

Oconee Financial Corporation Reports Third Quarter 2021 Results

WATKINSVILLE, Ga., November 03, 2021/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the third quarter of 2021. Unaudited net income for the three months ending September 30, 2021, was \$654,692 or \$0.73 per common share. This compares to \$516,482 or \$0.58 per common share for the third quarter of the prior year, an increase of 26.8%. . The increase in net earnings for the third quarter was mainly attributable to an increase in net interest income of \$110,000. While interest income on loans decreased \$202,000 due to lower loan yields during 2021, interest income on investments increased \$249,000 due to the investment of excess funds into available-for-sale investment securities. In addition, interest expense on deposits and borrowings decreased \$63,000, primarily due to lower rates on deposits.

Unaudited net income YTD as of September 30, 2021 was \$2,291,330 or \$2.56 per common share. This compares to \$1,555,194 or \$1.73 per common share for YTD as of September 30 of the prior year. This represents an increase of 47.3% in net earnings YTD September 30, 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 Paycheck Protection Program (PPP) fees recognized of \$964,000 and increases in mortgage banking income of \$412,000.

Total assets as of September 30, 2021, were \$532.2 million, compared to total assets of \$494.5 million as of December 31, 2020. Total loans were \$297.7 million and deposits were \$481.2 million as of September 30, 2021. This compared to total loans of \$319.6 million and deposits of \$444.7 million at December 31, 2020. As of September 30, 2021, total loans decreased 6.9% and total deposits increased 8.2% versus December 31, 2020. Book value per share at September 30, 2021 was \$43.88.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the third quarter's results noted, "we're pleased with our growth in earnings for the quarter and for the year to date. While loans decreased over the prior year, this was primarily due to a \$39 million decrease in PPP loans versus the year ago level. We saw very strong loan demand in the third quarter and strong loan demand continues into the fourth quarter. This growth reflects the vibrancy of our markets and the quality of our lending team."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service branches and one limited-service branch. In February 2021, Oconee State bank celebrated 61 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

	9/30/2021	12/31/2020
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 75,024,113	\$ 76,418,430
Securities available for sale (at fair value)	137,637,156	75,548,813
Other investment	247,400	359,700
Mortgage loans held for sale	1,994,769	6,408,720
Loans, net of unearned income	301,996,154	323,624,861
Allowance for loan loss	(4,316,855)	(4,057,091)
Loans, net	297,679,299	319,567,770
Premises and equipment	8,186,982	5,103,036
Other real estate owned	--	--
Other assets	11,465,768	11,129,233
Total Assets	\$ 532,235,487	\$ 494,535,702
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 481,178,740	\$ 444,701,932
Subordinated debenture, net of capitalized expenses	9,788,458	9,770,497
Dividends payable	--	--
Accrued expenses and other liabilities	1,970,147	1,928,168
Total Liabilities	492,937,345	456,400,597
Stockholder's Equity:		
Common Stock	1,795,076	1,794,250
Restricted Stock	(63,724)	(37,976)
Additional Paid in Capital	4,159,822	4,147,114
Retained earnings	32,560,129	30,850,978
Unrealized gain/loss on securities	846,839	1,380,739
Total Stockholder's Equity	39,298,142	38,135,105
Total Liabilities and Stockholder's Equity	\$ 532,235,487	\$ 494,535,702
Book Value Per Share	\$ 43.88	\$ 42.56

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	9/30/2021	9/30/2020
	(Unaudited)	
Interest Income:		
Loans	\$ 11,358,766	\$ 10,885,055
Securities available for sale		
State, County & Municipal	517,609	257,010
Treasuries & Agencies	610,697	665,164
Corporate	251,273	13,406
Federal funds sold & other	65,700	180,068
	12,804,045	12,000,703
Interest Expense:		
Deposits	783,570	1,310,370
Other	467,962	135,793
Total Interest Expense	1,251,532	1,446,163
Net interest income	11,552,513	10,554,540
Provision for loan losses	235,500	862,500
Net income after provision for loan losses	11,317,013	9,692,040
Noninterest income		
Service charges on deposit accounts	332,215	339,613
Loss on Sale of Assets	(64,151)	(18,155)
Securities gains (losses), net	172,312	182,860
Mortgage banking income	1,662,571	1,250,518
SBA loan related income	155,713	589,352
Commissions on investment sales	163,080	430,521
Other	1,055,703	920,082
Total noninterest income	3,477,442	3,694,790
Noninterest expense		
Salaries and employee benefits	6,867,084	7,491,765
Occupancy	1,049,283	899,999
Other operating	4,000,890	3,097,216
Total noninterest expense	11,917,257	11,488,980
Income before provision for income taxes	2,877,198	1,897,851
Provision for income taxes	585,868	342,657
Net Income	\$ 2,291,330	\$ 1,555,194
Period-Ending Outstanding Shares	895,662	895,237
Weighted Average Shares Outstanding	895,662	895,401
YTD Earnings Per Common Share	\$ 2.56	\$ 1.73

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	9/30/2021	9/30/2020
	(Unaudited)	
Interest Income:		
Loans	\$ 3,618,485	\$ 3,820,044
Securities available for sale		
State, County & Municipal	163,671	82,218
Treasuries & Agencies	249,781	168,215
Corporate	92,651	12,531
Federal funds sold & other	25,746	19,813
	4,150,335	4,102,821
Interest Expense:		
Deposits	236,938	338,078
Other	155,988	117,597
Total Interest Expense	392,926	455,675
Net interest income	3,757,409	3,647,146
Provision for loan losses	--	487,500
Net income after provision for loan losses	3,757,409	3,159,646
Noninterest income		
Service charges on deposit accounts	117,081	109,566
Loss on Sale of Assets	(27,690)	(4,864)
Securities gains (losses), net	--	18,866
Mortgage banking income	459,902	627,119
SBA loan related income	37,168	279,804
Commissions on investment sales	23,738	147,232
Other	306,231	310,801
Total noninterest income	916,430	1,488,524
Noninterest expense		
Salaries and employee benefits	2,221,805	2,593,803
Occupancy	387,877	306,541
Other operating	1,256,915	1,139,494
Total noninterest expense	3,866,597	4,039,838
Income before provision for income taxes	807,242	608,332
Provision for income taxes	152,550	91,850
Net Income	\$ 654,692	\$ 516,482
Period-Ending Outstanding Shares	895,662	895,237
Weighted Average Shares Outstanding	895,662	895,401
QTD Earnings Per Common Share	\$ 0.73	\$ 0.58