

DELIVERING
VALUE.

FOR LIFE.



2021 Annual Report



COMMUNITY INVOLVEMENT AND SUPPORT

Boys and Girls Club of Greater Flint
Clarkston Area Chamber of Commerce
Clarkston Area Youth Assistance
Corcoran House
Davison Area Chamber of Commerce
Davison Youth Baseball
Dragon on the Lake – Lake Orion
Dryden Athletic Boosters Club
Eagle Scout Project
Everest Collegiate High School & Academy
Flint Handmade
Food Council of Michigan
Fraser Eye Care Symposium
Greater Flint Health Coalition
GreenPath Financial Wellness
Habitat for Humanity
Kids Kicking Cancer
Lake Orion Community Schools
Lake Orion DDA
Lakes Area Chamber of Commerce
Lapeer Area Chamber of Commerce
LGBT Detroit
Love for a Child, Inc.
LOVE, Inc. of North Oakland County
Macomb County Chamber of Commerce
Metamora Lions Club
Orion Area Chamber of Commerce
Orion Area Youth Assistance
Ortonville DDA
Oxford-Addison Youth Assistance
Oxford Chamber of Commerce
Oxford Community Memorial & Victims Fund
Oxford DDA
Oxford High School Athletics
Oxford Police Department
Oxford Women's Club
Oxford/Orion FISH – Neighbors Helping Neighbors
Paint a Miracle
Plea Foundation
PRISM Men's Chorus
Rochester Regional Chamber of Commerce
Romeo High School Athletics
Romeo/Washington Chamber of Commerce
Shiawassee Economic Development
Society of St. Vincent de Paul
Toys for Tots

DEAR SHAREHOLDER:

The past year was very much like 2020, in that financially your Company had another outstanding year. Unfortunately, like 2020, our performance was overshadowed by continued pandemic-induced stress, as well as tragedy for our team. Oxford, our headquarters' community, suffered a terrible tragedy with the attack in our schools, which directly impacted many of our own team members' families. On a professional level, the difficulty in finding new team members and having more people out with COVID caused many of our teams to be thinly staffed while busier than we have ever been with adding new relationships.

And despite all of that, our team, as they did in 2020, once again proved why they are one of the best in the business. Besides the outstanding financial results, our team's immediate and comprehensive response to the school tragedy included staffing/supplying the community's candlelight vigil and setting up a victims' fund with our community partners. The fund raised almost \$1.6 million and amply demonstrated how we all care very much about helping people at our core. In fact, our team's resilience, engagement and adaptability in the face of everchanging headwinds is why your Board of Directors believes we have such a bright future. We are gratified that our long-term core strategy of developing a valuable team will continue to create value for stakeholders in the future.

As noted in our fourth-quarter press release, our 2022 earnings will be lower than 2021 because of the decline in PPP income and margin compression. Our plan to return to superior earnings growth is to build on the significant growth of new loan and deposit relationships from the PPP while pursuing several growth initiatives. To that end, our most significant tactic is entering the commercial finance business, which includes collateral-intensive lending, general working capital and equipment financing. This initiative makes sense for us solely because we were able to recruit experienced leaders with long, successful performance records in this business. They are the reason we believe the Company will produce strong returns, because of their discipline in risk management and how they embody our entrepreneurial spirit. Besides the outstanding returns, the commercial finance business is countercyclical, will improve geographical diversity due to the need to originate nationally and will allow us to serve more small businesses in our local communities with a true "one-stop shop" model. In 2022, we are focusing on the working capital segment – factoring and asset-based lending – with the acquisition of a small factoring company while starting to build other segments like leasing and alternative energy.

In the conventional business, we are expanding in the Ann Arbor/Washtenaw County market for the same reason as commercial finance – because we could recruit a superior leader with a lifetime of experience and success in an attractive market. We are also opening an LPO in Macomb County, which is important to expand our Metro footprint and small business growth. These initiatives will negatively impact 2022 earnings, although expected to be accretive in 2023.

Early in 2022, we completed a private placement of OXBC stock, some of it to our new Oxford Commercial Finance executive team or important influencers in that space, which bolstered our capital position to undertake the growth planned. With the aforementioned private placement and the sub-debt issued in Q3, the Bank's Tier One Leverage ratio is over 10%. As a result, we have retained additional capital at the Company to support further growth. In addition, we are still interested in repurchasing shares, although, like many things, this could change.

Thank you for your continuing commitment as an owner, and hopefully a customer, of Oxford Bank Corporation.

