

Oconee Financial Corporation Reports Second Quarter 2023 Results

WATKINSVILLE, Ga., August 10, 2023/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the second quarter of 2023. Unaudited net income for the three months ending June 30, 2023, was \$1,018,744 or \$1.14 per common share. This compares to \$1,229,477 or \$1.37 per common share for the second quarter of the prior year, a decrease of 17.2%. The decrease in net earnings for the second quarter 2023 was mainly attributable to a decrease in non-interest income of \$917,000 and an increase of non-interest expense of \$555,000 over the same period of 2022, offset by an increase in net interest income of \$1,200,000 compared to the same period of 2022. The decrease in non-interest income was due to a reduction of \$650,000 in SBA loan related income. \$327,000 of the increase in non-interest expense was expenses related to our merger with Elberton Federal Savings & Loan Association ("Elberton Federal"). The net interest income increase was mainly due to increases in interest income on loans of \$1,016,000, interest income on investments of \$719,000, and interest income on interest-bearing bank balances of \$284,000. Second quarter of 2022 also included an after tax gain on sale of bank premises of \$167,000.

Unaudited net income, YTD as of June 30, 2023, was \$2,146,427, or \$2.39 per common share. This compares to \$1,819,853 or \$2.03 per common share for YTD as of June 30 of the prior year. This represents an increase of 17.9% in net earnings YTD as of June 30, 2023 as compared to the same period in 2022. YTD earnings for 2023 also includes after tax project expenses related to our merger with Elberton Federal of \$325,000.

Total assets as of June 30, 2023, were \$526.2 million, compared to total assets of \$536.7 million as of December 31, 2022, a decrease of 2%. Total loans were \$297.7 million and total deposits were \$463.5 million as of June 30, 2023. This compared to total loans of \$295.6 million and total deposits of \$494.9 million at December 31, 2022. As of June 30, 2023, total loans increased 0.73% and total deposits decreased 6.3% versus December 31, 2022. The decrease in total deposits and total assets is primarily due to a seasonal decline in municipal deposits. Book value per share at June 30, 2023 was \$40.79 versus \$32.43 at December 31, 2022. The increase in book value per share during the year was largely due to retention of earnings, as well as improvement in the unrealized loss position in the Bank's investment portfolio.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the second quarter's results noted, "We were pleased with the second quarter results for 2023. These results, in comparison to second quarter results of 2022, show that we continue to successfully navigate a challenging interest rate environment. We continue to see good loan production and credit quality remains very sound.

During second quarter, we expanded into the Central Georgia market with the opening of our Macon financial center. During the second quarter, we also commenced an offering of common stock in conjunction with our acquisition of Elberton Federal. The offering was oversubscribed and raised \$4.3 million."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates six full-service financial centers in Georgia, located in Oconee, Athens Clarke, Gwinnett and Macon-Bibb counties, including its newest location in Elbert County. In February 2023, Oconee State bank celebrated 63 years of service and continues to be the only locally owned and operated community bank headquartered in Oconee County. Oconee State Bank proudly serves its communities, providing unparalleled commitment to personalized service, innovative products and solutions, and brings exceptional value to all stakeholders, through local ownership, involvement, and decision making. The bank strives to be essential to those it serves, by creating remarkable experiences that significantly mark the lives of others. Oconee Financial Corporation was established in January 1999 to serve as the holding company of Oconee State Bank.

Please visit Oconee State Bank's website, www.oconeestatebank.com for a full listing of products and services.

