



March 29, 2021

Dear Shareholders:

Financial Summary

The year 2020 was very challenging due to the COVID-19 pandemic and the prevailing economic uncertainty. Nevertheless, we are pleased to announce that U & I Financial Corp. ("the Company") had a record year of performance.

As of December 31, 2020, in comparison to the prior year, total assets increased by \$56.4 million or 16.2% to \$403.9 million, driven by both loan growth of \$51.0 million or 21.4% to \$290.1 million, and deposits growth of \$47.9 million or 16.5% to \$337.6 million. The net income for 2020 was \$6.2 million, which was a \$589 thousand or 10.5% increase from the prior year. This was achieved despite a significantly higher provision for loan loss expense of \$1.8, an increase of \$1.4 million or 348.7% from the prior year. These were all record numbers.

Although the economic impact from COVID on the banking industry has not been as severe as previously anticipated due to various governmental programs, we continue to face enormous uncertainties in the financial market. However, the Board and management believe that the Company is well positioned to weather the storm, and perhaps even thrive, due to the sufficient accumulation of loan loss reserves, and the defensive measures that were implemented long before COVID surfaced. We pledge that we will continue to operate as a "Safe and Sound" institution, while delivering solid returns to our shareholders.

We encourage you to review Unibank's full annual report at our website at <https://www.unibankusa.com/About-Us/Investor-Relations>.

Atlanta Loan Production Office

On October 12, 2020 UniBank launched its first out-of-state venture by opening a loan production office (LPO) in Atlanta, Georgia. This market has great potential and will also expand the Bank's geographic footprint. Entering new markets through LPO's will be an ongoing consideration.

Annual Shareholders Meeting

Our next annual general meeting of shareholders will be held at UniBank's headquarters on Friday, May 21, 2021 at 10:00 a.m. However, due to the social distancing requirements existing at this time, we will close the meeting for in-person participation. We encourage shareholders to vote by delivering the completed proxy by mail or fax per the instructions in the Shareholders Meeting Notice so that your votes may be counted.

Transferring Shares to Brokerage Accounts

We encourage our shareholders who have not yet transferred their respective shares to brokerage accounts to strongly consider doing so, in order to take advantage of the enhanced liquidity and transparency offered by the "OTCQX Best Market," which is the OTC's highest tier market place. For any questions regarding this process, please contact Stephanie Yoon at (425) 275-9727 or steph.yoon@unibankusa.com.

Shareholders Dividend

The Board had decided not to declare a dividend in 2020 due to the uncertainty caused by the pandemic and the subsequent economic fallout. Although the Company had excellent financial results in 2020, the Board acted prudently to preserve as much capital as possible to deal with the known and unknown financial risks. As 2021 develops, the Board will continuously evaluate the Bank's financial position and the economic climate to determine the best possible use of capital with the consideration of maximizing shareholder value.

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

D. Benjamin Lee, Chairman

Peter R. Park, President & CEO

U & I Financial Corp. Consolidated Statement of Condition - Key Items

12/31/2020

(\$'s in thousands)

	12/31/2020	12/31/2019	Variance	Var %
Total Assets	\$403,898	\$347,455	\$56,443	16.2%
Loans, Net of Reserve	\$290,050	\$239,013	\$51,037	21.4%
Total Deposits	\$337,568	\$289,639	\$47,929	16.5%

Consolidated Statement of Income

	2020	2018	Variance	Var %
Net Interest Income	\$14,728	\$12,508	\$2,220	17.7%
Provision for Loan Loss	1,750	390	1,360	348.7%
Non-interest Income	4,580	3,868	712	18.4%
Non-interest Expense	10,042	9,005	1,037	11.5%
Net Income before Income Taxes	7,516	6,981	535	7.7%
Income Taxes	1,303	1,357	(54)	-4.0%
Net Income/(Loss)	\$6,213	\$5,624	\$589	10.5%