



2023

# ANNUAL REPORT

*Delivering value. For life.*

# Dear Shareholder:

As we “run” fast into 2024, we do want to reflect not only on your Company’s performance in 2023 but also on the journey of our subsidiary, Oxford Bank, which began 140 years ago in June 1884. We will, of course, celebrate this achievement, which is pretty impressive, given all that has gone on in the last 140 years. I love history, as long as we are mindful that the past is just that. Our focus has to be forward looking and never thinking or saying, “We do it that way because we have always done it that way!” I hope you follow us on your social media platform of choice to see how we celebrate our communities, team and customers in 2024.

I wrote in last year’s Shareholder letter that we strongly believed that our plan for 2023 would return us to superior earnings growth. We projected that the Company would continue to become even more counter cyclical with both the growth of the commercial finance business and maintaining our focus on relationship business banking conventionally, i.e., loans without deposits should be a rare exception. The leadership team also promised to continue to build infrastructure and remain true to our philosophy of diversity in everything we do, from risk management to team composition. We accomplished all of those things and more in 2023.

Our earnings performance significantly outpaced 2022 earnings with growth of 36%. An important driver was interest rate increases through the first half of the year, allowing us to expand our margins and leverage our strong and consistent core deposit portfolio as a funding source to produce that strong growth. Our commercial finance business grew to roughly \$75 million in outstanding balances, an increase of \$40 million. Steady activity within the traditional commercial lending products increased this portfolio by \$42 million. These symbiotic units have worked together to maintain balanced loan portfolio expansion and establish product lines that will perform in almost any stage of the economic cycle.

The balance sheet has not grown considerably because we deployed a portion of our on-hand liquidity into high-quality loans at very good margins. The reason we had that resilient deposit base and ample on-hand liquidity is due to our long-term focus on relationship and sustainability. We were able to change the balance sheet mix to increase asset yields without having to utilize the high-priced wholesale market as a funding source for the new loans. We operate under a conservative investment and cash management strategy, which minimized the 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 of 2020. Capital remains strong with both the subsidiary bank and the Company being categorized as well-capitalized.

We have also remained committed to continuing the enhancement of important infrastructure and risk management tools to ensure proper oversight and governance within the organization. We continue to utilize improved technology in the areas of fraud prevention, cybersecurity and information protection. We have initiated and completed numerous effectiveness projects that focus on automation and efficiency to allow our team members to focus on, for example, client experience or risk evaluation, rather than clerical work. Our biggest automation project, in which team members from Business Credit, SBA/Small Business and Loan Operations, supported by our Operational Effectiveness team, spent considerable time and effort to develop a major automation of the business loan process in 2023. We are well aware integration is critical and is a function of acceptance by the team, multiplied by the quality of the solution. Given the team members involved, I believe the integration will be excellent, although not perfect because that is unattainable.

The discussion of automation above truly undersells the talent and engagement by teams across the Company to make us better. We believe another important aspect of creating value is constantly improving the opportunity for our team to learn the skills needed in a fast-changing world, which of course benefits all our other stakeholders, too. We have communicated with the team for years that the future is managing systems and testing outcomes, not inputting numbers in a spreadsheet or the core system. That isn’t too surprising, as most people likely have heard something along those lines, but using the business loan automation example, that team’s level of engagement, hard work and embracing the same is simply outstanding. Our team is the reason we remain highly confident in our ability to thrive even in turbulent times because of their proven ability to adapt to volatile times.

Thank you for your continuing commitment as an owner and hopefully as a customer of Oxford Bank, our subsidiary.

