

Oconee Financial Corporation Reports First Quarter 2020 Results

WATKINSVILLE, Ga., April 30, 2020/PRNewswire/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the first quarter of 2020. Unaudited net income for the three months ending March 31, 2020, was \$149,342 or \$0.16 per common share. This compares to \$523,877 or \$0.58 per common share for the first quarter of the prior year. This represents a 71.5% decrease in net earnings in the first quarter of 2020 as compared to the same period in 2019.

Total assets as of March 31, 2020, were \$391.1 million, compared to total assets of \$399.5 million as of December 31, 2019. Total loans were \$266.4 million and deposits were \$351.8 million as of March 31, 2020. This compared to total loans of \$248.8 million and deposits of \$361.5 million at December 31, 2019. For the quarter ended March 31, 2020, total loans increased 7.1% and total deposits decreased 2.7% versus December 31, 2019.

Neil Stevens, President and Chief Executive Officer of Oconee stated "we continued to see strong loan growth in the first quarter, reflecting the underlying strength of our local markets leading up to the onset of COVID-19 in Mid-March. Our results were significantly impacted by net interest margin compression resulting from reduced market interest rates in the latter part of 2019 and the first quarter of 2020. As we enter the second quarter and face the potential economic effects of social distancing measures, we believe we are well positioned from a capital, liquidity and asset quality standpoint and stand ready to meet the needs of our customers".

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

OCONEE FINANCIAL CORPORATION
BALANCE SHEET

	3/31/2020	12/31/2019
	(Unaudited)	
<u>ASSETS</u>		
Cash and due from banks	\$ 38,623,297	\$ 38,099,324
Securities available for sale (at fair value)	69,024,303	99,228,506
Other investment	359,600	314,900
Mortgage loans held for sale	5,020,979	1,572,800
Loans, less allowance for loan losses	266,365,802	248,771,230
Premises and equipment	4,322,255	4,294,867
Other real estate owned	--	--
Other assets	7,407,976	7,239,812
Total Assets	\$ 391,124,212	\$ 399,521,439
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 351,820,718	\$ 361,522,575
Repurchase agreements	--	--
Dividends payable	538,968	--
Federal Home Loan Bank advances	--	--
Accrued expenses and other liabilities	2,628,443	2,331,769
Total Liabilities	354,988,129	363,854,344
Stockholder's Equity:		
Common Stock	1,793,232	1,793,760
Restricted Stock	(36,745)	(36,745)
Additional Paid in Capital	4,130,567	4,139,146
Retained earnings	29,111,528	29,501,154
Unrealized gain/loss on securities	1,137,503	269,781
Total Stockholder's Equity	36,136,084	35,667,096
Total Liabilities and Stockholder's Equity	\$ 391,124,212	\$ 399,521,439

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	3/31/2020 <u>(Unaudited)</u>	3/31/2019 <u></u>
Interest Income:		
Loans	\$ 3,270,326	\$ 2,810,953
Securities available for sale		
State, County & Municipal	88,820	146,562
Treasuries & Agencies	291,825	345,644
Federal funds sold & other	140,810	117,491
	<u>3,791,781</u>	<u>3,420,650</u>
Interest Expense:		
Deposits	596,912	300,756
Other	--	--
Total Interest Expense	<u>596,912</u>	<u>300,756</u>
Net interest income	3,194,869	3,119,894
Provision for loan losses	<u>187,500</u>	<u>142,500</u>
Net income after provision for loan losses	3,007,369	2,977,394
Noninterest income		
Service charges on deposit accounts	130,830	145,645
Gain on Sale of Assets	--	--
Securities gains (losses), net	--	--
Mortgage banking income	161,492	67,131
SBA loan related income	129,978	194,724
Commissions on investment sales	145,620	117,421
Other	321,406	354,566
Total noninterest income	<u>889,325</u>	<u>879,487</u>
Noninterest expense		
Salaries and employee benefits	2,431,458	2,062,381
Occupancy	285,128	321,030
Other operating	1,018,618	841,790
Total noninterest expense	<u>3,735,203</u>	<u>3,225,201</u>
Income before provision for income taxes	161,491	631,680
Provision for income taxes	<u>12,149</u>	<u>107,803</u>
Net Income	<u>\$ 149,342</u>	<u>\$ 523,877</u>
Weighted Shares Outstanding	895,478	900,401
YTD Earnings Per Common Share	0.16	0.58