



Reports Fourth Quarter 2022 Financial Results

Lynnwood, WA / Accesswire / January 26, 2023 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$3.4 million or \$0.62 per share in the fourth quarter, as compared to \$2.3 million or \$0.41 per share for the same quarter of 2021, increasing by \$1.1 million or \$0.21 per share, primarily from generating higher net interest income.

As of December 31, 2022, total assets reached \$586.8 million, increasing by \$131.1 million or 28.8% from the year earlier period of \$455.7 million. Net loans ended at \$454.4 million, increasing by \$132.7 million or 41.2% from the year earlier period of \$321.8 million. Finally, total deposits grew by \$113.9 million or 30.4% to \$488.3 million from the year earlier period of \$374.4 million.

“We are pleased to announce very strong performances for the quarter and year,” said Peter Park, President and CEO. He added that, “As mentioned previously, the outlook for 2023 remains uncertain due to the persistent inflationary pressures and the risk of recession ahead of us. However, we believe that we are prepared to weather the storm due to our conservative underwriting and sufficient capital. In fact, we will continue to invest in our infrastructure during this period so that we are well positioned to resume our growth when the economy improves.”

2022 Fourth Quarter Financial Highlights

Total assets grew 28.8% to \$586.8 million as compared to \$455.7 million a year ago.

Net loans increased 41.2% to \$454.4 million as compared to \$321.8 million a year ago.

Total deposits grew 30.4% to \$488.3 million as compared to \$374.4 million a year ago.

Net income quarter-to-date grew 47.5% to \$3.4 million as compared to \$2.3 million a year ago.

Net income year-to-date grew 30.9% to \$11.1 million as compared to \$8.5 million a year ago.

Net interest margin for the year was 4.79% as compared to 4.50% a year ago.

Gain on sale of SBA/USDA loans for the year was \$2.5 million as compared to \$3.7 million a year ago.

Return on average equity for the year was 16.29% as compared to 13.51% a year ago.

Return on average assets for the year was 2.22% as compared to 2.09% a year ago.

The allowance for loan losses to loans was 1.00% as compared to 1.40% a year ago.

Nonperforming assets to total assets was 0.05% as compared to 0.06% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 48.04% as compared to 52.87% 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)

	Dec-22	Sep-22	Dec-21	Dec-22	Dec-21
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$8,418	\$7,017	\$4,955	\$25,914	\$17,864
Interest Expense	1,801	761	172	2,986	747
Net Interest Income	6,617	6,256	4,783	22,928	17,117
Provision for Loan Losses	-	-	-	-	-
Gain on Sale of SBA/USDA Loans	1,031	324	804	2,512	3,656
Loan Servicing Fees, Net of Amortization	123	182	151	494	634
Other Non-interest Income	162	180	137	687	864
Non-interest Income	1,316	686	1,092	3,693	5,154
Salaries & Benefits	2,341	2,036	2,025	8,316	8,265
Occupancy Expense	188	183	172	726	686
Other Expense	1,078	987	834	3,746	2,824
Non-interest Expense	3,607	3,206	3,031	12,788	11,775
Net Income before Income Taxes	4,326	3,736	2,844	13,833	10,496
Income Taxes	927	711	540	2,704	1,994
Net Income/(Loss)	\$3,399	\$3,025	\$2,304	\$11,129	\$8,502
Total Outstanding Shares <i>(in thousands)</i>	5,441	5,461	5,562	5,441	5,562
Basic Earnings per Share	\$0.62	\$0.55	\$0.41	\$2.03	\$1.53

Statement of Condition (Unaudited)

	Dec-22	Sep-22	Dec-21	Variance	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	Prior Qtr	Prior Year
Cash and Due from Banks	\$42,003	\$36,451	\$31,096	\$5,552	\$10,907
Investments	51,062	49,855	56,824	1,207	(5,762)
Loans Held for Sale	12,527	5,078	20,783	7,449	(8,256)
Gross Loans	459,021	438,055	326,340	20,966	132,681
Allowance for Loan Losses	(4,580)	(4,580)	(4,575)	-	(5)
Net Loans	454,441	433,475	321,765	20,966	132,676
Fixed Assets	6,983	7,129	7,190	(146)	(207)
Other Assets	19,796	19,530	18,025	266	1,771
Total Assets	\$586,812	\$551,518	\$455,683	\$35,294	\$131,129
Checking	\$117,491	\$123,433	\$98,487	(\$5,942)	\$19,004
NOW	13,969	13,767	11,546	202	2,423
Money Market	199,303	132,774	171,066	66,529	28,237
Savings	14,042	15,227	16,348	(1,185)	(2,306)
Certificates of Deposit	143,449	184,054	76,933	(40,605)	66,516
Total Deposits	488,254	469,255	374,380	18,999	113,874
Borrowed Funds	22,000	10,000	10,000	12,000	12,000
Other Liabilities	4,453	3,836	4,185	617	268
Total Liabilities	514,707	483,091	388,565	31,616	126,142
Shareholders' Equity	72,105	68,427	67,118	3,678	4,987
Total Liabilities & Equity	\$586,812	\$551,518	\$455,683	\$35,294	\$131,129

Financial Ratios

	Dec-22	Sep-22	Dec-21	Dec-22	Dec-21
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	2.37%	2.27%	2.15%	2.22%	2.09%
Return on Average Equity	19.26%	17.34%	13.79%	16.29%	13.51%
Net Interest Margin	4.82%	4.85%	4.79%	4.79%	4.50%
Efficiency Ratio	45.47%	46.18%	52.95%	48.04%	52.87%
Capital					
Tier 1 Leverage Ratio	12.86%	13.34%	15.44%		
Common Equity Tier 1 Ratio	15.95%	16.34%	19.61%		
Tier 1 Risk-Based Capital Ratio	15.95%	16.34%	19.61%		
Total Risk-Based Capital Ratio	16.95%	17.40%	20.86%		
Book Value per Share	\$13.24	\$12.53	\$12.07		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	\$0	\$0	(\$14)		
Allowance for Loan Losses to Loans	1.00%	1.05%	1.40%		
Nonperforming Assets to Total Assets	0.05%	0.05%	0.06%		

U & I Financial Corp.
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