

## Oconee Financial Corporation Reports First Quarter 2022 Results

WATKINSVILLE, Ga., May 05, 2022/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the first quarter of 2022. Unaudited net income for the three months ending March 31, 2022, was \$590,376 or \$0.66 per common share. This compares to \$824,221 or \$0.92 per common share for the first quarter of the prior year, a decrease of 28.4%. The decrease in net earnings for the first quarter was mainly attributable to a decrease in net interest income of \$314,000. Interest income on loans decreased \$563,000 primarily due to a decline in loan fees from the Paycheck Protection Program (PPP) of \$485,000 versus the first quarter of 2021. Interest income on investments increased \$249,000 due to the investment of excess funds into available-for-sale investment securities. The first quarter of 2021 reflected a gain on sale of investments of \$196,000, versus no gain in the first quarter of 2022. In addition, interest expense on deposits and borrowings decreased \$115,000, primarily due to lower interest rates on deposits. Provision for loan losses decreased \$235,500 due to no loan loss provision being recorded in the first quarter of 2022. Noninterest income decreased \$345,000 primarily due to a decrease in mortgage income of \$207,000.

Total assets as of March 31, 2022, were \$557.1 million, compared to total assets of \$571.1 million as of December 31, 2021, a decrease of 2.5%. Total loans were \$288.3 million and total deposits were \$512.1 million as of March 31, 2022. This compared to total loans of \$298.0 million and deposits of \$519.7 million at December 31, 2021. As of March 31, 2022, total loans decreased 3.3% and total deposits decreased 1.5% versus December 31, 2021. Excluding the effect of paydowns on PPP loans that has continued into 2022, loans decreased \$6.5 million, or 2.2%. Book value per share at March 31, 2022 was \$36.49 versus \$43.88 at December 31, 2021. The decrease in book value per share during the first quarter was due to recording unrealized losses in the Bank's investment portfolio of \$6.6 million.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the first quarter's results noted, "the decline in earnings for the first quarter compared to last year's first quarter reflects the decline in PPP fee income over this period. We believe the first quarter 2022 results are representative of the true earnings of the bank given the relatively small amount of PPP fee income recognized in this year's first quarter. The recording of unrealized losses in the bond portfolio is due to the recent unprecedented rise in interest rates in the first quarter. This is a prevalent issue in the banking industry. These losses are unrealized and do not impact regulatory capital ratios."

Stevens continued "we continue to realign our distribution system to reflect changes in customer preferences. On April 15<sup>th</sup>, we closed our Butler's Crossing financial center. Our customers can use either our Main Office or Bogart financial centers if they want to come into one of our locations in Oconee County. Also, we recently implemented our Digital Solutions Center, which will be the central touch point for all digital banking services and our customer call center."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service financial centers. 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**

	3/31/2022	12/31/2021
	(Unaudited)	
<b><u>ASSETS</u></b>		
Cash and due from banks	\$ 82,779,147	\$ 85,774,514
Securities available for sale (at fair value)	159,482,949	162,165,152
Other investment	285,600	247,400
Mortgage loans held for sale	--	1,212,617
Loans, net of unearned income	292,809,083	302,523,687
Allowance for loan loss	(4,546,704)	(4,542,292)
Loans, net	288,262,379	297,981,395
Premises and equipment	8,548,560	8,602,518
Other assets	17,754,063	15,158,402
Total Assets	\$ 557,112,697	\$ 571,141,998
<b><u>LIABILITIES AND STOCKHOLDERS' EQUITY</u></b>		
Liabilities:		
Deposits	\$ 512,054,545	\$ 519,693,969
Subordinated debenture, net of capitalized expenses	9,800,432	9,794,445
Dividends payable	627,252	--
Accrued expenses and other liabilities	1,934,493	2,320,963
Total Liabilities	524,416,722	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	33,231,452	33,268,328
Unrealized gain/loss on securities	(6,437,196)	147,706
Total Stockholder's Equity	32,695,975	39,332,621
 Total Liabilities and Stockholder's Equity	 \$ 557,112,697	 \$ 571,141,998
 Book Value Per Share	 \$ 36.49	 \$ 43.88

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

	3/31/2022	3/31/2021
	(Unaudited)	
Interest Income:		
Loans	\$ 3,290,023	\$ 3,853,102
Securities available for sale		
State, County & Municipal	195,025	187,343
Treasuries & Agencies	302,064	104,647
Corporate	94,974	67,773
Federal funds sold & other	37,654	20,573
	3,919,740	4,233,437
Interest Expense:		
Deposits	170,881	286,087
Other	155,987	155,987
Total Interest Expense	326,868	442,074
Net interest income	3,592,872	3,791,363
Provision for loan losses	--	235,500
Net income after provision for loan losses	3,592,872	3,555,863
Noninterest income		
Service charges on deposit accounts	162,946	106,182
Loss on Sale of Assets	--	--
Securities gains (losses), net	--	196,303
Mortgage banking income	378,500	585,233
SBA loan related income	102,525	44,446
Commissions on investment sales	23,745	79,217
Other	401,071	402,079
Total noninterest income	1,068,787	1,413,461
Noninterest expense		
Salaries and employee benefits	2,300,196	2,290,952
Occupancy	302,906	307,016
Other operating	1,296,419	1,327,366
Total noninterest expense	3,899,521	3,925,334
Income before provision for income taxes	762,138	1,043,990
Provision for income taxes	171,762	219,769
Net Income	\$ 590,376	\$ 824,221
Period-Ending Outstanding Shares	896,074	895,662
Weighted Average Shares Outstanding	896,822	895,662
YTD Earnings Per Common Share	\$ 0.66	\$ 0.92