Oconee Financial Corporation

P.O. Box 205
Watkinsville, GA 30677
706-769-6611
Oconeestatebank.com

FOR IMMEDIATE RELEASE

Oconee Financial Corporation Reports Second Quarter 2026 Results

Watkinsville, GA August 6, 2026 -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the second quarter of 2026. Unaudited net income for the three months ending June 30, 2026, was $1.4 million, or $1.30 per common share. This compares to $1.8 million, or $1.74 per common share for the second quarter of 2025. The 25% decrease in net income for the second quarter of 2026 was mainly attributable to an increase in non-interest expense of $589,000 and a decrease in non-interest income of $507,000, offset by an increase in net interest income of $442,000 and a decrease in provision for loan losses of $78,000 over the same period of 2025. The increase in net interest income was due to increases in interest income on loans of $1.2 million, offset by decreases in interest income on securities and interest-bearing deposits in other banks of $392,000 and by increases in interest expense on deposits and borrowings of $357,000. While loan growth continues to be strong, the provision for loan losses decreased $78,000 compared to the same period in 2025. The decrease in non-interest income compared to the same period of 2025 is mainly attributable to a decrease in SBA loan related income of $657,000, offset by mortgage banking income increasing by $257,000. The increase in non-interest expense was primarily due to salaries and employee benefits increasing $429,000 compared to the same period in 2025 with the increase in employee headcount from 107 FTE at June 30, 2025 to 111 FTE at June 30, 2026. The increased headcount is primarily due to the hiring of four seasoned bankers in the Middle Georgia market.

Unaudited net income, year-to-date as of June 30, 2026, was $2.4 million, or $2.25 per common share. This compares to $2.8 million, or $2.71 per common share, for year-to-date as of June 30, 2025. This represents a decrease of 16.8% in net earnings year-to-date as of June 30, 2026, as compared to the same period in 2025.

Total assets as of June 30, 2026, were $744.5 million, compared to total assets of $734.2 million as of December 31, 2025, an increase of 1.4%. Total loans, net of unearned income, were $538.7 million and total deposits were $649.7 million as of June 30, 2026. This compares to total loans of $481.6 million and total deposits of $640.3 million at December 31, 2025. As of June 30, 2026, total loans increased 11.9% and total deposits increased 1.5% from December 31, 2025. Tangible book value per share at June 30, 2026, was $53.32 versus $51.80 at December 31, 2025. The 2.9% increase in book value per share at June 30, 2026, was largely due to the retention of earnings after accounting for the annual dividend of $1.15 per share that was payable to shareholders on April 1, 2026. Also affecting the increase in book value per share is a year-to-date increase in Other Comprehensive Income, which includes an decrease in the Bank's unrealized loss in the fair value of derivatives of $194,000, offset by an increase in the Bank's unrealized loss in the investment portfolio of $63,000.

Nonperforming assets increased during the quarter primarily due to one commercial lending relationship with an outstanding balance of approximately $9 million that was placed on nonaccrual status because of payment default. Based on management's assessment of the relationship and current collateral values, no additional provision expense or specific reserve was recorded during the quarter.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the second quarter results noted "We are pleased with the continued momentum in loan growth and the ongoing expansion of our banking relationships, particularly as our team remains focused on disciplined growth and long-term franchise value. While earnings were impacted by higher operating expenses and lower non-interest income, our core banking fundamentals remain solid. We are closely managing the nonperforming asset added during the quarter and believe the matter is appropriately addressed based on our current assessment of the relationship and collateral position."

About the Company

Oconee Financial Corporation, established in January 1999, serves as the holding company for Oconee State Bank, established in 1960 and headquartered in Watkinsville, Georgia. The Bank operates six full-service financial centers across Oconee, Athens-Clarke, Gwinnett, Macon-Bibb, and Elbert counties. The Bank also maintains Loan and Deposit Production Offices in Johnson City, Tennessee, under its Trio South Bank division, and in Statesboro, Georgia. The Bank is the only locally owned and operated community bank headquartered in Oconee County. Oconee State Bank proudly serves its communities, providing unparalleled commitment to personalized service, innovative products, and solutions, and brings exceptional value to all stakeholders, through local ownership, involvement, and decision-making. The Bank strives to be essential to those it serves, by creating remarkable experiences that significantly mark the lives of others.