David P. Lamb
President, Chief Executive Officer
Oxford Bank Corporation

Consolidated Balance Sheet

DECEMBER 31, 2021 AND 2020 (000s OMITTED, EXCEPT PER SHARE DATA)

Assets	2021	2020
Cash and due from banks	\$157,959	\$36,085
Interest-bearing time deposit at banks	12,889	14,128
Investment securities – Available for sale	137,482	91,228
Investment securities – Held to maturity	1,322	1,455
Federal Home Loan Bank stock	698	574
Loans - Net of allowance for loan losses of \$5,474 and \$4,897 as of December 31, 2021 and 2020, respectively	411,208	537,163
Premises and equipment – Net	8,489	8,254
Accrued interest receivable and other assets	20,818	10,260
Total assets	\$750,865	\$699,147
Liabilities		
Deposits:		
Noninterest bearing	\$162,948	\$141,738
Interest bearing	505,914	446,165
Total deposits	668,862	587,903
Borrowings	15,680	51,021
Accrued interest, taxes and other liabilities	3,596	5,225
Total liabilities	688,138	644,149
Stockholders' Equity		
Common stock – No par value; 10,000,000 shares authorized; 2,233,597 and 2,313,582 shares issued and outstanding at December 31, 2021 and 2020, respectively	22,941	25,285
Unearned equity compensation	-	(13)
Additional paid-in capital	1,306	867
Retained earnings	38,481	27,598
Accumulated other comprehensive income	(1)	1,261
Total stockholders' equity	62,727	54,998
Total liabilities and stockholders' equity	\$750,865	\$699,147

Consolidated Statement of Operations

YEARS ENDED DECEMBER 31, 2021 AND 2020 (000'S OMITTED, EXCEPT PER SHARE DATA)

	2021	2020
Interest Income		
Loans	\$24,816	\$21,318
Debt securities:		
Taxable	1,052	1,220
Tax exempt	63	33
Other	425	596
Total interest income	26,356	23,167
Interest Expense	1,314	1,963
Net Interest Income	25,042	21,204
Provision for Loan Losses	550	1,440
Net Interest Income After Provision for Loan Losses	24,492	19,764
Noninterest Income		
Service charges – deposits	466	394
ATM fee income	704	588
Gain on sale of loans	1,531	938
Loan servicing income	1,194	468
Other	783	712
Total noninterest income	4,678	3,100
Noninterest Expense		
Salaries and employee benefits	8,074	7,389
Occupancy and equipment	1,930	1,697
Data processing	2,353	2,065
Other loan expense	123	366
Other	2,875	2,460
Total noninterest expense	15,355	13,977
Income – Before income taxes	13,815	8,887
Income tax expense	2,932	1,886
Consolidated Net Income	10,883	7,001
<i>Earnings per Weighted Average Share – Basic</i>	<i>\$4.77</i>	<i>\$3.05</i>



Consolidated Statement of Changes in Stockholders' Equity

DECEMBER 31, 2021 AND 2020 (000s OMITTED, EXCEPT PER SHARE DATA)

	Common Stock	Unearned Equity Compensation	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance – January 1, 2020	\$25,285	\$(64)	\$547	\$20,597	\$225	\$46,590
Comprehensive income:						
Consolidated net income	-	-	-	7,001	-	7,001
Change in net unrealized gain on securities available for sale – Net of tax effect of \$182	-	-	-	-	1,036	1,036
Grant of restricted stock units (23,563 shares)	-	-	320	-	-	320
Equity compensation expense	-	51	-	-	-	51
Balance – December 31, 2020	\$25,285	\$(13)	\$867	\$27,598	\$1,261	\$54,998
Comprehensive income:						
Consolidated net income	-	-	-	10,883	-	10,883
Change in net unrealized loss on securities available for sale – Net of tax effect of (\$335)	-	-	-	-	(1,262)	(1,262)
Repurchase of Shares	(2,344)	-	-	-	-	(2,344)
Grant of restricted stock units (13,971 shares)	-	-	439	-	-	439
Equity compensation expense	-	13	-	-	-	13
Balance – December 31, 2021	\$22,941	-	\$1,306	\$38,481	\$(1)	\$62,727

COVID-19 Data

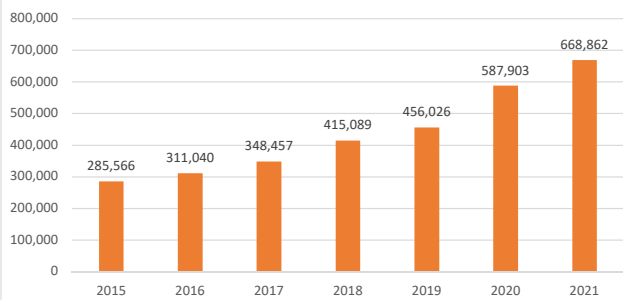
# SBA PPP loans originated in 2020	1,350
# SBA PPP loans originated in 2021	591
\$ SBA PPP loans originated in 2020	\$247,256
\$ SBA PPP loans originated in 2021	\$96,882
\$ SBA PPP loans outstanding at Dec 31, 2021	\$61,630
# Loans deferred during the pandemic	253
# Loans remaining on deferral at Dec 31, 2021	-



