
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES FOURTH QUARTER 2020 OPERATING RESULTS

Oxford, Michigan – Oxford Bank Corporation (“the Company”) (OTC Bulletin Board: OXBC), the holding company for Oxford Bank (“the Bank”), today announced profitable operating results for the fourth quarter and year ended December 31, 2020.

The Company’s quarterly consolidated earnings for the three months ended December 31, 2020, were \$2,257,000, or \$0.98 per weighted average share compared to \$1,603,000, or \$0.70 per weighted average share for the same period one year ago. Year-to-date consolidated earnings were \$7,001,000 or \$3.04 per weighted average share for the twelve months ended December 30, 2020 compared to \$5,277,000 or \$2.31 per weighted average share for the twelve months ended December 31, 2019.

Total Assets of the Company decreased from the prior quarter to \$698.2 million as of December 31, 2020, as customers began receiving forgiveness payments from the SBA on their Paycheck Protection Program (“PPP”) loans and the company paid down its Paycheck Protection Liquidity Facility with the Federal Reserve. This compared to \$505.4 million as of December 31, 2019, representing a 38% increase year-over-year, owing to the Company’s participation in the SBA PPP program. The Company increased loans outstanding to \$541 million at the end of December 2020 compared to \$341 million a year earlier. Deposit balances from customers are up 29% year-over-year and totaled \$588 million as of December 31, 2020, compared to \$456 million as of December 31, 2019. The increase in deposits was primarily the result of the new customers the Bank gained as part of the PPP program in 2020.

The Company’s total stockholders’ equity increased to \$54.9 million as of December 31, 2020, representing book value per share of \$23.74, compared to total stockholders’ equity of \$46.6 million, or \$20.37 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$53.3 million as of December 31, 2020, or 14.2% of risk weighted assets compared to \$46.1 million, or 12.7% of risk weighted assets as of December 31, 2019.

“In the fourth quarter, the forgiveness piece of the Paycheck Protection Program (“PPP”) loan portfolio accelerated compared to previous quarters” noted David Lamb, President and CEO. “During the fourth quarter, the SBA forgave \$35.7 million of the first round of PPP loans with the expectation that this will continue accelerating and largely conclude by YE 2021. We have also began participating in the 2021 round of PPP although we see significantly lower demand than the 2020 rounds. This appears to be the result of our customers having returned to a normalized level of activity, so they have limited or no need for additional government assistance. Our long-term focus on diversification by industry has mitigated the impact because we are not significantly exposed to industries that have been materially damaged by the pandemic like sit down restaurants or hospitality”

Lamb continued “Net income in the fourth quarter benefitted from the loan forgiveness process which accelerates the amortization of the PPP fees. The PPP fees are included in interest income. The Bank also continues to provision to the ALLL because of the still high level of uncertainty, albeit at a lower level than earlier in the year. Management will continue to review and analyze appropriate level of reserves as asset quality metrics don’t justify levels today. Operating expenses continue to decline due to restructuring work over the past several years. as well as our team continues to work remotely to protect our team and community. Our team is excited about the opportunities in 2021 as there is more activity in non-PPP business lending. That being said, we fully realize the future challenges from margin compression and technology investments as well as continued economic uncertainty which could impact asset quality.”

Oxford Bank is a subsidiary of Oxford Bank Corporation, a registered holding company. It is the oldest commercial bank in Oakland County and operates seven full-service offices in Clarkston, Davison, Dryden, Lake Orion, Oakland Township, Ortonville and Oxford. It also manages business banking centers in Wixom, Owosso, and in downtown Oxford. The Bank has operated continuously under local ownership and management since it first opened for business in 1884. For more information about Oxford Bank and its complete line of financial services, please visit www.oxfordbank.com.

Except for the historical information contained herein, the matters discussed in the Release may be deemed forward-looking statements that involve risk and uncertainties. Words or phrases "will likely result", "are expected to", "will continue", "is anticipated", "estimate", "project", or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Factors which could cause actual results to differ, include, but are not limited to, fluctuations in interest rates, changes in economic conditions of the Bank's market area, changes in policies by regulatory agencies, the acceptance of new products, the impact of competitive products and pricing and the other risks detailed from time to time in the Bank's and Corporation's reports. These forward-looking statements represent the Bank's judgment as of the date of this report. The Bank disclaims, however, any intent or obligation to update these forward-looking statements.

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