



**Quarterly Financial Statements
December 31, 2023**

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

	December 31, 2023 (unaudited)	June 30, 2023
ASSETS		
Cash and due from banks	\$ 4,487	\$ 4,655
Interest-earning deposits	7,694	2,509
Fed funds sold	344	130
Total cash and cash equivalents	12,525	7,294
Securities available-for-sale	130,090	133,248
Loans	428,949	413,024
Allowance for loan losses ⁽¹⁾	(2,419)	(1,489)
Net loans	426,530	411,535
Premises and equipment, net	8,225	8,412
Accrued interest receivable		
Loans	1,350	1,192
Investments	399	410
Restricted equity securities, at cost	3,364	2,821
Bank owned life insurance	21,126	20,873
Goodwill	2,593	2,593
Core deposit intangible	-	22
Loan servicing rights	359	357
Deferred tax assets	5,693	5,997
Other assets	800	651
Total assets	\$ 613,054	\$ 595,405
LIABILITIES		
Deposits		
Noninterest - bearing	\$ 61,377	\$ 55,618
Interest - bearing	422,441	418,625
Total deposits	483,818	474,243
Federal Home Loan Bank advances	50,200	46,000
Accrued interest payable and other liabilities	6,422	3,373
Total liabilities	540,440	523,616
SHAREHOLDERS' EQUITY		
Common stock, \$0.01 par value, 100,000,000 shares authorized; 6,606,648 and 6,606,648 shares issued and outstanding, respectively	66	66
Treasury stock, at par, 998,453 and 997,396 shares, respectively	(10)	(10)
Additional paid-in capital	6,143	6,122
Retained earnings ⁽¹⁾	82,591	83,897
Accumulated other comprehensive loss	(16,176)	(18,286)
Total shareholders' equity	72,614	71,789
Total liabilities and shareholders' equity	\$ 613,054	\$ 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 INCOME/(LOSS)
(Unaudited)

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

	Three Months Ended		Six Months Ended	
	December 31,	December 31,	December 31,	December 31,
	2023	2022	2023	2022
Interest and dividend income:				
Loans, including fees	\$ 4,742	\$ 3,785	\$ 9,295	\$ 7,452
Securities, taxable	725	770	1,460	1,527
Securities, tax-exempt	38	38	76	79
Other interest-earning assets	111	32	168	52
Total interest income	<u>5,616</u>	<u>4,625</u>	<u>10,999</u>	<u>9,110</u>
Interest expense:				
Deposits	2,216	404	4,132	621
Other borrowings	682	246	1,300	313
Total interest expense	<u>2,898</u>	<u>650</u>	<u>5,432</u>	<u>934</u>
Net interest income	2,718	3,975	5,567	8,176
Provision for loan losses	-	50	-	100
Net interest income after provision for loan losses	2,718	3,925	5,567	8,076
Noninterest income:				
Service charges on deposit accounts	121	107	225	223
Income on bank owned life insurance	129	115	253	229
Mortgage servicing income	18	21	37	50
Gain on sale of mortgage loans	5	1	23	6
ATM & debit card income	119	116	238	225
Change in fair value of equity securities, net	21	(14)	34	(5)
Loss on sale of securities, net	-	-	-	(84)
Gain on payoff of purchase credit impaired loans	-	-	-	189
Other	3	4	85	8
Total noninterest income	<u>416</u>	<u>350</u>	<u>895</u>	<u>841</u>
Noninterest expense:				
Salaries and employee benefits	1,538	1,652	3,096	3,251
Occupancy and equipment	415	482	837	966
Data processing	255	269	548	539
ATM & debit card expense	74	69	191	160
Professional and supervisory fees	102	106	205	233
Merger related expense	22	-	101	-
Office expense	53	69	113	114
Advertising	26	63	66	131
FDIC deposit insurance	66	35	132	70
Foreclosed assets, net	-	-	-	1
Change in loan servicing asset	(19)	(17)	(2)	(19)
Other	178	207	375	396
Total noninterest expense	<u>2,710</u>	<u>2,935</u>	<u>5,662</u>	<u>5,842</u>
Income before income taxes	424	1,340	800	3,075
Income tax expense	<u>104</u>	<u>244</u>	<u>168</u>	<u>640</u>
Net income	<u>\$ 320</u>	<u>\$ 1,096</u>	<u>\$ 632</u>	<u>\$ 2,435</u>
Other comprehensive income/(loss)				
Unrealized gains/(losses) on securities available-for-sale	\$ 8,190	\$ 2,107	\$ 2,671	\$ (6,434)
Tax effect	(1,720)	(437)	(561)	1,352
Reclassification adjustment for losses realized in net income	-	-	-	84
Tax effect	-	-	-	(18)
Total other comprehensive income/(loss)	<u>6,470</u>	<u>1,670</u>	<u>2,110</u>	<u>(5,016)</u>
Comprehensive income/(loss)	<u>\$ 6,790</u>	<u>\$ 2,766</u>	<u>\$ 2,742</u>	<u>\$ (2,581)</u>
Basic net income per share	\$ 0.06	\$ 0.20	\$ 0.11	\$ 0.43
Diluted net income per share	\$ 0.06	\$ 0.20	\$ 0.11	\$ 0.43
Dividends declared per share:	\$ 0.20	\$ 0.10	\$ 0.20	\$ 0.20