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**The IR Group**

**Savi Financial Corporation Earns \$1.09 Million in 3Q21;  
Earns Record \$3.32 Million in First Nine Months of 2021;  
Results Highlighted by Strong Non-PPP Loan Production and Record Deposit Growth**

**Mount Vernon, WA – October 27, 2021 – Savi Financial Corporation, Inc. (OTC Pink: SVVB)**, the bank holding company for SaviBank, today reported third quarter 2021 earnings increased 360% to \$1.09 million, or \$0.25 per diluted share, compared to \$236,000, or \$0.05 per diluted share, in the third quarter of 2020. Third quarter 2021 results were driven by higher revenue from both SBA loan sales and Paycheck Protection Program (“PPP”) origination fees earned on PPP loans, and strong non-PPP loan production and record deposit growth. In the first nine months of 2021, net income increased 285% to \$3.32 million, or \$0.76 per diluted share, compared to \$860,000, or \$0.20 per diluted share, in the first nine months of 2020.

“We delivered strong earnings for the third quarter and record profits for the first nine months of 2021, highlighted by meaningful revenue growth generated from PPP loan forgiveness, SBA premium income along with contributions from our new mortgage lending division,” said Michal D. Cann, Chairman and President of Savi Financial Corporation. “Earlier this year we hired a team of seasoned, qualified bankers to establish a mortgage lending division, and their efforts are already contributing to profitability. Another highlight of the quarter was the forming of a new lending team located in Friday Harbor. This new lending team presents a fantastic opportunity for Savi to serve the business and personal lending needs in San Juan County, including San Juan, Orcas and Lopez islands, which will help with the expansion of our loan and deposit portfolios.”

“The highly successful PPP lending programs, sponsored by the Small Business Administration (SBA), has helped our business customers as well as new customers in our community. Our dedicated lending team assisted with the origination of over \$94.4 million in PPP loans for approximately 1,003 customers over the course of the program,” said Andrew Hunter, President and CEO of SaviBank. “We added many new customer relationships with solid future growth opportunities, generating receivables of approximately \$4.2 million in total PPP loan fees. As of September 30, 2021, we had received forgiveness from the SBA for 901 borrowers totaling \$79.3 million. Approximately \$683,000 of the income recorded during the third quarter of 2021 was related to recognizing origination fees for PPP loan payoffs, compared to \$820,000 during the second quarter of 2021.”

“Our team of lenders did an excellent job of replacing the \$20.5 million in PPP loan forgiveness with new loan originations,” continued Hunter. “Net loan growth, excluding PPP loans, during the quarter was strong, increasing \$15.9 million, or 5.3% on a linked quarter basis.”

“The increase in PPP loan origination fees, resulting from PPP loan forgiveness during the quarter, positively impacted our net interest margin (NIM) expansion during the current quarter keeping it above industry averages,” said Rob Woods, Chief Financial Officer of SaviBank. The Company’s NIM was 4.02% in the third quarter of 2021, compared to 4.01% in the preceding quarter, and 3.50% in the third quarter a year ago. The NIM remains higher than their peer average of 3.15% posted by the 167 banks that comprised the Dow Jones U.S. Microcap Bank Index at June 30, 2021. In the first nine months of 2021, the NIM was 4.05% compared to 3.76% in the first nine months of 2020.

