

DELIVERING
VALUE.

FOR LIFE.



2020 Annual Report



COMMUNITY INVOLVEMENT AND SUPPORT

Boys and Girls Club of Greater Flint
Clarkston Area Chamber of Commerce
Clarkston Area Youth Assistance
Corcoran House
Davison Area Chamber of Commerce
Davison Youth Baseball
Dryden Athletic Boosters Club
Eagle Scout Project
Flint Handmade
Food Council of Michigan
GreenPath Financial Wellness
Habitat for Humanity
Lake Orion Community Schools
Lake Orion DDA
Lakes Area Chamber of Commerce
Lapeer Area Chamber of Commerce
Leonard Elementary PTO
LGBT Detroit
LOVE, Inc. of North Oakland County
Orion Area Chamber of Commerce
Orion Area Youth Assistance
Oxford Chamber of Commerce
Oxford DDA
Oxford High School - Adopt a Graduating Senior
Oxford High School Athletics
Oxford Police Department
Oxford Women's Club
Oxford/Orion FISH - Neighbors Helping Neighbors
Rochester Regional Chamber of Commerce
Romeo High School Lacrosse
Romeo/Washington Chamber of Commerce
Shiawassee Economic Development
Society of St. Vincent de Paul
Toys for Tots
University of Michigan - Economics

DEAR SHAREHOLDER:

How do you describe or compare a year like 2020? Well, you don't, as it was an indescribably bad apple of a year for everyone in our country, so comparably, every other year was a peach! That being said, very positive things did come out of the trials and tribulations of the pandemic for your Company and your team. Most importantly, our team largely stayed healthy with less than 10% infected. Professionally, our front line, the Personal Banking team, served clients in person at times throughout the pandemic with a positive attitude when that was very difficult to do.

The defining moment for the Company in 2020 was the SBA's Paycheck Protection Program (PPP). We were extremely strong participants in the 2020 PPP. The Bank's per capita amount of PPP loans (\$247 million) and number of businesses helped (1,350) rank as one of the best nationally. The reason? Our team determined early on that our obligation and desire was to help anyone who needed help, so we ended up providing PPP loans to approximately 800 customers who were brand new to Oxford Bank. Even better, not only did we help so many small businesses with 85% of loans under \$150,000, but the team also maintained their dedication to providing an outstanding customer experience, resulting in pages of feedback from clients on how well we communicated and how fast we processed requests.

The result of this strategy, besides significantly contributing to our financial results, was the value of our reputation to build a strong non-PPP pipeline and a several-year-long prospect list of "very warm" leads. We also participated directly and via referral to a third party in the 2021 PPP version, which solidified some new 2020 PPP clients' decisions to "finally" move their business. The team continues to be strongly engaged in capitalizing on this opportunity, and we believe it bodes well for years to come.

As you can see from our financials, we were extremely concerned about asset quality when the pandemic lockdowns started and so increased our loan loss reserve by \$1.4 million this year. We are no different than the industry by being pleasantly surprised at the recovery in many of our borrowers, and we have limited asset quality issues today. Uncertainty should remain high because what happens next is hard to predict. And, we don't want to discount the pain being experienced in the travel, restaurant and hospitality industries, among others; their recovery is not a given at this point. Internally, we have always treated the aforementioned industries as above-average risk, so we have diverse and limited exposure. I believe we chose our borrowers well, and we have a history of focusing on federal and state government programs to further protect the Bank and customers.

I have always been very resistant to predicting the future because my belief is that "business" is for risk capital, which we assuredly are not. Our management team believes in diversity in all things we do, from team members to loan concentrations – even at the cost of short-term financial results. With that caveat, I do believe the Corporation has a bright future because our team proved to our communities, and more importantly, to themselves, how much can be accomplished when we work like a high-performing team. I am excited to see where it all goes.

Thank you for your continuing commitment as an owner of the Corporation, and please visit me in Oxford when you have an opportunity.

