U & I FINANCIAL CORP.

Reports Fourth Quarter 2025 Financial Results

Lynnwood, WA / Accesswire / January 30, 2026 / U & I Financial Corp. (OTCQX: UNIF), the holding company ("Company") for UniBank ("Bank"), today reported quarterly Net Loss of $586 thousand or $0.11 loss per share in the fourth quarter of 2025, compared to a net loss of $16.6 million or $3.02 loss per share for the same quarter of 2024. The Company recognized a negative Provision for Credit Losses of $1.7 million during the fourth quarter of 2025 as compared to a provision expense of $5.8 million recognized for the same quarter last year.

At December 31, 2025, Total Assets were $409.1 million, a decrease of $113.2 million or 21.7% from $522.3 million at December 31, 2024. Net Loans were $283.4 million at December 31, 2025, a decrease of $102.7 million or 26.6% from $386.1 million at December 31, 2024. Total Deposits decreased by $101.7 million or 23.1% to $337.9 million at December 31, 2025 compared to $439.6 million a year earlier.

The Company had a Net Recovery of $1.3 million during the fourth quarter of 2025 as compared to a Net Charge Off of $18.1 million during the same quarter of 2024. The total balance of non-accrual loans was $5.1 million at December 31, 2025 as compared to $11.0 million at December 31, 2024. The ratio of nonperforming assets to total assets was 1.25% at December 31, 2025 compared to 2.11% at December 31, 2024.

The Bank's capital ratios were 7.22%, 9.98% and 10.92% for Tier 1 Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio, respectively, as of December 31, 2025, as compared to 5.60%, 7.53% and 8.80%, respectively, as of December 31, 2024. All capital ratios remained above the "well capitalized" minimum regulatory guidelines as of December 31, 2025.

The Bank hired Gordon Osberg as the new Chief Credit Officer effective January 12, 2026, replacing Rob Disotell who has retired. Mr. Osberg's most recent experience was at Washington Business Bank, where he had served as the Chief Credit Officer for 16 years.

"Although we recorded another year of negative earnings, we are in a much better place than this time last year. Our credit improvement efforts have resulted in significant recoveries during the latter part of the year, and our capital ratios have continued to improve during the year," said President & CEO Stephanie Yoon.

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 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 result of litigation and investigations; 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; the potential for new or increased tariffs; trade restrictions or geopolitical tensions that could affect economic activity or specific industry sectors, 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 (LOSS) (Unaudited)

(Dollars in thousands except EPS)	**Dec-25 QTD**	**Sep-25 QTD**	**Dec-24 QTD**	**Dec-25 YTD**	**Dec-24 YTD**
Interest Income	$5,466	$5,608	$7,165	$23,652	$34,082
Interest Expense	2,980	3,090	4,643	13,226	18,930
Net Interest Income	2,486	2,518	2,522	10,426	15,152
Provision for Credit Losses (Negative Provision)	(1,663)	(800)	5,801	(1,594)	28,246
Gain (Loss) on Loan Sales	-	-	-	-	179
Loan Servicing Fees, Net of Amortization	132	122	141	323	668
Other Non-interest Income	75	77	184	391	776
Non-interest Income	207	199	325	714	1,623
Salaries & Benefits	1,704	1,551	1,629	6,454	6,577
Professional Fees	1,438	1,146	501	3,758	2,341
Occupancy Expense	200	211	193	817	779
Other Expense	1,032	866	737	3,485	3,278
Non-interest Expense	4,374	3,774	3,060	14,514	12,975
Net Income (Loss) before Income Taxes	(18)	(257)	(6,014)	(1,780)	(24,446)
Income Tax Expense (Benefit)	568	1	10,543	380	6,622
Net Income (Loss)	**($586)**	**($258)**	**($16,557)**	**($2,160)**	**($31,068)**
Total Outstanding Shares *(in thousands)*	5,477	5,477	5,477	5,477	5,477
Basic Earnings (Loss) per Share	($0.11)	($0.05)	($3.02)	($0.39)	($5.67)

Statement of Condition (Unaudited)

