
PRESS RELEASE

OXFORD BANK CORPORATION

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FOR IMMEDIATE RELEASE:

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OXFORD BANK CORPORATION ANNOUNCES FIRST QUARTER 2019 OPERATING RESULTS

Oxford, Michigan – Oxford Bank Corporation (“the Company”) (OTC Bulletin Board: OXBC), the holding company for Oxford Bank (“the Bank”), today announced profitable operating results for the first quarter and year-to-date period ending March 31, 2019.

The Company’s quarterly consolidated earnings for the three months and year-to-date period ended March 31, 2019 were \$919,000, or \$0.40 per weighted average share compared to \$1,045,000, or \$0.46 per weighted average share for the same period one year ago.

Total Assets of the Company grew to \$455.6 million as of March 31, 2019 compared to \$416.7 million as of March 31, 2018, representing an 9.3% increase year-over-year. The Company increased loans outstanding to \$327.7 million at the end of March 2019 compared to \$296.4 million a year earlier. Deposit balances from customers increased 9% year-over-year and totaled \$412.0 million as of March 31, 2019 compared to \$378.2 million as of March 31, 2018.

The Company’s total stockholders’ equity increased to \$41.6 million as of March 31, 2019, representing book value per share of \$18.16, compared to total stockholders’ equity of \$37.1 million, or \$16.20 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$42.3 million as of March 31, 2019, or 12.00% of risk weighted assets compared to \$36.5 million or 12.13% of risk weighted assets as of March 31, 2018.

“Our results in the first quarter were impacted by the extended shutdown of the government which impacted our SBA production” President and CEO David Lamb noted. He further added “Net interest income after the provision for loan losses showed a 9.8% gain year over year. Our deposit gathering in both Personal Banking and Business Banking remained very strong with increases across customer segments. Noninterest expense was higher partially due to positive impact of cost reductions completed in the beginning of the year not affecting results until next quarter as well as rising compliance/BSA staffing costs.”

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. It also manages business banking centers in Brighton, Farmington Hills, Owosso, and in downtown Oxford. 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.

Oxford Bank Corporation
Consolidated Balance Sheet (Unaudited)
(Dollars in thousands except per share data)

	March	
	2019	2018
<u>Assets</u>		
Cash and due from banks	\$ 58,555	\$ 80,035
Interest bearing balances due from banks	10	38
Federal funds sold	-	-
Total cash and cash equivalents	58,565	80,073
Securities available-for-sale	58,399	29,286
Securities held-to-maturity	440	725
Federal Home Loan Bank stock	574	575
Total securities	59,413	30,586
Portfolio loans		
Consumer loans	14,768	14,563
Mortgage loans	49,382	42,856
Commercial loans	263,540	239,021
Total loans	327,690	296,440
Less: Allowance for loan loss	3,364	3,450
Net loans	324,326	292,990
Premises and equipment, net	8,593	8,478
Other real estate owned	127	342
Accrued interest receivable and other assets	4,621	4,306
	8,241	13,196
Total Assets	\$ 455,645	\$ 416,775
<u>Liabilities</u>		
Deposits		
Noninterest-bearing	\$ 57,280	\$ 53,152
Interest-bearing	354,722	325,117
Total deposits	412,002	378,269
Short term borrowings	-	-
Accrued interest payable, taxes and other liabilities	2,070	1,431
Total Liabilities	414,072	379,700
<u>Shareholders' Equity</u>		
Common stock, no par value; 10,000,000 shares authorized; 2,289,052 shares issued and outstanding as of September 30, 2018 and 2017, respectively	25,535	25,222
Retained Earnings	16,236	12,387
Accumulated other comprehensive income (loss), net of tax	(198)	(534)
Total Shareholders' Equity	41,573	37,075
Total Liabilities and Shareholders' Equity	\$ 455,645	\$ 416,775
Book value per share	\$18.16	\$16.20

Oxford Bank Corporation
Consolidated Statement of Income (Unaudited)
(Dollars in thousands except per share data)

	Quarter to Date		Year to Date	
	March		March	
	2019	2018	2019	2018
<u>Interest Income</u>				
Interest and fees on loans				
Commercial loans	\$ 3,577	\$ 3,101	\$ 3,577	\$ 3,101
Consumer loans	36	26	36	26
Mortgage loans	702	562	702	562
Home equity loans	169	146	169	146
Total loan interest and fee income	4,484	3,835	4,484	3,835
Interest on investment securities				
Taxable	573	334	573	334
Tax-exempt	7	9	7	9
Total investment income	580	343	580	343
Total Interest Income	5,064	4,178	5,064	4,178
<u>Interest Expense</u>				
Interest on deposits	631	265	631	265
Interest on borrowed funds	-	-	-	-
Total Interest Expense	631	265	631	265
Net Interest Income	4,433	3,913	4,433	3,913
Provision for loan losses	135	-	135	-
Net Interest Income After Provision for Loan Losses	4,298	3,913	4,298	3,913
<u>Noninterest Income</u>				
Loan fees and charges	48	35	48	35
Business Banking Income	461	381	461	381
Mortgage Seller/Servicer Income	85	190	85	190
Deposit Service charge income	207	210	207	210
Other income	107	127	107	127
Total Noninterest Income	908	943	908	943
<u>Noninterest Expense</u>				
Salaries and employee benefits	2,401	2,138	2,401	2,138
Occupancy expense	321	314	321	314
Equipment expense	161	158	161	158
Other loan expense	91	93	91	93
FDIC Insurance	40	36	40	36
Other expense	1,018	828	1,018	828
Total Noninterest Expense	4,032	3,567	4,032	3,567
Net Income Before Income Taxes	1,174	1,289	1,174	1,289
Income tax expense	255	244	255	244
Net Income	\$ 919	\$ 1,045	\$ 919	\$ 1,045
Earnings per Weighted Average Share - Basic	\$ 0.40	\$ 0.46	\$ 0.40	\$ 0.46

