



Reports First Quarter 2023 Financial Results

Lynnwood, WA / Accesswire / April 26, 2023 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.7 million or \$0.49 per share in the first quarter, as compared to \$2.1 million or \$0.37 per share for the same quarter of 2022, increasing by \$605 thousand or \$0.12 per share, primarily from generating higher net interest income.

As of March 31, 2023, total assets reached \$589.8 million, increasing by \$110.7 million or 23.1% from the year earlier period of \$479.1 million. Net loans ended at \$465.0 million, increasing by \$112.7 million or 32.0% from the year earlier period of \$352.3 million. Finally, total deposits grew by \$104.3 million or 26.1% to \$503.7 million from the year earlier period of \$399.4 million.

“Despite the ongoing turbulence in the banking industry, our first quarter performance was very good as compared to the prior year,” said Peter Park, President and CEO. He added that, “We anticipate continued economic uncertainty during 2023. Accordingly, we have moderated our growth expectations for the near term. However, we believe that the Bank is in solid footing with our strong capital, excellent asset quality and sufficient liquidity. We plan to remain committed to diversifying our loan portfolio out of commercial real estate and into residential real estate and C & I, as well as investing in our infrastructure for sustainable growth in the long run.”

2023 First Quarter Financial Highlights

Total assets grew 23.1% to \$589.8 million as compared to \$479.1 million a year ago.

Net loans increased 32.0% to \$465.0 million as compared to \$352.3 million a year ago.

Total deposits grew 26.1% to \$503.7 million as compared to \$399.4 million a year ago.

Net income grew 29.2% to \$2.7 million as compared to \$2.1 million a year ago.

Net interest margin was 4.17% as compared to 4.66% a year ago.

Gain on sale of SBA/USDA loans was \$824 thousand as compared to \$420 thousand a year ago.

Return on average equity was 14.73% as compared to 12.50% a year ago.

Return on average assets was 1.84% as compared to 1.94% a year ago.

The allowance for loan losses to loans was 0.98% as compared to 1.28% a year ago.

Nonperforming assets to total assets was 0.05% as compared to 0.06% a year ago.

Efficiency ratio (noninterest expense divided by revenue) was 53.20% as compared to 53.45% 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. 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 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; 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)

	Mar-23	Dec-22	Mar-22	Mar-22	Mar-22
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	\$ Var	% Var
Interest Income	\$8,775	\$8,418	\$4,878	\$3,897	79.9%
Interest Expense	2,900	1,801	167	2,733	1636.5%
Net Interest Income	5,875	6,617	4,711	1,164	24.7%
Provision for Loan Losses	-	-	-	-	-
Gain on Sale of SBA/USDA Loans	824	1,031	420	404	96.2%
Loan Servicing Fees, Net of Amortization	205	123	109	96	88.1%
Other Non-interest Income	173	162	171	2	1.2%
Non-interest Income	1,202	1,316	700	502	71.7%
Salaries & Benefits	2,634	2,341	1,921	713	37.1%
Occupancy Expense	179	188	174	5	2.9%
Other Expense	951	1,078	797	154	19.3%
Non-interest Expense	3,764	3,607	2,892	872	30.2%
Net Income before Income Taxes	3,313	4,326	2,519	794	31.5%
Income Taxes	638	927	449	189	42.1%
Net Income/(Loss)	\$2,675	\$3,399	\$2,070	\$605	29.2%
Total Outstanding Shares <i>(in thousands)</i>	5,441	5,441	5,527	(86)	
Basic Earnings per Share	\$0.49	\$0.62	\$0.37	\$0.12	

Statement of Condition (Unaudited)

	Mar-23	Dec-22	Mar-22	Mar-22	Mar-22
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	\$ Var	% Var
Cash and Due from Banks	\$47,550	\$42,003	\$41,072	\$6,478	15.8%
Investments	50,303	51,062	53,349	(3,046)	-5.7%
Loans Held for Sale	-	12,527	6,813	(6,813)	-100.0%
Gross Loans	469,614	459,021	356,890	112,724	31.6%
Allowance for Loan Losses	(4,580)	(4,580)	(4,580)	-	0.0%
Net Loans	465,034	454,441	352,310	112,724	32.0%
Fixed Assets	6,840	6,983	7,043	(203)	-2.9%
Other Assets	20,062	19,796	18,478	1,584	8.6%
Total Assets	\$589,789	\$586,812	\$479,065	\$110,724	23.1%
Checking	\$111,023	\$117,491	\$107,618	\$3,405	3.2%
NOW	14,339	13,969	19,343	(5,004)	-25.9%
Money Market	221,312	199,303	180,620	40,692	22.5%
Savings	11,448	14,042	16,835	(5,387)	-32.0%
Certificates of Deposit	145,614	143,449	75,007	70,607	94.1%
Total Deposits	503,736	488,254	399,423	104,313	26.1%
Borrowed Funds	7,000	22,000	10,000	(3,000)	-30.0%
Other Liabilities	3,816	4,453	2,972	844	28.4%
Total Liabilities	514,552	514,707	412,395	102,157	24.8%
Shareholders' Equity	75,237	72,105	66,670	8,567	12.8%
Total Liabilities & Equity	\$589,789	\$586,812	\$479,065	\$110,724	23.1%

Financial Ratios

	Mar-23	Dec-22	Mar-22
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD
Performance Ratios			
Return on Average Assets	1.84%	2.37%	1.94%
Return on Average Equity	14.73%	19.26%	12.50%
Net Interest Margin	4.17%	4.82%	4.66%
Efficiency Ratio	53.20%	45.47%	53.45%
Capital			
Tier 1 Leverage Ratio	12.93%	12.86%	15.40%
Common Equity Tier 1 Ratio	16.30%	15.95%	18.91%
Tier 1 Risk-Based Capital Ratio	16.30%	15.95%	18.91%
Total Risk-Based Capital Ratio	17.27%	16.95%	20.17%
Book Value per Share	\$13.83	\$13.24	\$12.06
Asset Quality			
Net Loan Charge-Offs (Recoveries)	\$0	\$0	(\$5)
Allowance for Loan Losses to Loans	0.98%	1.00%	1.28%
Nonperforming Assets to Total Assets	0.05%	0.05%	0.06%

U & I Financial Corp.
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