### Third Quarter 2021 Highlights:

- Net income increased 360% to \$1.09 million in the third quarter of 2021, compared to \$236,000 in the third quarter of 2020, and decreased 13% compared to record earnings of \$1.24 million in the second quarter of 2021.
- Earnings per diluted share were \$0.25 in the third quarter, compared to \$0.05 in the third quarter a year ago and \$0.28 in the preceding quarter.
- Net interest income increased 29% to \$4.27 million in the third quarter of 2021, compared to \$3.31 million in the third quarter a year ago, and decreased modestly from \$4.31 million in the second quarter of 2021.
- Total revenue, consisting of net interest income and non-interest income, increased 72% to \$6.22 million in the third quarter of 2021, compared to \$3.61 million in the third quarter a year ago and increased 12% compared to \$5.58 million in the preceding quarter.
- Average third quarter 2021 total loans increased modestly, to \$338.0 million, compared to \$334.8 million in the third quarter a year ago, and decreased 4% from \$352.1 million in the second quarter of 2021. Total loans at September 30, 2021, increased modestly to \$339.5 million from \$334.7 million a year ago and \$337.0 million at June 30, 2021. The loan portfolio increased compared to the prior quarter, even with the \$20.5 million in PPP loan forgiveness during the third quarter of 2021.
- SBA and USDA loan production for the twelve months ended September 30, 2021, totaled 27 loans for \$35.2 million, compared to production of 17 loans for \$17.2 million in the year-ago period.
- Average third quarter 2021 total deposits grew 26% to \$411.3 million from \$325.2 million, in the third quarter a year ago, and increased 8% from \$381.2 million in the second quarter of 2021. Total deposits grew 28% to \$419.1 million, at September 30, 2021, from \$328.3 million a year ago, and increased 4% from \$403.5 million at June 30, 2021.
- The provision for loan losses was \$150,000 in the third quarter of 2021, compared to \$207,000 in the third quarter of 2020, and \$38,000 in the second quarter of 2021. In the first nine months of 2021, the provision for loan losses was \$328,000, compared to \$869,000 in the first nine months of 2020.
- Allowance for loan losses, as a percentage of total loans, increased to 1.17% at September 30, 2021, compared to 1.01% at September 30, 2020, and 1.13% at June 30, 2021. The allowance for loan losses, excluding PPP loans that are 100% secured by the SBA, was 1.26% of total loans, as of September 30, 2021.
- Nonperforming loans, as a percentage of total loans, was 0.50% at September 30, 2021, compared to 0.31% at September 30, 2020, and 0.82% at June 30, 2021. The increase year-over-year was primarily due to one lending relationship added during the prior quarter and not indicative of issues in the total loan portfolio.
- Nonperforming assets, as a percentage of total assets, was 0.56% at September 30, 2021, compared to 0.40% a year ago and 0.66% three months earlier.
- Net charge-offs were \$18,000 in the third quarter of 2021, compared to net charge-offs of \$1,000 in the third quarter of 2020, and net recoveries of \$22,000 in the second quarter of 2021.
- The Company offered loan accommodation options to support its clients affected by the economic impacts of COVID-19. As of September 30, 2021, total deferred loans represented 0.012% of total loans.
- SaviBank capital levels remained above the threshold for well-capitalized institutions with a tier-1 leverage ratio of 8.00% at September 30, 2021.

“Over the past few years, we have been actively growing the company and expanding our bank presence in and around the communities we serve,” said Cann. “Already this year we expanded into the Friday Harbor market, completed the Freeland branch purchase on Whidbey Island from Coastal Community Bank, relocated from our existing Freeland branch to the new location, and formed our mortgage lending division. All of these efforts complement our expansion efforts established in 2019, when we opened our full-service branches in Concrete, Sedro-Woolley and Mount Vernon, relocated our loan production office into a full-service branch in Anacortes, and relocated our Oak Harbor branch and our main Burlington branch. We will continue to search for opportunities to add new talent and expand our company franchise while supporting our customers and communities.”

## **About Northwest Washington**

SaviBank currently operates six branches in Skagit County, two branches in Island County, and one branch in Whatcom County. The Skagit, Whatcom and Island counties region stretches north from the greater Seattle/Everett/Bellevue metropolis to the Canadian border. Northwest Washington continues to be one of the most vibrant regions in the country, with a solid employment base, moderate climate and a strong housing market.

The housing market in Skagit, Island and Whatcom Counties remains healthy. According to the Northwest Multiple Listing Service, the average home in Skagit County sold for \$500,000, up 14.94% in September 2021, compared to a year ago, and there was a 1.21 month supply of homes on the market. For Island County, the average house sold for \$494,500, up 8.44% from a year ago and supply totaled 0.69 months. For Whatcom County, the average home sold for \$533,250, up 21.22% from a year ago and supply totaled 0.92 months.

