BANCORP
UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS

	At and For the Three Months Ended			
	March 31, 2025		December 31, 2024	March 31, 2024
Performance Ratios:				
Net interest margin	5.79%		5.58%	5.28%
Cost of funds	1.73%		2.04%	2.40%
Loan to deposit ratio	77.83%		79.53%	76.92%
Yield on total loans	8.89%		9.12%	9.39%
Return on average assets	1.54%		1.53%	1.09%
Return on average equity	13.20%		13.96%	11.69%
Efficiency ratio	57.66%		55.97%	59.50%
Book value of common stock	\$ 12.24		\$ 11.79	\$ 10.43
Asset Quality Summary:				
Allowance for loan loss/Total loans	1.64%		1.64%	1.72%
Capital Ratios:				
Tier 1 risk-based capital ratio	15.68%		15.47%	17.00%
Total risk-based capital ratio	18.49%		18.35%	20.21%
Tier 1 leverage ratio	12.23%		13.26%	11.27%