David P. Lamb
President, Chief Executive Officer
Oxford Bank Corporation



Consolidated Balance Sheet

DECEMBER 31, 2020 AND 2019 (000s OMITTED, EXCEPT PER SHARE DATA)

Assets	2020	2019
Cash and due from banks	\$36,085	\$72,026
Interest-bearing time deposit at banks	14,128	13,879
Investment securities – Available for sale	91,228	66,799
Investment securities – Held to maturity	1,455	430
Federal Home Loan Bank stock	574	574
Loans - Net of allowance for loan losses of \$4,897 and \$3,660 as of December 31, 2020 and 2019, respectively	537,163	338,141
Premises and equipment – Net	8,254	8,682
Accrued interest receivable and other assets	10,260	4,871
Total assets	\$699,147	\$505,402
Liabilities		
Deposits:		
Noninterest bearing	\$141,738	\$75,447
Interest bearing	446,165	380,586
Total deposits	587,903	456,033
Borrowings	51,021	450
Accrued interest, taxes and other liabilities	5,225	2,329
Total liabilities	644,149	458,812
Stockholders' Equity		
Common stock – No par value; 10,000,000 shares authorized; 2,313,582 and 2,287,378 shares issued and outstanding at December 31, 2020 and 2019, respectively	25,285	25,285
Unearned equity compensation	(13)	(64)
Additional paid-in capital	867	547
Retained earnings	27,598	20,597
Accumulated other comprehensive income	1,261	225
Total stockholders' equity	54,998	46,590
Total liabilities and stockholders' equity	\$699,147	\$505,402

Consolidated Statement of Operations

DECEMBER 31, 2020 AND 2019 (000s OMITTED, EXCEPT PER SHARE DATA)

	2020	2019
Interest Income		
Loans	\$21,318	\$18,612
Debt securities:		
Taxable	1,220	1,263
Tax exempt	33	23
Other	596	1,198
Total interest income	23,167	21,096
Interest Expense	1,963	2,727
Net interest income	21,204	18,369
Provision for loan losses	1,440	270
Net interest income after provision for loan losses	19,764	18,099
Noninterest Income		
Service charges – deposits	394	409
ATM fee income	588	548
Gain on sale of loans	938	1,725
Loan servicing income	468	446
Other	712	714
Total noninterest income	3,100	3,842
Noninterest Expense		
Salaries and employee benefits	7,389	8,854
Occupancy and equipment	1,697	1,777
Data processing	2,065	1,789
Other loan expense	366	302
Other	2,460	2,518
Total noninterest expense	13,977	15,240
Income – before income taxes	8,887	6,701
Income tax expense	1,886	1,424
Consolidated Net Income	\$7,001	\$5,277



Consolidated Statement of Changes in Stockholders' Equity

DECEMBER 31, 2020 AND 2019 (000s OMITTED, EXCEPT PER SHARE DATA)

	Common Stock	Unearned Equity Compensation	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Total
Balance - January 1, 2019	\$25,285	\$(117)	\$286	\$15,320	\$(459)	\$40,315
Comprehensive income:						
Consolidated net income	-	-	-	5,277	-	5,277
Change in net unrealized gain on securities available for sale - Net of tax effect of \$182	-	-	-	-	684	684
Grant of restricted stock units (23,563 shares)	-	-	261	-	-	261
Equity compensation expense	-	53	-	-	-	53
Balance - December 31, 2019	\$25,285	\$(64)	\$547	\$20,597	\$225	\$46,590
Comprehensive income:						
Consolidated net income	-	-	-	7,001	-	7,001
Change in net unrealized gain on securities available for sale - Net of tax effect of \$275	-	-	-	-	1,036	1,036
Grant of restricted stock units (21,230 shares)	-	-	320	-	-	320
Equity compensation expense	-	51	-	-	-	51
Balance - December 31, 2020	\$25,285	\$(13)	\$867	\$27,598	\$1,261	\$54,998

COVID-19 DATA

	2020
# SBA PPP loans originated	1,350
\$ SBA PPP loans originated	\$247,256,404
# Loans forgiven by the SBA	168
\$ Loans forgiven by the SBA	\$37,964,161
Loans deferred during the pandemic	253
# Loans remaining on deferral at December 31, 2020	15
\$ Loans remaining on deferral at December 31, 2020	\$16,183,989

EXPOSURE TO COVID-19 POTENTIALLY IMPACTED INDUSTRIES

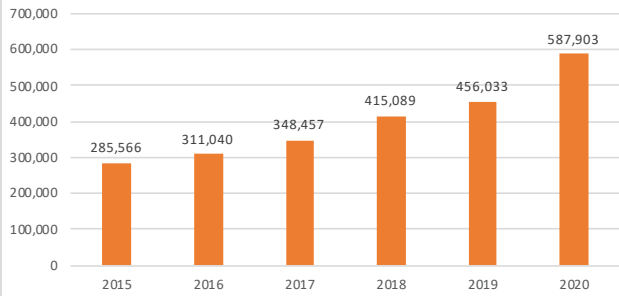
	Total Exposure as % of Capital	# of Deferrals
Eating Places	37%	0
Lodging	34%	1
Entertainment	25%	2
Non-Owner Occupied Real Estate	111%	2



