



## **INFINITY BANK ANNOUNCES RESULTS FOR THE FIRST QUARTER 2019**

Santa Ana, CA, May 3, 2019 – Infinity Bank (OTCQB: INFT) (the “Bank”) today reported unaudited financial results for the quarter ended March 31, 2019.

### **Highlights**

- Total deposits increased by \$13.7 million, or 32.0%
- Total loans increased by \$8.0 million, or 57.2%
- Total assets increased \$13.2 million, or 18.7% to \$83.7 million, compared to \$70.5 million at the end of 2018
- Bank received approval from U.S. Small Business Administration to offer SBA 7(a) and 504 loans
- Bank partnered with the Small Business Development Corporation of Orange County to offer State Loan Guarantee Program loans

### **Loans**

As of March 31, 2019, loans outstanding totaled \$21.9 million, an increase of \$8.0 million or 57.2% from \$13.9 million at the end of the fourth quarter of 2018. Total loan commitments equaled \$38.2 million, at the end of the first quarter of 2019.

### **Deposits**

As of March 31, 2019, total deposits increased by \$13.7 million, or 32.0% to \$56.6 million compared to December 31, 2018. The Bank’s cost of funds continued to remain low at 56 basis points even as it added deposit relationships to the balance sheet.

### **Net-Interest Income**

Net-interest income in the first quarter of 2019 was \$551 thousand, an increase of \$185 thousand or 50.5% from the fourth quarter of 2018. The Bank’s primary source of revenue was driven by interest income from loans, investment securities and deposits held at the Federal Reserve Bank. The Bank’s net interest margin increased by 79 basis points for the first quarter of 2019 to 3.14% compared to the fourth quarter ending December 31, 2018.

### **Non-Interest Income**

Total non-interest income was \$19 thousand for the first quarter of 2019, a decrease of 36.6% or \$11 thousand compared to the fourth quarter of 2018.

### **Non-Interest Expense**

Total non-interest expense was \$1.2 million for the quarter ended March 31, 2019, an increase of \$71 thousand or 6.3% from the fourth quarter of 2018. The increase in non-interest expense was a result of an increase in processing fees, audit expense, and an increase in salaries and employee benefits following the addition of new personnel.

## Net Income

Net loss for the first quarter of 2019 totaled \$734 thousand (\$0.22 per share) versus a net loss of \$852 thousand (\$0.26 per share) for the fourth quarter of 2018, an improvement of 13.8%.

## Capital

As of March 31, 2019, the Bank remained well-capitalized with a tier 1 risk-based capital ratio of 88.2%, a total risk-based capital ratio of 89.14%, and a tier 1 leverage ratio of 36.58%.

## ABOUT INFINITY BANK

Infinity 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.goinfinitybank.com](http://www.goinfinitybank.com).

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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 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 Bank'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 Bank's results include, without limitation, the following: the timing and occurrence or non-occurrence of events may be subject to circumstances beyond the Bank'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 Bank; unanticipated or significant increases in loan losses; changes in accounting principles, policies or guidelines may cause the Bank's financial condition to be perceived differently; changes in corporate and/or individual income tax laws may adversely affect the Bank's financial condition or results of operations; general economic conditions, either nationally or locally in some or all areas in which the Bank conducts business, or conditions in the securities markets or the banking industry may be less favorable than the Bank currently anticipates; legislation or regulatory changes may adversely affect the Bank's business; technological changes may be more difficult or expensive than the Bank 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 Bank 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 Bank anticipates.

INFINITY BANK  
 UNAUDITED STATEMENTS OF FINANCIAL CONDITION  
 (Dollars in thousands)

	<u>March 31,</u> <u>2019</u>	<u>December 31,</u> <u>2018</u>
<b>ASSETS:</b>		
Cash and due from banks	\$ 46,311	\$ 40,285
Securities available for sale	14,968	15,715
Total loans	21,882	13,919
Allowance for loan and lease losses	(274)	(174)
Net Loans	21,608	13,745
Premises and equipment, net	507	527
Other assets	361	270
<b>TOTAL ASSETS</b>	<u>\$ 83,755</u>	<u>\$ 70,542</u>
 <b>LIABILITIES</b>		
Deposits:		
Non-interest bearing	\$ 25,286	\$ 17,605
Interest bearing	31,333	25,283
Total deposits	56,619	42,888
Other liabilities	252	280
<b>TOTAL LIABILITIES</b>	<u>56,871</u>	<u>43,168</u>
 Stockholders' Equity:		
Common stock	32,429	32,362
Accumulated deficit	(4,934)	(1,829)
Net income (loss)	(734)	(3,105)
Accumulated other comprehensive gain (loss)	123	(54)
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<u>26,884</u>	<u>27,374</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<u>\$ 83,755</u>	<u>\$ 70,542</u>

INFINITY BANK  
 UNAUDITED STATEMENTS OF EARNINGS  
 (Dollars in thousands except share and per share amounts)

	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018
Interest Income:		
Loans	\$ 273	\$ 97
Investment securities	107	104
Other short-term investments	234	189
Total interest income	614	390
Interest expense:		
Deposits	63	24
Borrowed funds	-	-
Total interest expense	63	24
Net interest income	551	366
Provision for loan and lease losses	100	114
Net interest income after provision for loan and lease losses	451	252
Non-interest income:		
Service charges and other fees	7	29
Other income	12	1
Total non-interest income	19	30
Non-interest expense:		
Salaries and employee benefits	822	785
Occupancy	83	87
Furniture, fixture & equipment	42	40
Data processing	45	37
Professional & legal	55	62
Marketing	12	21
Other expense	145	101
Total non-interest expense	1,204	1,133
Income (loss) before taxes	(734)	(851)
Income tax expense	-	1
<b>Net Income (Loss)</b>	<b>\$ (734)</b>	<b>\$ (852)</b>
Earnings (loss) per share ("EPS"):		
Basic	\$ (0.22)	\$ (0.26)
Common shares outstanding	3,300,000	3,300,000

INFINITY BANK  
UNAUDITED FINANCIAL HIGHLIGHTS

	<u>Quarter Ended</u> March 31, 2019	<u>Quarter Ended</u> December 31, 2018
Performance Ratios (Based upon Reported Net Income):		
Net interest margin	3.14%	2.35%
Cost of funds	0.56%	0.29%
Loan to deposit ratio	38.65%	32.45%
Asset Quality Summary:		
Allowance for loan loss/Total loans	1.25%	1.25%
Capital Ratios:		
Tier 1 common equity ratio	88.23%	124.74%
Tier 1 risk-based capital ratio	88.23%	124.74%
Total risk-based capital ratio	89.14%	125.53%
Tier 1 leverage ratio	36.58%	48.34%