

## Oconee Financial Corporation Reports Third Quarter 2023 Results

WATKINSVILLE, Ga., November 9, 2023/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the third quarter of 2023. Unaudited net income for the three months ending September 30, 2023, was \$2.9 million or \$3.19 per common share. This compares to \$1.0 million or \$1.15 per common share for the third quarter of 2022, an increase of 184%. The increase in net earnings for the third quarter 2023 was mainly attributable to increases in non-interest income of \$2.1 million and net interest income of \$947,000, offset by an increase in non-interest expense of \$1.0 million over the same period of 2022. The increase in non-interest income was due to the recording of a bargain purchase gain of \$2.1 million from the merger with Elberton Federal Savings & Loan Association ("Elberton Federal"). \$259,000 of the increase in non-interest expense was attributable to expenses related to the Elberton Federal merger. The net interest income increase was mainly due to increases in interest income on loans of \$1.2 million, interest income on investments of \$546,000, and interest income on interest-bearing bank balances of \$560,000, offset by increases in interest expense on deposits and interest expense on borrowings of \$1.3 million.

Unaudited net income, YTD as of September 30, 2023, was \$5.1 million, or \$5.52 per common share. This compares to \$2.9 million or \$3.18 per common share for YTD as of September 30 of the prior year. This represents an increase of 78% in year-to-date net earnings as compared to the same period in 2022. YTD earnings for 2023 also includes expenses related to our merger with Elberton Federal of \$556,000 and the recorded bargain purchase gain of \$2.1 million.

Total assets as of September 30, 2023, were \$579.9 million, compared to total assets of \$536.7 million as of December 31, 2022, an increase of 8%. Total loans were \$331.8 million and total deposits were \$504.9 million as of September 30, 2023. This compared to total loans of \$295.6 million and total deposits of \$494.9 million at December 31, 2022. As of September 30, 2023, total loans increased 12.2% and total deposits increased 2.0% versus December 31, 2022. The increase in total deposits and total assets is primarily due to the merger with Elberton. Elberton loans of \$19.5 million and deposits of \$16.1 million are included in the increase. Book value per share at September 30, 2023 was \$37.81 versus \$32.43 at December 31, 2022. The increase in book value per share during the year was largely due to retention of earnings, the bargain purchase gain noted above as well as a year-to-date increase in Other Comprehensive Income, which includes an increase in the fair value of derivatives offset by an increase in the Bank's unrealized loss in the investment portfolio, .

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the third quarter's results noted, "We were pleased with the third quarter results for 2023. These results, even after excluding the bargain purchase gain and related merger expenses, compare favorably to last year's third quarter results. We continue to successfully navigate a challenging interest rate environment and are seeing good loan production and sound credit quality.

During third quarter, we expanded into the Northeast Georgia market with the merger and opening of our Elberton financial center. Effective July 31, 2023, Oconee Financial Corporation completed its acquisition of Elberton Federal and its related common stock offering, in a conversion merger transaction. Stevens said "we welcome the addition of Elberton Federal, its team of experienced bankers, and our newest shareholders and customers in Elbert County. We aim to provide them the same high level of service and care our current customers and shareholders enjoy".

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](http://www.oconeestatebank.com) for a full listing of products and services.

**OCONEE FINANCIAL CORPORATION**  
**BALANCE SHEET**

	9/30/2023	12/31/2022
	(Unaudited)	
<b><u>ASSETS</u></b>		
Cash and due from banks	\$ 52,077,900	\$ 51,430,016
Securities available for sale (at fair value)	155,731,434	159,640,457
Other investment	1,458,674	285,500
Mortgage loans held for sale	2,879,547	140,409
Loans, net of unearned income	336,308,650	300,130,642
Allowance for loan loss	(4,477,382)	(4,549,357)
Loans, net	331,831,268	295,581,285
Premises and equipment	8,781,786	8,000,576
Other assets	27,127,018	21,669,411
Total Assets	\$ 579,887,626	\$ 536,747,654
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Liabilities:		
Deposits	\$ 504,868,729	\$ 494,869,684
Federal Home Loan Bank Advances	22,250,000	--
Subordinated debenture, net of capitalized expenses	9,336,355	9,818,393
Dividends payable	--	--
Accrued expenses and other liabilities	3,905,768	2,976,386
Total Liabilities	540,360,851	507,664,463
Stockholder's Equity:		
Common Stock	2,094,776	1,795,900
Restricted Stock	(72,695)	(43,528)
Additional Paid in Capital	7,043,013	4,176,342
Stock Subscription	--	--
Retained earnings	43,007,068	36,764,762
Unrealized gain/loss on securities and derivatives	(12,545,387)	(13,610,285)
Total Stockholder's Equity	39,526,775	29,083,191
Total Liabilities and Stockholder's Equity	\$ 579,887,626	\$ 536,747,654
Book Value Per Share	\$ 37.81	\$ 32.43

