U & I FINANCIAL CORP.

Reports Third Quarter 2026 Financial Results

Lynnwood, WA / Accesswire / October 29, 2026 / U & I Financial Corp. (OTCQX: UNIF), the holding company ("Company") for UniBank ("Bank"), today reported quarterly Net Loss of $824 thousand or $0.15 loss per share in the third quarter of 2026, compared to a Net Loss of $258 thousand or $0.05 loss per share for the same quarter of 2025. The Company recognized a negative Provision for Credit Losses of $325 thousand during the third quarter of 2026 as compared to negative Provision for Credit Losses of $800 thousand recognized for the same quarter last year.

At September 30, 2026, Total Assets were $380.1 million, a decrease of $15.1 million or 3.8% from $395.1 million at September 30, 2025. Net Loans were $259.1 million at September 30, 2026, a decrease of $39.0 million or 13.1% from $298.2 million at September 30, 2025. Total Deposits decreased by $32.4 million or 9.4% to $312.3 million at September 30, 2026 compared to $344.7 million a year earlier.

For the third quarter of 2026 there were credit recoveries totaling $226 thousand and no charge offs. For the same period in 2025, there was a net charge off of $14 thousand, primarily reflecting commercial equipment loans activities. The total balance of non-accrual loans was $1.5 million at September 30, 2026 as compared to $5.3 million at September 30, 2025. The ratio of nonperforming assets to total assets was 0.38% at September 30, 2026 compared to 1.35% at September 30, 2025.

The Bank's capital ratios were 7.15%, 10.23% and 11.26% for Tier 1 Leverage Ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio, respectively, as of September 30, 2026, as compared to 7.32%, 9.62% and 10.63%, respectively, as of September 30, 2025. All capital ratios remained above the "well capitalized" minimum regulatory guidelines as of September 30, 2026.

The Bank promoted Yuko Elliott to Chief Credit Officer effective September 21, 2026. Ms. Elliott joined the Bank in 2019 and previously served as the SVP & Senior Credit Administrator. She has more than 30 years of credit experience, primarily in community banking.

The Bank plans to close its Bellevue, Washington, branch on October 30, 2026. The closure is expected to reduce costs overall and improve efficiency at nearby branches as Bellevue customers and deposits will be consolidated into those locations.

"Closing the Bellevue branch, which has operated since 2012, was a difficult decision," said President and CEO Stephanie Yoon. "The location, however, no longer aligns with the Bank's target market, and we expect the transition to nearby branches to cause minimal disruption to affected customers. We are also pleased to promote Yuko Elliott to Chief Credit Officer. Her extensive credit experience and contributions to the Bank have prepared her well for this role."

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-26 QTD	Jun-26 QTD	Sep-25 QTD	Sep-26 YTD	Sep-25 YTD
Interest Income	$5,230	$5,181	$5,608	$16,305	$18,186
Interest Expense	2,827	2,869	3,090	8,605	10,246
Net Interest Income	2,403	2,312	2,518	7,700	7,940
Provision for Credit Losses (Negative Provision)	(325)	(984)	(800)	(2,063)	69
Loan Servicing Fees, Net of Amortization	123	128	122	384	191
Other Non-interest Income	66	71	77	204	316
Non-interest Income	189	199	199	588	507
Salaries & Benefits	1,614	1,645	1,551	5,067	4,750
Professional Fees	1,180	1,282	1,207	3,764	2,320
Occupancy Expense	203	208	211	620	617
Other Expense	744	764	805	2,294	2,453
Non-interest Expense	3,741	3,899	3,774	11,745	10,140
Net Income (Loss) before Income Taxes	(824)	(404)	(257)	(1,394)	(1,762)
Income Tax Expense (Benefit)	-	-	1	-	(188)
Net Income (Loss)	**($824)**	**($404)**	**($258)**	**($1,394)**	**($1,574)**
Total Outstanding Shares *(in thousands)*	5,477	5,477	5,477	5,477	5,477
Basic Earnings (Loss) per Share	($0.15)	($0.07)	($0.05)	($0.25)	($0.29)

