



## Reports Third Quarter 2021 Financial Results

Lynnwood, WA / Accesswire / October 26, 2021 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.3 million or \$0.42 per share in the third quarter, as compared to \$1.6 million or \$0.28 per share for the same quarter of 2020, increasing by \$768 thousand or 48.9%, primarily from not having to recognize the provision of loan losses this quarter and from generating higher net interest income.

As of September 30, 2021, total assets reached a record, \$437.6 million, increasing by \$44.7 million or 11.4% from the year earlier period of \$393.0 million. Net loans ended at a record \$318.2 million, increasing by \$37.5 million or 13.4% from the year earlier period of \$280.7 million. Finally, total deposits grew by \$36.6 million or 11.1% to a record, \$365.2 million, from the year earlier period of \$328.6 million.

As of September 30, 2021, the SBA PPP loans totaled \$12.9 million. During the year, a total of \$40.8 million PPP loans was forgiven, of which \$6.2 million was during the third quarter.

“We are very proud of our employees for attaining another quarter of record performance despite the current economic and public health challenges,” said Peter Park, President and CEO. He added that, “Our business model of serving the minority and other underserved business communities through government guaranteed loans has proven to be exceptionally favorable during these uncertain times. Net loans increased by 13.4% from the prior year, despite \$40.8 million total SBA PPP loans forgiven this year. As we look forward to passing the \$500 million total assets milestone in the near future, we will continue to invest in our people and infrastructure to deliver consistent returns for our shareholders.”

### 2021 Third Quarter Financial Highlights

Total assets grew 11.4% to \$437.6 million as compared to \$393.0 million a year ago.

Net loans increased 13.4% to \$318.2 million as compared to \$280.7 million a year ago.

Total deposits grew 11.1% to \$365.2 million as compared to \$328.6 million a year ago.

Net income quarter-to-date grew 48.9% to \$2.3 million as compared to \$1.6 million one year ago.

Net income year-to-date grew 41.1% to \$6.2 million as compared to \$4.4 million one year ago.

Net interest margin for the year was 4.40% as compared to 4.30% one year ago.

Gain on sale of SBA/USDA loans for the year was \$2.9 million as compared to \$2.0 million a year ago.

Return on average equity for the year was 13.41% as compared to 11.04% a year ago.

Return on average assets for the year was 2.07% as compared to 1.61% a year ago.

The allowance for loan losses to loans, excluding PPP loans, was 1.48% as compared to 1.77% a year ago.

Nonperforming assets to total assets was 0.07% as compared to 0.20% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 53.33% as compared to 51.82% 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. Based in Lynnwood, Washington, the Bank was founded in 2006 to serve the small to medium-sized businesses, professionals, and residents with a particular emphasis on Korean and other ethnic minority communities. 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](http://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, the SBA’s Paycheck Protection Program; 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-21	Jun-21	Sep-20	Sep-21	Sep-20
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$4,639	\$4,334	\$4,316	\$12,909	\$12,811
Interest Expense	179	182	379	575	1,752
Net Interest Income	4,460	4,152	3,937	12,334	11,059
Provision for Loan Losses	-	-	800	-	1,500
Gain on Sale of SBA/USDA Loans	1,191	933	974	2,852	1,996
Loan Servicing Fees, Net of Amortization	139	198	163	483	498
Other Non-interest Income	252	218	109	727	412
Non-interest Income	1,582	1,349	1,246	4,062	2,906
Salaries & Benefits	2,290	1,925	1,627	6,240	4,820
Occupancy Expense	171	167	176	514	513
Other Expense	689	647	642	1,990	1,864
Non-interest Expense	3,150	2,739	2,445	8,744	7,197
Net Income before Income Taxes	2,892	2,762	1,938	7,652	5,268
Income Taxes	553	521	367	1,454	875
<b>Net Income/(Loss)</b>	<b>\$2,339</b>	<b>\$2,241</b>	<b>\$1,571</b>	<b>\$6,198</b>	<b>\$4,393</b>
Total Outstanding Shares <i>(in thousands)</i>	5,579	5,579	5,581	5,579	5,581
Basic Earnings per Share	\$0.42	\$0.41	\$0.28	\$1.12	\$0.80

**Statement of Condition (Unaudited)**

	Sep-21	Jun-21	Variance	Sep-20	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Prior Qtr	Qtr End	Prior Year
Cash and Due from Banks	\$25,092	\$41,671	(\$16,579)	\$16,089	\$9,003
Investments	57,041	57,603	(562)	58,490	(1,449)
Loans Held for Sale	13,946	20,294	(6,348)	18,296	(4,350)
Gross Loans	322,810	279,058	43,752	285,010	37,800
Allowance for Loan Losses	(4,577)	(4,568)	(9)	(4,304)	(273)
Net Loans	318,233	274,490	43,743	280,706	37,527
Fixed Assets	5,676	5,800	(124)	5,864	(188)
Other Assets	17,632	17,233	399	13,524	4,108
<b>Total Assets</b>	<b>\$437,620</b>	<b>\$417,091</b>	<b>\$20,529</b>	<b>\$392,969</b>	<b>\$44,651</b>
Checking	\$103,786	\$88,562	\$15,224	\$77,163	\$26,623
NOW	12,154	9,441	2,713	14,768	(2,614)
Money Market	137,030	123,436	13,594	117,795	19,235
Savings	16,130	12,915	3,215	10,998	5,132
Certificates of Deposit	96,107	113,438	(17,331)	107,919	(11,812)
Total Deposits	365,207	347,792	17,415	328,643	36,564
Borrowed Funds	5,000	5,000	-	6,000	(1,000)
Other Liabilities	2,400	1,548	852	1,790	610
Total Liabilities	372,607	354,340	18,267	336,433	36,174
Shareholders' Equity	65,013	62,751	2,262	56,536	8,477
<b>Total Liabilities &amp; Equity</b>	<b>\$437,620</b>	<b>\$417,091</b>	<b>\$20,529</b>	<b>\$392,969</b>	<b>\$44,651</b>

**Financial Ratios**

	Sep-21	Jun-21	Sep-20	Sep-21	Sep-20
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
<b>Performance Ratios</b>					
Return on Average Assets	2.22%	2.29%	1.64%	2.07%	1.61%
Return on Average Equity	14.43%	14.65%	11.20%	13.41%	11.04%
Net Interest Margin	4.55%	4.55%	4.37%	4.40%	4.30%
Efficiency Ratio	53.36%	49.79%	47.17%	53.33%	51.82%
<b>Capital</b>					
Tier 1 Leverage Ratio	15.21%	15.55%	14.45%		
Common Equity Tier 1 Ratio	19.73%	20.83%	20.06%		
Tier 1 Risk-Based Capital Ratio	19.73%	20.83%	20.06%		
Total Risk-Based Capital Ratio	20.98%	22.08%	21.31%		
Book Value per Share	\$11.65	\$11.25	\$10.13		
<b>Asset Quality</b>					
Net Loan Charge-Offs (Recoveries)	(\$9)	\$0	(\$9)		
Allowance for Loan Losses to Loans	1.42%	1.64%	1.51%		
<i>Allowance Ratio, Excluding PPP Loans</i>	1.48%	1.76%	1.77%		
Nonperforming Assets to Total Assets	0.07%	0.15%	0.20%		

U & I Financial Corp.

Investor Relations

Stephanie Yoon, 425-275-9727