

Oconee Financial Corporation Reports Fourth Quarter 2022 Results

WATKINSVILLE, Ga., February 10, 2023/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the fourth quarter of 2022. Unaudited net income for the three months ending December 31, 2022, was \$1,271,602 or \$1.42 per common share. This compares to \$708,199 or \$0.79 per common share for the fourth quarter of the prior year, an increase of 79.6%. The increase in net earnings for the fourth quarter 2022 was mainly attributable to an increase in net interest income of \$852,000 compared to the same period of 2021. This was mainly due to increases in interest income on investments of \$660,000 and interest income on interest-bearing bank balances of \$395,000.

Unaudited net income YTD as of December 31, 2022 was \$4,123,685 or \$4.60 per common share. This compares to \$2,999,529 or \$3.35 per common share for the year ended December 31, 2021. This represents an increase of 37.5% in net earnings YTD December 31, 2022 as compared to the same period in 2021.

Total assets as of December 31, 2022 were \$536.7 million, compared to total assets of \$571.1 million as of December 31, 2021, a decrease of 6.0%. Total loans were \$295.6 million and total deposits were \$494.9 million as of December 31, 2022. This compared to total loans of \$298.0 million and deposits of \$519.7 million at December 31, 2021. As of December 31, 2022, total loans decreased 0.8% and total deposits decreased 4.8% versus December 31, 2021. The decrease in total deposits and total assets is primarily due to a decline in retail and municipal deposits. Book value per share at December 31, 2022 was \$32.43 versus \$43.88 at December 31, 2021. The decrease in book value per share during the year was due to unrealized losses in the Bank's investment portfolio.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the fourth quarter's results noted "We were very pleased with both the fourth quarter and full year results for 2022. We believe we're successfully navigating a very challenging interest rate environment. We continue to see good loan production and sound credit quality."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service financial centers and one loan production office. 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 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

	12/31/2022	12/31/2021
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 51,430,016	\$ 85,774,514
Securities available for sale (at fair value)	159,640,457	162,165,152
Other investment	285,500	247,400
Mortgage loans held for sale	140,409	1,212,617
Loans, net of unearned income	300,130,642	302,523,687
Allowance for loan loss	(4,549,357)	(4,542,292)
Loans, net	295,581,285	297,981,395
Premises and equipment	8,000,576	8,602,518
Other assets	21,669,411	15,158,402
Total Assets	\$ 536,747,653	\$ 571,141,998
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 494,869,684	\$ 519,693,969
Federal Home Loan Bank Advances	--	--
Subordinated debenture, net of capitalized expenses	9,818,393	9,794,445
Dividends payable	--	--
Accrued expenses and other liabilities	2,976,385	2,320,963
Total Liabilities	507,664,463	531,809,377
Stockholder's Equity:		
Common Stock	1,795,900	1,795,076
Restricted Stock	(43,528)	(38,311)
Additional Paid in Capital	4,176,342	4,159,822
Retained earnings	36,764,762	33,268,328
Unrealized gain/loss on securities and derivatives	(13,610,285)	147,706
Total Stockholder's Equity	29,083,191	39,332,621
Total Liabilities and Stockholder's Equity	\$ 536,747,653	\$ 571,141,998
Book Value Per Share	\$ 32.43	\$ 43.88

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	<u>12/31/2022</u> (Unaudited)	<u>12/31/2021</u>
Interest Income:		
Loans	\$ 13,924,934	\$ 15,281,802
Securities available for sale		
State, County & Municipal	765,942	685,752
Treasuries & Agencies	2,103,601	875,535
Corporate	379,271	346,038
Federal funds sold & other	743,302	102,278
	<u>17,917,050</u>	<u>17,291,405</u>
Interest Expense:		
Deposits	783,609	1,001,740
Other	639,116	623,949
Total Interest Expense	<u>1,422,725</u>	<u>1,625,689</u>
Net interest income	16,494,326	15,665,716
Provision for loan losses	<u>--</u>	<u>456,000</u>
Net income after provision for loan losses	16,494,326	15,209,716
Noninterest income		
Service charges on deposit accounts	645,856	458,943
Gain (loss) on Sale of Assets	218,227	(268,123)
Securities gains (losses), net	749	172,312
Mortgage banking income	1,017,698	2,067,991
SBA loan related income	1,245,249	339,651
Commissions on investment sales	122,104	187,329
Other	1,616,323	1,434,421
Total noninterest income	<u>4,866,206</u>	<u>4,392,523</u>
Noninterest expense		
Salaries and employee benefits	9,496,173	9,300,150
Occupancy	1,181,164	1,425,137
Other operating	5,354,838	5,145,490
Total noninterest expense	<u>16,032,175</u>	<u>15,870,776</u>
Income before provision for income taxes	5,328,357	3,731,463
Provision for income taxes	<u>1,204,672</u>	<u>731,934</u>
Net Income	<u>\$ 4,123,685</u>	<u>\$ 2,999,529</u>
Period-Ending Outstanding Shares	896,824	896,412
Weighted Average Shares Outstanding	896,823	896,412
YTD Earnings Per Common Share	\$ 4.60	\$ 3.35

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	12/31/2022	12/31/2021
	(Unaudited)	
Interest Income:		
Loans	\$ 3,767,185	\$ 3,923,036
Securities available for sale		
State, County & Municipal	189,802	168,142
Treasuries & Agencies	924,721	264,838
Corporate	94,766	94,766
Federal funds sold & other	431,509	36,578
	5,407,982	4,487,360
Interest Expense:		
Deposits	275,659	218,171
Other	166,786	155,987
Total Interest Expense	442,444	374,158
Net interest income	4,965,538	4,113,203
Provision for loan losses	--	220,500
Net income after provision for loan losses	4,965,538	3,892,703
Noninterest income		
Service charges on deposit accounts	159,193	126,728
Gain (loss) on Sale of Assets	--	(203,971)
Securities gains (losses), net	--	--
Mortgage banking income	153,933	405,419
SBA loan related income	260,035	183,938
Commissions on investment sales	21,619	24,249
Other	391,309	378,718
Total noninterest income	986,089	915,081
Noninterest expense		
Salaries and employee benefits	2,628,861	2,433,066
Occupancy	289,423	375,854
Other operating	1,402,034	1,144,600
Total noninterest expense	4,320,318	3,953,519
Income before provision for income taxes	1,631,308	854,265
Provision for income taxes	359,706	146,066
Net Income	\$ 1,271,602	\$ 708,199
Period-Ending Outstanding Shares	896,824	896,412
Weighted Average Shares Outstanding	896,823	896,412
QTD Earnings Per Common Share	\$ 1.42	\$ 0.79