



Infinity Bank Announces Results for Second Quarter 2019

Santa Ana, CA, August 1, 2019 – Infinity Bank (OTCQB: INFT) (the “Bank”) announced today financial results for the quarter ended June 30, 2019.

Financial Highlights for the Quarter:

- Total loans increased by \$10.7 million, or 48.7%
- Noninterest-bearing demand accounts increased by \$14.3 million, or 56.7%
- Total deposits increased by \$20.9 million, or 36.9%
- Net Interest Margin increased to 3.23%
- Bank surpassed the \$100 million total asset mark
- Total assets increased \$22.4 million, or 26.7% to \$106 million

Loans

At June 30, 2019, loans outstanding totaled \$32.5 million, an increase of \$10.7 million, or 48.7% from \$21.9 million at the end of the first quarter of 2019 and by \$18.6 million, or 133.8% compared to the fourth quarter ended December 31, 2018. Total loan commitments increased 37.4%, or \$14.3 million compared to the first quarter of 2019. The Bank increased its loan to deposit ratio by 3.32% to 41.97% at the end of the second quarter of 2019.

Deposits

The Bank continued its growth of core deposits. Noninterest-bearing demand accounts increased by \$14.3 million, or 56.7% compared to the first quarter ended March 31, 2019 and by \$22 million, or 125.1% compared to the fourth quarter ended December 31, 2018. The Bank’s cost of funds increased 6 basis points to remain low at 62 basis points. As of June 30, 2019, total deposits increased by \$20.9 million, or 36.9% to \$77.5 million compared to first quarter ended March 31, 2019 and by \$34.6 million, or 80.8% compared to the fourth quarter ended December 31, 2018.

Net-Interest Income

Net-interest income for the second quarter ended June 30, 2019 was \$747 thousand, an increase of \$196 thousand or 35.6% from the first quarter of 2019. 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 9 basis points for the second quarter ended June 30, 2019 to 3.23% compared to the previous quarter ended March 31, 2019.

Non-Interest Income

Total non-interest income was \$27 thousand for the second quarter of 2019, an increase of 42.1% or \$8 thousand compared to the first quarter of 2019. As the Bank continues to add deposit and loan relationships, fee income is expected to increase.

Non-Interest Expense

Total non-interest expense was \$1.1 million for the quarter ended June 30, 2019, a decrease of \$69 thousand or 5.7% from the first quarter of 2019.

Net Income

Net loss for the second quarter of 2019 totaled \$494 thousand (\$0.15 per share) versus a net loss of \$734 thousand (\$0.22 per share) for the first quarter ended March 31, 2019, an improvement of \$240 thousand, or 32.7%.

Capital

As of June 30, 2019, the Bank remained well-capitalized with a tier 1 risk-based capital ratio of 58.16%, a total risk-based capital ratio of 59.05%, and a tier 1 leverage ratio of 28.40%.

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.

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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)

	June 30, 2019	March 31, 2019	December 31, 2018
ASSETS:			
Cash and due from banks	\$ 52,406	\$ 46,311	\$ 40,285
Securities available for sale	18,990	14,968	15,715
Total Loans	32,536	21,882	13,919
Allowance for loan and lease losses	(407)	(274)	(174)
Net Loans	32,129	21,608	13,745
Premises and equipment, net	2,162	507	527
Other assets	429	361	270
TOTAL ASSETS	\$ 106,116	\$ 83,755	\$ 70,542
LIABILITIES			
Deposits:			
Non-interest bearing	\$ 39,629	\$ 25,286	\$ 17,605
Interest bearing	37,898	31,333	25,283
Total deposits	77,527	56,619	42,888
Other liabilities	1,936	252	280
TOTAL LIABILITIES	79,463	56,871	43,168
Stockholders' Equity:			
Common stock	32,503	32,429	32,362
Accumulated deficit	(4,934)	(4,934)	(3,105)
Net income (loss)	(1,228)	(734)	(1,829)
Accumulated other comprehensive gain	312	123	(54)
TOTAL STOCKHOLDERS' EQUITY	26,653	26,884	27,374
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 106,116	\$ 83,755	\$ 70,542

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

	<u>Quarter Ended</u> June 30, 2019	<u>Quarter Ended</u> March 31, 2019	<u>Year to Date</u> June 30, 2019
Interest Income:			
Loans	\$ 453	\$ 273	\$ 726
Investment securities	127	107	234
Other short-term investments	275	234	509
Total interest income	<u>855</u>	<u>614</u>	<u>1,469</u>
Interest expense:			
Deposits	108	63	171
Borrowed funds	-	-	-
Total interest expense	<u>108</u>	<u>63</u>	<u>171</u>
Net interest income	747	551	1,298
Provision for loan and lease losses	133	100	233
Net interest income after provision for loan and lease losses	<u>614</u>	<u>451</u>	<u>1,065</u>
Non-interest income:			
Service charges and other fees	13	7	20
Other income	14	12	26
Total non-interest income	<u>27</u>	<u>19</u>	<u>46</u>
Non-interest expense:			
Salaries and employee benefits	766	822	1,588
Occupancy	78	83	161
Furniture, fixture & equipment	43	42	85
Data processing	60	45	105
Professional & legal	72	55	127
Marketing	11	12	23
Other expense	105	145	250
Total non-interest expense	<u>1,135</u>	<u>1,204</u>	<u>2,339</u>
Income (loss) before taxes	(494)	(734)	(1,228)
Income tax expense	-	-	-
Net Income (Loss)	<u>\$ (494)</u>	<u>\$ (734)</u>	<u>\$ (1,228)</u>
Earnings (loss) per share ("EPS"):			
Basic	\$ (0.15)	\$ (0.22)	\$ (0.37)
Common shares outstanding	3,300,000	3,300,000	3,300,000

INFINITY BANK
UNAUDITED FINANCIAL HIGHLIGHTS

	<u>Quarter Ended</u>	<u>Quarter Ended</u>	<u>Quarter Ended</u>
	June 30, 2019	March 31, 2019	December 31, 2018
Performance Ratios (Based upon Reported Net Income):			
Net interest margin	3.23%	3.14%	2.35%
Cost of funds	0.62%	0.56%	0.29%
Loan to deposit ratio	41.97%	38.65%	32.50%
Asset Quality Summary:			
Allowance for loan loss/Total loans	1.25%	1.25%	1.25%
Capital Ratios:			
Tier 1 risk-based capital ratio	58.16%	88.23%	124.74%
Total risk-based capital ratio	59.05%	89.14%	125.53%
Tier 1 leverage ratio	28.40%	36.58%	48.34%