PRESS RELEASE

OXFORD BANK CORPORATION
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OXFORD BANK CORPORATION ANNOUNCES THIRD QUARTER AND NINE 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 third quarter ended September 30, 2023.

The Company's quarterly consolidated earnings for the three months ended September 30, 2023, were $3.15 million, or $1.28 per weighted average share, compared to $2.60 million, or $1.07 per weighted average share for the same period one year ago. 2023 earnings, on a year-to-date basis, of $9.70 million also increased compared to 2022 net income of $5.44 million for the same period. President and CEO, David Lamb, commented "We remain pleased with the Company's earnings through the first three quarters of 2023. Given the structure of our balance sheet, interest rate increases have allowed us to expand our margins and take advantage of our strong core deposit portfolio as a funding source. Our commercial finance business has seen controlled growth and is developing as we had planned. Further, steady activity within the traditional commercial lending products has helped maintain balanced loan growth to strengthen earnings."

Total Assets of the Company were $794.34 million as of September 30, 2023, compared to $782.87 million at September 30, 2022. "Given the continued resilience of the deposit portfolio, 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 deployed a portion of our liquidity into high quality loans at market interest rates. 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. The investment portfolio duration remains at roughly two years and will also provide cash flow through 2024 given the ladder strategy executed when core deposits increased rapidly during the pandemic," reported CEO David Lamb.

Net loans at third quarter-end 2023 were $521.67 million, compared to $405.44 million at third quarter-end 2022, an increase of $116.23 million or roughly 29%. The main drivers of the year-over-year change were the increase in traditional commercial loans of $57.6 million as well as the growth in Oxford Commercial Finance ("OCF") of $40.0 million and roughly $10 million in consumer / home equity loans and $10 million in SBA loans. CEO Lamb noted, "Our lending activity has been strong but controlled to drive the targeted growth seen in both conventional business lending and our commercial finance loan portfolios. Our consumer loan and residential mortgage businesses continue to be designed to serve our clients' needs rather than a core business line. The business loan pipeline remains strong heading into the fourth quarter which gives us the ability to be selective on both pricing and credit quality."

Total deposits were $692.12 million as of September 30, 2023, a nominal decrease from the $698.11 million at September 30, 2022. The Bank's consistent loan and deposit activity in the quarter resulted in a Net Interest Margin ("NIM)") of 4.85% for the first nine months of 2023 compared to 3.66% for the same period of 2022. Lamb continued, "We knew it was possible that we could experience a modest decrease in deposit balances as liquidity worked its way through the economy, and while our deposit levels have remained consistent year-over-year, we have seen a bit more volatility than we did early in 2023. Even with some elevated interest expense and deposit beta in the third quarter, our NIM is very strong. However, we also believe that further margin expansion is not likely with our current balance sheet composition. Inevitably, like may of our peers, our cost of funds will continue to increase, however, given our very low starting point, we believe it will remain better than the broader industry averages. 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."

The increase in non-performing assets year-over-year is primarily correlated to a single relationship that we have discussed in prior period earnings releases. This is the same loan relationship where the borrower experienced operating delays because of various licensing and approval timing. The Bank remains very well collateralized, the borrower relationship is amicable, and change from an adversely classified loan is still expected the first half of 2024 with very low probability of loss. As we have previously reported, while we expect continued strong credit portfolio performance, the Company could experience some minor earnings and provision balance volatility due to the Allowance for Credit Loss model methodology.

The Company's total shareholders' equity was $79.43 million as of September 30, 2023, representing book value per share of $32.35, compared to total shareholders' equity of $65.87 million, or $27.18 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 pleased with the performance of its investments and the Bank has not re-categorized any securities from Available for Sale ("AFS") to Held to Maturity ("HTM"). The subsidiary Bank's Tier 1 capital totaled $84.29 million as of September 30, 2023, or 13.81% of risk-weighted assets compared to $72.99 million, or 15.93% of risk-weighted assets as of September 30, 2022.

CEO David P. Lamb commented, "Even with the volatility in the economy we have met our financial expectations for the first nine months of 2023 which significantly outpace 2022. Our principal strategy of focusing on the relationship and experience with our team and clients is the primary reason for our ability to navigate the headwinds our industry has endured this year. And I expect we will continue to battle in the future. Our leadership team including our OCF team, believes in the fundamentals which starts with maintaining diversity in everything we do from loan exposure limits to our team's composition. The OCF expansion combined with our strong commitment to improving team and client experience through automation/digital and investment in operational effectiveness team is clearly beginning to enhance our ability to create shareholder value in varied environments."

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, Michigan. The Bank also has Customer Experience Centers in Rochester Hills, MI and Macomb, Michigan, 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, Michigan. 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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