

Company Release – August 12, 2020

Oconee Financial Corporation Completes Private Placement of \$10.0 Million of Subordinated Notes

WATKINSVILLE, GA., August 12, 2020 (PRNEWSWIRE) – Oconee Financial Corporation (OTCQX: OSBK), (the “Company”), the holding company for Oconee State Bank (the “Bank”), today announced that it has completed the private placement of \$10 million in fixed-to-floating rate subordinated notes due August 7, 2030 (the “Notes”) to institutional accredited investors. Oconee Financial Corporation intends to use the net proceeds from this placement to support organic growth, and for general corporate purposes.

The Notes have been structured to qualify as Tier 2 capital for the Company for regulatory purposes and will bear interest at a fixed rate of 6.00% per annum until August 7, 2025. For the remainder of the term, the subordinated notes, which mature on August 7, 2030, will bear interest at a rate equal to 3-month Secured Overnight Financing Rate (“SOFR”) plus 596 basis points. The subordinated notes are redeemable by the Company at its option, in whole or in part, on or after August 7, 2025, or in whole or in part from time to time under certain other circumstances.

President and Chief Executive Officer Neil Stevens remarked: "We are pleased to announce the successful completion of this capital raise. This debt at the holding company can be downstreamed to the bank as equity capital without the dilutive impact of issuing new shares of stock. While the Bank is well-capitalized by regulatory standards, we believe this transaction provides an additional source of capital strength should our borrowers be more negatively impacted than we currently anticipate. In addition, should our current expectations be correct, this capital will give us the flexibility to continue to grow and to be essential to the lives, businesses and communities we serve."

Performance Trust Capital Partners, LLC served as the sole placement agent for the offering. Alston & Bird LLP served as legal counsel to the Company, and Nelson Mullins Riley & Scarborough LLP served as legal counsel to the placement agent.

About Oconee Financial Corporation

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service branches and one limited-service loan production office, through its

wholly-owned subsidiary Oconee State Bank. At June 30, 2020, Oconee Financial Corporation had assets of \$469 million.

In February 2020, Oconee State Bank celebrated 60 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.

Forward-Looking Statements

This press release contains forward-looking statements about the offering. Forward-looking statements include statements regarding anticipated future events and can be identified by the fact that they do not relate strictly to historical or current facts. They often include words such as “believe,” “expect,” “anticipate,” “estimate,” and “intend” or future or conditional verbs such as “will,” “would,” “should,” “could,” or “may.” Forward-looking statements, by their nature, are subject to risks and uncertainties. Certain factors that could cause actual results to differ materially from expected results include increased competitive pressures, changes in the interest rate environment, general economic conditions or conditions within the securities markets, the impact of the COVID-19 pandemic on our business and the businesses of our customers, including the impact of the actions taken by governmental authorities to contain the virus or address the impact of the virus on the United States economy (including, without limitation, the Coronavirus Aid, Relief and Economic Security (“CARES” Act)), and the resulting effect of all of such items on our operations, liquidity and capital position, and on the financial condition of our borrowers and other customers, and legislative and regulatory changes that could adversely affect the business in which the Company and the Bank are engaged.

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