

Oconee Financial Corporation Reports Third Quarter 2019 Results

WATKINSVILLE, GA., October 28, 2019 – Oconee Financial Corporation (“Oconee”) (OTCQX: OSBK) is pleased to report earnings results for the quarter and YTD ending September 30, 2019. Unaudited net income for the three months ending September 30, 2019 was \$629,862 or \$0.71 per common share, compared to \$383,308 or \$0.43 per common share for the third quarter of the prior year. This represents an increase of 64.3% in net earnings in the third quarter of 2019 as compared to the same time period in 2018.

Unaudited net income YTD as of September 30, 2019 is \$1,822,985 or \$2.03 per common share, compared to \$1,130,336 or \$1.26 per common share YTD September 30, 2018. This represents an increase of 61.3% in net earnings YTD September 30, 2019 as compared to the same time period in 2018.

Total assets as of September 30, 2019 were \$355.8 million, compared to total assets of \$349.8 million as of December 31, 2018 and \$331.2 million as of September 30, 2018. Total loans, net of reserves, were \$241.9 million and deposits were \$320.7 million as of September 30, 2019, compared to net loan balances of \$221.8 million and deposits of \$318.5 million at December 31, 2018 and net loan balances of \$217.7 million, and deposits of \$301.4 million, as of September 30, 2018.

Neil Stevens, President and Chief Executive Officer of Oconee stated, “We are very pleased with our third quarter financial performance, particularly as it compares to 2018. It is exciting to see the continued positive performance trends. The investments we have made in high performing bankers continues to pay off. We anticipate these positive trends to continue, and we are excited about the future.”

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates four full-service branches and one limited-service loan production office. With more than 59 years of service, Oconee State Bank is the only locally owned and operated community bank 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

	<u>9/30/2019</u>	<u>12/31/2018</u>
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 37,577,018	\$ 22,365,042
Securities available for sale (at fair value)	60,288,387	90,802,006
Other investment	314,900	319,600
Mortgage loans held for sale	1,900,745	745,000
Loans, less allowance for loan losses	241,832,604	221,802,558
Premises and equipment	6,087,357	5,850,891
Other real estate owned	--	--
Other assets	7,906,475	7,975,186
Total Assets	\$ 355,907,486	\$ 349,860,283
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 320,687,990	\$ 318,496,973
Repurchase agreements	--	--
Dividends payable	--	--
Federal Home Loan Bank advances	--	--
Accrued expenses and other liabilities	1,432,032	674,253
Total Liabilities	322,120,022	319,171,226
Stockholder's Equity:		
Common Stock	1,800,028	1,802,728
Restricted Stock	(30,684)	(30,684)
Additional Paid in Capital	4,244,060	4,288,610
Retained earnings	27,564,774	26,281,797
Unrealized gain/loss on securities	209,286	(1,653,394)
Total Stockholder's Equity	33,787,464	30,689,057
Total Liabilities and Stockholder's Equity	\$ 355,907,486	\$ 349,860,283

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	<u>9/30/2019</u>	<u>9/30/2018</u>
	(Unaudited)	(Unaudited)
Interest Income:		
Loans	\$ 9,159,963	\$ 7,177,827
Securities available for sale		
State, County & Municipal	360,818	738,253
Treasuries & Agencies	963,299	1,152,456
Federal funds sold & other	230,291	257,082
	<u>10,714,370</u>	<u>9,325,619</u>
Interest Expense:		
Deposits	1,047,738	551,622
Other	10,813	--
Total Interest Expense	<u>1,058,551</u>	<u>551,622</u>
Net interest income	9,655,819	8,773,997
Provision for loan losses	<u>427,500</u>	<u>160,200</u>
Net income after provision for loan losses	9,228,319	8,613,797
Noninterest income		
Service charges on deposit accounts	444,634	378,650
Securities gains (losses), net	6,507	73,255
Mortgage banking income	323,360	--
SBA loan related income	804,777	123,170
Commissions on investment sales	386,363	361,223
Other	943,599	830,520
Total noninterest income	<u>2,909,240</u>	<u>1,766,818</u>
Noninterest expense		
Salaries and employee benefits	6,314,993	5,760,360
Occupancy	978,378	772,319
Other operating	2,593,485	2,575,403
Total noninterest expense	<u>9,886,856</u>	<u>9,108,082</u>
Income before provision for income taxes	2,250,703	1,272,532
Provision for income taxes	<u>427,718</u>	<u>142,198</u>
Net Income	<u>\$ 1,822,985</u>	<u>\$ 1,130,336</u>

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	9/30/2019	9/30/2018
	(Unaudited)	(Unaudited)
Interest Income:		
Loans	\$ 3,231,071	\$ 2,591,958
Securities available for sale		
State, County & Municipal	96,282	193,461
Treasuries & Agencies	285,207	339,263
Federal funds sold & other	82,050	43,234
	3,694,609	3,167,917
Interest Expense:		
Deposits	403,897	198,472
Other	1,272	--
Total Interest Expense	405,169	198,472
Net interest income	3,289,440	2,969,445
Provision for loan losses	142,500	80,100
Net income after provision for loan losses	3,146,940	2,889,345
Noninterest income		
Service charges on deposit accounts	156,199	155,414
Securities gains (losses), net	(3,119)	(27,234)
Mortgage banking income	152,128	--
SBA loan related income	215,077	22,620
Commissions on investment sales	99,115	137,570
Other	299,555	280,833
Total noninterest income	918,955	569,203
Noninterest expense		
Salaries and employee benefits	2,113,003	1,887,195
Occupancy	332,058	285,766
Other operating	838,223	841,615
Total noninterest expense	3,283,284	3,014,576
Income before provision for income taxes	782,611	443,971
Provision for income taxes	152,749	60,663
Net Income	\$ 629,862	\$ 383,308