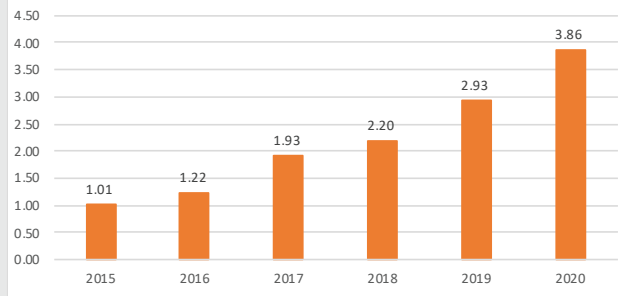


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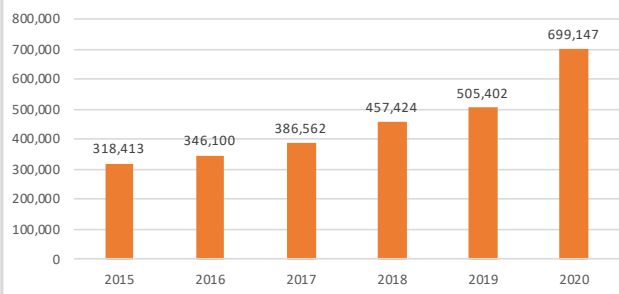
Total Deposits



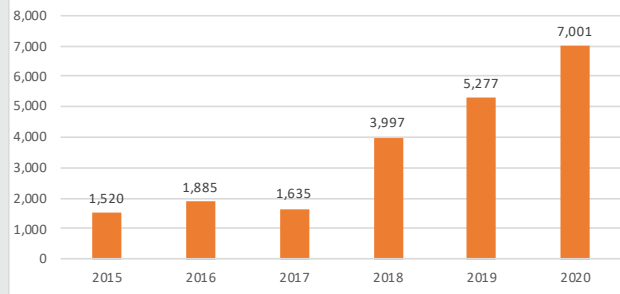
Pre-Tax Earnings Per Share



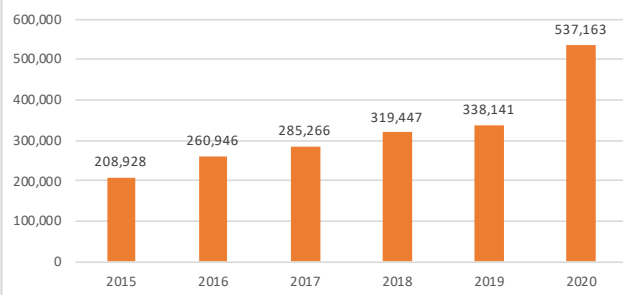
Total Assets



Net Income



Total Net Loans



LOCATIONS AND HOURS:

ADDISON-OAKS BRANCH

35 S. Rochester Road
Oakland, MI 48363
(586) 752-4555

CLARKSTON BRANCH

7199 N. Main Street
Clarkston, MI 48346
(248) 625-0011

DAVISON BRANCH

600 N. State Road
Davison, MI 48423
(810) 658-1500

DRYDEN BRANCH

5459 Main Street
Dryden, MI 48428
(810) 796-2651

LAKE ORION BRANCH

1115 S. Lapeer Road
Lake Orion, MI 48361
(248) 693-6261

ORTONVILLE BRANCH

345 S. Ortonville Road
Ortonville, MI 48462
(248) 627-2813

OXFORD BRANCH

60 S. Washington Street
Oxford, MI 48371
(248) 572-2030

LOBBY HOURS

Monday - Friday: 9 a.m. - 5 p.m.
Saturday: 9 a.m. - 12 p.m.

ITM DRIVE-THROUGH HOURS

Monday - Friday: 7 a.m. - 8 p.m.
Saturday: 7 a.m. - 5 p.m.

24-HOUR TELEPHONE BANKING

(844) 258-8359

ADDITIONAL ITM LOCATIONS

183 S. Livernois Road
Rochester Hills, MI 48307

28345 Beck Road
Wixom, MI 48393



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(248) 628-2533 • oxfordbank.com

