Infinity Bancorp Announces Second Quarter 2026 Financial Results

Press Release – 8/5/26

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, June 30, 2026.

Financial highlights for the second quarter of 2026:

- Net income was $1.4 million for the second quarter, a 6.2% increase over the first quarter of 2026
- A cash dividend of $0.10 per share was paid to shareholders during the second quarter of 2026
- Loans increased $31.4 million or 14% during the second quarter

Loans and Allowance for Credit Losses

Total loans were $255.1 million at June 30, 2026, compared to $223.7 million for the first quarter of 2026, an increase of $31.4 million, or 14.1%. When compared to the fourth quarter of 2025, total loans increased $25.4 million, or 11.0%. The Bank funded $46.3 million in new loans/advances in the second quarter of 2026. The fundings were offset by $14.9 million in payoffs, most of which were expected based on the contractual terms of the loans. The increase in loans caused the Bank's loan deposit ratio to increase to 82.5% as of June 30, 2026, from 65.2% as of March 31, 2026, and from 76.0% 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 to the ACL of $205 thousand during the second quarter of 2026. The Bank recorded $204 thousand in net charge-offs during the quarter ended March 31, 2026. At the time of the charge-offs the necessary reserves had already been established in the Bank's ACL. There were no charge-offs for the second quarter of 2026. The Bank's ACL at 1.51% decreased from 1.63% when compared to the previous quarter.

Yields on total loans decreased to 8.34% during the second quarter of 2026, compared to 8.59% from first quarter of 2026 and decreased from 8.96% in the second quarter, 2025. For the six months ended June 30, 2026, yield on loans decreased to 8.46% compared to 8.93% for the same period in 2025. The decrease in yields from 2025 was due to 75 basis point reduction in the federal funds rates that were approved by the Federal Open Market Committee in the third and fourth quarters of 2025 as well as fluctuations with the mix of the portfolio.

Deposits and Borrowed Funds

Total deposits equaled $309.5 million at June 30, 2026, a decrease of $33.8 million, or (9.8%) from the first quarter of 2026, and an increase of $7.1 million, or 2.3% from December 31, 2025. Non-interest-bearing demand accounts increased $5.1 million, or 3.0% to $176.0 million as of June 30, 2026, and comprise 57.0% of total deposits. Non-interest-bearing demand accounts increased $2.6 million, or 1.5% when compared to December 31, 2025. Interest-bearing deposits decreased by $38.9 million, or (22.6%) when compared to first quarter of 2026 and increased $4.4 million, or 3.5% when compared to December 31, 2025. The changes in deposits were generally related to normal shifts in customer deposits.

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

The Company's cost of funds was down to 1.28% for the quarter ended June 30, 2026, compared to 1.30% from the previous linked quarter and down from 1.58% for the same quarter last year. For the six months ended June 30, 2026, the cost of funds decreased to 1.29% from 1.65% for the same period in 2025. Cost of funds decreased in response to decreases in the federal funds rate in 2025.

Net-interest Income

Net-interest income for the second quarter of 2026 was $4.9 million, a slight increase of $33 thousand, or 0.7% from the first quarter of 2026 and an increase of $172 thousand, or 3.7% over the second quarter of 2025. For the six-months ended June 30, 2026, net-interest income was $9.7 million, an increase of $471 thousand, or 5.1% from the same period in 2025.

The Company's net interest margin for the second quarter of 2026 was up 16 basis points to 5.84% when compared to first quarter ended March 31, 2026, and down 9 basis points from 5.93% for the comparable period ended June 30, 2025. The net interest margin for the six months ended June 30, 2026, decreased to 5.76% compared to 5.86% 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. 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 second quarter of 2026, non-interest income totaled $174 thousand, an increase of $38 thousand, or 27.9% when compared to the previous quarter and from same period in 2025. For the six-months ended June 30, 2026, non-interest income totaled $310 thousand, up $61 thousand, or 24.5% from linked period in 2025. Non-interest income continues to be driven primarily by fees on loans and deposit accounts.

Non-interest Expense

For the second quarter of 2026, non-interest expense totaled $2.9 million, a decrease of $46 thousand, or (1.6%) from the first quarter of 2026 and a decrease of $56 thousand, or (1.9%) when compared to same quarter in 2025. For the six-months ended June 30, 2026, non-interest expense increased $186 thousand, or 3.3%, to $5.8 million from linked period in 2025. The increase for the six-month period was driven primarily by inflation. The Company's efficiency ratio equaled 57.1% for the quarter ended June 30, 2026, compared to 58.8% at March 31, 2026, and 60.7% for the same quarter in 2025. The efficiency ratio for the six months ended June 30, 2026, was 57.9% compared to 59.2% for the same period in 2025.

Net Income

For the second quarter of 2026 the Company's net income increased $79 thousand to $1.4 million, or $0.43 basic earnings per share compared to $1.3 million, or $0.41 basic earnings per share for the first quarter of 2026. When compared to the second quarter of 2025, profitability was relatively the same at $1.4 million, or $0.44 basic earnings per share. For the six months ended June 30, 2026, net income was relatively flat at $2.6 million, or $0.84 basic earnings per share, compared to $2.6 million, or $0.83 basic earnings per share for the first six months of 2025. The increase in profitability is directly tied to the increases in net interest margin as discussed above.

The return on average assets increased 12 basis points to 1.60% for the second quarter of 2026 as compared to 1.48% for the first quarter of 2026 and decreased 11 basis points from 1.71% for the second quarter of 2025. For the six months ended June 30, 2026, the return on average assets decreased 9 basis points to 1.54% from 1.63% for the same period in 2025.