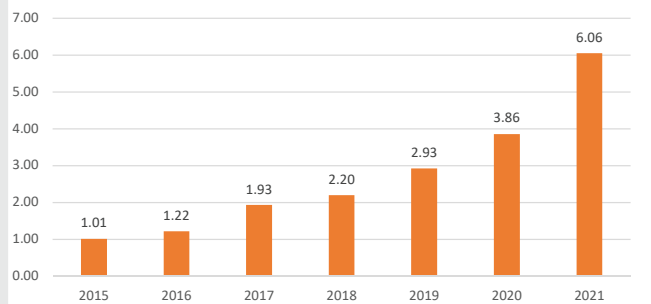


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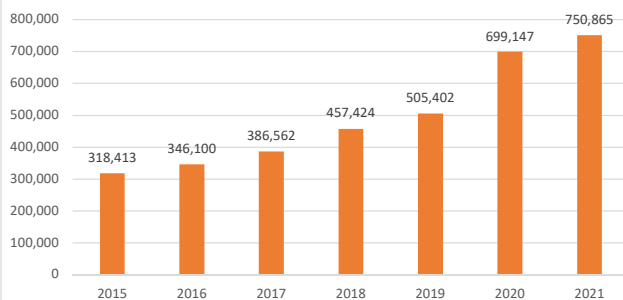
Total Deposits



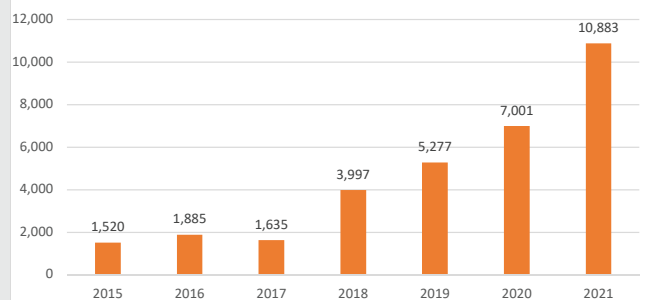
Pre-Tax Earnings Per Share



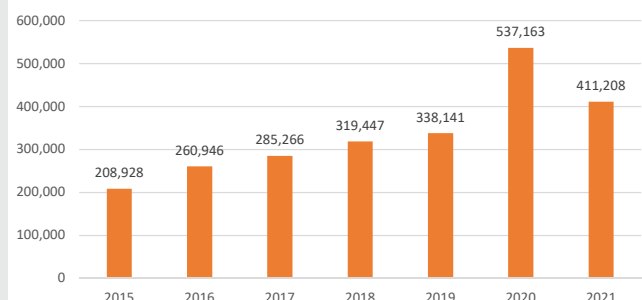
Total Assets



Net Income



Total Net Loans



LOCATIONS AND HOURS:

ADDISON-OAKS BRANCH

35 S. Rochester Road
Oakland, MI 48363
(586) 752-4555

CLARKSTON BRANCH

7199 N. Main Street
Clarkston, MI 48346
(248) 625-0011

DAVISON BRANCH

600 N. State Road
Davison, MI 48423
(810) 658-1500

DRYDEN BRANCH

5459 Main Street
Dryden, MI 48428
(810) 796-2651

LAKE ORION BRANCH

1115 S. Lapeer Road
Lake Orion, MI 48361
(248) 693-6261

ORTONVILLE BRANCH

345 S. Ortonville Road
Ortonville, MI 48462
(248) 627-2813

OXFORD BRANCH

60 S. Washington Street
Oxford, MI 48371
(248) 572-2030

CUSTOMER EXPERIENCE CENTER - NORTH

183 S. Livernois Road
Rochester Hills, MI 48307
(248) 429-3301

CUSTOMER EXPERIENCE CENTER - EAST

(OPENING IN 2022)
51020 Hayes Road
Macomb, MI 48044
(586) 868-8300

LOBBY HOURS

Monday – Friday: 9 a.m. – 5 p.m.
Saturday: 9 a.m. – 12 p.m.

ITM DRIVE-THRU HOURS

Monday – Friday: 7 a.m. – 8 p.m.
Saturday: 7 a.m. – 5 p.m.

24-HOUR TELEPHONE BANKING

(844) 258-8359

ADDITIONAL ITM LOCATION

28345 Beck Road
Wixom, MI 48393



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