



Reports Third Quarter 2023 Financial Results

Lynnwood, WA / Accesswire / October 31, 2023 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported quarterly earnings of \$2.4 million or \$0.43 per share in the third quarter, as compared to \$3.0 million or \$0.55 per share for the same quarter of 2022, decreasing by \$670 thousand or \$0.12 per share, primarily due to reduced Net Interest Income.

As of September 30, 2023, Total Assets reached \$612.2 million, increasing by \$60.7 million or 11.0% from the year earlier period of \$551.5 million. Net Loans ended at \$476.9 million, increasing by \$43.4 million or 10.0% from the year earlier period of \$433.5 million. Finally, Total Deposits grew by \$52.9 million or 11.3% to \$522.1 million from the year earlier period of \$469.3 million.

“The third quarter was challenging for the Bank as we faced what many community banks have been experiencing, namely high interest rates, slowed loan demand and the deterioration of credit,” said Peter Park, President and CEO. He added that, “Although we anticipate additional challenges in the foreseeable future, we believe that our strong capital position and sufficient liquidity will help us deliver solid returns to our shareholders in the long run.”

2023 Third Quarter Financial Highlights

Total assets grew 11.0% to \$612.2 million as compared to \$551.5 million a year ago.

Net loans increased 10.0% to \$476.9 million as compared to \$433.5 million a year ago.

Total deposits grew 11.3% to \$522.1 million as compared to \$469.3 million a year ago.

Net income quarter-to-date decreased 22.1% to \$2.4 million as compared to \$3.0 million a year ago.

Net income year-to-date decreased 4.3% to \$7.4 million as compared to \$7.7 million a year ago.

Net interest margin for the year was 4.05% as compared to 4.79% a year ago.

Gain on sale of SBA/USDA loans for the year was \$1.4 million as compared to \$1.5 million a year ago.

Return on average equity for the year was 13.01% as compared to 15.26% a year ago.

Return on average assets for the year was 1.65% as compared to 2.16% a year ago.

The allowance for loan losses to loans was 1.09% as compared to 1.05% a year ago.

Nonperforming assets to total assets was 0.74% as compared to 0.05% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 52.76% as compared to 49.13% a year ago.

About U & I Financial Corp.

UniBank, the wholly owned subsidiary of U & I Financial Corp. (OTCQX: UNIF), is one of the highest performing banks in Washington state in terms of return on assets. Founded in 2006 and based in Lynnwood, Washington, the Bank serves small to medium-sized businesses, professionals, and individuals across the United States with a particular emphasis on government guaranteed loan programs. Customers can access their accounts in any of the 4 branches – Lynnwood, Bellevue, Federal Way and Tacoma – online, or through the Bank’s ATM network.

For more information visit www.unibankusa.com or call (425) 275-9700.

Forward-Looking Statement Safe Harbor: This news release contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Forward-looking statements describe U & I Financial Corp.’s projections, estimates, plans and expectations of future results and can be identified by words such as “believe,” “intend,” “estimate,” “likely,” “anticipate,” “expect,” “looking forward,” and other similar expressions. They are not guarantees of future performance. Actual results may differ materially from the results expressed in these forward-looking statements, which because of their forward-looking nature, are difficult to predict. Investors should not place undue reliance on any forward-looking statement, and should consider factors that might cause differences including but not limited to the degree of competition by traditional and nontraditional competitors, declines in real estate markets, an increase in unemployment or sustained high levels of unemployment; changes in interest rates; adverse changes in local, national and international economies; changes in the Federal Reserve’s actions that affect monetary and fiscal policies; changes in legislative or regulatory actions or reform, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act; demand for products and services; changes to the quality of the loan portfolio and our ability to succeed in our problem-asset resolution efforts; the ongoing uncertainties from COVID-19; the impact of technological advances; changes in tax laws; and other risk factors. U & I Financial Corp. undertakes no obligation to publicly update or clarify any forward-looking statement to reflect the impact of events or circumstances that may arise after the date of this release.

