U & I FINANCIAL CORP.

Reports Third Quarter 2025 Financial Results

Lynnwood, WA / Accesswire / October 30, 2025 / U & I Financial Corp. (OTCQX: UNIF), the holding company ("Company") for UniBank ("Bank"), today reported quarterly Net Loss of $258 thousand or $0.05 loss per share in the third quarter of 2025, compared to a net loss of $15.0 million or $2.73 loss per share for the same quarter of 2024. The Company recognized a negative Provision for Credit Losses of $800 thousand during the third quarter of 2025 as compared to a provision expense of $19.5 million recognized for the same quarter last year.

At September 30, 2025, Total Assets were $395.1 million, a decrease of $174.5 million or 30.6% from $569.6 million at September 30, 2024. Net Loans were $298.2 million at September 30, 2025, a decrease of $112.1 million or 27.3% from $410.3 million at September 30, 2024. Total Deposits decreased by $123.4 million or 26.4% to $344.8 million at September 30, 2025 compared to $468.2 million a year earlier.

The Company had a Net Charge Off of $14 thousand during the third quarter of 2025 as compared to $8.7 million during the same quarter of 2024. The total balance of non-accrual loans was $5.3 million at September 30, 2025 as compared to $7.3 million at September 30, 2024. The ratio of nonperforming assets to total assets was 1.35% at September 30, 2025 compared to 2.74% at September 30, 2024.

The Bank's capital ratios were 7.32%, 9.62% and 10.63% for Tier 1 Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio, respectively, as of September 30, 2025, as compared to 7.53%, 9.56% and 10.87%, respectively, as of September 30, 2024. All capital ratios remained above the "well capitalized" minimum regulatory guidelines as of September 30, 2025.

"Due to our continued credit improvement and deleveraging efforts, we remained 'well capitalized' as provided in the regulatory guidelines in the third quarter 2025. We also continued to see improved credit metrics, resulting in the lower allowance for credit loss requirement," 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)	Sep-25 QTD	Jun-25 QTD	Sep-24 QTD	Sep-25 YTD	Sep-24 YTD
Interest Income	$5,608	$5,935	$8,270	$18,186	$26,917
Interest Expense	3,090	3,250	4,820	10,246	14,287
Net Interest Income	2,518	2,685	3,450	7,940	12,630
Provision for Credit Losses (Negative Provision)	(800)	(2,235)	19,479	69	22,445
Gain (Loss) on Loan Sales	-	-	-	-	179
Loan Servicing Fees, Net of Amortization	122	(54)	168	191	527
Other Non-interest Income	77	83	212	316	592
Non-interest Income	199	29	380	507	1,298
Salaries & Benefits	1,551	1,571	1,514	4,750	4,948
Occupancy Expense	211	205	205	617	586
Other Expense	2,012	1,512	1,568	4,773	4,381
Non-interest Expense	3,774	3,288	3,287	10,140	9,915
Net Income (Loss) before Income Taxes	(257)	1,661	(18,936)	(1,762)	(18,432)
Income Tax Expense (Benefit)	1	904	(3,983)	(188)	(3,921)
Net Income (Loss)	**($258)**	**$757**	**($14,953)**	**($1,574)**	**($14,511)**
Total Outstanding Shares *(in thousands)*	5,477	5,477	5,477	5,477	5,477
Basic Earnings (Loss) per Share	($0.05)	$0.14	($2.73)	($0.29)	($2.65)

Statement of Condition (Unaudited)

(Dollars in thousands)	Sep-25 Qtr End	Jun-25 Qtr End	Sep-24 Qtr End	Variance Prior Qtr	Variance Prior Year
Cash and Due from Banks	$34,001	$39,200	$70,527	($5,199)	($36,526)
Investments	52,770	45,293	50,344	7,477	2,426
Loans Held for Sale	-	-	-	-	-
Gross Loans	301,264	318,109	439,233	(16,845)	(137,969)
Allowance for Credit Losses (ACL) on Loans	(3,102)	(3,798)	(28,964)	696	25,862
Net Loans	298,162	314,311	410,269	(16,149)	(112,107)
Fixed Assets	5,506	5,649	6,078	(143)	(572)
Deferred Tax Assets	12,915	12,860	11,192	55	1,723
Valuation Allowance	(12,349)	(12,294)	-	(55)	(12,349)
Net Deferred Tax Assets	566	566	11,192	-	(10,626)
Bank-Owned Life Insurance	-	-	14,641	-	(14,641)
Other Assets	4,114	4,565	6,554	(451)	(2,440)
Total Assets	**$395,119**	**$409,584**	**$569,605**	**($14,465)**	**($174,486)**
Checking	$67,852	$66,367	$86,708	$1,485	($18,856)
NOW	4,598	3,977	5,233	621	(635)
Money Market	55,892	55,868	128,136	24	(72,244)
Savings	4,973	4,817	6,258	156	(1,285)
Certificates of Deposit	211,425	227,861	241,840	(16,436)	(30,415)
Total Deposits	344,740	358,890	468,175	(14,150)	(123,435)
Borrowed Funds	20,000	20,000	50,000	-	(30,000)
ACL on Off-Balance Sheet Credit Exposure	5	123	1,695	(118)	(1,690)
Other Liabilities	1,665	2,345	2,710	(680)	(1,045)
Total Liabilities	366,410	381,358	522,580	(14,948)	(156,170)
Shareholders' Equity	28,709	28,226	47,025	483	(18,316)
Total Liabilities & Equity	**$395,119**	**$409,584**	**$569,605**	**($14,465)**	**($174,486)**

