



## Reports Amended and Restated Third Quarter 2024 Financial Results

Lynnwood, WA / Accesswire / December 6, 2024 / U & I Financial Corp. (OTCQX: UNIF), the holding company (the “Company”) for UniBank (the “Bank”), today reported amended and restated results for its third quarter with decreases in Gross Loans and Allowance for Credit Losses (ACL) on Loans by \$8.7 million each, reflecting loan charge offs against the ACL. These were all commercial equipment loans that had the principal balances fully reserved as of September 30, 2024. The Bank also amended and refiled its Call Report on the same day. The restatement did not have any impact on the Company’s earnings.

As a result of the restatement, at September 30, 2024:

- ACL to Loans ratio decreased from 6.59% to 4.70%;
- Net Credit Charge-Offs increased from \$8.7 million to \$17.4 million for the quarter;
- Net Credit Charge-Offs increased from \$23.3 million to \$32.0 million for the nine months ended;
- Nonperforming Assets to Total Assets ratio decreased from 2.74% to 1.23%;
- Tier 1 Leverage Ratio, Common Equity Tier 1 Ratio, Tier 1 Risk-Based Capital Ratio, Total Risk-Based Capital Ratio decreased from 7.53%, 9.56%, 9.56%, 10.87%, respectively, to 7.22%, 9.33%, 9.33%, 10.62% respectively.

### Non-GAAP Financial Metrics

This news release contains certain non-GAAP financial measure disclosures. Management believes these non-GAAP financial measures provide meaningful supplemental information regarding the Company’s operational performance, credit quality and capital levels.

### About U & I Financial Corp.

UniBank, the wholly owned subsidiary of U & I Financial Corp. (OTCQX: UNIF). 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 four 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 the Company’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 compliance with the Written Agreement with the Federal Reserve Bank of San Francisco and the Washington Department of Financial Institutions; 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; further declines in the quality of the loan portfolio that results in continued losses and our ability to succeed in our problem-asset resolution efforts; including, but not limited to, continued credit deterioration of commercial-equipment loans and future increases in the Provision for Credit Losses, 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-24	Jun-24	Sep-23	Sep-24	Sep-23	Dec-23
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD	YTD
Interest Income	\$8,270	\$9,362	\$9,616	\$26,917	\$28,346	\$37,652
Interest Expense	4,820	4,769	4,173	14,287	10,796	15,388
Net Interest Income	3,450	4,593	5,443	12,630	17,550	22,264
Provision for Credit Losses	19,479	2,966	158	22,445	158	26,411
Gain (Loss) on Loan Sales	-	179	609	179	1,433	1,410
Loan Servicing Fees, Net of Amortization	168	175	164	527	541	624
Other Non-interest Income	212	195	176	592	678	851
Non-interest Income	380	549	949	1,298	2,652	2,885
Salaries & Benefits	1,514	1,445	1,962	4,948	6,991	8,241
Occupancy Expense	205	189	187	586	541	729
Other Expense	1,568	1,629	1,120	4,381	3,126	3,712
Non-interest Expense	3,287	3,263	3,269	9,915	10,658	12,682
Net Income (Loss) before Income Taxes	(18,936)	(1,087)	2,965	(18,432)	9,386	(13,944)
Income Tax Expense (Benefit)	(3,983)	(260)	610	(3,921)	1,986	(3,136)
<b>Net Income (Loss)</b>	<b>(\$14,953)</b>	<b>(\$827)</b>	<b>\$2,355</b>	<b>(\$14,511)</b>	<b>\$7,400</b>	<b>(10,808)</b>
Total Outstanding Shares <i>(in thousands)</i>	5,477	5,477	5,466	5,477	5,466	5,466
Basic Earnings (Loss) per Share	(\$2.73)	(\$0.15)	\$0.43	(\$2.65)	\$1.36	(\$1.98)