**OCONEE FINANCIAL CORPORATION**  
**STATEMENT OF INCOME-QTD**

	9/30/2023	9/30/2022
	(Unaudited)	
Interest Income:		
Loans	\$ 4,733,783	\$ 3,534,167
Securities available for sale		
State, County & Municipal	189,440	188,176
Treasuries & Agencies	1,087,633	553,324
Corporate	104,790	94,766
Federal funds sold & other	744,849	184,664
Total Interest Income	6,860,496	4,555,096
Interest Expense:		
Deposits	1,289,891	178,823
Other	407,967	160,356
Total Interest Expense	1,697,858	339,179
Net interest income	5,162,637	4,215,916
Provision for loan losses	75,998	--
Net income after provision for loan losses	5,086,639	4,215,916
Noninterest income		
Service charges on deposit accounts	161,756	163,274
Gain (loss) on Sale of Assets	--	0
Bargain Purchase Gain - Elberton Federal	2,058,797	--
Securities gains (losses), net	2,237	749
Mortgage banking income	329,546	246,892
SBA loan related income	200,259	169,851
Commissions on investment sales	42,660	38,849
Other	350,720	412,861
Total noninterest income	3,145,975	1,032,476
Noninterest expense		
Salaries and employee benefits	2,850,574	2,304,341
Occupancy	367,261	283,741
Other operating	1,750,251	1,334,835
Total noninterest expense	4,968,086	3,922,917
Income before provision for income taxes	3,264,528	1,325,475
Provision for income taxes	331,629	293,244
Net Income	\$ 2,932,899	\$ 1,032,230
Period-Ending Outstanding Shares	1,045,512	896,074
Weighted Average Shares Outstanding	920,582	896,823
QTD Earnings Per Common Share	\$ 3.19	\$ 1.15

**OCONEE FINANCIAL CORPORATION**  
**STATEMENT OF INCOME-YTD**

	9/30/2023	9/30/2022
	(Unaudited)	
Interest Income:		
Loans	\$ 13,042,308	\$ 10,157,749
Securities available for sale		
State, County & Municipal	568,664	576,141
Treasuries & Agencies	3,137,208	1,178,880
Corporate	294,322	284,505
Federal funds sold & other	1,424,397	311,793
Total Interest Income	18,466,899	12,509,068
Interest Expense:		
Deposits	2,644,659	507,950
Other	878,002	472,330
Total Interest Expense	3,522,660	980,280
Net interest income	14,944,239	11,528,788
Provision for loan losses	102,141	--
Net income after provision for loan losses	14,842,098	11,528,788
Noninterest income		
Service charges on deposit accounts	483,374	486,663
Gain (loss) on Sale of Assets	3,900	218,227
Bargain Purchase Gain - Elberton Federal	2,058,797	--
Securities gains (losses), net	2,237	749
Mortgage banking income	702,065	863,766
SBA loan related income	712,006	985,214
Commissions on investment sales	103,452	100,484
Other	1,115,537	1,225,014
Total noninterest income	5,181,368	3,880,117
Noninterest expense		
Salaries and employee benefits	8,027,456	6,867,311
Occupancy	986,627	891,742
Other operating	4,898,714	3,952,804
Total noninterest expense	13,912,797	11,711,857
Income before provision for income taxes	6,110,669	3,697,048
Provision for income taxes	1,031,341	844,965
Net Income	\$ 5,079,328	\$ 2,852,083
Period-Ending Outstanding Shares	1,045,512	896,074
Weighted Average Shares Outstanding	920,582	896,823
YTD Earnings Per Common Share	\$ 5.52	\$ 3.18