



Reports First Quarter 2022 Financial Results

Lynnwood, WA / Accesswire / April 26, 2022 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported record quarterly earnings of \$2.1 million or \$0.37 per share in the first quarter, as compared to \$1.6 million or \$0.29 per share for the same quarter of 2021, increasing by \$452 thousand or \$0.08 per share, primarily from generating higher net interest income.

As of March 31, 2022, total assets reached a record, \$479.1 million, increasing by \$67.2 million or 16.3% from the year earlier period of \$411.9 million. Net loans ended at a record \$352.3 million, increasing by \$56.3 million or 19.0% from the year earlier period of \$296.1 million. Finally, total deposits grew by \$57.1 million or 16.7% to a record, \$399.4 million, from the year earlier period of \$342.3 million.

During the first quarter, several loans that had been designated as Loans Held for Sale as of December 31, 2021, were reclassified to the Gross Loan portfolio at the lower-of-cost-or-market per U.S. GAAP. As of March 31, 2022, these loans totaled \$15.8 million. There were no losses recognized from the reclassifications.

“We had excellent performance to start the year,” said Peter Park, President and CEO. He added that, “In appreciation of our shareholders, the board issued a cash dividend in April in addition to the Stock Repurchase Program that started last December. Going forward, I expect that the cash dividends will continue on a semi-annual basis.” He further added that, “Although the inflationary pressures and the threat of recession may have dampened market sentiments, I strongly believe that our business model and continued investments in our infrastructure will deliver long term value to our shareholders.”

2022 First Quarter Financial Highlights

Total assets grew 16.3% to \$479.1 million as compared to \$411.9 million a year ago.

Net loans increased 19.0% to \$352.3 million as compared to \$296.1 million a year ago.

Total deposits grew 16.7% to \$399.4 million as compared to \$342.3 million a year ago.

Net income grew 27.9% to \$2.1 million as compared to \$1.6 million a year ago.

Net interest margin was 4.66% as compared to 4.09% a year ago.

Gain on sale of SBA/USDA loans was \$420 thousand as compared to \$728 thousand a year ago.

Return on average equity was 12.50% as compared to 11.00% a year ago.

Return on average assets was 1.94% as compared to 1.67% a year ago.

The allowance for loan losses to loans was 1.28% as compared to 1.52% a year ago.

Nonperforming assets to total assets was 0.06% as compared to 0.16% a year ago.

Efficiency ratio (noninterest expense divided by revenue) was 53.45% as compared to 58.83% 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 with a particular emphasis on Asian American communities as well as various niche markets. 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-22	Dec-21	Mar-21	Mar-21	Mar-21
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	\$ Var	% Var
Interest Income	\$4,878	\$4,955	\$3,936	\$942	23.9%
Interest Expense	167	172	214	(47)	(22.0%)
Net Interest Income	4,711	4,783	3,722	989	26.6%
Provision for Loan Losses	-	-	-	-	-
Gain on Sale of SBA/USDA Loans	420	804	728	(308)	(42.3%)
Loan Servicing Fees, Net of Amortization	109	151	147	(38)	(25.9%)
Other Non-interest Income	171	137	256	(85)	(33.2%)
Non-interest Income	700	1,092	1,131	(431)	(38.1%)
Salaries & Benefits	1,921	2,025	2,025	(104)	(5.1%)
Occupancy Expense	174	172	176	(2)	(1.1%)
Other Expense	797	834	654	143	21.9%
Non-interest Expense	2,892	3,031	2,855	37	1.3%
Net Income before Income Taxes	2,519	2,844	1,998	521	26.1%
Income Taxes	449	540	380	69	18.2%
Net Income/(Loss)	\$2,070	\$2,304	\$1,618	\$452	27.9%
Total Outstanding Shares <i>(in thousands)</i>	5,527	5,562	5,579	(52)	
Basic Earnings per Share	\$0.37	\$0.41	\$0.29	\$0.08	

Statement of Condition (Unaudited)

	Mar-22	Dec-21	Mar-21	Mar-21	Mar-21
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	\$ Var	% Var
Cash and Due from Banks	\$41,072	\$31,096	\$23,332	\$17,740	76.0%
Investments	53,349	56,824	57,556	(4,207)	-7.3%
Loans Held for Sale	6,813	20,783	11,324	(4,511)	-39.8%
Gross Loans	356,890	326,340	300,621	56,269	18.7%
Allowance for Loan Losses	(4,580)	(4,575)	(4,568)	(12)	0.3%
Net Loans	352,310	321,765	296,053	56,257	19.0%
Fixed Assets	7,043	7,190	5,785	1,258	21.7%
Other Assets	18,478	18,025	17,813	665	3.7%
Total Assets	\$479,065	\$455,683	\$411,863	\$67,202	16.3%
Checking	\$107,618	\$98,487	\$76,148	\$31,470	41.3%
NOW	19,343	11,546	9,858	9,485	96.2%
Money Market	180,620	171,066	122,204	58,416	47.8%
Savings	16,835	16,348	12,197	4,638	38.0%
Certificates of Deposit	75,007	76,933	121,915	(46,908)	-38.5%
Total Deposits	399,423	374,380	342,322	57,101	16.7%
Borrowed Funds	10,000	10,000	8,000	2,000	25.0%
Other Liabilities	2,972	4,185	1,471	1,501	102.0%
Total Liabilities	412,395	388,565	351,793	60,602	17.2%
Shareholders' Equity	66,670	67,118	60,070	6,600	11.0%
Total Liabilities & Equity	\$479,065	\$455,683	\$411,863	\$67,202	16.3%

Financial Ratios

	Mar-22	Dec-21	Mar-21
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD
Performance Ratios			
Return on Average Assets	1.94%	2.15%	1.67%
Return on Average Equity	12.50%	13.79%	11.00%
Net Interest Margin	4.66%	4.79%	4.09%
Efficiency Ratio	53.45%	52.95%	58.83%
Capital			
Tier 1 Leverage Ratio	15.40%	15.44%	14.89%
Common Equity Tier 1 Ratio	18.91%	19.61%	20.41%
Tier 1 Risk-Based Capital Ratio	18.91%	19.61%	20.41%
Total Risk-Based Capital Ratio	20.17%	20.86%	21.67%
Book Value per Share	\$12.06	\$12.07	\$10.77
Asset Quality			
Net Loan Charge-Offs (Recoveries)	(\$5)	(\$14)	\$0
Allowance for Loan Losses to Loans	1.28%	1.40%	1.52%
Nonperforming Assets to Total Assets	0.06%	0.06%	0.16%

U & I Financial Corp.
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