**Statement of Condition (Unaudited)**

	Sep-24	Jun-24	Sep-23	Variance	Variance	Dec-23
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	Prior Qtr	Prior Year	Qtr End
Cash and Due from Banks	\$70,527	\$46,299	\$58,923	\$24,228	\$11,604	\$61,254
Investments	50,344	50,996	48,841	(652)	1,503	51,346
Loans Held for Sale	-	-	-	-	-	-
Gross Loans	430,523	459,196	482,132	(28,673)	(51,609)	490,636
Allowance for Credit Losses (ACL) on Loans	(20,254)	(17,680)	(5,234)	(2,574)	(15,020)	(25,950)
Net Loans	410,269	441,516	476,898	(31,247)	(66,629)	464,686
Fixed Assets	6,078	6,140	6,577	(62)	(499)	6,438
Other Assets	32,387	27,676	20,978	4,711	11,409	26,325
<b>Total Assets</b>	<b>\$569,605</b>	<b>\$572,627</b>	<b>\$612,217</b>	<b>(\$3,022)</b>	<b>(\$42,612)</b>	<b>\$610,049</b>
Checking	\$86,708	\$88,860	\$105,770	(\$2,152)	(\$19,062)	\$100,135
NOW	5,233	10,925	14,588	(5,692)	(9,355)	13,504
Money Market	128,136	144,471	197,296	(16,335)	(69,160)	200,966
Savings	6,258	6,895	9,050	(637)	(2,792)	8,063
Certificates of Deposit	241,840	200,758	195,429	41,082	46,411	191,733
Total Deposits	468,175	451,909	522,133	16,266	(53,958)	514,401
Borrowed Funds	50,000	54,000	8,000	(4,000)	42,000	20,000
ACL on Off-Balance Sheet Credit Exposure	1,695	2,176	15	(481)	1,680	5,551
Other Liabilities	2,710	3,387	3,901	(677)	(1,191)	8,678
Total Liabilities	522,580	511,472	534,049	11,108	(11,469)	548,630
Shareholders' Equity	47,025	61,155	78,168	(14,130)	(31,143)	61,419
<b>Total Liabilities &amp; Equity</b>	<b>\$569,605</b>	<b>\$572,627</b>	<b>\$612,217</b>	<b>(\$3,022)</b>	<b>(\$42,612)</b>	<b>\$610,049</b>

## Financial Ratios

	Sep-24	Jun-24	Sep-23	Sep-24	Sep-23	Dec-23
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD	YTD
<b>Performance Ratios</b>						
Return on Average Assets*	(10.30%)	(0.57%)	1.54%	(3.30%)	1.65%	(1.85%)
Return on Average Equity*	(96.78%)	(5.29%)	11.92%	(31.24%)	13.01%	(14.53%)
Net Interest Margin*	2.44%	3.21%	3.65%	2.92%	4.05%	3.83%
Efficiency Ratio	85.82%	63.43%	51.14%	71.36%	52.76%	50.36%

\*Quarterly results are annualized

	Sep-24	Jun-24	Sep-23	Well
<b>Capital</b>	QTD	QTD	QTD	Capitalized
				Minimum
Tier 1 Leverage Ratio**	7.22%	10.22%	13.26%	5.00%
Common Equity Tier 1 Ratio**	9.33%	12.82%	16.54%	6.50%
Tier 1 Risk-Based Capital Ratio**	9.33%	12.82%	16.54%	8.00%
Total Risk-Based Capital Ratio **	10.62%	14.10%	17.61%	10.00%
Book Value per Share (BVS)	\$8.59	\$11.17	\$14.30	

\*\*Represents Bank capital ratios

	Sep-24	Jun-24	Sep-23	Sep-24	Sep-23	Dec-23
<b>Asset Quality</b>	QTD	QTD	QTD	YTD	YTD	YTD
Net Credit Charge-Offs (Recoveries)***	\$17,386	\$0	\$0	\$31,998	\$0	\$0
Allowance for Credit Losses to Loans %	4.70%	3.85%	1.09%			
Nonperforming Assets to Total Assets	1.23%	1.02%	0.74%			

\*\*\* Includes Off-Balance Sheet Credit Exposure

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