STATEMENT OF INCOME (Unaudited)

	Sep-23	Jun-23	Sep-22	Sep-23	Sep-22
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$9,616	\$9,955	\$7,017	\$28,346	\$17,496
Interest Expense	4,173	3,723	761	10,796	1,185
Net Interest Income	5,443	6,232	6,256	17,550	16,311
Provision for Loan Losses	158	-	-	158	-
Gain on Sale of SBA/USDA Loans	609	-	324	1,433	1,481
Loan Servicing Fees, Net of Amortization	164	172	182	541	371
Other Non-interest Income	176	329	180	678	525
Non-interest Income	949	501	686	2,652	2,377
Salaries & Benefits	1,962	2,395	2,036	6,991	5,975
Occupancy Expense	187	175	183	541	538
Other Expense	1,120	1,055	987	3,126	2,668
Non-interest Expense	3,269	3,625	3,206	10,658	9,181
Net Income before Income Taxes	2,965	3,108	3,736	9,386	9,507
Income Taxes	610	738	711	1,986	1,777
Net Income/(Loss)	\$2,355	\$2,370	\$3,025	\$7,400	\$7,730
Total Outstanding Shares <i>(in thousands)</i>	5,466	5,441	5,461	5,466	5,461
Basic Earnings per Share	\$0.43	\$0.44	\$0.55	\$1.36	\$1.40

Statement of Condition (Unaudited)

	Sep-23	Jun-23	Sep-22	Variance	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	Prior Qtr	Prior Year
Cash and Due from Banks	\$58,923	\$48,684	\$36,451	\$10,239	\$22,472
Investments	48,841	49,714	49,855	(873)	(1,014)
Loans Held for Sale	-	-	5,078	-	(5,078)
Gross Loans	482,132	487,126	438,055	(4,994)	44,077
Allowance for Loan Losses	(5,234)	(5,076)	(4,580)	(158)	(654)
Net Loans	476,898	482,050	433,475	(5,152)	43,423
Fixed Assets	6,577	6,702	7,129	(125)	(552)
Other Assets	20,978	20,089	19,530	889	1,448
Total Assets	\$612,217	\$607,239	\$551,518	\$4,978	\$60,699
Checking	\$105,770	\$107,476	\$123,433	(\$1,706)	(\$17,663)
NOW	14,588	13,905	13,767	683	821
Money Market	197,296	213,825	132,774	(16,529)	64,522
Savings	9,050	9,744	15,227	(694)	(6,177)
Certificates of Deposit	195,429	171,986	184,054	23,443	11,375
Total Deposits	522,133	516,936	469,255	5,197	52,878
Borrowed Funds	8,000	10,000	10,000	(2,000)	(2,000)
Other Liabilities	3,916	3,192	3,836	724	80
Total Liabilities	534,049	530,128	483,091	3,921	50,958
Shareholders' Equity	78,168	77,111	68,427	1,057	9,741
Total Liabilities & Equity	\$612,217	\$607,239	\$551,518	\$4,978	\$60,699

Financial Ratios

	Sep-23	Jun-23	Sep-22	Sep-23	Sep-22
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	1.54%	1.59%	2.27%	1.65%	2.16%
Return on Average Equity	11.92%	12.48%	17.34%	13.01%	15.26%
Net Interest Margin	3.65%	4.32%	4.85%	4.05%	4.79%
Efficiency Ratio	51.14%	53.85%	46.18%	52.76%	49.13%
Capital					
Tier 1 Leverage Ratio	13.29%	13.11%	13.34%		
Common Equity Tier 1 Ratio	16.58%	16.31%	16.34%		
Tier 1 Risk-Based Capital Ratio	16.58%	16.31%	16.34%		
Total Risk-Based Capital Ratio	17.65%	17.36%	17.40%		
Book Value per Share	\$14.30	\$14.17	\$12.53		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	\$0	(\$942)	\$0		
Allowance for Loan Losses to Loans	1.09%	1.04%	1.05%		
Nonperforming Assets to Total Assets	0.74%	0.00%	0.05%		

U & I Financial Corp.
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