Statement of Condition (Unaudited)

(Dollars in thousands)	Sep-26 Qtr End	Jun-26 Qtr End	Sep-25 Qtr End	Variance Prior Qtr	Variance Prior Year
Cash and Due from Banks	$50,593	$51,680	$34,001	($1,087)	$16,592
Investments	60,699	64,742	52,770	(4,043)	7,929
Gross Loans	261,947	270,776	301,264	(8,829)	(39,317)
Allowance for Credit Losses (ACL) on Loans	(2,830)	(2,929)	(3,102)	99	272
Net Loans	259,117	267,847	298,162	(8,730)	(39,045)
Fixed Assets	5,879	5,126	5,506	753	373
Deferred Tax Assets, Net of Valuation Allowance	-	-	566	-	(566)
Other Assets	3,768	3,828	4,114	(60)	(346)
Total Assets	**$380,056**	**$393,223**	**$395,119**	**($13,167)**	**($15,063)**
Checking	$50,726	$50,965	$67,852	($239)	($17,126)
NOW	4,809	5,011	4,598	(202)	211
Money Market	46,397	48,337	55,892	(1,940)	(9,495)
Savings	4,540	4,910	4,973	(370)	(433)
Certificates of Deposit	205,847	213,267	211,425	(7,420)	(5,578)
Total Deposits	312,319	322,490	344,740	(10,171)	(32,421)
Borrowed Funds	40,000	40,000	20,000	-	20,000
ACL on Off-Balance Sheet Credit Exposure	5	5	5	-	-
Other Liabilities	2,696	2,276	1,665	420	1,031
Total Liabilities	355,020	364,771	366,410	(9,751)	(11,390)
Shareholders' Equity	25,036	28,452	28,709	(3,416)	(3,673)
Total Liabilities & Equity	**$380,056**	**$393,223**	**$395,119**	**($13,167)**	**($15,063)**

Financial Ratios

(Dollars in thousands except BVS)	Sep-26 QTD	Jun-26 QTD	Sep-25 QTD	Sep-26 YTD	Sep-25 YTD
Performance Ratios					
Return on Average Assets*	(0.84%)	(0.41%)	(0.25%)	(0.47%)	(0.48%)
Return on Average Equity*	(12.01%)	(5.83%)	(3.68%)	(6.70%)	(7.43%)
Net Interest Margin*	2.53%	2.43%	2.54%	2.67%	2.51%
Efficiency Ratio	144.33%	155.28%	138.90%	141.72%	120.05%
**Quarterly results are annualized*					

Capital	Sep-26 QTD	Jun-26 QTD	Sep-25 QTD	Well Capitalized Minimum	Adequately Capitalized Minimum
Tier 1 Leverage Ratio**	7.15%	7.31%	7.32%	5.00%	4.00%
Common Equity Tier 1 Ratio**	10.23%	10.25%	9.62%	6.50%	4.50%
Tier 1 Risk-Based Capital Ratio**	10.23%	10.25%	9.62%	8.00%	6.00%
Total Risk-Based Capital Ratio **	11.26%	11.30%	10.63%	10.00%	8.00%
Book Value per Share (BVS)	$4.57	$5.20	$5.24		
***Represents Bank capital ratios*					

Asset Quality	Sep-26 QTD	Jun-26 QTD	Sep-25 QTD	Sep-26 YTD	Sep-25 YTD
Net Charge Off (Net Recovery)	($226)	($904)	$14	($2,128)	$6,647
Charge Offs: Commercial-Equipment	$0	$0	$196	$0	$4,720
(Recoveries): Commercial-Equipment	($212)	($980)	($127)	($1,940)	($1,735)
Charge Offs: All Other	$0	$90	$0	$90	$4,069
(Recoveries): All Other	($14)	($14)	($55)	($278)	($407)
Allowance for Credit Losses to Loans %	1.08%	1.08%	1.03%		
Non-accrual Loans	$1,454	$1,454	$5,343		
Nonperforming Assets to Total Assets %	0.38%	0.37%	1.35%		

