



Infinity Bank Announces Financial Results

Santa Ana, CA, November 4, 2019 – Infinity Bank (OTCQB: INFT) (the “Bank”) announced financial results for the quarter ended, September 30, 2019.

Financial Highlights for the Third Quarter:

- Total loans increased by \$13.9 million
- Total deposits increased by \$4.4 million
- Net Interest Margin increased to 3.41%
- Total assets increased to \$110 million

Loans

At September 30, 2019, the Bank’s loan portfolio totaled \$46.5 million, an increase of \$13.9 million, or 42.8% from the end of the second quarter of 2019 and by \$32.5 million, or 233.8% compared to December 31, 2018. The Bank increased its loan to deposit ratio from 41.97% at June 30, 2019 to 56.73% at September 30, 2019 reflecting continued growth in loans outstanding.

Deposits

The Bank grew its core deposit relationships while decreasing its cost of funds by 12 basis points to 54 basis points as of September 30, 2019 from the second quarter ended June 30, 2019. Noninterest-bearing demand accounts decreased by \$4.5 million, or 11.5% compared to the second quarter ended June 30, 2019. Interest-bearing deposits increased by \$8.9 million, or 23.6% compared to the previous quarter of 2019. This shift in noninterest bearing and interest-bearing demand deposits was a result of normal movement by various clients amongst their deposit accounts with the Bank. As of September 30, 2019, total deposits increased by \$4.4 million, or 5.6% compared to June 30, 2019 and by \$39.0 million or 91.0% compared to December 31, 2018.

Net-Interest Income

Net-interest income for the third quarter ended September 30, 2019 was \$899 thousand, an increase of \$152 thousand or 20.3% compared to the second quarter of 2019. Net-interest income for the nine months ended September 30, 2019 was \$2.2 million compared to \$531 thousand, an increase of \$1.7 million or 313.6%, for the comparable period ending September 30, 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 123 basis points for the nine months ended September 30, 2019 to 3.41% compared to the comparable period ended September 30, 2018.

Non-Interest Income

Total non-interest income for the third quarter of 2019 totaled \$132 thousand, an increase of \$105 thousand or 388.9% compared to the second quarter of 2019. The increase in non-interest income was primarily driven by gains on sale of investment securities in the amount of \$97 thousand. Non-interest income for the nine months ended September 30, 2019 totaled \$178 thousand, an increase of \$163 thousand or 1,086.7%, as compared to the comparable period ended September 30, 2018.

Non-Interest Expense

Total non-interest expense increased by \$20 thousand, or 1.8% for the third quarter ended September 30, 2019 compared to the second quarter ended June 30, 2019. Non-interest expense for the nine months ended September 30, 2019 totaled \$3.5 million versus \$2.7 million, an increase of 27.6%, compared to the comparable period ended September 30, 2018. The increase in non-interest expense for the nine months ended was primarily a result of the additional staff that was added as the Bank continues to grow.

Net Income

The Bank's net loss decreased for the third quarter of 2019 to \$298 thousand (\$0.09 per share) versus a net loss of \$494 thousand (\$0.15 per share) for the second quarter of 2019, an improvement of 39.7%. The Bank's net loss for the nine months ended September 30, 2019 was \$1.5 million (\$0.46 per share) versus \$2.3 million (\$0.68 per share) for the comparable period ended September 30, 2018, an improvement of 32.3%.

Capital

As of September 30, 2019, the Bank remained well-capitalized with a tier 1 risk-based capital ratio of 40.30%, a total risk-based capital ratio of 41.20%, and a tier 1 leverage ratio of 26.26%.

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)

| | September 30, 2019 | June 30, 2019 | December 31, 2018 |
|---|-----------------------|-------------------|----------------------|
| ASSETS: | | | |
| Cash and due from banks | \$ 26,847 | \$ 52,406 | \$ 40,285 |
| Securities available for sale | 34,833 | 18,990 | 15,715 |
| Total Loans | 46,460 | 32,536 | 13,919 |
| Allowance for loan and lease losses | (581) | (407) | (174) |
| Net Loans | 45,879 | 32,129 | 13,745 |
| Premises and equipment, net | 2,061 | 2,162 | 527 |
| Other assets | 495 | 429 | 270 |
| TOTAL ASSETS | \$ 110,115 | \$ 106,116 | \$ 70,542 |
| LIABILITIES | | | |
| Deposits: | | | |
| Non-interest bearing | \$ 35,075 | \$ 39,629 | \$ 17,605 |
| Interest bearing | 46,825 | 37,898 | 25,283 |
| Total deposits | 81,900 | 77,527 | 42,888 |
| Other liabilities | 1,906 | 1,936 | 280 |
| TOTAL LIABILITIES | 83,806 | 79,463 | 43,168 |
| Stockholders' Equity: | | | |
| Common stock | 32,578 | 32,503 | 32,362 |
| Accumulated deficit | (4,934) | (4,934) | (3,105) |
| Net income (loss) | (1,526) | (1,228) | (1,829) |
| Accumulated other comprehensive gain | 191 | 312 | (54) |
| TOTAL STOCKHOLDERS' EQUITY | 26,309 | 26,653 | 27,374 |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ 110,115 | \$ 106,116 | \$ 70,542 |

