PRESS RELEASE

OXFORD BANK CORPORATION
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OXFORD BANK CORPORATION ANNOUNCES FOURTH QUARTER AND FULL YEAR 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 fourth quarter ended December 31, 2023.

The Company's quarterly consolidated earnings for the three months ended December 31, 2023, were $2.36 million, or $.96 per weighted average share, compared to $3.38 million, or $1.39 per weighted average share for the same period one year ago. 2023 earnings, on a year-to-date basis, of $12.06 million increased compared to 2022 net income of $8.82 million for the same period. President and CEO, David Lamb, commented "We are very happy with our overall 2023 financial performance and the significant earnings growth year-over-year. Interest rate increases allowed us to expand our margins and leverage our strong and consistent core deposit portfolio as a funding source. We put some excess cash to work funding high quality loans across our business lines while still maintaining a strong liquidity position. Our commercial finance business saw controlled growth, and steady activity within the traditional commercial lending products has helped maintain balanced loan growth and net income."

Total Assets of the Company were $816.67 million as of December 31, 2023, compared to $792.65 million at December 31, 2022. "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 to expand earnings. Given the continued resilience of the deposit portfolio and on-hand liquidity position, we were able to change the balance sheet mix to increase asset yields. The Company's conservative investment and cash management strategy has also 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 year-end 2023 were $536.55 million, compared to $445.26 million at the end of the fourth quarter 2022, an increase of $91.29 million or roughly 21%. The main drivers of the year-over-year change were the increase in traditional commercial loans of $41.7 million as well as the growth in Oxford Commercial Finance ("OCF") of $25.8 million and roughly $12.5 million in consumer / home equity loans and $10 million in SBA loans. CEO Lamb noted, "Our lending activity remains strong but controlled to drive the targeted growth seen in both conventional business lending and our commercial finance loan portfolios. We believe this growth is a testament to our team's commitment to cultivating client relationship because we don't just do transactions, we require a depository relationship with every conventional business, small business, and to a large extent, our asset-based business clients. Our consumer loan and residential mortgage businesses continue to be designed to serve our clients' needs rather than a core business line but have seen some combined modest growth. The loan pipeline remains steady heading into 2024 where we will remain selective and judicious on both pricing and credit quality."

Total deposits were $705.93 million as of December 31, 2023, a slight increase from the $703.02 million at December 31, 2022. The Bank's consistent loan and deposit activity in the quarter resulted in a Net Interest Margin ("NIM") of 4.92% for 2023 compared to 4.02% for the same period of 2022. Lamb continued, "We have been very pleased with the stickiness of our deposits and the strength of our client relationships. Even with some elevated interest expense in the second half of the year, our NIM is very strong driven by a comparatively low cost of funds that has complimented our balance sheet and loan origination strategy. However, we also believe that further margin expansion is not likely with our current balance sheet composition given the more consistent rate environment over the past two quarters and the possibility of rates decreasing sometime in 2024. Inevitably, like many of our peers, our cost of funds will continue to increase if all things remain constant, however, given our very low starting point, we continue to 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 behavior through the rate increases, our continued focus on deposit gathering tactics, and very low decay rate."

The Bank saw a reduction in non-performing assets ("NPAs") year-over-year. The majority of the remaining NPAs are the same single 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 Bank could experience some minor earnings and provision balance volatility due to the Allowance for Credit Loss ("ACL") model methodology. This was a component of the year-over-year increase in ACL expense (formerly provision for loan and lease losses or ALLL) as was isolated charge-off activity at the Bank in the fourth quarter of 2023.

The Company's total shareholders' equity was $84.59 million as of December 31, 2023, representing book value per share of $34.45, compared to total shareholders' equity of $69.70 million, or $28.76 per share one year earlier. The increase in year-over-year equity is mainly a reflection of the positive accretion of retained earnings and the fact that 2023 has seen a decrease in the negative impact of unrealized loss on 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 $87.78 million as of December 31, 2023, or 13.83% of risk-weighted assets compared to $76.16 million, or 15.37% of risk-weighted assets as of December 31, 2022.

CEO David P. Lamb commented, "We are very pleased with the overall performance of the Company in 2023 which significantly outpaced 2022. Our team lives our culture, of which, Performance is one of our core principles, so these results are their success. Their hard work to implement our principal strategy of focusing on customer and team relationship while delivering an exceptional experience is the primary reason for our ability to navigate the headwinds our industry has endured over the past twelve months. We executed our strategy, focused intently on our tactics and initiatives, and achieved our goals for the year. In-turn, this maintained earnings quality, increased shareholder value, and positioned the company for continued success in 2024."

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 Ann Arbor, Macomb and Rochester Hills, Michigan, with transactional services provided by Interactive Teller Machines only. In addition, Oxford Bank has business banking/commercial finance centers in Phoenix, AZ., Wixom, downtown Oxford, 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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