
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES THIRD QUARTER 2020 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 third quarter and year-to-date period ended September 30, 2020.

The Company’s quarterly consolidated earnings for the three months ended September 30, 2020, were \$1,594,000, or \$0.69 per weighted average share compared to \$1,554,000, or \$0.68 per weighted average share for the same period one year ago. Year-to-date consolidated earnings were \$4,750,000 or \$2.07 per weighted average share for the nine months ended September 30, 2020 compared to \$3,660,000 or \$1.60 per weighted average share for the nine months ended September 30, 2019.

Total Assets of the Company decreased from the prior quarter to \$723.8 million as of September 30, 2020, as the company paid down its Paycheck Protection Liquidity Facility with the Federal Reserve. This compared to \$476.9 million as of September 30, 2019, representing a 52% increase year-over-year, owing to the Company’s participation in the SBA PPP program. The Company increased loans outstanding to \$566 million at the end of September 2020 compared to \$328 million a year earlier. Deposit balances from customers increased 38% year-over-year and totaled \$593 million as of September 30, 2020, compared to \$429 million as of September 30, 2019.

The Company’s total stockholders’ equity increased to \$52.6 million as of September 30, 2020, representing book value per share of \$22.7, compared to total stockholders’ equity of \$45.0 million, or \$19.67 per share one year earlier. The subsidiary Bank’s Tier 1 capital totaled \$51.0 million as of September 30, 2020, or 14.5% of risk weighted assets compared to \$44.7 million, or 11.9% of risk weighted assets as of September 30, 2019.

“In the third quarter, we began the transition towards the SBA forgiveness piece of the Paycheck Protection Program (“PPP”) loan portfolio” noted David Lamb, President and CEO. “Due to our overwhelming success in helping over 1,300 businesses with the PPP, we partnered with an outside vendor to assist with processing the forgiveness applications. Leadership made that decision to ensure the significant value and goodwill created with our existing customers plus the approximately 800 new clients, was not lost due to a poor forgiveness experience at least the part we can control. In addition, we need to capitalize on the growth opportunity in a disciplined way so need our team engaged in their primary roles of growing relationships. There have been multiple changes to the rules and process of forgiveness so expect that burden, and recognizing unamortized fee income, will stretch into 2021.”

Lamb continued “Net income in the third quarter benefitted by the amortization of the SBA origination fees on the PPP portfolio although offset somewhat by the reduced activity in our SBA and conventional business lending. The Bank also continues to provision to the ALLL because of the still high level of uncertainty. Management will continue to review and analyze appropriate level of reserves as asset quality metrics don’t justify levels today. Operating expenses continue to decline due to work over the past several years as well as our team continues to work remotely where possible to continue to protect our team and customers from the pandemic affects as much as possible. Our team absolutely looks forward to the remainder of 2020 and 2021 with full knowledge that there are big challenges and uncertainty (not quantifiable today), looming around margin compression and asset quality.”

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.

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