Skagit County's economy is dominated by manufacturing, which accounts for 33.4% of GDP with food, machinery and oil and petroleum products the leading contributors. Skagit's population is projected to grow 5.86% from 2021 through 2026, and median household income is projected to increase by 15.16% during the same time frame.

Whatcom County is home to Western Washington University and is the nation's largest producer of raspberries. Whatcom County's population is projected to grow 6.49% from 2021 through 2026, and median household income is projected to increase by 6.92%.

Island County is home to Naval Air Station Whidbey Island. Whidbey Island's population is 86,704, with approximately 23,578 in Oak Harbor. Island County's population is projected to grow 5.32% from 2021 through 2026 and median household income is projected to increase by 13.68%.

Sources:

<http://www.northwestmls.com/library/CorporateContent/statistics/Recaps.pdf>  
<https://www.capitaliq.spqlobal.com/>

## **About Savi Financial Corporation Inc. and SaviBank –**

Savi Financial Corporation is the bank holding company which owns SaviBank. The Bank began operations April 11, 2005, and has 9 branch locations in Anacortes, Burlington, Bellingham, Concrete, Mount Vernon (2), Oak Harbor, Freeland and Sedro-Woolley, Washington. The Bank provides loan and deposit services to customers who are predominantly small and middle-market businesses and individuals in and around Skagit, Island, and Whatcom counties. As a locally-owned community bank, we believe that when everyone becomes Savi about their finances, our entire community benefits. Call us or stop by one of our branches and we'll show you how to bank Savi. For additional information about SaviBank, visit; [www.SaviBank.com](http://www.SaviBank.com).

## **Forward Looking Statement**

This release may contain "forward-looking statements" that are subject to risks and uncertainties. Readers should not place undue reliance on forward-looking statements, which reflect management's views only as of the date hereof. All statements, other than statements of historical fact, regarding our financial position, business strategy and management's plans and objectives for future operations are forward-looking statements. When used in this report, the words "anticipate," "believe," "estimate," "expect," and "intend" and words or phrases of similar meaning, as they relate to SaviBank or management, are intended to help identify forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Although we believe that management's expectations as reflected in forward-looking statements are reasonable, we cannot assure readers that those expectations will prove to be correct. Forward-looking statements are subject to various risks and uncertainties that may cause our actual results to differ materially and adversely from our expectations as indicated in the forward-looking statements. These risks and uncertainties include our ability to maintain or expand our market share or net interest margins, and to implement our marketing and growth strategies. Further, actual results may be affected by our ability to compete on price and other factors with other financial institutions; customer acceptance of new

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products and services; the regulatory environment in which we operate; and general trends in the local, regional and national banking industry and economy, as those factors relate to our cost of funds and return on assets. In addition, there are risks inherent in the banking industry relating to collectability of loans and changes in interest rates. Many of these risks, as well as other risks may have a material adverse impact on our operations and business.

SELECTED FINANCIAL DATA

(In thousands of dollars, except for ratios and per share amounts)