OCONEE FINANCIAL CORPORATION
BALANCE SHEET

	6/30/2023	12/31/2022
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 32,777,631	\$ 51,430,016
Securities available for sale (at fair value)	160,056,235	159,640,457
Other investment	820,800	285,500
Mortgage loans held for sale	3,553,962	140,409
Loans, net of unearned income	302,025,228	300,130,642
Allowance for loan loss	(4,285,437)	(4,549,357)
Loans, net	297,739,790	295,581,285
Premises and equipment	8,065,484	8,000,576
Other assets	23,207,841	21,669,411
Total Assets	\$ 526,221,743	\$ 536,747,654
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 463,562,464	\$ 494,869,684
Federal Home Loan Bank Advances	13,000,000	--
Subordinated debenture, net of capitalized expenses	9,830,368	9,818,393
Dividends payable	--	--
Accrued expenses and other liabilities	3,258,211	2,976,386
Total Liabilities	489,651,043	507,664,463
Stockholder's Equity:		
Common Stock	1,796,746	1,795,900
Restricted Stock	(72,695)	(43,528)
Additional Paid in Capital	4,192,523	4,176,342
Stock Subscription	3,765,147	--
Retained earnings	38,149,166	36,764,762
Unrealized gain/loss on securities and derivatives	(11,260,187)	(13,610,285)
Total Stockholder's Equity	36,570,699	29,083,191
Total Liabilities and Stockholder's Equity	\$ 526,221,743	\$ 536,747,654
Book Value Per Share	\$ 40.79	\$ 32.43

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	6/30/2023	6/30/2022
	(Unaudited)	
Interest Income:		
Loans	\$ 4,349,798	\$ 3,333,559
Securities available for sale		
State, County & Municipal	189,543	192,939
Treasuries & Agencies	1,045,674	323,493
Corporate	94,766	94,766
Federal funds sold & other	373,890	89,475
	6,053,670	4,034,232
Interest Expense:		
Deposits	836,212	158,246
Other	274,943	155,987
Total Interest Expense	1,111,156	314,233
Net interest income	4,942,515	3,719,999
Provision for loan losses	26,143	--
Net income after provision for loan losses	4,916,371	3,719,999
Noninterest income		
Service charges on deposit accounts	159,831	160,443
Gain (loss) on Sale of Assets	--	218,227
Securities gains (losses), net	--	--
Mortgage banking income	234,534	238,374
SBA loan related income	62,807	712,838
Commissions on investment sales	35,711	37,890
Other	368,743	411,082
Total noninterest income	861,625	1,778,854
Noninterest expense		
Salaries and employee benefits	2,572,099	2,262,774
Occupancy	318,276	305,094
Other operating	1,554,430	1,321,550
Total noninterest expense	4,444,805	3,889,418
Income before provision for income taxes	1,333,192	1,609,435
Provision for income taxes	314,448	379,959
Net Income	\$ 1,018,744	\$ 1,229,477
Period-Ending Outstanding Shares	896,497	896,074
Weighted Average Shares Outstanding	897,245	896,823
QTD Earnings Per Common Share	\$ 1.14	\$ 1.37

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	6/30/2023	6/30/2022
	(Unaudited)	
Interest Income:		
Loans	\$ 8,308,525	\$ 6,623,582
Securities available for sale		
State, County & Municipal	379,224	387,964
Treasuries & Agencies	2,049,575	625,557
Corporate	189,531	189,740
Federal funds sold & other	679,548	127,129
	11,606,403	7,953,972
Interest Expense:		
Deposits	1,354,768	329,127
Other	470,035	311,974
Total Interest Expense	1,824,803	641,101
Net interest income	9,781,600	7,312,871
Provision for loan losses	26,143	--
Net income after provision for loan losses	9,755,457	7,312,871
Noninterest income		
Service charges on deposit accounts	321,618	323,389
Loss on Sale of Assets	3,900	218,227
Securities gains (losses), net	--	--
Mortgage banking income	372,519	616,875
SBA loan related income	511,747	815,364
Commissions on investment sales	60,792	61,635
Other	764,817	812,152
Total noninterest income	2,035,392	2,847,642
Noninterest expense		
Salaries and employee benefits	5,176,883	4,562,970
Occupancy	619,366	608,000
Other operating	3,148,463	2,617,969
Total noninterest expense	8,944,711	7,788,939
Income before provision for income taxes	2,846,139	2,371,574
Provision for income taxes	699,712	551,721
Net Income	\$ 2,146,427	\$ 1,819,853
Period-Ending Outstanding Shares	896,497	896,074
Weighted Average Shares Outstanding	897,245	896,823
YTD Earnings Per Common Share	\$ 2.39	\$ 2.03