

Oconee Financial Corporation Reports Second Quarter 2022 Results

WATKINSVILLE, Ga., August 04, 2022/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the second quarter of 2022. Unaudited net income for the three months ending June 30, 2022, was \$1,229,477 or \$1.37 per common share. This compares to \$812,417 or \$0.91 per common share for the second quarter of the prior year, an increase of 51.3%. The increase in net earnings for the second quarter was mainly attributable to an increase in SBA loan related income of \$639,000. Net interest income decreased \$284,000 for the second quarter 2022 compared to the same period of 2021. This was mainly due to the decline in loan fees from the Paycheck Protection Program (PPP) of \$687,000 versus the second quarter of 2021. Interest income on investments increased \$97,000 due to the investment of excess funds into available-for-sale investments securities. In addition, interest expense on deposits and borrowings decreased \$102,000, primarily due to lower interest rates on deposits. Excluding an after-tax gain on sale of bank premises in the second quarter of \$167 thousand, net earnings for the second quarter were \$1,062,293, or \$1.18 per share.

Unaudited net income YTD as of June 30, 2022 was \$1,819,853, or \$2.03 per common share. This compares to \$1,636,638 or \$1.83 per common share for YTD as of June 30 of the prior year. This represents an increase of 11.2% in net earnings YTD June 30, 2022 as compared to the same period in 2021. Excluding an after-tax gain on sale of bank premises in the second quarter of \$167 thousand, net earnings YTD June 30, 2022 were \$1,652,669, or \$1.84 per share.

Total assets as of June 30, 2022, were \$505.9 million, compared to total assets of \$571.1 million as of December 31, 2021, a decrease of 11.4%. Total loans were \$293.9 million and total deposits were \$464.4 million as of June 30, 2022. This compared to total loans of \$298.0 million and deposits of \$519.7 million at December 31, 2021. As of June 30, 2022, total loans decreased 1.4% and total deposits decreased 10.6% versus December 31, 2021. Excluding the effect of paydowns on PPP loans that has continued into 2022, loans decreased \$625 thousand, or 0.2%. Book value per share at June 30, 2022 was \$32.91 versus \$43.88 at December 31, 2021. The decrease in book value per share during the first half of the year was due to recording \$10.9 million of unrealized losses in the Bank's investment portfolio.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the second quarter's results noted, "We had an excellent second quarter, with strong earnings improvement over last quarter and versus the second quarter of last year. Our team is doing an excellent job of improving earnings, especially in light of replacing almost \$700,000 of PPP loan fees we had in the second quarter a year ago."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service financial centers and one loan production office. In February 2022, Oconee State bank celebrated 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

	6/30/2022	12/31/2021
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 32,116,471	\$ 85,774,514
Securities available for sale (at fair value)	150,386,861	162,165,152
Other investment	285,600	247,400
Mortgage loans held for sale	1,936,913	1,212,617
Loans, net of unearned income	298,456,019	302,523,687
Allowance for loan loss	(4,549,025)	(4,542,292)
Loans, net	293,906,994	297,981,395
Premises and equipment	7,990,608	8,602,518
Other assets	19,293,786	15,158,402
Total Assets	\$ 505,917,233	\$ 571,141,998
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 464,381,658	\$ 519,693,969
Subordinated debenture, net of capitalized expenses	9,806,419	9,794,445
Dividends payable	--	--
Accrued expenses and other liabilities	2,239,113	2,320,963
Total Liabilities	476,427,191	531,809,377
Stockholder's Equity:		
Common Stock	1,795,900	1,795,076
Restricted Stock	(70,523)	(38,311)
Additional Paid in Capital	4,176,342	4,159,822
Retained earnings	34,460,929	33,268,328
Unrealized gain/loss on securities	(10,872,606)	147,706
Total Stockholder's Equity	29,490,042	39,332,621
Total Liabilities and Stockholder's Equity	\$ 505,917,233	\$ 571,141,998
Book Value Per Share	\$ 32.91	\$ 43.88

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	<u>6/30/2022</u> (Unaudited)	<u>6/30/2021</u>
Interest Income:		
Loans	\$ 6,623,582	\$ 7,740,280
Securities available for sale		
State, County & Municipal	387,964	353,938
Treasuries & Agencies	625,557	360,916
Corporate	189,740	158,622
Federal funds sold & other	127,129	39,954
	<u>7,953,972</u>	<u>8,653,710</u>
Interest Expense:		
Deposits	329,127	546,632
Other	311,974	311,974
Total Interest Expense	<u>641,101</u>	<u>858,606</u>
Net interest income	7,312,871	7,795,104
Provision for loan losses	<u>--</u>	<u>235,500</u>
Net income after provision for loan losses	7,312,871	7,559,604
Noninterest income		
Service charges on deposit accounts	323,389	215,134
Gain (loss) on Sale of Assets	218,227	(36,462)
Securities gains (losses), net	--	172,312
Mortgage banking income	616,875	1,202,670
SBA loan related income	815,364	118,545
Commissions on investment sales	61,635	139,341
Other	812,152	749,472
Total noninterest income	<u>2,847,642</u>	<u>2,561,011</u>
Noninterest expense		
Salaries and employee benefits	4,562,970	4,645,279
Occupancy	608,000	661,406
Other operating	2,617,969	2,743,975
Total noninterest expense	<u>7,788,939</u>	<u>8,050,659</u>
Income before provision for income taxes	2,371,574	2,069,956
Provision for income taxes	<u>551,721</u>	<u>433,318</u>
Net Income	<u>\$ 1,819,853</u>	<u>\$ 1,636,638</u>
Period-Ending Outstanding Shares	896,074	895,662
Weighted Average Shares Outstanding	896,823	895,662
YTD Earnings Per Common Share	\$ 2.03	\$ 1.83

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	<u>6/30/2022</u> (Unaudited)	<u>6/30/2021</u>
Interest Income:		
Loans	\$ 3,333,559	\$ 3,887,179
Securities available for sale		
State, County & Municipal	192,939	166,595
Treasuries & Agencies	323,493	256,269
Corporate	94,766	90,849
Federal funds sold & other	89,475	19,381
	<u>4,034,232</u>	<u>4,420,273</u>
Interest Expense:		
Deposits	158,246	260,545
Other	155,987	155,987
Total Interest Expense	<u>314,233</u>	<u>416,532</u>
Net interest income	3,719,999	4,003,741
Provision for loan losses	<u>--</u>	<u>--</u>
Net income after provision for loan losses	3,719,999	4,003,741
Noninterest income		
Service charges on deposit accounts	160,443	108,952
Gain (loss) on Sale of Assets	218,227	(36,462)
Securities gains (losses), net	--	(23,991)
Mortgage banking income	238,374	617,436
SBA loan related income	712,838	74,099
Commissions on investment sales	37,890	60,124
Other	411,082	347,393
Total noninterest income	<u>1,778,854</u>	<u>1,147,551</u>
Noninterest expense		
Salaries and employee benefits	2,262,774	2,354,327
Occupancy	305,094	354,390
Other operating	1,321,550	1,416,609
Total noninterest expense	<u>3,889,418</u>	<u>4,125,325</u>
Income before provision for income taxes	1,609,435	1,025,966
Provision for income taxes	<u>379,959</u>	<u>213,549</u>
Net Income	<u>\$ 1,229,477</u>	<u>\$ 812,417</u>
Period-Ending Outstanding Shares	896,074	895,662
Weighted Average Shares Outstanding	896,823	895,662
QTD Earnings Per Common Share	\$ 1.37	\$ 0.91