# PRESS RELEASE

**OXFORD BANK CORPORATION**
60 S. Washington St., Oxford, MI 48371

**FOR IMMEDIATE RELEASE:**

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Contact: David P. Lamb, President & CEO
Phone: (248) 628-2533
Fax: (248) 969-7230

**OXFORD BANK CORPORATION ANNOUNCES**
**FOURTH QUARTER AND FULL YEAR 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 fourth quarter ended December 31, 2022.

The Company's quarterly consolidated earnings for the three months ended December 31, 2022, were $3.342 million, or $1.38 per weighted average share, compared to $2.025 million, or $.90 per weighted average share for the same period one year ago. Fourth quarter 2022 earnings also increased, as expected, compared to third quarter 2022 net income of $2.632 million, or $1.09 per weighted average share.

Earnings for 2022 were $8.820 million, or $3.69 per share, compared to $10.883 million, or $4.77 per share for the same period of 2021. President and CEO, David Lamb, commented "We are very pleased with our full year 2022 results. Quarterly net income increased as the year progressed and was directly correlated to the execution of our strategic initiatives which were centered around maintaining our strong deposit franchise and growing a diversified lending business inclusive of Oxford Commercial Finance ("OCF") which houses our factoring and asset-based lending businesses. Increased interest rates continue to have a positive impact to earnings given the growth in our traditional commercial loan portfolio which consists of a well-balanced mix of fixed and floating rate loans. While these initiatives are designed to position the company for long-term success, we have already seen the merits of our strategy which drove top-line interest income and effectively replaced much of the one-time PPP fee income from 2021."

Total Assets of the Company were $792.6 million as of December 31, 2022, compared to $750.9 million at December 31, 2021. "As PPP loans worked through the forgiveness process, we saw the balance sheet gradually normalize through the year. Unlike some institutions, 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 negative impact of rising interest rates on our investment portfolio value and maintained the flexibility we prefer as we focus on growing our various lending businesses. Given the drastically increased rate environment for wholesale funding, our ability to use on-hand core liquidity to fund loans has allowed for nice margin expansion. Further, by not locking in long-term bond rates, we have also been able to take advantage of upward rate movements and have avoided significant unrealized losses in our investment portfolio. We also expect that this will eliminate the potential for a long-term liquidity trap which can lead to capital impact. Overall, we remain well positioned to both continue our controlled organic growth and create sustainable shareholder value." reported CEO David Lamb.

Net loans at year-end 2022 were $445.3 million, increased from $411.2 million at year-end 2021. The main drivers of the year-over-year change were the increase in traditional commercial loans of $46.6 million as well as the growth in OCF of $33.9 million. Loan growth has also offset the expected decrease of $38.1 million in PPP loan balances following debt forgiveness by the government. CEO Lamb noted, "We have seen our lending activity remain steady through the fourth 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, as we move into 2023. We continue to 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 $703.0 million as of December 31, 2022, an increase from $668.9 million at December 31, 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 balance outflows. In past quarters, liquidity somewhat constrained our Net Interest Margin, however, the 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. We believe that industry wide liquidity will continue to decrease but we remain confident in the overall outlook for our deposit portfolio."

Asset quality shows no signs of systematic portfolio weakness. The increase in non-performing assets in the fourth quarter and 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. The bank is very well collateralized, the borrower relationship is amicable, and resolution is expected in 2023 with low probability of loss. As a result, the dollar amount of the Allowance for Loan and Lease losses (ALLL) has not increased to reflect this non-accrual loan. Further, the bank does not expect any significant impact from the implementation of the CECL framework in 2023.

The Company's total shareholders' equity was $69.7 million as of December 31, 2022, representing book value per share of $28.76, compared to total Shareholders' equity of $62.7 million, or $28.08 per share one year earlier. The increase in year-over-year equity is a reflection of both retained earnings and the issuance of new shares through a private placement offering and to a lesser degree shares issued in conjunction with the acquisition of the Bank's factoring business in early 2022. The modest equity growth is not fully representative of the Net Income of the Company as it was constrained by the devaluation of the bond portfolio in 2022 due to rates. We are extremely pleased with the performance of our 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 $76.2 million as of December 31, 2022, or 15.4% of risk-weighted assets compared to $74.8 million, or 17.28% of risk-weighted assets as of December 31, 2021.

CEO David P. Lamb commented, "We have experienced the earnings quality and progression that we expected which has been positively impacted by rates and proactive balance sheet positioning. While full-year 2022 earnings were lower than 2021, this was expected, and we are very pleased with the results. In addition, 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 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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