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

| | Three Months Ended | | | Nine Months Ended | |
|---|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Interest Income: | | | | | |
| Loans | \$ 651 | \$ 453 | \$ 64 | \$ 1,377 | \$ 79 |
| Investment securities | 159 | 127 | 100 | 393 | 179 |
| Other short-term investments | 188 | 275 | 112 | 696 | 287 |
| Total interest income | 998 | 855 | 276 | 2,466 | 545 |
| Interest expense: | | | | | |
| Deposits | 99 | 108 | 7 | 270 | 14 |
| Borrowed funds | - | - | - | - | - |
| Total interest expense | 99 | 108 | 7 | 270 | 14 |
| Net interest income | 899 | 747 | 269 | 2,196 | 531 |
| Provision for loan and lease losses | 174 | 133 | 7 | 407 | 60 |
| Net interest income after provision for loan and lease losses | 725 | 614 | 262 | 1,789 | 471 |
| Non-interest income: | | | | | |
| Service charges and other fees | 16 | 13 | 6 | 36 | 6 |
| Other income | 19 | 14 | 3 | 45 | 9 |
| Gain (loss) on securities | 97 | - | - | 97 | - |
| Total non-interest income | 132 | 27 | 9 | 178 | 15 |
| Non-interest expense: | | | | | |
| Salaries and employee benefits | 769 | 766 | 831 | 2,356 | 1,902 |
| Occupancy | 82 | 78 | 97 | 242 | 232 |
| Furniture, fixture & equipment | 42 | 43 | 46 | 126 | 119 |
| Data processing | 60 | 60 | 46 | 166 | 56 |
| Professional & legal | 65 | 72 | 74 | 192 | 168 |
| Marketing | 12 | 11 | 16 | 35 | 47 |
| Other expense | 125 | 105 | 83 | 376 | 213 |
| Total non-interest expense | 1,155 | 1,135 | 1,193 | 3,493 | 2,737 |
| Income (loss) before taxes | (298) | (494) | (922) | (1,526) | (2,251) |
| Income tax expense | - | - | - | - | 2 |
| Net Income (Loss) | \$ (298) | \$ (494) | \$ (922) | \$ (1,526) | \$ (2,253) |
| Earnings (loss) per share ("EPS"): Basic | \$ (0.09) | \$ (0.15) | \$ (0.28) | \$ (0.46) | \$ (0.68) |
| Common shares outstanding | 3,306,429 | 3,300,000 | 3,300,000 | 3,300,000 | 3,300,000 |

INFINITY BANK
UNAUDITED FINANCIAL HIGHLIGHTS

| | Three Months Ended | | | Nine Months Ended | |
|--|-----------------------|------------------|-----------------------|-----------------------|-----------------------|
| | September 30, 2019 | June 30, 2019 | September 30, 2018 | September 30, 2019 | September 30, 2018 |
| Performance Ratios (Based upon Reported Net Income): | | | | | |
| Net interest margin | 3.75% | 3.29% | 2.56% | 3.41% | 2.18% |
| Cost of funds | 0.54% | 0.66% | 0.17% | 0.58% | 0.24% |
| Loan to deposit ratio | 56.73% | 41.97% | 15.23% | 56.73% | 15.23% |
| Asset Quality Summary: | | | | | |
| Allowance for loan loss/Total loans | 1.25% | 1.25% | 1.25% | 1.25% | 1.25% |
| Capital Ratios: | | | | | |
| Tier 1 risk-based capital ratio | 40.30% | 58.16% | 274.07% | 40.30% | 274.07% |
| Total risk-based capital ratio | 41.20% | 59.05% | 274.65% | 41.20% | 274.65% |
| Tier 1 leverage ratio | 26.26% | 28.40% | 64.00% | 26.26% | 64.00% |