(Dollars in thousands)	**Dec-25 Qtr End**	**Sep-25 Qtr End**	**Dec-24 Qtr End**	**Variance Prior Qtr**	**Variance Prior Year**
Cash and Due from Banks	$59,700	$34,001	$61,684	$25,699	($1,984)
Investments	57,003	52,770	48,511	4,233	8,492
Gross Loans	286,190	301,264	395,768	(15,074)	(109,578)
Allowance for Credit Losses (ACL) on Loans	(2,766)	(3,102)	(9,620)	336	6,854
Net Loans	283,424	298,162	386,148	(14,738)	(102,724)
Fixed Assets	5,416	5,506	5,936	(90)	(520)
Deferred Tax Assets	12,798	12,915	12,542	(117)	256
Valuation Allowance	(12,798)	(12,349)	(12,014)	(449)	(784)
Net Deferred Tax Assets	-	566	528	(566)	(528)
Bank-Owned Life Insurance	-	-	14,745	-	(14,745)
Other Assets	3,568	4,114	4,767	(546)	(1,199)
Total Assets	**$409,111**	**$395,119**	**$522,319**	**$13,992**	**($113,208)**
Checking	$61,365	$67,852	$76,165	($6,487)	($14,800)
NOW	3,986	4,598	5,739	(612)	(1,753)
Money Market	53,864	55,892	124,530	(2,028)	(70,666)
Savings	4,831	4,973	6,184	(142)	(1,353)
Certificates of Deposit	213,810	211,425	226,984	2,385	(13,174)
Total Deposits	337,856	344,740	439,602	(6,884)	(101,746)
Borrowed Funds	40,000	20,000	50,000	20,000	(10,000)
ACL on Off-Balance Sheet Credit Exposure	5	5	65	-	(60)
Other Liabilities	2,347	1,665	2,721	682	(374)
Total Liabilities	380,208	366,410	492,388	13,798	(112,180)
Shareholders' Equity	28,903	28,709	29,931	194	(1,028)
Total Liabilities & Equity	**$409,111**	**$395,119**	**$522,319**	**$13,992**	**($113,208)**

Financial Ratios

(Dollars in thousands except BVS)	Dec-25 QTD	Sep-25 QTD	Dec-24 QTD	Dec-25 YTD	Dec-24 YTD
Performance Ratios					
Return on Average Assets*	(0.58%)	(0.25%)	(11.87%)	(0.51%)	(5.37%)
Return on Average Equity*	(8.18%)	(3.68%)	(141.93%)	(7.62%)	(53.46%)
Net Interest Margin*	2.52%	2.54%	1.86%	2.51%	2.67%
Efficiency Ratio	162.42%	138.90%	107.48%	130.30%	77.50%
**Quarterly results are annualized*					

Capital	Dec-25 QTD	Sep-25 QTD	Dec-24 QTD	Well Capitalized Minimum	Adequately Capitalized Minimum
Tier 1 Leverage Ratio**	7.22%	7.32%	5.60%	5.00%	4.00%
Common Equity Tier 1 Ratio**	9.98%	9.62%	7.53%	6.50%	4.50%
Tier 1 Risk-Based Capital Ratio**	9.98%	9.62%	7.53%	8.00%	6.00%
Total Risk-Based Capital Ratio **	10.92%	10.63%	8.80%	10.00%	8.00%
Book Value per Share (BVS)	$5.28	$5.24	$5.47		
***Represents Bank capital ratios*					

Asset Quality	Dec-25 QTD	Sep-25 QTD	Dec-24 QTD	Dec-25 YTD	Dec-24 YTD
Net Charge Off (Net Recovery)	($1,337)	$14	$18,064	$5,320	$50,062
Charge Offs: Commercial-Equipment	$117	$196	$17,971	$4,837	$49,969
(Recoveries): Commercial-Equipment	($1,392)	($120)	($102)	($3,109)	($102)
Charge Offs: All Other	$0	$0	$195	$4,069	$195
(Recoveries): All Other	($62)	($62)	($0)	($477)	($0)
Allowance for Credit Losses to Loans %	0.97%	1.03%	2.43%		
Non-accrual Loans	$5,103	$5,343	$11,039		
Nonperforming Assets to Total Assets %	1.25%	1.35%	2.11%		

Additional Credit Disclosures

Loan Segmentation - The following tables present the Bank's total loans outstanding at amortized cost by portfolio segment and by internally assigned grades as of December 31, 2025 and September 30, 2025 (in thousands):

December 31, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 147,941	$ 3,088	$ 13,531	$ 3,469	$ -	$ 168,029
Residential real estate	85,986	13,285	1,827	-	-	101,098
Commercial - equipment	-	-	3,819	-	-	3,819
Commercial - all other	6,148	-	-	-	-	6,148
Multifamily	6,437	-	-	-	-	6,437
Construction and land	633	-	-	-	-	633
Consumer and other	26	-	-	-	-	26
	$ 247,171	$ 16,373	$ 19,177	$ 3,469	$ -	$ 286,190

September 30, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 149,889	$ 4,799	$ 11,929	$ 3,502	$ -	$ 170,119
Residential real estate	96,003	16,137	2,821	-	-	114,961
Commercial - equipment	-	-	4,170	-	-	4,170
Commercial - all other	6,617	-	183	-	-	6,800
Multifamily	4,525	-	-	-	-	4,525
Construction and land	652	-	-	-	-	652
Consumer and other	37	-	-	-	-	37
	$ 257,723	$ 20,936	$ 19,103	$ 3,502	$ -	$ 301,264

Descriptions of the various risk grades are as follows:

Special Mention: Assets having potential weaknesses that if left uncorrected, may result in decline in borrower's repayment ability. However, these assets are not adversely classified and do not expose the Bank to sufficent risk to warrant adverse classificaiton.