Unaudited

	Three Months Ended					Nine Months Ended		
	September 30, 2021	September 30, 2020	Var %	June 30, 2021	Var %	September 30, 2021	September 30, 2020	Var %
<b>SUMMARY OF OPERATIONS</b>								
Interest income	\$ 4,634	\$ 3,934	18%	\$ 4,722	(2)%	\$ 13,892	\$ 11,869	17%
Interest expense	(365)	(621)	(41)	(411)	(11)	(1,266)	(2,115)	(40)
Net interest income	4,269	3,313	29	4,311	(1)	12,626	9,754	29
Provision for loan losses	(150)	(207)	(28)	(38)	295	(328)	(869)	(62)
NII after loss provision	4,119	3,106	33	4,273	(4)	12,298	8,885	38
Non-interest income	1,951	295	561	1,266	54	4,087	1,142	258
Non-interest expense	(4,693)	(3,112)	51	(3,966)	18	(12,189)	(8,946)	36
Income before tax	1,377	289	376	1,573	(12)	4,196	1,081	288
Federal income tax expense	291	53	449	330	(12)	881	221	299
Net income	\$ 1,086	\$ 236	360%	\$ 1,243	(13)%	\$ 3,315	\$ 860	285%
<b>PER COMMON SHARE DATA</b>								
Number of shares outstanding (000s)	3,439	3,433	0%	3,438	0.03%	3,439	3,433	0.17%
Earnings per share, diluted	\$ 0.25	\$ 0.05	356	\$ 0.28	(13)	\$ 0.76	\$ 0.20	282
Market value	9.91	7.70	29	11.10	(11)	9.91	7.70	29
Book value	10.94	9.83	11	10.63	3	10.94	9.83	11
Market value to book value	90.62%	78.34%	16	104.42%	(13)	90.62%	78.34%	16
<b>BALANCE SHEET DATA</b>								
Assets	\$ 476,313	\$ 388,111	23%	\$ 469,036	2%	\$ 476,313	\$ 388,111	23%
Investments securities	33,163	8,765	278	14,614	127	33,163	8,765	278
Total loans	339,500	334,727	1	337,045	1	339,500	334,727	1
Total deposits	419,066	328,263	28	403,518	4	419,066	328,263	28
Borrowings	17,500	25,000	(30)	27,500	(36)	17,500	25,000	(30)
Shareholders' equity	37,609	33,742	11	36,547	3	37,609	33,742	11
<b>AVERAGE BALANCE SHEET DATA</b>								
Average assets	\$ 472,675	\$ 392,424	20%	\$ 459,388	3%	\$ 442,846	\$ 350,317	26%
Average total loans	338,024	334,783	1	352,096	(4)	348,130	307,460	13
Average total deposits	411,292	325,199	26	381,163	8	383,996	288,446	33
Average shareholders' equity	37,078	33,111	12	35,865	3	35,921	33,264	8
<b>ASSET QUALITY RATIOS</b>								
Net (charge-offs) recoveries	\$ (18)	\$ (1)	N/M	\$ 22	N/M	\$ (41)	\$ (122)	N/M
Net (charge-offs) recoveries to average loans	(0.02)%	(0.00)%	N/M	0.02%	N/M	(0.02)%	(0.05)%	N/M
Non-performing loans as a % of loans	0.50	0.31	59	0.82	(39)	0.50	0.31	59
Non-performing assets as a % of assets	0.56	0.40	42	0.66	(15)	0.56	0.40	42
Allowance for loan losses as a % of total loans	1.17	1.01	16	1.13	4	1.17	1.01	16
Allowance for loan losses as a % of non-performing loans	234.73	321.63	(27)	137.67	70	234.73	321.63	(27)
<b>FINANCIAL RATIOS\STATISTICS</b>								
Return on average equity	11.72%	2.85%	311%	13.86%	(15)%	12.30%	3.45%	257%
Return on average assets	0.92	0.24	282	1.08	(15)	1.00	0.33	205
Net interest margin	4.02	3.50	15	4.01	0	4.05	3.76	8
Efficiency ratio	73.56	85.52	(14)	69.00	7	71.06	81.19	(12)
Average number of employees (FTE)	125	94	33	115	9	125	94	33
<b>CAPITAL RATIOS</b>								
Tier 1 leverage ratio -- Bank	8.00	8.00	(0)%	7.93	1%	8.00	8.00	(0)%
Common equity tier 1 ratio -- Bank	9.88			7.93	25%	9.88		
Tier 1 risk-based capital ratio -- Bank	9.88			7.93	25%	9.88		
Total risk-based capital ratio --Bank	10.97			7.93	38%	10.97		

\* The bank had opted into the CBLR during the quarters where the risk-based capital ratios are missing.

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