

Oconee Financial Corporation Reports First Quarter 2024 Results

WATKINSVILLE, Ga., May 7, 2024/OTC Markets/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the first quarter of 2024. Unaudited net income for the three months ending March 31, 2024, was \$1.3 million or \$1.23 per common share. This compares to \$1.1 million or \$1.26 per common share for the first quarter of 2023, an increase of 14.5%. The increase in net earnings for the first quarter 2024 was mainly attributable to an increase of net interest income of \$639 thousand, offset by an increase in non-interest expense of \$400 thousand over the same period of 2023. The net interest income increase was mainly due to increases in interest income on loans of \$1.4 million, interest income on investments of \$45 thousand, and interest income on interest-bearing bank balances of \$643 thousand, offset by increases in interest expense on deposits and interest expense on borrowings of \$1.5 million. The increase in non-interest expense is mainly due to salaries and employee benefits increasing \$385 thousand compared to the same period in 2023 with the increase in employee headcount from 89 FTE at March 31, 2023 to 94 FTE at March 31, 2024.

Total assets as of March 31, 2024, were \$586.6 million, compared to total assets of \$589.1 million as of December 31, 2023, a decrease of 0.4%. Total loans were \$348.6 million and total deposits were \$527.6 million as of March 31, 2024. This compared to total loans of \$342.4 million and total deposits of \$532.0 million at December 31, 2023. As of March 31, 2024, total loans increased 1.8% and total deposits decreased 0.8% versus December 31, 2023. The decrease in total deposits and total assets is due to a seasonal decline in municipal deposits. Book value per share at March 31, 2024 was \$41.47 versus \$40.44 at December 31, 2023. The increase in book value per share in the first quarter 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 \$975 thousand being offset by an increase in the Bank's unrealized loss in the investment portfolio of \$193 thousand.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the first quarter results noted, "Oconee State Bank is off to a solid start in the first quarter with an increase in earnings driven by a strong net interest margin, solid loan growth and continued excellent asset quality. We increased our annual dividend almost 12% from \$0.85 per share to \$0.95 per share, reflecting the strong year we had in 2023".

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 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

	3/31/2024	12/31/2023
	(Unaudited)	(Audited)
<u>ASSETS</u>		
Cash and due from banks	\$ 49,258,820	\$ 53,094,864
Securities available for sale (at fair value)	152,800,543	159,634,267
Other investment	466,474	449,274
Mortgage loans held for sale	1,169,773	516,750
Loans, net of unearned income	353,266,803	346,988,279
Allowance for loan loss	(4,686,972)	(4,600,281)
Loans, net	348,579,831	342,387,998
Premises and equipment	8,589,689	8,795,018
Other assets	25,745,064	24,179,471
Total Assets	\$ 586,610,194	\$ 589,057,642
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 527,620,188	\$ 531,966,215
Federal Home Loan Bank Advances	1,000,000	1,000,000
Subordinated debenture, net of capitalized expenses	9,348,329	9,342,342
Dividends payable	993,651	--
Accrued expenses and other liabilities	4,267,639	4,438,495
Total Liabilities	543,229,806	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	44,151,463	43,853,919
Unrealized gain/loss on securities and derivatives	(9,828,795)	(10,610,974)
Total Stockholder's Equity	43,380,388	42,310,590
Total Liabilities and Stockholder's Equity	\$ 586,610,194	\$ 589,057,642
Book Value Per Share	\$ 41.47	\$ 40.44

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	3/31/2024	3/31/2023
	(Unaudited)	
Interest Income:		
Loans	\$ 5,390,591	\$ 3,958,727
Securities available for sale		
State, County & Municipal	189,155	189,681
Treasuries & Agencies	1,049,136	1,003,901
Corporate	94,766	94,766
Federal funds sold & other	948,798	305,658
	7,672,446	5,552,733
Interest Expense:		
Deposits	2,041,643	518,556
Other	153,050	195,091
Total Interest Expense	2,194,694	713,647
Net interest income	5,477,753	4,839,086
Provision for loan losses	91,759	--
Net income after provision for loan losses	5,385,994	4,839,086
Noninterest income		
Service charges on deposit accounts	177,328	161,787
Gain (loss) on Sale of Assets	--	3,900
Mortgage banking income	224,145	137,985
SBA loan related income	335,777	448,940
Commissions on investment sales	42,659	25,081
Other	386,931	396,074
Total noninterest income	1,166,841	1,173,767
Noninterest expense		
Salaries and employee benefits	2,990,269	2,604,784
Occupancy	354,327	301,090
Other operating	1,554,912	1,594,033
Total noninterest expense	4,899,508	4,499,906
Income before provision for income taxes	1,653,327	1,512,947
Provision for income taxes	362,131	385,264
Net Income	\$ 1,291,196	\$ 1,127,683
Period-Ending Outstanding Shares	1,045,948	896,497
Weighted Average Shares Outstanding	1,045,949	897,245
YTD Earnings Per Common Share	\$ 1.23	\$ 1.26