Substandard: An asset is considered substandard if it is inadequately protected by the current net worth and pay capacity of the borrower or of any collateral pledged. Substandard assets include those characterized by the distinct possibility that the Bank will sustain some loss if the deficiencies are not corrected.

Doubtful: Assets classified as doubtful have all the weaknesses inherent in those classified substandard, with the added characteristic that the weaknesses present make collection or liquidation in full highly questionable and improbable on the basis of currently existing facts, conditions, and values.

Loss: Assets classified as loss are those considered uncollectible and of such little value that their continuance as assets without the establishment of a specific loss reserve is not warranted. Any loans downgraded to this category are generally charged off soon after.

Allowance for Credit Losses on Loans – The following tables present the allowance for credit losses under ASC 326, *Financial Instruments – Credit Losses* by portfolio segment and by internally assigned grades as of December 31, 2025 and September 30, 2025 (in thousands):

December 31, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 891	$ 24	$ 198	$ -	$ -	$ 1,113
Residential real estate	208	34	117	-	(845)	(486)
Commercial - equipment	-	-	1,909	-	-	1,909
Commercial - all other	209	-	-	-	-	209
Multifamily	10	-	-	-	-	10
Construction and land	10	-	-	-	-	10
Consumer and other	1	-	-	-	-	1
	$ 1,329	$ 58	$ 2,224	$ -	$ (845)	$ 2,766

September 30, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 879	$ 289	$ 59	$ -	$ -	$ 1,227
Residential real estate	269	47	121	-	(894)	(457)
Commercial - equipment	-	-	2,085	-	-	2,085
Commercial - all other	227	-	-	-	-	227
Multifamily	6	-	-	-	-	6
Construction and land	12	-	-	-	-	12
Consumer and other	2	-	-	-	-	2
	$ 1,395	$ 336	$ 2,265	$ -	$ (894)	$ 3,102

Past due loans –The following table presents past due loans at amortized cost by portfolio segment as of December 31, 2025 and September 30, 2025 (in thousands):

December 31, 2025 Portfolio Segment	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More	Total Past Due	Current	Total Loans
Commercial real estate	$ -	$ 1,454	$ 3,650	$ 5,104	$ 162,925	$ 168,029
Residential real estate	-	-	-	-	101,098	101,098
Commercial - equipment	220	-	-	220	3,599	3,819
Commercial - all other	-	-	-	-	6,148	6,148
Multifamily	-	-	-	-	6,437	6,437
Construction and land	-	-	-	-	633	633
Consumer and other	-	-	-	-	26	26
	$ 220	$ 1,454	$ 3,650	$ 5,324	$ 280,866	$ 286,190

September 30, 2025 Portfolio Segment	30 - 59 Days Past Due	60 - 89 Days Past Due	90 Days or More	Total Past Due	Current	Total Loans
Commercial real estate	$ -	$ 45	$ 3,682	$ 3,727	$ 166,392	$ 170,119
Residential real estate	-	-	-	-	114,961	114,961
Commercial - equipment	231	-	-	231	3,939	4,170
Commercial - all other	-	-	183	183	6,617	6,800
Multifamily	-	-	-	-	4,525	4,525
Construction and land	-	-	-	-	652	652
Consumer and other	-	-	-	-	37	37
	$ 231	$ 45	$ 3,865	$ 4,141	$ 297,123	$ 301,264

Non-accrual loans – Loans are placed on non-accrual once the loan is 90 days past due or sooner if, in management's opinion, the borrower may be unable to meet payment of obligations as they become due, as well as when required by regulatory provisions. The following table presents the nonaccrual loans at amortized cost by portfolio segment as of December 31, 2025 and September 30, 2025 (in thousands):

December 31, 2025 **Portfolio Segment**	**Non-accrual with no Allowance for Credit Losses**	**Non-accrual with Allowance for Credit Losses**	**Total Non-accrual**	**Loans Past Due Over 89 Days Still Accruing**
Commercial real estate	$ 5,103	$ -	$ 5,103	$ -
Commercial - all other	-	-	-	-
	$ 5,103	$ -	$ 5,103	$ -

September 30, 2025 **Portfolio Segment**	**Non-accrual with no Allowance for Credit Losses**	**Non-accrual with Allowance for Credit Losses**	**Total Non-accrual**	**Loans Past Due Over 89 Days Still Accruing**
Commercial real estate	$ 5,160	$ -	$ 5,160	$ -
Commercial - all other	183	-	183	-
	$ 5,343	$ -	$ 5,343	$ -

U & I Financial Corp.
Investor Relations
IR@unibankusa.com