Contacts:

Neil Stevens
President & Chief Executive Officer
706-583-3660
nstevens@oconeestatebank.com

Jim McLemore
Chief Financial Officer
706-583-3862
jmclemore@oconeestatebank.com

Oconee Financial Corporation

OCONEE FINANCIAL CORPORATION
BALANCE SHEET

		6/30/2026		12/31/2025
		(Unaudited)		(Audited)
ASSETS				
Cash and due from banks	$	31,066,715	$	76,069,901
Securities available for sale (at fair value)		140,294,852		144,882,895
Other investment		1,083,800		923,000
Mortgage loans held for sale		5,954,717		1,925,074
Loans, net of unearned income		538,668,890		481,562,043
Allowance for loan loss		(7,338,805)		(6,529,377)
Loans, net		531,330,085		475,032,666
Premises and equipment		10,865,269		11,316,072
Other assets		23,863,855		24,009,015
Total Assets	$	744,459,292	$	734,158,623
LIABILITIES AND STOCKHOLDERS' EQUITY				
Liabilities:				
Deposits	$	649,682,284	$	640,314,041
Federal Home Loan Bank Advances		10,000,000		10,000,000
Subordinated debenture, net of capitalized expenses		19,606,368		19,558,168
Dividends payable		--		--
Accrued expenses and other liabilities		7,477,022		8,031,473
Total Liabilities		686,765,674		677,903,682
Stockholder's Equity:				
Common Stock		2,102,692		2,101,848
Restricted Stock		(68,570)		(53,020)
Additional Paid in Capital		7,402,510		7,231,766
Retained earnings		53,473,869		52,322,045
Unrealized gain/loss on securities and derivatives		(5,216,882)		(5,347,698)
Total Stockholder's Equity		57,693,618		56,254,941
Total Liabilities and Stockholder's Equity	$	744,459,292	$	734,158,623
Book Value Per Share	$	55.00	$	53.52
Tangible Book Value Per Share	$	53.32	$	51.80

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	6/30/2026	6/30/2025
	(Unaudited)	
Interest Income:		
Loans	$ 16,858,977	$ 14,346,695
Securities available for sale		
State, County & Municipal	321,229	311,596
Treasuries & Agencies	1,858,158	2,037,314
Corporate	128,473	189,531
Federal funds sold & other	689,814	948,080
	19,856,650	17,833,216
Interest Expense:		
Deposits	5,102,106	4,373,449
Other	1,000,650	690,257
Total Interest Expense	6,102,756	5,063,706
Net interest income	13,753,894	12,769,510
Provision for loan losses	902,903	1,072,760
Net income after provision for loan losses	12,850,991	11,696,750
Noninterest income		
Service charges on deposit accounts	339,123	342,790
Gain (loss) on Sale of Assets	36,056	2,700
Securities gains (losses), net	--	(60,958)
Mortgage banking income	1,218,299	824,544
SBA loan related income	227,960	1,035,617
Commissions on investment sales	80,438	83,395
Other	1,076,053	1,173,425
Total noninterest income	2,977,929	3,401,513
Noninterest expense		
Salaries and employee benefits	8,284,404	7,187,482
Occupancy	961,558	838,761
Other operating	3,637,273	3,555,175
Total noninterest expense	12,883,235	11,581,418
Income before provision for income taxes	2,945,685	3,516,845
Provision for income taxes	587,431	682,419
Net Income	$ 2,358,254	$ 2,834,426
Period-Ending Outstanding Shares	1,048,893	1,046,375
Weighted Average Shares Outstanding	1,048,894	1,046,376
YTD Earnings Per Common Share	$ 2.25	$ 2.71

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	6/30/2026	6/30/2025
	(Unaudited)	
Interest Income:		
Loans	$ 8,746,433	$ 7,556,305
Securities available for sale		
State, County & Municipal	167,336	154,742
Treasuries & Agencies	929,680	1,031,792
Corporate	68,662	94,766
Federal funds sold & other	218,825	495,148
	10,130,935	9,332,753
Interest Expense:		
Deposits	2,491,858	2,243,092
Other	504,175	396,283
Total Interest Expense	2,996,033	2,639,375
Net interest income	7,134,902	6,693,378
Provision for loan losses	571,028	649,060
Net income after provision for loan losses	6,563,874	6,044,318
Noninterest income		
Service charges on deposit accounts	166,389	169,381
Gain (loss) on Sale of Assets	--	2,700
Securities gains (losses), net	--	--
Mortgage banking income	776,288	519,350
SBA loan related income	189,101	846,104
Commissions on investment sales	34,840	48,443
Other	526,112	613,753
Total noninterest income	1,692,730	2,199,732
Noninterest expense		
Salaries and employee benefits	4,214,184	3,785,413
Occupancy	486,013	440,230
Other operating	1,843,350	1,729,163
Total noninterest expense	6,543,547	5,954,807
Income before provision for income taxes	1,713,056	2,289,243
Provision for income taxes	345,641	465,177
Net Income	$ 1,367,415	$ 1,824,066
Period-Ending Outstanding Shares	1,048,893	1,046,375
Weighted Average Shares Outstanding	1,048,894	1,046,376
QTD Earnings Per Common Share	$ 1.30	$ 1.74