PRESS RELEASE

OXFORD BANK CORPORATION
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OXFORD BANK CORPORATION ANNOUNCES
SECOND QUARTER AND SIX MONTH 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 second quarter ended June 30, 2023.

The Company's quarterly consolidated earnings for the three months ended June 30, 2023, were $3.12 million, or $1.29 per weighted average share, compared to $1.79 million, or $.74 per weighted average share for the same period one year ago. 2023 earnings, on a year-to-date basis, of $6.55 million also increased compared to 2022 net income of $2.85 million for the same period. President and CEO, David Lamb, commented "We are very pleased with the Company's earnings trends including our second quarter results. We have seen a continuation of the positive momentum that started in the second half of 2022 where interest rate increases allowed us to expand our margins and take advantage of our strong core deposit portfolio as a funding source. Our commercial finance business continues to develop and steady growth of the traditional lending products has helped produce solid earnings quality which we expect to continue into the second half of 2023."

Total Assets of the Company were $815.2 million as of June 30, 2023, compared to $807.7 million at June 30, 2022. "Given the continued strong deposit activity, we have been able to increase loan balances while maintaining a solid liquidity position. While the balance sheet has not grown considerably, we have successfully and mindfully deployed a portion of our liquidity assets into high quality loans. The Company's conservative investment and cash management strategy has minimized negative impact of rising interest rates on our investment portfolio value and allowed for equity growth. We continue to employ the strategy of not locking in long-term bond rates to avoid unrealized losses in our investment portfolio and maintain an average duration of approximately two years." reported CEO David Lamb.

Net loans at second quarter-end 2023 were $484.8 million, compared to $421.8 million at second quarter-end 2022, an increase of $63.0 million. The main drivers of the year-over-year change were the increase in traditional commercial loans of $38.9 million as well as the growth in Oxford Commercial Finance ("OCF") of $22.6 million. The increases in commercial and OCF portfolios were offset by some minor but expected decreases in consumer and mortgage loans. CEO Lamb noted, "Our lending activity has remained strong to drive the growth seen in both conventional business lending and our commercial finance portfolio. We expected a slowdown in our consumer and mortgage businesses given the current rate environment. Given our low-cost funding sources, we can remain competitive when procuring high quality loans that meet our credit standards while still maintaining our pricing discipline. The loan pipeline remains strong heading into the third quarter." He added "The partnership between the conventional business lending team and the OCF team, referring business to each other, bodes well for our original premise that we can be a "one stop solution" for small/mid-size businesses and their advisors. We expect this will increase the actual duration of business relationships because we can serve businesses wherever they are on the risk/return spectrum. In effect, the counter cyclicality of the OCF business works to attract new relationships in negative economic times and serve existing relationships effectively in all business cycles."

Total deposits were $718.90 million as of June 30, 2023, a nominal decrease from $724.02 million at June 30, 2022. The Bank's consistent loan and deposit activity in the quarter resulted in a Net Interest Margin ("NIM") of 4.98% for the first six-months of 2023 compared to 4.11% for the same period of 2022. Lamb continued, "We thought it was possible that we could experience a modest decrease in deposit balances as liquidity worked its way through the economy, however, our depositors have remained extremely resilient and our balances have stayed mainly flat. Even with slightly elevated interest expense and deposit beta in the second quarter, our NIM is very strong. However, we also believe that further margin expansion is not likely with our current balance sheet composition. We also think that industry wide liquidity will continue to decrease but we remain confident in the overall outlook for our deposit portfolio given its relationship nature and very low decay rate."

Asset quality shows no signs of systematic portfolio weakness. The increase in non-performing assets year-over-year is still primarily 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 the second half of 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 of this low probability, the dollar amount of the provision / loss allowance associated with this relationship has not increased to reflect this non-accrual loan. Further, the Bank has not experienced any significant financial impact from the change from the Allowance for Loan and Lease Losses (ALLL) framework to the 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 minor quarter-over-quarter increase in ACL is due exclusively to loan growth.

The Company's total shareholders' equity was $76.70 million as of June 30, 2023, representing book value per share of $31.64, compared to total Shareholders' equity of $64.91 million, or $26.93 per share one year earlier. The increase in year-over-year equity is mainly a reflection of the positive impact in retained earnings and the fact that 2023 has seen no significant 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 $82.51million as of June 30, 2023, or 14.93% of risk-weighted assets compared to $70.6 million, or 15.91% of risk-weighted assets as of June 30, 2022.

CEO David P. Lamb commented, "Even with the volatility in the economy we have met our financial expectations for the first six-months of 2023 which significantly outpace 2022. Our focus remains fixed on fundamental banking practices, proper risk management and continued focus on the customer and team experience. Additionally, our strategic expansion initiatives like OCF, continued improvement in customer experience via digital, 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.bank.

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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