



**Quarterly Financial Statements
September 30, 2023**

OCONEE FEDERAL FINANCIAL CORP.
CONSOLIDATED BALANCE SHEETS
(Amounts in thousands, except share and per share data)

	September 30, 2023 (unaudited)	June 30, 2023
ASSETS		
Cash and due from banks	\$ 3,945	\$ 4,655
Interest-earning deposits	1,746	2,509
Fed funds sold	117	130
Total cash and cash equivalents	5,808	7,294
Securities available-for-sale	124,803	133,248
Loans	418,830	413,024
Allowance for loan losses ⁽¹⁾	(2,394)	(1,489)
Net loans	416,436	411,535
Premises and equipment, net	8,306	8,412
Accrued interest receivable		
Loans	1,234	1,192
Investments	352	410
Restricted equity securities, at cost	3,364	2,821
Bank owned life insurance	20,997	20,873
Goodwill	2,593	2,593
Core deposit intangible	9	22
Loan servicing rights	340	357
Deferred tax assets	7,437	5,997
Other assets	523	651
Total assets	\$ 592,202	\$ 595,405
LIABILITIES		
Deposits		
Noninterest - bearing	\$ 57,500	\$ 55,618
Interest - bearing	413,290	418,625
Total deposits	470,790	474,243
Federal Home Loan Bank advances	50,200	46,000
Accrued interest payable and other liabilities	4,845	3,373
Total liabilities	525,835	523,616
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 6,606,648 and 6,606,648 shares outstanding, respectively	66	66
Treasury stock, at par, 998,453 and 997,396 shares, respectively	(10)	(10)
Additional paid-in capital	6,125	6,122
Retained earnings ⁽¹⁾	82,832	83,897
Accumulated other comprehensive loss	(22,646)	(18,286)
Total shareholders' equity	66,367	71,789
Total liabilities and shareholders' equity	\$ 592,202	\$ 595,405

(1) Oconee Federal adopted ASU 2016-13, "Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" on July 1, 2023. This resulted in an increase in the Allowance for Loan loss and the Reserve for Unfunded Commitments of \$1.2 million and a tax effected reduction of Retained Earnings of \$816 thousand.

OCONEE FEDERAL FINANCIAL CORP.
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE LOSS
(Unaudited)

(Amounts in thousands, except share and per share data)

	Three Months Ended	
	September 30, 2023	September 30, 2022
Interest and dividend income:		
Loans, including fees	\$ 4,554	\$ 3,665
Securities, taxable	735	758
Securities, tax-exempt	38	41
Other interest-earning assets	56	20
Total interest income	5,383	4,484
Interest expense:		
Deposits	1,917	218
Other borrowings	617	66
Total interest expense	2,534	284
Net interest income	2,849	4,200
Provision for loan losses	-	50
Net interest income after provision for loan losses	2,849	4,150
Noninterest income:		
Service charges on deposit accounts	103	116
Income on bank owned life insurance	124	114
Mortgage servicing income	19	26
Gain on sale of mortgage loans	18	8
ATM & debit card income	119	109
Change in fair value of equity securities, net	13	9
Loss on sale of securities, net	-	(84)
Gain on payoff of purchase credit impaired loans	-	189
Other	83	4
Total noninterest income	479	491
Noninterest expense:		
Salaries and employee benefits	1,559	1,598
Occupancy and equipment	422	484
Data processing	293	270
ATM & debit card expense	117	91
Professional and supervisory fees	103	127
Merger related expense	79	-
Office expense	60	45
Advertising	40	68
FDIC deposit insurance	66	35
Foreclosed assets, net	-	1
Change in loan servicing asset	17	(2)
Other	196	189
Total noninterest expense	2,952	2,906
Income before income taxes	376	1,735
Income tax expense	64	396
Net income	\$ 312	\$ 1,339
Other comprehensive loss		
Unrealized losses on securities available-for-sale	\$ (5,519)	\$ (8,541)
Tax effect	1,159	1,789
Reclassification adjustment for losses realized in net income	-	84
Tax effect	-	(18)
Total other comprehensive loss	(4,360)	(6,686)
Comprehensive loss	\$ (4,048)	\$ (5,347)
Basic net income per share	\$ 0.06	\$ 0.24
Diluted net income per share	\$ 0.06	\$ 0.24
Dividends declared per share	\$ 0.10	\$ 0.10