
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES THIRD QUARTER AND NINE-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 third quarter ended September 30, 2022.

The Company’s quarterly consolidated earnings for the three months ended September 30, 2022, were \$2.632 million, or \$1.09 per weighted average share, compared to \$2.496 million, or \$1.10 per weighted average share for the same period one year ago. Third quarter 2022 earnings also increased, as expected, compared to second quarter net income of \$1.787 million, or \$.74 per weighted average share. Earnings for the first three quarters of 2022 were \$5.478 million, or \$2.30 per share, compared to \$8.852 million, or \$3.87 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 and income recognition in 2021, we remain very pleased with the progression of the 2022 “more normalized” results. The earnings increase over the first three quarters reflect the continued focus on our core business and the positive impact of our investments in Oxford Commercial Finance (“OCF”) which houses our factoring and asset-based lending businesses. Increased interest rates continue to magnify this impact given the well-balanced mix of fixed and floating rate loans in our traditional commercial loan portfolio. We believe the diversity that we have built within both our balance sheet and our lending lines of business will serve us well within the changing dynamics of the economy. The Company’s deposit balances are also remaining consistent which maintains the ability to fund growth with low-cost deposits and positively impact margin.”

Total Assets of the Company were \$782.9 million as of September 30, 2022, compared to \$729.4 million at September 30, 2021 and \$750.9 million at December 31, 2021. “The changes in asset levels continue to reflect the recalibration of the balance sheet where PPP loans were repaid and/or forgiven. These repayments generated cash that was then partially redeployed into conventional lending relationships, the investment portfolio, or our Fed account. We continue to operate in a very liquid environment, and we will manage our balance sheet accordingly without exception to our risk parameters. Our conservative investment and cash management strategy has minimized the impact of rising interest rates on our portfolio value and maintained the flexibility we prefer as we focus on growing our various lending businesses. By not locking in long-term bond rates, we have also been able to take advantage of upward rate movements. Overall, we remain well positioned to both continue our controlled organic growth and create shareholder value while maintaining our capital ratios.” reported CEO David Lamb.

Net loans at third quarter end were \$405.4 million down from \$459.4 million at September 30, 2021. The main driver of the year-over-year change was the decrease in SBA loans (predominately PPP) of \$93.3 million. This has been partially offset by growth in traditional commercial lending (\$13.2 million) and

commercial finance (OCF) loans and leases of \$32.1 million. CEO Lamb noted, “We have seen our lending activity remain steady through the third quarter. Based on the current outlook of opportunities, we still expect to maintain this progress in all of our lending lines of business pending any increased economic headwinds. We also believe that having both asset-based and factoring solutions available to help new clients will be beneficial if certain economic trends continue”. Total deposits were \$698.1 million as of September 30, 2022, an increase from \$646.6 million at September 30, 2021. Lamb continued, “While we had expected that our deposits would decrease as liquidity worked its way through the economy, we continue to see new client deposit opportunities and treasury management activity temper any significant balance reductions. We have experienced the normal and expected movement from our municipal depositors, but no significant outflows have occurred, to date. In past quarters, liquidity somewhat constrained our Net Interest Margin, however, recent Fed interest rate hikes have improved both cash yields and the yields on new bonds we invest in using a short-duration treasury ladder. New loan opportunities will further enhance margin moving forward as will repricing associated with loan renewals from the current portfolio in the normal course of business.”

The Company’s total shareholders’ equity was \$65.9 million as of September 30, 2022, representing book value per share of \$27.19, compared to total Shareholders’ equity of \$62.8 million, or \$27.60 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$73.0 million as of September 30, 2022, or 15.9% of risk-weighted assets compared to \$72.4 million, or 16.5% of risk-weighted assets as of September 30, 2021.

CEO David P. Lamb commented, “We have experienced the earnings quality and progression that we projected which has been positively impacted by rates and as a result of our balance sheet positioning. While full-year 2022 earnings will still be lower than 2021, we are very pleased with the results through three quarters. Our move into the commercial leasing business in the second quarter has shown positive early results this quarter. In addition to the positive financial results and continued good credit quality, we continue to augment our team with high quality business professionals in all areas of the company. This is one component of our efforts to thoughtfully build company infrastructure to maintain our current level of operational effectiveness and to support growth in various areas of the company. This will ultimately ensure continued steadfast corporate governance and proper controls over risk management.”

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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