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, 2026 and June 30, 2026 (in thousands):

September 30, 2026						
Portfolio Segment	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Loss**	**Total**
Commercial real estate	$ 164,267	$ 3,800	$ 1,395	$ -	$ -	$ 169,462
Residential real estate	62,466	1,072	3,859	-	-	67,397
Commercial - equipment	-	-	3,515	-	-	3,515
Commercial - all other	9,432	-	-	-	-	9,432
Multifamily	11,545	-	-	-	-	11,545
Construction and land	574	-	-	-	-	574
Consumer and other	22	-	-	-	-	22
	$ 248,306	$ 4,872	$ 8,769	$ -	$ -	$ 261,947

June 30, 2026						
Portfolio Segment	**Pass**	**Special Mention**	**Substandard**	**Doubtful**	**Loss**	**Total**
Commercial real estate	$ 163,157	$ 3,010	$ 1,400	$ -	$ -	$ 167,567
Residential real estate	74,389	2,135	3,276	-	-	79,800
Commercial - equipment	-	-	3,608	-	-	3,608
Commercial - all other	7,595	-	-	-	-	7,595
Multifamily	11,592	-	-	-	-	11,592
Construction and land	594	-	-	-	-	594
Consumer and other	20	-	-	-	-	20
	$ 257,347	$ 5,145	$ 8,284	$ -	$ -	$ 270,776

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, 2026 and June 30, 2026 (in thousands):

September 30, 2026 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 969	$ 13	$ 143	$ -	$ -	$ 1,125
Residential real estate	163	5	115	-	-	283
Commercial - equipment	-	-	1,757	-	(718)	1,039
Commercial - all other	351	-	-	-	-	351
Multifamily	27	-	-	-	-	27
Construction and land	4	-	-	-	-	4
Consumer and other	1	-	-	-	-	1
	$ 1,515	$ 18	$ 2,015	$ -	$ (718)	$ 2,830

June 30, 2026 Portfolio Segment	Pass	Special Mention	Substandard	Doubtful	Loss	Total
Commercial real estate	$ 942	$ 12	$ 146	$ -	$ -	$ 1,100
Residential real estate	263	11	119	-	-	393
Commercial - equipment	-	-	1,804	-	(748)	1,056
Commercial - all other	346	-	-	-	-	346
Multifamily	27	-	-	-	-	27
Construction and land	6	-	-	-	-	6
Consumer and other	1	-	-	-	-	1
	$ 1,585	$ 23	$ 2,069	$ -	$ (748)	$ 2,929

Past due loans –The following table presents past due loans at amortized cost by portfolio segment as of September 30, 2026 and June 30, 2026 (in thousands):

September 30, 2026 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	$ -	$ -	$ 1,456	$ 1,456	$ 168,006	$ 169,462
Residential real estate	-	-	-	-	67,397	67,397
Commercial - equipment	-	-	-	-	3,515	3,515
Commercial - all other	-	-	-	-	9,432	9,432
Multifamily	-	-	-	-	11,545	11,545
Construction and land	-	-	-	-	574	574
Consumer and other	-	-	-	-	22	22
	$ -	$ -	$ 1,456	$ 1,456	$ 260,491	$ 261,947

June 30, 2026 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	$ 11	$ -	$ 1,454	$ 1,465	$ 166,102	$ 167,567
Residential real estate	223	-	-	223	79,577	79,800
Commercial - equipment	-	-	-	-	3,608	3,608
Commercial - all other	-	-	-	-	7,595	7,595
Multifamily	-	-	-	-	11,592	11,592
Construction and land	-	-	-	-	594	594
Consumer and other	-	-	-	-	20	20
	$ 234	$ -	$ 1,454	$ 1,688	$ 269,088	$ 270,776

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, 2026 and June 30, 2026 (in thousands):

September 30, 2026 **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	$ 1,454	$ -	$ 1,454	$ 2

June 30, 2026 **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	$ 1,454	$ -	$ 1,454	$ -

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