

Oconee Financial Corporation Reports Second Quarter 2024 Results

WATKINSVILLE, Ga., August 6, 2024/OTC Markets/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the second quarter of 2024. Unaudited net income for the three months ending June 30, 2024, was \$1.2 million or \$1.12 per common share. This compares to \$1.0 million or \$1.14 per common share for the second quarter of 2023, an increase of 14.8%. The increase in net earnings for the second quarter 2024 was mainly attributable to an increase of net interest income of \$769,000 and non-interest income of \$522,000, offset by an increase in non-interest expense of \$850,000 and an increase in provision for loan losses of \$295,000 over the same period of 2023. The net interest income increase was mainly due to increases in interest income on loans of \$1.5 million and interest income on interest-bearing bank balances of \$501,000, offset by increases in interest expense on deposits and interest expense on borrowings of \$1.2 million. The increase in non-interest income is attributed to Small Business Administration loan related income increasing by \$419,000 compared to the same period of 2023. The increase in provision for loan losses is attributed to the increase in loan growth of \$20.7 million during the second quarter of 2024. The increase in non-interest expense is mainly due to salaries and employee benefits increasing \$659,000 compared to the same period in 2023, with the increase in employee headcount from 91 full-time employees at June 30, 2023 to 100 full-time employees at June 30, 2024.

Unaudited net income, year-to-date as of June 30, 2024, was \$2.5 million, or \$2.35 per common share. This compares to \$2.1 million or \$2.39 per common share for year-to-date as of June 30 of the prior year. This represents an increase of 14.6% in net earnings year-to-date as of June 30, 2024, as compared to the same period in 2023.

Total assets as of June 30, 2024, were \$602.3 million, compared to total assets of \$589.1 million as of December 31, 2023, an increase of 2.2%. Total loans were \$374.0 million and total deposits were \$532.7 million as of June 30, 2024. This compared to total loans of \$342.4 million and total deposits of \$532.0 million at December 31, 2023. As of June 30, 2024, total loans increased 7.8% and total deposits increased slightly 0.1% versus December 31, 2023. Book value per share at June 30, 2024 was \$43.15 versus \$40.44 at December 31, 2023. The increase in book value per share at June 30, 2024 was largely due to the retention of earnings after accounting for the annual dividend of \$0.95 paid on April 1, 2024. Also affecting the increase in book value per share is a year-to-date increase in Other Comprehensive Income, which includes an increase in the fair value of derivatives of \$1.2 million and a decrease in the Bank's unrealized loss in the investment portfolio of \$198,000.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the second quarter results noted, "we're pleased with the second quarter's results, especially given the bank's continued strong loan growth. The strong loan growth was the cause of a higher provision expense this quarter, which resulted in a reduction of earnings of approximately \$0.22 per share when compared to the second quarter a year ago."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates six full-service financial centers in Georgia, located in Oconee, Athens Clarke, Elbert, Gwinnett, Macon-Bibb counties. In February 2024, Oconee State bank celebrated 64 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

	6/30/2024	12/31/2023
	(Unaudited)	(Audited)
<u>ASSETS</u>		
Cash and due from banks	\$ 43,708,054	\$ 53,094,864
Securities available for sale (at fair value)	151,758,016	159,634,267
Other investment	941,474	449,274
Mortgage loans held for sale	2,082,303	516,750
Loans, net of unearned income	373,953,842	346,988,279
Allowance for loan loss	(4,979,532)	(4,600,281)
Loans, net	368,974,311	342,387,998
Premises and equipment	8,626,672	8,795,018
Other assets	26,160,757	24,179,471
Total Assets	\$ 602,251,587	\$ 589,057,642
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 532,661,621	\$ 531,966,215
Federal Home Loan Bank Advances	11,000,000	1,000,000
Subordinated debenture, net of capitalized expenses	9,354,316	9,342,342
Dividends payable	--	--
Accrued expenses and other liabilities	4,104,377	4,438,495
Total Liabilities	557,120,313	546,747,052
Stockholder's Equity:		
Common Stock	2,097,432	2,096,560
Restricted Stock	(94,780)	(71,214)
Additional Paid in Capital	7,055,069	7,042,299
Retained earnings	45,320,484	43,853,919
Unrealized gain/loss on securities and derivatives	(9,246,931)	(10,610,974)
Total Stockholder's Equity	45,131,274	42,310,590
Total Liabilities and Stockholder's Equity	\$ 602,251,587	\$ 589,057,642
Book Value Per Share	\$ 43.15	\$ 40.44

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	6/30/2024	6/30/2023
	(Unaudited)	
Interest Income:		
Loans	\$ 11,257,044	\$ 8,308,525
Securities available for sale		
State, County & Municipal	378,171	379,224
Treasuries & Agencies	2,095,266	2,049,575
Corporate	189,531	189,531
Federal funds sold & other	1,823,572	679,548
	15,743,584	11,606,403
Interest Expense:		
Deposits	4,105,671	1,354,768
Other	448,464	470,035
Total Interest Expense	4,554,135	1,824,803
Net interest income	11,189,448	9,781,600
Provision for loan losses	412,881	26,143
Net income after provision for loan losses	10,776,567	9,755,457
Noninterest income		
Service charges on deposit accounts	360,843	321,618
Gain (loss) on Sale of Assets	--	3,900
Mortgage banking income	539,240	372,519
SBA loan related income	818,075	511,747
Commissions on investment sales	82,204	60,792
Other	750,433	764,817
Total noninterest income	2,550,796	2,035,392
Noninterest expense		
Salaries and employee benefits	6,221,747	5,176,883
Occupancy	718,281	619,366
Other operating	3,253,841	3,148,463
Total noninterest expense	10,193,869	8,944,711
Income before provision for income taxes	3,133,494	2,846,139
Provision for income taxes	673,277	699,712
Net Income	\$ 2,460,217	\$ 2,146,427
Period-Ending Outstanding Shares	1,045,948	896,497
Weighted Average Shares Outstanding	1,045,949	897,245
YTD Earnings Per Common Share	\$ 2.35	\$ 2.39

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	6/30/2024	6/30/2023
	(Unaudited)	
Interest Income:		
Loans	\$ 5,866,453	\$ 4,349,798
Securities available for sale		
State, County & Municipal	189,016	189,543
Treasuries & Agencies	1,046,130	1,045,675
Corporate	94,766	94,767
Federal funds sold & other	874,774	373,890
	8,071,137	6,053,671
Interest Expense:		
Deposits	2,064,028	836,212
Other	295,414	274,943
Total Interest Expense	2,359,442	1,111,155
Net interest income	5,711,695	4,942,517
Provision for loan losses	321,122	26,143
Net income after provision for loan losses	5,390,574	4,916,373
Noninterest income		
Service charges on deposit accounts	183,515	159,831
Gain (loss) on Sale of Assets	--	--
Mortgage banking income	315,095	234,534
SBA loan related income	482,298	62,807
Commissions on investment sales	39,545	35,710
Other	363,502	368,743
Total noninterest income	1,383,955	861,624
Noninterest expense		
Salaries and employee benefits	3,231,478	2,572,098
Occupancy	363,954	318,276
Other operating	1,698,929	1,554,431
Total noninterest expense	5,294,362	4,444,805
Income before provision for income taxes	1,480,167	1,333,192
Provision for income taxes	311,146	314,447
Net Income	\$ 1,169,021	\$ 1,018,745
Period-Ending Outstanding Shares	1,045,948	896,497
Weighted Average Shares Outstanding	1,045,949	897,245
QTD Earnings Per Common Share	\$ 1.12	\$ 1.14