



Reports Second Quarter 2021 Financial Results

Continues Growth with Record Earnings

Lynnwood, WA / Accesswire / July 29, 2021 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.2 million or \$0.41 per share in the second quarter, as compared to \$1.5 million or \$0.26 per share for the same quarter of 2020, increasing by \$787 thousand or 54.1%, primarily due to higher gain on sale of government guaranteed loans.

As of June 30, 2021, total assets reached a record, \$417.1 million, increasing by \$36.7 million or 9.6% from the year earlier period of \$380.4 million. Net loans ended at \$274.5 million, decreasing by \$7.0 million or 2.5% from the year earlier period of \$281.5 million, primarily due to the SBA PPP Loan forgiveness activities. However, loans held for sale increased by \$12.7 million from last year, outweighing the net loans decrease. Finally, total deposits grew by \$34.4 million or 11.0% to a record, \$347.8 million, from the year earlier period of \$313.4 million.

As of June 30, 2021, the SBA PPP loans totaled \$19.1 million. During the year, a total of \$34.7 million PPP loans was forgiven, of which \$24.2 million was in the second quarter. New PPP loans during 2021 totaled \$15.9 million, all in the first quarter.

“Despite the continued economic uncertainties, we have been fortunate to perform well,” said Peter Park, President and CEO. He added that, “Net loans decreased from the prior quarter, but this is mainly due to the timing of PPP loans and our focus on originating government guaranteed loans, which are reflected in the increase in loans held for sale. With a robust pipeline, we expect the core loan portfolio to continue to grow in the near future. Furthermore, as the worst of COVID-19 appears to be behind us, we are pleased that the vast majority of our business customers have found their footings. We thank our shareholders and customers for their continued support during these uncertain times.”

2021 Second Quarter Financial Highlights

Total assets grew 9.6% to \$417.1 million as compared to \$380.4 million a year ago.

Net loans declined 2.5% to \$274.5 million as compared to \$281.5 million a year ago.

Loans held for sale increased to \$20.3 million as compared to \$7.6 million a year ago.

Total deposits grew 11.0% to \$347.8 million as compared to \$313.4 million a year ago.

Net income quarter-to-date grew 54.1% to \$2.2 million as compared to \$1.5 million one year ago.

Net income year-to-date grew 36.7% to \$3.9 million as compared to \$2.8 million one year ago.

Net interest margin for the year was 4.32% as compared to 4.26% one year ago.

Gain on sale of SBA/USDA loans for the year was \$1.7 million as compared to \$1.0 million a year ago.

Return on average equity for the year was 12.86% as compared to 10.95% a year ago.

Return on average assets for the year was 1.98% as compared to 1.59% a year ago.

The allowance for loan losses to loans, excluding PPP loans, was 1.76% as compared to 1.43% a year ago.

Nonperforming assets to total assets was 0.15% as compared to 0.22% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 54.03% as compared to 54.60% 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 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)

	Jun-21	Mar-21	Jun-20	Jun-21	Jun-20
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$4,334	\$3,936	\$4,576	\$8,270	\$8,495
Interest Expense	182	214	469	396	1,373
Net Interest Income	4,152	3,722	4,107	7,874	7,122
Provision for Loan Losses	-	-	400	-	700
Gain on Sale of SBA/USDA Loans	933	728	151	1,661	1,022
Gain on Sale of Securities	-	-	-	-	78
Other Non-interest Income	416	403	293	819	560
Non-interest Income	1,349	1,131	444	2,480	1,660
Salaries & Benefits	1,925	2,025	1,576	3,950	3,193
Occupancy Expense	167	176	170	343	337
Other Expense	647	654	609	1,301	1,222
Non-interest Expense	2,739	2,855	2,355	5,594	4,752
Net Income before Income Taxes	2,762	1,998	1,796	4,760	3,330
Income Taxes	521	380	342	901	508
Net Income/(Loss)	\$2,241	\$1,618	\$1,454	\$3,859	\$2,822
Total Outstanding Shares <i>(in thousands)</i>	5,579	5,579	5,573	5,579	5,573
Basic Earnings per Share	\$0.41	\$0.29	\$0.26	\$0.70	\$0.51

Statement of Condition (Unaudited)

	Jun-21	Mar-21	Variance	Jun-20	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Prior Qtr	Qtr End	Prior Year
Cash and Due from Banks	\$41,671	\$23,332	\$18,339	\$13,319	\$28,352
Investments	57,603	57,556	47	58,625	(1,022)
Loans Held for Sale	20,294	11,324	8,970	7,577	12,717
Gross Loans	279,058	300,621	(21,563)	284,999	(5,941)
Allowance for Loan Losses	(4,568)	(4,568)	-	(3,495)	(1,073)
Net Loans	274,490	296,053	(21,563)	281,504	(7,014)
Fixed Assets	5,800	5,785	15	5,976	(176)
Other Assets	17,233	17,813	(580)	13,399	3,834
Total Assets	\$417,091	\$411,863	\$5,228	\$380,400	\$36,691
Checking	\$88,562	\$76,148	12,414	68,711	19,851
NOW	9,441	9,858	(417)	9,284	157
Money Market	123,436	122,204	1,232	111,710	11,726
Savings	12,915	12,197	718	10,349	2,566
Certificates of Deposit	113,438	121,915	(8,477)	113,375	63
Total Deposits	347,792	342,322	5,470	313,429	34,363
Borrowed Funds	5,000	8,000	(3,000)	11,200	(6,200)
Other Liabilities	1,548	1,471	77	1,271	277
Total Liabilities	354,340	351,793	2,547	325,900	28,440
Shareholders' Equity	62,751	60,070	2,681	54,500	8,251
Total Liabilities & Equity	\$417,091	\$411,863	\$5,228	\$380,400	\$36,691

Financial Ratios

	Jun-21	Mar-21	Jun-20	Jun-21	Jun-20
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	2.29%	1.67%	1.57%	1.98%	1.59%
Return on Average Equity	14.65%	11.00%	11.08%	12.86%	10.95%
Net Interest Margin	4.55%	4.09%	4.65%	4.32%	4.26%
Efficiency Ratio	49.79%	58.83%	51.75%	54.03%	54.60%
Capital					
Tier 1 Leverage Ratio	15.55%	14.89%	14.28%		
Common Equity Tier 1 Ratio	20.83%	20.41%	18.82%		
Tier 1 Risk-Based Capital Ratio	20.83%	20.41%	18.82%		
Total Risk-Based Capital Ratio	22.08%	21.67%	20.07%		
Book Value per Share	\$11.25	\$10.77	\$9.78		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	\$0	\$0	(\$10)		
Allowance for Loan Losses to Loans	1.64%	1.52%	1.23%		
<i>Allowance Ratio, Excluding PPP Loans</i>	1.76%	1.78%	1.43%		
Nonperforming Assets to Total Assets	0.15%	0.16%	0.22%		

U & I Financial Corp.

Investor Relations

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