PRESS RELEASE

OXFORD BANK CORPORATION
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OXFORD BANK CORPORATION ANNOUNCES FIRST QUARTER 2023 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 first quarter ended March 31, 2023.

The Company's quarterly consolidated earnings for the three months ended March 31, 2023, were $3.42 million, or $1.41 per weighted average share, compared to $1.06 million, or $.46 per weighted average share for the same period one year ago. First quarter 2023 earnings also increased slightly, compared to fourth quarter 2022 net income of $3.34 million, or $1.38 per weighted average share. President and CEO, David Lamb, commented "We are very pleased with our first quarter results which are a direct result of our team's engagement and work ethic. While earnings expansion remains a focus, building a balance sheet that produces consistent earnings quality and sustainable risk profile is, and has been, core to our mission to create value. There is no question that the rising interest rate environment continues to have a positive impact on the Company's earnings because of our long-term strategy of focusing on diversification. This was tempered slightly with some increased interest expense attributable to our deposit accounts. We also don't have wholesale funding, so a small increase in cost is, of course, outweighed by maintaining deposit relationships and liquidity. Even with the recent turmoil within the industry, the team has retained and slightly increased bank deposits on a year-over-year and quarter-over-quarter basis. This affirms our belief that we have a core deposit portfolio that is relationship based and sticky in nature."

Total Assets of the Company were $819.9 million as of March 31, 2023, compared to $786.4 million at March 31, 2022. "Given the continued strong deposit growth, we have been able to increase loan balances while maintaining the liquidity to execute our long-term strategy of growth within our traditional bank lending products as well as the commercial finance business. Our conservative investment and cash management strategy has minimized negative impact of rising interest rates on our investment portfolio value and maintained flexibility. We continue to employ the strategy of not locking in long-term bond rates to take advantage of upward rate movements and have avoided significant unrealized losses in our investment portfolio. We expect to continue to maintain our short maturity duration within our investment portfolio. In some cycles, this tactic produces opportunity cost however is outweighed by the value when extreme volatility hits our industry or economy. Overall, we remain well positioned to continue both our organic growth and be opportunistic if other strategic opportunities arise." reported CEO David Lamb.

Net loans at first quarter-end 2023 were $459.9 million, increased from $387.7 million at first quarter-end 2022. The main drivers of the year-over-year change were the increase in traditional commercial loans of $42.9 million as well as the growth in Oxford Commercial Finance ("OCF") of $48.6 million. The increases in commercial and OCF were offset by the expected decrease in SBA loans in the first half of 2022 mainly attributable to PPP. CEO Lamb noted, "We have seen our lending activity increase through the first quarter though interest rates are beginning to impact demand for traditional commercial loans. However, we are also seeing activity ramp up within our commercial finance business, OCF. One of the reasons we entered the commercial finance space a/k/a asset-based lending and factoring, is the demand and returns are counter cyclical to conventional business loan business."

Total deposits were $726.38 million as of March 31, 2023, an increase from $703.70 million at March 31, 2022. The Bank's positive loan and deposit activity in the quarter resulted in a Net Interest Margin of 5.04% for the first three months of 2023 compared to 2.89% for the same period of 2022. Lamb continued, "While we thought it was possible that we may experience a modest decrease in deposit balances as liquidity worked its way through the economy and/or potentially due to the Regional Bank failures, we continue to see new client deposit opportunities and treasury management activity temper balance outflows. In past quarters, liquidity somewhat constrained our Net Interest Margin ("NIM"), however, the Fed interest rate hikes have improved both cash yields and the yields on new short-term bonds we invest in. Even with a slightly elevated interest expense and deposit beta in the first quarter, our NIM is very strong. The expansion is a result of many factors, including but not limited to, our low cost of funds, increased yields on liquidity and increased yields on loans (floating rate traditional and OCF yields). We also think that industry wide liquidity will continue to decrease but we remain confident in the overall outlook for our deposit portfolio albeit at a higher cost."

Asset quality shows no signs of systematic portfolio weakness. The increase in non-performing assets year-over-year is directly correlated to one loan relationship where the borrower experienced operating delays as a result of various licensing and approval timing. This change occurred in the fourth quarter of 2022 and was expected to carry into 2023, as previously reported. The Bank is very well collateralized, the borrower relationship is amicable, and resolution is still expected in 2023 with low probability of loss. As a result, the dollar amount of the provision / loss allowance associated with this relationship has not increased to reflect this non-accrual loan. Further, the Bank did not experience any significant financial impact from the implementation of the CECL framework. As you will note, the Bank has transitioned to Allowance for Credit Loss (ACL) requirements which is also reflected in the financials and asset quality metrics. While we expect continued strong credit portfolio performance, the Company could experience some minor earnings volatility going forward due to the transition.

The Company's total shareholders' equity was $74.13 million as of March 31, 2023, representing book value per share of $30.59, compared to total Shareholders' equity of $64.8 million, or $27.22 per share one year earlier. The increase in year-over-year equity is mainly a reflection the positive impact of retained earnings and the fact that 2023 has seen no additional negative impact of the change in the Bank's bond portfolio value (Accumulated Other Comprehensive Income or "AOCI"). The Company remains extremely pleased with the performance of its investments and the Bank has not re-categorized any securities from Available for Sale to Held to Maturity. The subsidiary Bank's Tier 1 capital totaled $79.7 million as of March 31, 2023, or 16.22% of risk-weighted assets compared to $75.5 million, or 18.24% of risk-weighted assets as of March 31, 2022.

CEO David P. Lamb commented, "Even with the volatility in the economy and financial services sector, we met our financial expectations for Q1. This is a direct reflection of our ongoing disciplined approach the last eight years. Our focus is fixed on fundamental banking practices, proper risk management and continued customer service / relationship building. Additionally, our strategic expansion initiatives like OCF; continued improvement in customer delivery and experience; and operational effectiveness have begun to enhance our ability to create shareholder value."

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 Customer Experience Centers in Rochester Hills, MI and Macomb, MI, with transactional services provided by Interactive Teller Machines only. In addition, Oxford Bank has business banking centers in Wixom, downtown Oxford, Ann Arbor 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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