



April 22, 2019

Dear Shareholders:

Financial Summary

We are very pleased to announce that U & I Financial Corp. (“the Company”) had an outstanding performance for the year 2018.

As of December 31, 2018, in comparison to the prior year, total assets increased by \$31.0 million or 11% to \$305.0 million, fueled by both loans growth of \$30.0 million or 17% to \$208.5 million, and deposits growth of \$17.8 million or 8% to \$248.9 million. The net income for 2018 was \$4.5 million, which was a \$1.3 million or 41% increase from the prior year. We look forward to continuing this momentum in 2019.

See the full annual report at the UniBank website at <https://www.unibankusa.com/About-Us/Investor-Relations>.

Annual Shareholders Meeting

Our next annual general meeting of shareholders will be held at the UniBank Headquarters on Friday, May 24, 2019 at 11:00 a.m. Shareholders may attend in person or provide a proxy for voting their shares.

OTCQX Best Market

Since the beginning of 2018 when the Company’s stock became Depository Trust Company (“DTC”) eligible, and shareholders have begun transferring their shares to brokerage firms and have traded through the over-the-counter (“OTC”) market, the stock transaction volume overall has steadily increased. On December 26, 2018 the Company upgraded the marketplace where its stock is traded from “OTC Pink” to the “OTCQX Best Market,” which is the OTC’s top market tier where many other high performing financial institutions trade. The upgrade will increase transparency from having more disclosures available, and is also expected to enhance liquidity from broader trading participation. During the last three months of 2018, 88,011 shares were traded. As of March 31, 2019 the year-to-date trading volume was 189,071 shares at the weighted average price of \$9.18 per share. As of December 31, 2018, there were 5,575,038 shares outstanding.

Shareholders Dividend

The Board of Directors has decided not to declare a dividend in 2019. Although the Company has had excellent financial results, in order to continue the performance and to fund our growth, the directors and management strongly believe that preserving capital would create higher returns for the shareholders in the long run.

Thank you once again for your continued support of and interest in UniBank. We look forward to your participation in the shareholders meeting.

D. Benjamin Lee
Chairman

Peter R. Park
President & CEO

U & I Financial Corp. Consolidated Statement of Condition - Key Items 12/31/2018

(\$'s in thousands)

	<u>12/31/2018</u>	<u>12/31/2017</u>	<u>Variance</u>	<u>Var %</u>
Total Assets	\$305,018	\$274,028	\$30,990	11%
Loans, Net of Reserve	\$208,501	\$178,555	\$29,946	17%
Total Deposits	\$248,872	\$231,039	\$17,833	8%

Consolidated Statement of Income

	<u>2018</u>	<u>2017</u>	<u>Variance</u>	<u>Var %</u>
Net Interest Income	\$11,129	\$9,126	\$2,003	22%
Provision for Loan Loss	294	334	(40)	-12%
Non-interest Income	2,423	2,068	355	17%
Non-interest Expense	7,727	6,872	855	12%
Net Income before Income Taxes	5,531	3,988	1,543	39%
Income Taxes	1,025	793	232	29%
Net Income/(Loss)	\$4,506	\$3,195	\$1,311	41%