
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES THIRD QUARTER 2021 OPERATING RESULTS

Oxford, Michigan – Oxford Bank Corporation (“the Company”) (OTC Bulletin Board: OXBC), the holding company for Oxford Bank (“the Bank”), today announced increased operating results for the third quarter ended September 30, 2021.

The Company’s quarterly consolidated earnings for the three months ended September 30, 2021, were \$2,496,000, or \$1.10 per weighted average share compared to \$1,621,000, or \$0.70 per weighted average share for the same period one year ago. Year-to-date consolidated earnings were \$8,858,000 or \$3.87 per weighted average share for the nine months ended September 30, 2021 compared to \$4,750,000 or \$2.07 per weighted average share for the nine months ended September 30, 2020. CEO David P. Lamb commented “Net income in the third quarter continued to benefit from the loan forgiveness process which accelerates the amortization of the SBA’s Payroll Protection Program (“PPP”) fees which are recognized as interest income. The stabilizing and opening of the economy allowed the Bank to discontinue the provision to the loan loss reserves (ALLL) in the second quarter. Management will continue to review and analyze appropriate level of reserves but based upon the ongoing positive trends we have seen and see today, we anticipate our provision expense will continue at lower levels in the coming quarters.”

Total Assets of the Company increased to \$729.4 million as of September 30, 2021 from \$691.1 million at December 31, 2020 and from \$723.8 million at September 30, 2020. “The increase in assets this past quarter was due to seasonal increases in deposits, and from our new business relationships. We do expect a decrease in our asset size as our customers continue to use the PPP loan proceeds for the purposes they were intended for and ongoing forgiveness of those loans.” reported CEO Lamb. “We continue to see strong loan demand from the many new PPP only customers moving their primary relationship to Oxford Bank. Our sterling reputation from the PPP has resulted in more referrals from a broader group of centers of influence like CPAs and attorneys as well as new clients referring us to their associates. The “conversion” from PPP to new relationship didn’t happen by accident as the team decided the first day of the PPP that we would help everyone we could in exchange for their commitment to move their full relationship to us. The work to make that happen although not quite as much as originating the PPP loans is equally hard and a tribute to engagement and quality of our team. “

As of September 30, 2021, the SBA has forgiven \$248 million of the Bank’s PPP loans, \$68 million in the last quarter. “Management is pleased to report that even with that level of pay-offs, total loans only decreased by \$102 million to \$459.4 million at September 30, 2021 from \$561.2 million at September 30, 2020. Overall, non-PPP loans were up 13.6% in a YTD over YTD comparison.” Added CEO David Lamb. The Company paid off its PPP liquidity facility with the Federal Reserve in mid-July, 2021.

Total deposits, bolstered by the PPP program and the new relationships obtained from that program, increased to \$646.6 million at September 30, 2021 from \$592.5 million at September 30, 2020, although we expect this to decline in the future to an extent, as customers continue to use the government stimulus funds of the PPP.

“As we announced on September 30th, I am pleased that Oxford Bank Corporation completed a ten-year subordinated debt offering with the first five years being fixed rate at 3.25%, which was tied for the lowest offering rate in the state of Michigan on Bloomberg as of the time of the offering” noted CEO David Lamb. The proceeds will be used for general corporate purposes including investing in the growth of the Bank.”

The Company’s total Shareholders’ equity increased to \$62.8 million as of September 30, 2021, representing book value per share of \$27.60, compared to total Shareholders’ equity of \$52.6 million, or \$22.74 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$72.4 million as of September 30, 2021, or 16.8% of risk weighted assets compared to \$51.0 million, or 13.6% of risk weighted assets as of September 30, 2020.

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. The Bank also has a Customer Service Center in Rochester Hills with transactional services provided by Interactive Teller Machines only. In addition, Oxford Bank has business banking centers in Wixom, downtown Oxford and Flint, MI. 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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