



Reports First Quarter 2021 Financial Results

Continues Growth in the New Year

Lynnwood, WA / Accesswire / April 29, 2021 / U & I Financial Corp. (OTCQX: UNIF), the holding company for UniBank, today reported quarterly earnings of \$1.6 million or \$0.29 per share in the first quarter, as compared to \$1.4 million or \$0.25 per share for the same quarter of 2020, increasing by \$250 thousand or 18.3%, primarily due to increased Net Interest Income.

As of March 31, 2021, total assets ended at a record, \$411.9 million, increasing by \$58.0 million or 16.4% from the year earlier period of \$353.9 million. Net loans reached a record \$296.1 million, increasing by \$55.6 million or 23.1% from the year earlier period of \$240.4 million. Finally, total deposits grew by \$49.7 million or 17.0% to a record, \$342.3 million, from the year earlier period of \$292.6 million.

The SBA PPP Loans total at March 31, 2021 was \$43.9 million. During the year, a total of \$15.9 million new PPP loans was generated, while a total of \$10.5 million PPP loans from the previous year was forgiven.

“We are pleased with the outstanding performance to start the year, continuing the momentum from the previous years. We continue to be one of the top SBA and USDA lenders in our market area among the locally based banks,” said Peter Park, President and CEO. He added that, “Although there is ongoing economic uncertainty, the future looks brighter with the COVID-19 conditions easing, resulting in improved financial outlooks for our customers, particularly in the hospitality and restaurant industries. Despite our steady growth, our credit quality has continued to be resilient, as we plan on resolving even the minimal non-accrual loans and COVID-related deferments. We thank our shareholders and customers for their continued support during these turbulent times, and we hope that the worst is behind us.”

2021 First Quarter Financial Highlights

Total assets grew 16.4% to \$411.9 million as compared to \$353.9 million a year ago.

Net loans grew 23.1% to \$296.1 million as compared to \$240.4 million a year ago.

Loans held for sale increased to \$11.3 million as compared to \$1.8 million a year ago.

Total deposits grew 17.0% to \$342.3 million as compared to \$292.7 million a year ago.

Net income grew 18.3% to \$1.6 million as compared to \$1.4 million one year ago.

Net interest margin was 4.09% as compared to 3.77% one year ago.

Gain on sale of SBA/USDA loans was \$728 thousand as compared to \$871 thousand a year ago.

Return on average equity was 11.00% as compared to 10.76% a year ago.

Return on average assets was 1.67% as compared to 1.62% a year ago.

The allowance for loan losses to loans, excluding PPP loans, was 1.78% as compared to 1.27% a year ago.

Nonperforming assets to total assets was 0.16% as compared to 0.19% a year ago.

Efficiency ratio (noninterest expense divided by revenue) for the year was 58.83% as compared to 57.74% 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. Based in Lynnwood, Washington, the Bank was founded in 2006 to serve the small to medium-sized businesses, professionals, and residents with a particular emphasis on Korean and other ethnic minority communities. 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, the SBA's Paycheck Protection Program; 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-21	Dec-20	Mar-20	Mar-20	Mar-20
<i>(Dollars in thousands except EPS)</i>	QTD	QTD	QTD	\$ Var	% Var
Interest Income	\$3,936	\$3,961	\$3,919	\$17	0.4%
Interest Expense	214	292	904	(690)	(76.3%)
Net Interest Income	3,722	3,669	3,015	707	23.4%
Provision for Loan Losses	-	250	300	(300)	(100.0%)
Gain on Sale of SBA/USDA Loans	728	1,402	871	(143)	(16.4%)
Gain on Sale of Securities	-	-	78	(78)	(100.0%)
Other Non-interest Income	403	272	267	136	50.9%
Non-interest Income	1,131	1,674	1,216	(85)	(7.0%)
Salaries & Benefits	2,025	1,922	1,617	408	25.2%
Occupancy Expense	176	172	167	9	5.4%
Other Expense	654	751	613	41	6.7%
Non-interest Expense	2,855	2,845	2,397	458	19.1%
Net Income before Income Taxes	1,998	2,248	1,534	464	30.2%
Income Taxes	380	428	166	214	128.9%
Net Income/(Loss)	\$1,618	\$1,820	\$1,368	\$250	18.3%
Total Outstanding Shares <i>(in thousands)</i>	5,579	5,579	5,573		
Basic Earnings per Share	\$0.29	\$0.33	\$0.25		

Statement of Condition (Unaudited)

	Mar-21	Dec-20	Mar-20	Mar-20	Mar-20
<i>(Dollars in thousands)</i>	Qtr End	Qtr End	Qtr End	\$ Var	% Var
Cash and Due from Banks	\$23,332	\$24,936	\$38,101	(\$14,769)	-38.8%
Investments	57,556	58,573	54,810	2,746	5.0%
Loans Held for Sale	11,324	6,689	1,774	9,550	538.3%
Gross Loans	300,621	294,618	243,505	57,116	23.5%
Allowance for Loan Losses	(4,568)	(4,568)	(3,086)	(1,482)	-48.0%
Net Loans	296,053	290,050	240,419	55,634	23.1%
Fixed Assets	5,785	5,891	6,105	(320)	-5.2%
Other Assets	17,813	17,759	12,686	5,127	40.4%
Total Assets	\$411,863	\$403,898	\$353,895	\$57,968	16.4%
Checking	\$76,148	\$79,648	\$49,018	\$27,130	55.3%
NOW	9,858	8,837	11,786	(1,928)	-16.4%
Money Market	122,204	152,719	154,079	(31,875)	-20.7%
Savings	12,197	11,015	8,797	3,400	38.6%
Certificates of Deposit	121,915	85,349	68,962	52,953	76.8%
Total Deposits	342,322	337,568	292,642	49,680	17.0%
Borrowed Funds	8,000	5,000	8,000	-	0.0%
Other Liabilities	1,471	2,244	1,370	101	7.4%
Total Liabilities	351,793	344,812	302,012	49,781	16.5%
Shareholders' Equity	60,070	59,086	51,883	8,187	15.8%
Total Liabilities & Equity	\$411,863	\$403,898	\$353,895	\$57,968	16.4%

Financial Ratios

	Mar-21	Dec-20	Mar-20
<i>(Dollars in thousands except BVS)</i>	QTD	QTD	QTD
Performance Ratios			
Return on Average Assets	1.67%	1.87%	1.62%
Return on Average Equity	11.00%	12.59%	10.76%
Net Interest Margin	4.09%	4.02%	3.77%
Efficiency Ratio	58.83%	53.25%	57.74%
Capital			
Tier 1 Leverage Ratio	14.89%	14.65%	15.10%
Common Equity Tier 1 Ratio	20.41%	19.79%	18.48%
Tier 1 Risk-Based Capital Ratio	20.41%	19.79%	18.48%
Total Risk-Based Capital Ratio	21.67%	21.04%	19.59%
Book Value per Share	\$10.77	\$10.59	\$9.31
Asset Quality			
Net Loan Charge-Offs (Recoveries)	\$0	(\$13)	(\$10)
Allowance for Loan Losses to Loans	1.52%	1.55%	1.27%
<i>Allowance Ratio, Excluding PPP Loans</i>	1.78%	1.78%	1.27%
Nonperforming Assets to Total Assets	0.16%	0.19%	0.19%

U & I Financial Corp.
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