

Oconee Financial Corporation Reports Second Quarter 2025 Results

WATKINSVILLE, Ga., August 5, 2025/OTC Markets/ -- Oconee Financial Corporation ("Oconee") (OTCQX: OSBK) is pleased to report results for the second quarter of 2025. Unaudited net income for the three months ending June 30, 2025, was \$1.8 million, or \$1.74 per common share. This compares to \$1.2 million, or \$1.12 per common share, for the second quarter of 2024. The 56.0% increase in net income for the second quarter of 2025 was mainly attributable to an increase in net interest income of \$982,000 and non-interest income of \$816,000, offset by an increase in non-interest expense of \$660,000 and an increase in provision for loan losses of \$328,000 over the same period of 2024. The increase in net interest income was due to increases in interest income on loans of \$1.7 million, offset by decreases in interest income on investments of \$49,000, decreases in interest income on interest-bearing bank balances of \$380,000 and increases in interest expense on deposits and interest expense on borrowings of \$280,000. The provision for loan losses increased \$328,000 compared to the same period in 2024 due to strong loan growth in the second quarter of 2025. The increase in non-interest income compared to the same period of 2024 is mainly attributable to Small Business Administration (SBA) loan-related income increasing by \$364,000 and to mortgage banking income increasing by \$204,000. The increase in non-interest expense was primarily due to salaries and employee benefits increasing \$554,000 compared to the same period in 2024, with an increase in employee headcount from 100 FTE at June 30, 2024 to 107 FTE at June 30, 2025. The increased headcount is primarily due to announced expansions in Southeast Georgia and Johnson City, TN.

Unaudited net income, year-to-date as of June 30, 2025, was \$2.8 million, or \$2.71 per common share. This compares to \$2.5 million, or \$2.35 per common share, for year-to-date as of June 30, 2024. This represents an increase of 15.2% in net earnings year-to-date as of June 30, 2025, as compared to the same period in 2024.

Total assets as of June 30, 2025, were \$670.3 million, compared to total assets of \$640.0 million as of December 31, 2024, an increase of 4.7%. Total loans, net of unearned income, were \$464.4 million and total deposits were \$584.9 million as of June 30, 2025. This compares to total loans of \$409.6 million and total deposits of \$565.7 million at December 31, 2024. As of June 30, 2025, total loans increased 13.4% and total deposits increased 3.4% from December 31, 2024. Book value per share at June 30, 2025, was \$48.81 versus \$46.09 at December 31, 2024. The 5.9% increase in book value per share at June 30, 2025, was largely due to the retention of earnings after accounting for the annual dividend of \$1.05 per share that was paid to shareholders on April 1, 2025. Also affecting the increase in book value per share is a year-to-date increase in Other Comprehensive Income, which includes a decrease in the Bank's unrealized loss in the investment portfolio of \$2.1 million, offset by a decrease in the Bank's unrealized gain in the fair value of derivatives of \$975,000.

Neil Stevens, President and Chief Executive Officer of Oconee, commenting on the second quarter results noted "the second quarter was a very solid quarter in terms of earnings as well as loan and deposit growth. Our announced expansions into Southeast Georgia and Johnson City, TN were solid contributors to loan growth in the second quarter. Earnings growth was attributable to an increasing net interest margin and strong SBA and mortgage income in the second quarter."

Oconee Financial Corporation is headquartered in Watkinsville, Georgia and operates six full-service financial centers in Georgia, located in Oconee, Athens Clarke, Elbert, Gwinnett, Macon-Bibb counties and one loan/deposit production center (Trio South Bank, a division of Oconee State Bank) located in Johnson City, Tennessee. In February 2025, Oconee State Bank celebrated 65 years of service and continues to be 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. Oconee Financial Corporation was established in January 1999 to serve as the holding company of Oconee State Bank.

Please visit Oconee State Bank's website, www.oconeestatebank.com for a full listing of products and services.

