

Oconee Financial Corporation Reports Third Quarter 2022 Results

WATKINSVILLE, Ga., November 02, 2022/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the third quarter of 2022. Unaudited net income for the three months ending September 30, 2022, was \$1,032,230 or \$1.15 per common share. This compares to \$654,692 or \$0.73 per common share for the third quarter of the prior year, an increase of 57.7%. The increase in net earnings for the third quarter was mainly attributable to an increase in interest income on investments of \$489,000. Net interest income increased \$459,000 for the third quarter 2022 compared to the same period of 2021. This was mainly due to the increase in interest income on investments, which is attributed to the investment of excess funds into available-for-sale investment securities. In addition, interest expense on deposits and borrowings decreased \$54,000, primarily due to lower interest rates on deposits versus a year ago.

Unaudited net income YTD as of September 30, 2022 was \$2,852,083 or \$3.18 per common share. This compares to \$2,291,330 or \$2.56 per common share for YTD as of September 30 of the prior year. This represents an increase of 24.5% in net earnings YTD September 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 September 30, 2022 were \$2,685,083 or \$2.99 per share.

Total assets as of September 30, 2022 were \$533.0 million, compared to total assets of \$571.1 million as of December 31, 2021, a decrease of 6.7%. Total loans were \$291.1 million and total deposits were \$488.4 million as of September 30, 2022. This compared to total loans of \$298.0 million and deposits of \$519.7 million at December 31, 2021. As of September 30, 2022, total loans decreased 2.3% and total deposits decreased 6.0% versus December 31, 2021. The decrease in total deposits and total assets is due to a seasonal decline in municipal deposits. Book value per share at September 30, 2022 was \$30.54 versus \$43.88 at December 31, 2021. The decrease in book value per share during the year was due to the recording of unrealized losses in the Bank's investment portfolio.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the third quarter's results noted "we were very pleased with our third quarter and year-to-date results. Earnings are substantially improved over the comparable periods and reflect the outstanding efforts of our team members in the day to day execution of our strategic plan."

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

	9/30/2022	12/31/2021
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 50,506,172	\$ 85,774,514
Securities available for sale (at fair value)	161,449,262	162,165,152
Other investment	473,000	247,400
Mortgage loans held for sale	721,050	1,212,617
Loans, net of unearned income	295,671,869	302,523,687
Allowance for loan loss	(4,549,277)	(4,542,292)
Loans, net	291,122,592	297,981,395
Premises and equipment	7,862,995	8,602,518
Other assets	20,829,860	15,158,402
Total Assets	\$ 532,964,932	\$ 571,141,998
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 488,440,786	\$ 519,693,969
Federal Home Loan Bank Advances	5,000,000	--
Subordinated debenture, net of capitalized expenses	9,812,406	9,794,445
Dividends payable	--	--
Accrued expenses and other liabilities	2,349,083	2,320,963
Total Liabilities	505,602,276	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	35,493,159	33,268,328
Unrealized gain/loss on securities and derivatives	(14,032,222)	147,706
Total Stockholder's Equity	27,362,656	39,332,621
Total Liabilities and Stockholder's Equity	\$ 532,964,932	\$ 571,141,998
Book Value Per Share	\$ 30.54	\$ 43.88

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	9/30/2022	9/30/2021
	(Unaudited)	
Interest Income:		
Loans	\$ 10,157,749	\$ 11,358,766
Securities available for sale		
State, County & Municipal	576,141	517,609
Treasuries & Agencies	1,178,880	610,697
Corporate	284,505	251,273
Federal funds sold & other	311,793	65,700
	12,509,068	12,804,045
Interest Expense:		
Deposits	507,950	783,570
Other	472,330	467,962
Total Interest Expense	980,280	1,251,532
Net interest income	11,528,788	11,552,513
Provision for loan losses	--	235,500
Net income after provision for loan losses	11,528,788	11,317,013
Noninterest income		
Service charges on deposit accounts	486,663	332,215
Gain (loss) on Sale of Assets	218,227	(64,151)
Securities gains (losses), net	749	172,312
Mortgage banking income	863,766	1,662,571
SBA loan related income	985,214	155,713
Commissions on investment sales	100,484	163,080
Other	1,225,014	1,055,703
Total noninterest income	3,880,117	3,477,442
Noninterest expense		
Salaries and employee benefits	6,867,311	6,867,084
Occupancy	891,742	1,049,283
Other operating	3,952,804	4,000,890
Total noninterest expense	11,711,857	11,917,257
Income before provision for income taxes	3,697,048	2,877,198
Provision for income taxes	844,965	585,868
Net Income	\$ 2,852,083	\$ 2,291,330
Period-Ending Outstanding Shares	896,074	895,662
Weighted Average Shares Outstanding	896,823	895,662
YTD Earnings Per Common Share	\$ 3.18	\$ 2.56

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	9/30/2022	9/30/2021
	(Unaudited)	
Interest Income:		
Loans	\$ 3,534,167	\$ 3,618,485
Securities available for sale		
State, County & Municipal	188,176	163,671
Treasuries & Agencies	553,324	249,781
Corporate	94,766	92,651
Federal funds sold & other	184,664	25,746
	4,555,096	4,150,335
Interest Expense:		
Deposits	178,823	236,938
Other	160,356	155,988
Total Interest Expense	339,179	392,926
Net interest income	4,215,916	3,757,409
Provision for loan losses	--	--
Net income after provision for loan losses	4,215,916	3,757,409
Noninterest income		
Service charges on deposit accounts	163,274	117,081
Gain (loss) on Sale of Assets	--	(27,690)
Securities gains (losses), net	749	--
Mortgage banking income	246,891	459,902
SBA loan related income	169,851	37,168
Commissions on investment sales	38,849	23,738
Other	412,861	306,231
Total noninterest income	1,032,476	916,430
Noninterest expense		
Salaries and employee benefits	2,304,341	2,221,805
Occupancy	283,741	387,877
Other operating	1,334,835	1,256,915
Total noninterest expense	3,922,917	3,866,597
Income before provision for income taxes	1,325,475	807,242
Provision for income taxes	293,244	152,550
Net Income	\$ 1,032,230	\$ 654,692
Period-Ending Outstanding Shares	896,074	895,662
Weighted Average Shares Outstanding	896,823	895,662
QTD Earnings Per Common Share	\$ 1.15	\$ 0.73