The return on average equity for the second quarter of 2026 was 12.44%, up 34 basis points from 12.10% for the first quarter of 2026 and decreased 169 basis points from 14.13% for the second quarter of 2025. For the six months ended June 30, 2026, the return on average equity decreased 134 basis points to 12.21% from 13.55% for the same period in 2025.

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 13.03%, tier 1 risk-based capital ratio of 15.31%, and a total risk-based capital ratio of 17.94%.

On July 30, 2026, the Company declared a $0.10 cash dividend to shareholders of record as of August 14, 2026, payable on August 28, 2026.

The book value of the Company's common stock was $14.18 as of June 30, 2026, up from $13.82 as of March 31, 2026, and up from $12.68 at June 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 six months ended June 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 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 $650 thousand in monthly payments that are reinvested in higher yielding assets. As of June 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 the website at www.infinity.bank

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

	June 30, 2026	March 31, 2026	December 31, 2025
ASSETS:			
Cash and due from banks	**$ 78,815**	$ 141,924	$ 97,077
Securities available for sale	**23,724**	25,476	27,106
Total Loans	**255,149**	223,710	229,790
Allowance for credit losses	**(3,853)**	(3,648)	(3,639)
Net Loans	**251,296**	220,062	226,151
Premises and equipment, net	**1,069**	1,129	1,189
Other assets	**4,604**	4,309	4,464
TOTAL ASSETS	**$ 359,508**	$ 392,900	$ 355,987
LIABILITIES			
Deposits:			
Non-interest bearing	**$ 175,983**	$ 170,890	$ 173,357
Interest bearing	**133,490**	172,384	129,044
Total deposits	**309,473**	343,274	302,401
Other liabilities	**2,005**	2,192	2,290
FHLB and other borrowings	**-**	-	5,000
Subordinated debt	**3,994**	3,989	3,984
TOTAL LIABILITIES	**315,472**	349,455	313,675
Stockholders' Equity:			
Common stock	**33,198**	33,698	33,537
Retained earnings (Accumulated deficit)	**9,723**	10,037	4,956
Net income	**2,639**	1,280	5,364
Accumulated other comprehensive gain (loss)	**(1,524)**	(1,570)	(1,545)
TOTAL STOCKHOLDERS' EQUITY	**44,036**	43,445	42,312
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	**$ 359,508**	$ 392,900	$ 355,987

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

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2026	March 31, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Interest Income:					
Loans	$ 5,136	$ 4,844	$ 4,993	$ 9,980	$ 9,973
Investment securities	90	139	129	229	262
Other short-term investments	570	814	669	1,384	1,279
Total interest income	5,796	5,797	5,791	11,593	11,514
Interest expense:					
Deposits	894	927	1,002	1,821	2,096
Borrowed funds	47	48	106	95	212
Total interest expense	941	975	1,108	1,916	2,308
Net interest income	4,855	4,822	4,683	9,677	9,206
Provision for credit losses	205	213	(74)	418	146
Net interest income after provision for credit losses	4,650	4,609	4,757	9,259	9,060
Non-interest income:					
Service charges	115	89	83	204	152
Other income	59	47	53	106	97
Total non-interest income	174	136	136	310	249
Non-interest expense:					
Salaries and employee benefits	2,054	2,048	2,138	4,102	4,138
Occupancy	66	63	61	129	122
Furniture, fixture & equipment	24	34	41	58	77
Data processing	160	154	153	314	283
Professional & legal	191	162	128	353	276
Marketing	76	53	59	129	121
Other expense	298	401	345	699	581
Total non-interest expense	2,869	2,915	2,925	5,784	5,598
Income before taxes	1,955	1,830	1,968	3,785	3,711
Income tax expense	596	550	594	1,146	1,116
Net Income	$ 1,359	$ 1,280	$ 1,374	$ 2,639	$ 2,595
Earnings per share ("EPS"): Basic	$ 0.43	$ 0.41	$ 0.44	$ 0.84	$ 0.83
Earnings per share ("EPS"): Dilutive	$ 0.39	$ 0.38	$ 0.43	$ 0.77	$ 0.82
Common shares outstanding	3,105,141	3,144,641	$ 3,131,015	3,105,141	3,131,015

INFINITY BANCORP
UNAUDITED CONSOLIDATED FINANCIAL HIGHLIGHTS

	At and For the Three Months Ended			At and For the Six Months Ended	
	June 30, 2026	**March 31, 2026**	**June 30, 2025**	**June 30, 2026**	**June 30, 2025**
Performance Ratios:					
Net interest margin	**5.84%**	5.68%	5.93%	**5.76%**	5.86%
Cost of funds	**1.28%**	1.30%	1.58%	**1.29%**	1.65%
Loan to deposit ratio	**82.45%**	65.17%	76.02%	**82.45%**	76.02%
Yield on total loans	**8.34%**	8.59%	8.96%	**8.46%**	8.93%
Return on average assets	**1.60%**	1.48%	1.71%	**1.54%**	1.63%
Return on average equity	**12.44%**	12.10%	14.13%	**12.21%**	13.55%
Efficiency ratio	**57.05%**	58.79%	60.68%	**57.92%**	59.21%
Book value of common stock	**$ 14.18**	$ 13.82	$ 12.68		
Asset Quality Summary:					
Allowance for credit losses/Total loans	**1.51%**	1.63%	1.63%	**1.51%**	1.63%
Capital Ratios:					
Tier 1 risk-based capital ratio	**15.31%**	16.67%	16.67%	**15.31%**	16.67%
Total risk-based capital ratio	**17.94%**	19.42%	19.53%	**17.94%**	19.53%
Tier 1 leverage ratio	**13.03%**	12.67%	12.69%	**13.03%**	12.69%