
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES FOURTH 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 fourth quarter ended December 31, 2021.

The Company’s quarterly consolidated earnings for the three months ended December 31, 2021, were \$1,697,000, or \$0.75 per weighted average share compared to \$2,257,000, or \$0.98 per weighted average share for the same period one year ago. Year-to-date consolidated earnings were \$10,555,000 or \$4.63 per weighted average share for the twelve months ended December 31, 2021 compared to \$7,001,000 or \$3.05 per weighted average share for the twelve months ended December 31, 2020. CEO David P. Lamb commented “Net income in the fourth quarter continued to benefit from the loan forgiveness process which accelerates the amortization of the SBA’s Payroll Protection Program (“PPP”) fees into interest income. This was offset by a provision for loan losses of \$400,000 in the fourth quarter to fully reserve for a problem loan. 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 \$750.9 million as of December 31, 2021 from \$699.1 million at December 31, 2020. As of December 31, 2021, the SBA has forgiven \$284 million of the Bank’s PPP loans, \$36 million in the last quarter. “Management is pleased to report that even with that level of pay-offs via PPP forgiveness, total loans only decreased by \$126 million to \$416.6 million at December 31, 2021 from \$542.1 million at December 31, 2020. Overall, non-PPP loans were up 6.6% in a YTD over YTD comparison. Our teams in Business and Personal Banking had an outstanding year converting “new to the Bank” PPP clients into full loan and deposit relationships” added CEO David Lamb. Total deposits, bolstered by the PPP program and the new relationships obtained from that program, increased to \$668.9 million at December 31, 2021 from \$587.9 million at December 31, 2020. Management expects deposits to decline in the future as customers continue to draw down government stimulus and PPP funds although will continue to mitigate with growth in new full relationships.

CEO David Lamb noted “Our growth strategy going forward is to develop a robust commercial finance business (factoring/asset-based lending) because of the opportunity to hire strong talent; ability to help far more small businesses; and the countercyclical characteristics of that business. We will also continue to grow the traditional bank as believe there is significant value between two business lines. As part of that strategy, the Corporation sold shares via a private placement in January primarily to investors believed important to our success in the commercial finance business. With recent stock repurchases, we expect dilution to be approximately 3% from the offering. Management believes the commercial finance

business line will be accretive to earnings this year. However, we do expect earnings to be lower in 2022 due to much lower PPP income; investment in new market(s); and general margin compression that started with the pandemic. Management is confident that our investments and growth strategy will return us in 2023 and beyond to a long-term earnings growth rate in excess of the historic growth the last five years.”

The Company’s total Shareholders’ equity increased to \$62.4 million as of December 31, 2021, representing book value per share of \$27.94, compared to total Shareholders’ equity of \$55.0 million, or \$23.77 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$74.1 million as of December 31, 2021, or 17.3% of risk weighted assets compared to \$53.3 million, or 13.9% of risk weighted assets as of December 31, 2020. The Company also completed its Private Placement in January of 2022, adding an additional \$5.7 million to its capital, which will be used for future growth of the company.

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 Experience Center in Rochester Hills, MI 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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