Financial Ratios

(Dollars in thousands except BVS)	Sep-25 QTD	Jun-25 QTD	Sep-24 QTD	Sep-25 YTD	Sep-24 YTD
Performance Ratios					
Return on Average Assets*	(0.25%)	0.73%	(10.30%)	(0.48%)	(3.30%)
Return on Average Equity*	(3.68%)	11.13%	(96.78%)	(7.43%)	(31.24%)
Net Interest Margin*	2.54%	2.64%	2.44%	2.51%	2.92%
Efficiency Ratio	138.90%	121.15%	85.82%	120.05%	71.36%
**Quarterly results are annualized*					

Capital	Sep-25 QTD	Jun-25 QTD	Sep-24 QTD	Well Capitalized Minimum	Adequately Capitalized Minimum
Tier 1 Leverage Ratio**	7.32%	7.18%	7.53%	5.00%	4.00%
Common Equity Tier 1 Ratio**	9.62%	9.22%	9.56%	6.50%	4.50%
Tier 1 Risk-Based Capital Ratio**	9.62%	9.22%	9.56%	8.00%	6.00%
Total Risk-Based Capital Ratio **	10.63%	10.43%	10.87%	10.00%	8.00%
Book Value per Share (BVS)	$5.24	$5.15	$8.59		
***Represents Bank capital ratios*					

Asset Quality	Sep-25 QTD	Jun-25 QTD	Sep-24 QTD	Sep-25 YTD	Sep-24 YTD
Net Charge Off (Net Recovery)	$14	$903	$8,676	$6,647	$23,288
Charge Offs: Commercial-Equipment	$196	$2,352	$8,676	$4,720	$23,288
(Recoveries): Commercial-Equipment	($127)	($1,216)	$0	($1,735)	$0
Charge Offs: All Other	$0	$49	$0	$4,069	$0
(Recoveries): All Other	($55)	($282)	$0	($407)	$0
Allowance for Credit Losses to Loans %	1.03%	1.19%	6.59%		
Non-accrual Loans	$5,343	$5,589	$7,328		
Nonperforming Assets to Total Assets%	1.35%	1.36%	2.74%		

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 September 30, 2025 and June 30, 2025 (in thousands):

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

June 30, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 154,734	$ 3,117	$ 12,206	$ 3,502	$ -	$ 173,559
Residential real estate	111,145	12,857	2,835	-	-	126,837
Commercial - equipment	-	-	4,275	196	-	4,471
Commercial - all other	7,594	-	198	-	-	7,792
Multifamily	4,746	-	-	-	-	4,746
Construction and land	670	-	-	-	-	670
Consumer and other	34	-	-	-	-	34
	$ 278,923	$ 15,974	$ 19,514	$ 3,698	$ -	$ 318,109

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 September 30, 2025 and June 30, 2025 (in thousands):

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

June 30, 2025 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 1,110	$ 15	$ 73	$ -	$ -	$ 1,198
Residential real estate	754	82	131	-	(980)	(13)
Commercial - equipment	-	-	2,144	196	-	2,340
Commercial - all other	249	-	-	-	-	249
Multifamily	8	-	-	-	-	8
Construction and land	14	-	-	-	-	14
Consumer and other	2	-	-	-	-	2
	$ 2,137	$ 97	$ 2,348	$ 196	$ (980)	$ 3,798

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

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

June 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	$ -	$ 64	$ 3,682	$ 3,746	$ 169,813	$ 173,559
Residential real estate	-	-	-	-	126,837	126,837
Commercial - equipment	-	-	-	-	4,471	4,471
Commercial - all other	-	-	198	198	7,594	7,792
Multifamily	-	-	-	-	4,746	4,746
Construction and land	-	-	-	-	670	670
Consumer and other	-	-	-	-	34	34
	$ -	$ 64	$ 3,880	$ 3,944	$ 314,165	$ 318,109

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 September 30, 2025 and June 30, 2025 (in thousands):

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 - equipment	-	-	-	-
Commercial - all other	183	-	183	-
	$ 5,343	$ -	$ 5,343	$ -

June 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	$ 5,196	$ -	$ 5,196	$ -
Commercial - equipment	$ -	$ 196	$ 196	$ -
Commercial - all other	198	-	198	-
	$ 5,393	$ 196	$ 5,589	$ -

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