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# PRESS RELEASE

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## **OXFORD BANK CORPORATION**

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### **FOR IMMEDIATE RELEASE:**

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### **OXFORD BANK CORPORATION ANNOUNCES SECOND QUARTER AND SIX-MONTH 2022 OPERATING RESULTS**

**Oxford, Michigan** – Oxford Bank Corporation (“the Company”) (OTC Bulletin Board: OXBC), the holding company for Oxford Bank (“the Bank”), today announced operating results for the second quarter ended June 30, 2022.

The Company’s quarterly consolidated earnings for the three months ended June 30, 2022, were \$1.787 million, or \$0.74 per weighted average share, compared to \$3.279 million, or \$1.44 per weighted average share for the same period one year ago. Second quarter 2022 earnings also increased, as expected, compared to first quarter net income of \$1.059 million, or \$.46 per weighted average share. Earnings for the first two quarters of 2022 were \$2.846 million, or \$1.21 per share, compared to \$6.362 million, or \$2.77 per share for the same period of 2021. President and CEO, David Lamb, commented “While our year-over-year results continue to reflect the impact of our successful PPP activity in 2021, we remain very pleased with our more normalized results. The earnings progression from the first to second quarter of 2022 reflects the continued focus on our core business and the positive impact of our investment in Oxford Commercial Finance (dba FSW Funding), the factoring business that we acquired in April. Increased rates have also augmented interest income given our well-balanced mix of fixed and floating loans. We believe the diversity that we have built within our lending lines of business and our continued success in procuring low-cost core depository relationships will serve us well within the changing dynamics of the economy.”

Total Assets of the Company increased to \$807.4 million as of June 30, 2022, from \$723.8 million at June 30, 2021 and \$750.9 million at December 31, 2021. “The increase in assets continues to reflect the focus and execution of our team on both the loan and deposit side. We continue to operate in a very liquid environment, and we will manage our balance sheet accordingly without exception to our risk parameters. With the trajectory of our lending business, we know that continued procurement of low cost, relationship-based deposits is important in the long-run even if they temporarily reside in lower yielding investment securities. Overall, we remain well positioned to both continue our controlled organic growth and create shareholder value.” reported CEO David Lamb.

Net loans at second quarter end were \$421.8 million down from \$521.7 million at June 30, 2021. However, loan totals have increased by \$34.0 million from \$387.7 million on March 31, 2022. The main drivers of the quarter-over-quarter increase included, but were not limited to, growth in traditional commercial lending (\$51.9 million) and the impact of the FSW acquisition (\$27.8 million). CEO Lamb noted, “We have continued to see our lending activity increase in the second quarter as the pipeline we had built in Q1 converted to new loan balances. Our team continues to work hard to maintain this progress in all of our lending lines of business pending any unforeseen economic headwinds.”. Deposits increased to \$724.0 million as of June 30, 2022, an increase from \$711.4 million at March 31, 2022 and \$647.8 million at June

30, 2021. Lamb continued, "While we have expected that our deposits would decrease as liquidity works its way through the U.S. economy, we are also seeing new client deposit growth and treasury management activity overtake any balance reductions. Management remains conservative investing cash because we continue to believe that the excess liquidity will be needed to fund our new loan opportunities. While the liquidity continues to somewhat constrain our Net Interest Margin, recent Fed interest rate hikes have improved cash yields and funding of new loan opportunities will further enhance margin moving forward."

The Company's total shareholders' equity increased to \$64.9 million as of June 30, 2022, representing book value per share of \$26.93, compared to total Shareholders' equity of \$60.2 million, or \$26.44 per share one year earlier. The subsidiary Bank's Tier 1 capital totaled \$70.6 million as of June 30, 2022, or 15.2% of risk-weighted assets compared to \$59.8 million, or 13.9% of risk-weighted assets as of June 30, 2021.

CEO David P. Lamb commented, "As we had reported prior, the first quarter's level of reduced earnings are not expected to continue the whole year because commercial finance initiatives were expected to contribute beginning in the second quarter. We are pleased to report that these initiatives have resulted in the positive impact that we predicted. While full-year 2022 earnings will still be lower than FYE 2021, it appears that our prior belief that interest rates were moving in the Bank's favor was also accurate. Our move into the commercial leasing business via a joint venture with a firm we have done business with for many years has also commenced. We expect that business to grow both from our partner's efforts but also our existing clients who now have another financing option with us. In addition to the positive financial results and continued good credit quality, we believe that the diversity of our business and continued efforts of our team have us well positioned for continued earnings progression."

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 Ann Arbor, Flint, Oxford, and Wixom, 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](http://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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