



Reports Third Quarter 2022 Financial Results

Lynnwood, WA / Accesswire / October 26, 2022 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$3.0 million or \$0.55 per share in the third quarter, as compared to \$2.3 million or \$0.42 per share for the same quarter of 2021, increasing by \$686 thousand or \$0.13 per share, primarily from generating higher net interest income.

As of September 30, 2022, total assets reached \$551.5 million, increasing by \$113.9 million or 26.0% from the year earlier period of \$437.6 million. Net loans ended at \$433.5 million, increasing by \$115.2 million or 36.2% from the year earlier period of \$318.2 million. Finally, total deposits grew by \$104.0 million or 28.5% to \$469.3 million from the year earlier period of \$365.2 million.

“We are pleased to announce another quarter of strong performance,” said Peter Park, President and CEO. He added that, “UniBank has been one of the most profitable banks in Washington state in terms of ROA and had the highest ROA in the state in the previous quarter. However, due to the persistent inflationary conditions and unfavorable interest rate environment, we expect our loan demand and profitability to moderate over the next several quarters. Despite the uncertain economic outlook, however, we are committed to investing in our infrastructure so that we are able to continue to deliver solid returns over the long run.”

2022 Third Quarter Financial Highlights

Total assets grew 26.0% to \$551.5 million as compared to \$437.6 million a year ago.

Net loans increased 36.2% to \$433.5 million as compared to \$318.2 million a year ago.

Total deposits grew 28.5% to \$469.3 million as compared to \$365.2 million a year ago.

Net income quarter-to-date grew 29.3% to \$3.0 million as compared to \$2.3 million a year ago.

Net income year-to-date grew 24.7% to \$7.7 million as compared to \$6.2 million a year ago.

Net interest margin for the year was 4.79% as compared to 4.40% a year ago.

Gain on sale of SBA/USDA loans for the year was \$1.5 million as compared to \$2.9 million a year ago.

Return on average equity for the year was 15.26% as compared to 13.41% a year ago.

Return on average assets for the year was 2.16% as compared to 2.07% a year ago.

The allowance for loan losses to loans was 1.05% as compared to 1.42% a year ago.

Nonperforming assets to total assets was 0.05% as compared to 0.07% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 49.13% as compared to 53.33% 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)

	Sep-22	Jun-22	Sep-21	Sep-22	Sep-21
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	YTD	YTD
Interest Income	\$7,017	\$5,601	\$4,639	\$17,496	\$12,909
Interest Expense	761	257	179	1,185	575
Net Interest Income	6,256	5,344	4,460	16,311	12,334
Provision for Loan Losses	-	-	-	-	-
Gain on Sale of SBA/USDA Loans	324	737	1,191	1,481	2,852
Loan Servicing Fees, Net of Amortization	182	80	139	371	483
Other Non-interest Income	180	174	252	525	727
Non-interest Income	686	991	1,582	2,377	4,062
Salaries & Benefits	2,036	2,018	2,290	5,975	6,240
Occupancy Expense	183	181	171	538	514
Other Expense	987	884	689	2,668	1,990
Non-interest Expense	3,206	3,083	3,150	9,181	8,744
Net Income before Income Taxes	3,736	3,252	2,892	9,507	7,652
Income Taxes	711	617	553	1,777	1,454
Net Income/(Loss)	\$3,025	\$2,635	\$2,339	\$7,730	\$6,198
Total Outstanding Shares <i>(in thousands)</i>	5,461	5,505	5,579	5,461	5,579
Basic Earnings per Share	\$0.55	\$0.48	\$0.42	\$1.40	\$1.12

Statement of Condition (Unaudited)

	Sep-22	Jun-22	Sep-21	Variance	Variance
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	Prior Qtr	Prior Year
Cash and Due from Banks	\$36,451	\$18,620	\$25,092	\$17,831	\$11,359
Investments	49,855	51,927	57,041	(2,072)	(7,186)
Loans Held for Sale	5,078	4,703	13,946	375	(8,868)
Gross Loans	438,055	426,316	322,810	11,739	115,245
Allowance for Loan Losses	(4,580)	(4,580)	(4,577)	-	(3)
Net Loans	433,475	421,736	318,233	11,739	115,242
Fixed Assets	7,129	6,897	5,676	232	1,453
Other Assets	19,530	19,028	17,632	502	1,898
Total Assets	\$551,518	\$522,911	\$437,620	\$28,607	\$113,898
Checking	\$123,433	\$114,365	\$103,786	\$9,068	\$19,647
NOW	13,767	13,794	12,154	(27)	1,613
Money Market	132,774	130,024	137,030	2,750	(4,256)
Savings	15,227	17,852	16,130	(2,625)	(903)
Certificates of Deposit	184,054	151,513	96,107	32,541	87,947
Total Deposits	469,255	427,548	365,207	41,707	104,048
Borrowed Funds	10,000	25,000	5,000	(15,000)	5,000
Other Liabilities	3,836	3,124	2,400	712	1,436
Total Liabilities	483,091	455,672	372,607	27,419	110,484
Shareholders' Equity	68,427	67,239	65,013	1,188	3,414
Total Liabilities & Equity	\$551,518	\$522,911	\$437,620	\$28,607	\$113,898

Financial Ratios

	Sep-22	Jun-22	Sep-21	Sep-22	Sep-21
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD	YTD	YTD
Performance Ratios					
Return on Average Assets	2.27%	2.25%	2.22%	2.16%	2.07%
Return on Average Equity	17.34%	15.84%	14.43%	15.26%	13.41%
Net Interest Margin	4.85%	4.79%	4.55%	4.79%	4.40%
Efficiency Ratio	46.18%	48.67%	53.36%	49.13%	53.33%
Capital					
Tier 1 Leverage Ratio	13.34%	14.49%	15.21%		
Common Equity Tier 1 Ratio	16.34%	16.25%	19.73%		
Tier 1 Risk-Based Capital Ratio	16.34%	16.25%	19.73%		
Total Risk-Based Capital Ratio	17.40%	17.33%	20.98%		
Book Value per Share	\$12.53	\$12.21	\$11.65		
Asset Quality					
Net Loan Charge-Offs (Recoveries)	\$0	\$0	(\$9)		
Allowance for Loan Losses to Loans	1.05%	1.07%	1.42%		
Nonperforming Assets to Total Assets	0.05%	0.05%	0.07%		

U & I Financial Corp.
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