

Oconee Financial Corporation Reports Fourth Quarter and Full Year 2021 Results

WATKINSVILLE, Ga., February 01, 2022/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the fourth quarter of 2021 and for the year ending December 31, 2021. Unaudited net income for the three months ending December 31, 2021, was \$708,199 or \$0.79 per common share. This compares to \$333,597 or \$0.37 per common share for the fourth quarter of the prior year, an increase of 112.3%. The increase in net earnings for the fourth quarter was mainly attributable to an increase in net interest income of \$520,000. Interest income on loans increased \$220,000 primarily due to recognition of loan fees from the Paycheck Protection Program (PPP). Interest income on investments increased \$193,000 due to the investment of excess funds into available-for-sale investment securities. In addition, interest expense on deposits and borrowings decreased \$94,000, primarily due to lower interest rates on deposits.

Unaudited net income YTD as of December 31, 2021 was \$2,999,529 or \$3.35 per common share. This compares to \$1,888,792 or \$2.11 per common share for YTD as of December 31st of the prior year. This represents an increase of 58.8% in net earnings YTD December 31, 2021, as compared to the same period in 2020. The increase in earnings over the previous year was primarily attributable to increases in net interest income from PPP fees recognized of \$1,227,000.

Total assets as of December 31, 2021, were \$571.1 million, compared to total assets of \$494.5 million as of December 31, 2020, an increase of 15.5%. Total loans were \$298.0 million and deposits were \$519.7 million as of December 31, 2021. This compared to total loans of \$319.6 million and deposits of \$444.7 million at December 31, 2020. As of December 31, 2021, total loans decreased 6.8% and total deposits increased 16.9% versus December 31, 2020. Excluding the effect of pay downs on PPP loans during 2021, loans increased \$29.9 million, or 9.4%. Book value per share at December 31, 2021 was \$43.88 versus \$42.56 at December 31, 2020.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the fourth quarter's results noted, "We are very pleased with our fourth quarter and full year results. Both measures reflect a significant improvement over the same period a year ago and reflect the dedication and quality work of our team.

2022 will be a transitional year for the Bank, as we work to continue improving results, while at the same time, working to replace over \$2 million of non-recurring PPP fees we saw in 2021. We are confident that our talented team of bankers will meet this challenge, but improving on our 2021 results will be no small task."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service branches and one limited-service branch. In February 2022, Oconee State bank will celebrate 62 years of service and continues to be the only locally owned and operated community bank headquartered in Oconee County. Oconee State Bank has proudly served the local community, providing an unparalleled commitment to personalized service, innovative products and solutions, and strives to bring exceptional value to our customers through local ownership, involvement, and decision-making. We continuously strive to create remarkable experiences that significantly mark the lives of others.

OCONEE FINANCIAL CORPORATION
BALANCE SHEET

	12/31/2021	12/31/2020
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 85,774,514	\$ 76,418,430
Securities available for sale (at fair value)	162,165,152	75,548,813
Other investment	247,400	359,700
Mortgage loans held for sale	1,212,617	6,408,720
Loans, net of unearned income	302,523,687	323,624,861
Allowance for loan loss	(4,542,292)	(4,057,091)
Loans, net	297,981,395	319,567,770
Premises and equipment	8,602,518	5,103,036
Other real estate owned	--	--
Other assets	15,158,403	11,129,233
Total Assets	\$ 571,141,998	\$ 494,535,702
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 519,693,969	\$ 444,701,932
Subordinated debenture, net of capitalized expenses	9,794,445	9,770,497
Dividends payable	--	--
Accrued expenses and other liabilities	2,320,963	1,928,168
Total Liabilities	531,809,377	456,400,597
Stockholder's Equity:		
Common Stock	1,795,076	1,794,250
Restricted Stock	(38,311)	(37,976)
Additional Paid in Capital	4,159,822	4,147,114
Retained earnings	33,268,328	30,850,978
Unrealized gain/loss on securities	147,706	1,380,739
Total Stockholder's Equity	39,332,621	38,135,105
Total Liabilities and Stockholder's Equity	\$ 571,141,998	\$ 494,535,702
Book Value Per Share	\$ 43.88	\$ 42.56

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	12/31/2021	12/31/2020
	(Unaudited)	
Interest Income:		
Loans	\$ 3,923,036	\$ 3,702,713
Securities available for sale		
State, County & Municipal	168,142	150,758
Treasuries & Agencies	264,838	139,227
Corporate	94,766	45,187
Federal funds sold & other	36,578	23,305
	4,487,360	4,061,190
Interest Expense:		
Deposits	218,171	287,415
Other	155,987	180,617
Total Interest Expense	374,158	468,032
Net interest income	4,113,203	3,593,158
Provision for loan losses	220,500	387,500
Net income after provision for loan losses	3,892,703	3,205,658
Noninterest income		
Service charges on deposit accounts	126,728	114,185
Loss on Sale of Assets	(203,971)	500
Securities gains (losses), net	--	--
Mortgage banking income	405,419	668,645
SBA loan related income	183,938	26,539
Commissions on investment sales	24,249	106,387
Other	378,718	337,942
Total noninterest income	915,081	1,254,199
Noninterest expense		
Salaries and employee benefits	2,433,066	2,593,870
Occupancy	375,854	304,015
Other operating	1,144,600	1,203,959
Total noninterest expense	3,953,519	4,101,844
Income before provision for income taxes	854,265	358,012
Provision for income taxes	146,066	24,415
Net Income	\$ 708,199	\$ 333,597
Period-Ending Outstanding Shares	896,412	897,125
Weighted Average Shares Outstanding	896,412	896,163
QTD Earnings Per Common Share	\$ 0.79	\$ 0.37

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	<u>12/31/2021</u> (Unaudited)	<u>12/31/2020</u>
Interest Income:		
Loans	\$ 15,281,802	\$ 14,587,768
Securities available for sale		
State, County & Municipal	685,752	407,768
Treasuries & Agencies	875,535	804,391
Corporate	346,038	58,594
Federal funds sold & other	102,278	203,373
	<u>17,291,405</u>	<u>16,061,894</u>
Interest Expense:		
Deposits	1,001,740	1,597,785
Other	623,949	316,410
Total Interest Expense	<u>1,625,689</u>	<u>1,914,195</u>
Net interest income	15,665,716	14,147,699
Provision for loan losses	<u>456,000</u>	<u>1,250,000</u>
Net income after provision for loan losses	15,209,716	12,897,699
Noninterest income		
Service charges on deposit accounts	458,943	453,798
Loss on Sale of Assets	(268,123)	(17,655)
Securities gains (losses), net	172,312	182,860
Mortgage banking income	2,067,991	1,919,163
SBA loan related income	339,651	615,891
Commissions on investment sales	187,329	536,908
Other	1,434,421	1,258,024
Total noninterest income	<u>4,392,523</u>	<u>4,948,990</u>
Noninterest expense		
Salaries and employee benefits	9,300,150	10,085,635
Occupancy	1,425,137	1,204,014
Other operating	5,145,490	4,301,175
Total noninterest expense	<u>15,870,776</u>	<u>15,590,824</u>
Income before provision for income taxes	3,731,463	2,255,864
Provision for income taxes	<u>731,934</u>	<u>367,072</u>
Net Income	<u>\$ 2,999,529</u>	<u>\$ 1,888,792</u>
Period-Ending Outstanding Shares	896,412	895,237
Weighted Average Shares Outstanding	896,412	895,401
YTD Earnings Per Common Share	\$ 3.35	\$ 2.11