OCONEE FINANCIAL CORPORATION
BALANCE SHEET

	6/30/2025	12/31/2024
	(Unaudited)	(Audited)
<u>ASSETS</u>		
Cash and due from banks	\$ 23,506,639	\$ 58,478,454
Securities available for sale (at fair value)	148,386,463	139,228,148
Other investment	1,303,000	893,974
Mortgage loans held for sale	4,165,787	2,109,500
Loans, net of unearned income	464,378,881	409,602,471
Allowance for loan loss	(6,167,125)	(5,424,417)
Loans, net	458,211,756	404,178,054
Premises and equipment	11,365,130	10,653,530
Other assets	23,349,709	24,490,556
Total Assets	<u>\$ 670,288,484</u>	<u>\$ 640,032,216</u>
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits	\$ 584,924,108	\$ 565,740,790
Federal Home Loan Bank Advances	18,000,000	10,000,000
Subordinated debenture, net of capitalized expenses	9,378,264	9,366,290
Dividends payable	--	--
Accrued expenses and other liabilities	6,912,371	6,680,716
Total Liabilities	<u>619,214,743</u>	<u>591,787,796</u>
Stockholder's Equity:		
Common Stock	2,127,926	2,097,076
Restricted Stock	(671,456)	(56,404)
Additional Paid in Capital	7,621,155	7,050,073
Retained earnings	49,524,991	47,789,446
Unrealized gain/loss on securities and derivatives	(7,528,875)	(8,635,771)
Total Stockholder's Equity	<u>51,073,741</u>	<u>48,244,420</u>
Total Liabilities and Stockholder's Equity	<u>\$ 670,288,484</u>	<u>\$ 640,032,216</u>
Book Value Per Share	\$ 48.81	\$ 46.09

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-QTD

	6/30/2025	6/30/2024
	(Unaudited)	
Interest Income:		
Loans	\$ 7,556,305	\$ 5,866,453
Securities available for sale		
State, County & Municipal	154,742	189,016
Treasuries & Agencies	1,031,792	1,046,130
Corporate	94,766	94,766
Federal funds sold & other	495,148	874,774
	<u>9,332,753</u>	<u>8,071,137</u>
Interest Expense:		
Deposits	2,243,092	2,064,028
Other	396,283	295,414
Total Interest Expense	<u>2,639,375</u>	<u>2,359,442</u>
Net interest income	6,693,378	5,711,695
Provision for loan losses	<u>649,060</u>	<u>321,122</u>
Net income after provision for loan losses	6,044,318	5,390,574
Noninterest income		
Service charges on deposit accounts	169,381	183,515
Gain (loss) on Sale of Assets	2,700	--
Securities gains (losses), net	--	--
Mortgage banking income	519,350	315,095
SBA loan related income	846,104	482,298
Commissions on investment sales	48,443	39,545
Other	613,753	363,502
Total noninterest income	<u>2,199,732</u>	<u>1,383,955</u>
Noninterest expense		
Salaries and employee benefits	3,785,413	3,231,478
Occupancy	440,230	363,954
Other operating	1,729,163	1,698,929
Total noninterest expense	<u>5,954,807</u>	<u>5,294,362</u>
Income before provision for income taxes	2,289,243	1,480,167
Provision for income taxes	<u>465,177</u>	<u>311,146</u>
Net Income	<u>\$ 1,824,066</u>	<u>\$ 1,169,021</u>
Period-Ending Outstanding Shares	1,046,375	1,045,948
Weighted Average Shares Outstanding	1,046,376	1,045,949
QTD Earnings Per Common Share	\$ 1.74	\$ 1.12

OCONEE FINANCIAL CORPORATION
STATEMENT OF INCOME-YTD

	6/30/2025	6/30/2024
	(Unaudited)	
Interest Income:		
Loans	\$ 14,346,695	\$ 11,257,044
Securities available for sale		
State, County & Municipal	311,596	378,171
Treasuries & Agencies	2,037,314	2,095,266
Corporate	189,531	189,531
Federal funds sold & other	948,080	1,823,572
	<u>17,833,216</u>	<u>15,743,584</u>
Interest Expense:		
Deposits	4,373,449	4,105,671
Other	690,257	448,464
Total Interest Expense	<u>5,063,706</u>	<u>4,554,135</u>
Net interest income	12,769,510	11,189,448
Provision for loan losses	<u>1,072,760</u>	<u>412,881</u>
Net income after provision for loan losses	11,696,750	10,776,567
Noninterest income		
Service charges on deposit accounts	342,790	360,843
Gain (loss) on Sale of Assets	2,700	--
Securities gains (losses), net	(60,958)	--
Mortgage banking income	824,544	539,240
SBA loan related income	1,035,617	818,075
Commissions on investment sales	83,395	82,204
Other	1,173,425	750,433
Total noninterest income	<u>3,401,513</u>	<u>2,550,796</u>
Noninterest expense		
Salaries and employee benefits	7,187,482	6,221,747
Occupancy	838,761	718,281
Other operating	3,555,175	3,253,841
Total noninterest expense	<u>11,581,418</u>	<u>10,193,869</u>
Income before provision for income taxes	3,516,845	3,133,494
Provision for income taxes	<u>682,419</u>	<u>673,277</u>
Net Income	<u>\$ 2,834,426</u>	<u>\$ 2,460,217</u>
Period-Ending Outstanding Shares	1,046,375	1,045,948
Weighted Average Shares Outstanding	1,046,376	1,045,949
YTD Earnings Per Common Share	\$ 2.71	\$ 2.35