Oxford Bank Corporation
Consolidated Financial Summary and Selected Ratios (Unaudited)

(Dollars in thousands except per share data)

	Year to Date			
	March		Change	
	2019	2018	Amount	Percentage
<u>Income Statement</u>				
Interest income	\$ 5,064	\$ 4,178	\$ 886	21.2%
Interest expense	631	265	366	138.1%
Net interest income	4,433	3,913	520	13.3%
Provision for loan loss	135	-	135	0.0%
Noninterest income	908	943	(35)	(3.7%)
Noninterest expense	4,032	3,567	465	13.0%
Income before income taxes	1,174	1,289	(115)	(8.9%)
Income tax expense	255	244	11	4.5%
Net Income	\$ 919	\$ 1,045	\$ (126)	(12.1%)
<u>Balance Sheet Data</u>				
Total assets	455,645	416,775	38,870	9.3%
Earning assets	387,103	327,026	60,077	18.4%
Total loans	327,690	296,440	31,250	10.5%
Allowance for loan loss	3,364	3,450	(86)	(2.5%)
Total deposits	412,002	378,269	33,733	8.9%
Other borrowings	-	-	-	0.0%
Shareholders' equity	41,573	37,075	4,498	12.1%
<u>Asset Quality</u>				
Other real estate owned	127	342	(215)	(62.9%)
Net charge-offs (recoveries)	417	(12)	429	-
Non-accrual loans	2,114	112	2,002	1787.5%
Nonperforming assets	2,241	698	1,543	221.1%
Non-accrual loans / total loans	0.65%	0.04%	0.61%	1607.5%
Allowance for loan loss / total loans	1.03%	1.16%	(0.14%)	(11.8%)
Allowance for loan loss / non-accrual loans	159.13%	3080.36%	(2921.23%)	(94.8%)
<u>Performance Measurements</u>				
Net interest margin (tax equivalent)	4.19%	4.39%	(0.20%)	(4.6%)
Return on average assets (annualized)	0.95%	0.45%	0.50%	111.1%
Return on average equity (annualized)	10.41%	4.24%	6.17%	145.5%
Equity / Assets	9.12%	8.90%	0.23%	2.6%
Loans / Deposits	79.5%	78.4%	1.2%	1.5%
Book value per share	\$ 18.16	\$ 16.20	\$ 1.97	12.1%
Earnings per weighted average share - basic	\$ 0.40	\$ 0.46	\$ (0.05)	(12.0%)
Weighted average shares outstanding	2,287,378	2,289,052	(1,674)	(0.1%)

Oxford Bank Corporation
Consolidated Financial Summary and Selected Ratios (Unaudited)

(Dollars in thousands except per share data)

	Quarter Ended				
	March 31, 2019	December 31, 2018	September 30, 2018	June 30, 2018	March 31, 2018
<u>Income Statement</u>					
Interest income	\$ 5,064	\$ 5,048	\$ 4,915	\$ 4,305	\$ 4,178
Interest expense	631	558	457	369	265
Net interest income	4,433	4,490	4,458	3,936	3,913
Provision for loan loss	135	90	120	-	-
Noninterest income	908	677	1,127	780	943
Noninterest expense	4,032	3,911	3,865	3,736	3,567
Income before income taxes	1,174	1,166	1,600	980	1,289
Income tax expense	255	235	325	234	244
Net Income	\$ 919	\$ 931	\$ 1,275	\$ 746	\$ 1,045
<u>Balance Sheet Data</u>					
Total assets	455,645	457,424	437,456	430,789	416,775
Earning assets	387,103	383,955	361,815	347,431	327,026
Total loans	327,690	322,671	302,472	300,007	296,440
Allowance for loan loss	3,364	3,224	3,126	3,043	3,450
Total deposits	412,002	415,089	396,699	391,490	378,269
Other borrowings	-	-	-	-	-
Shareholders' equity	41,573	40,316	39,086	37,781	37,077
<u>Asset Quality</u>					
Other real estate owned	127	127	164	339	342
Net charge-offs (recoveries)	470	470	478	438	(19)
Non-accrual loans	2,114	2,114	2,041	1,318	112
Nonperforming assets	2,241	2,241	2,205	1,657	454
Non-accrual loans / total loans	0.65%	0.66%	0.67%	0.44%	0.04%
Allowance for loan loss / total loans	1.03%	1.00%	1.03%	1.01%	1.16%
Allowance for loan loss / non-accrual loans	159.13%	152.51%	153.16%	230.88%	3080.36%
<u>Performance Measurements</u>					
Net interest margin (tax equivalent)	4.58%	4.58%	4.58%	4.58%	4.36%
Return on average assets (annualized)	0.83%	0.84%	1.46%	0.85%	1.15%
Return on average equity (annualized)	9.8%	9.9%	13.6%	8.0%	11.9%
Equity / Assets	9.1%	8.8%	8.9%	8.8%	8.9%
Loans / Deposits	79.5%	77.7%	76.2%	76.6%	78.4%
Book value per share	\$ 18.16	\$ 17.61	\$ 17.08	\$ 16.51	\$ 16.20
Earnings per weighted average share - basic	\$ 0.40	\$ 0.41	\$ 0.56	\$ 0.33	\$ 0.46
Weighted average shares outstanding	2,289,052	2,289,052	2,289,052	2,289,052	2,289,052