Sincerely,  
David P. Lamb  
Chairman, President and CEO

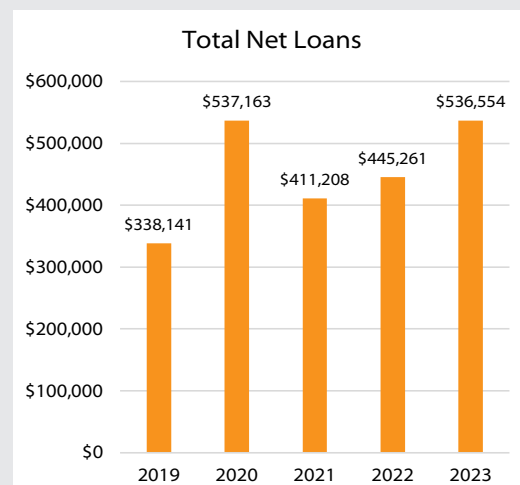
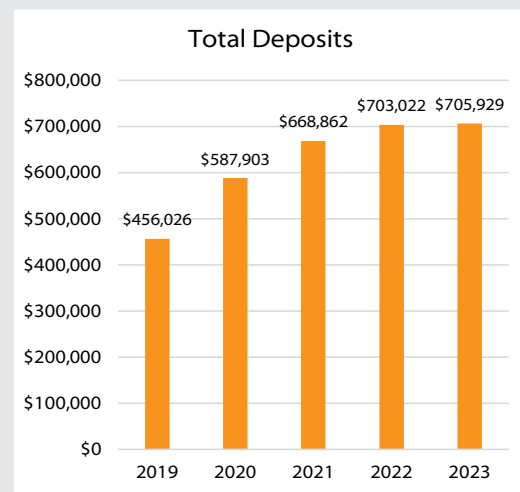
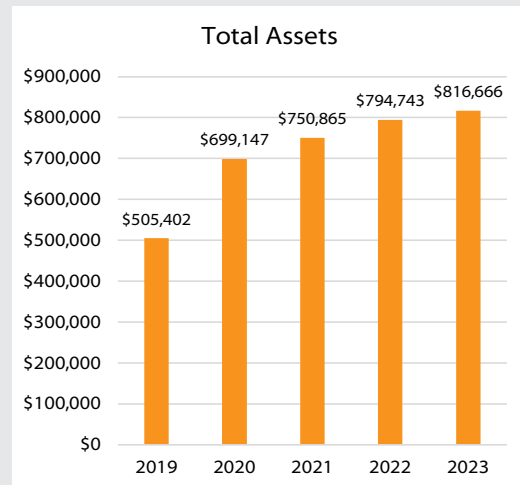
## Community Involvement & Support

- 3rd Annual Oxford Give Back
- Accounting Aid Society
- Ann Arbor Summer Festival
- Ann Arbor YMCA
- Ann Arbor/Ypsilanti Regional Chamber
- Avalon Housing Inc., Home for Good Initiative
- Beyond Basics
- Brandon High School
- Clarkston Chamber of Commerce Annual Gala
- Community Foundation of Greater Rochester
- Davison Area Chamber of Commerce, Quarter Mania Event
- Dryden Community Schools
- Ele’s Place Healing Hearts
- Everest Collegiate High School and Academy
- Flushing Athletic Boosters
- Genesee County Habitat for Humanity
- Greater Flint Health Coalition, Inc.
- GreenPath Financial Wellness
- Habitat for Humanity
- Habitat for Humanity – Genesee County
- Hope for All Seasons and Life of God, Back-to-School Event
- Humane Society of Macomb
- Huron River Watershed Council
- Kids Kicking Cancer, Inc.
- LEAF – Bank Bound Initiative
- Linden Athletic Boosters
- Macomb County Chamber of Commerce
- Navigate Home, LLC
- Orion Area Youth Assistance
- Orion Oxford Eagles
- Oxford Chamber of Commerce Bridge Lighting Sponsor
- Oxford Community Christmas Parade
- Oxford Community Schools – Staff Appreciation Week
- Oxford Community Television
- Oxford DDA
- Oxford DDA – Concerts in the Park Series
- Oxford DDA – Scarecrow Festival
- Oxford Gives Back
- Oxford High School Booster Club
- Oxford High School Senior All-Night Party
- Oxford Pregnancy Center
- Oxford Women’s Club
- Paint a Miracle
- Rochester Community Schools
- Rochester Downtown Development Authority Fire and Ice Festival
- Taste of Clarkston
- United Shore Professional Baseball League
- Washtenaw Area Council for Children
- Washtenaw Camp Placement
- Wixom Firefighters Foundation Breakfast
- Women Leaders in Business

# Consolidated Balance Sheet

December 31, 2023 and 2022 (000s Omitted, Except Per Share Data)

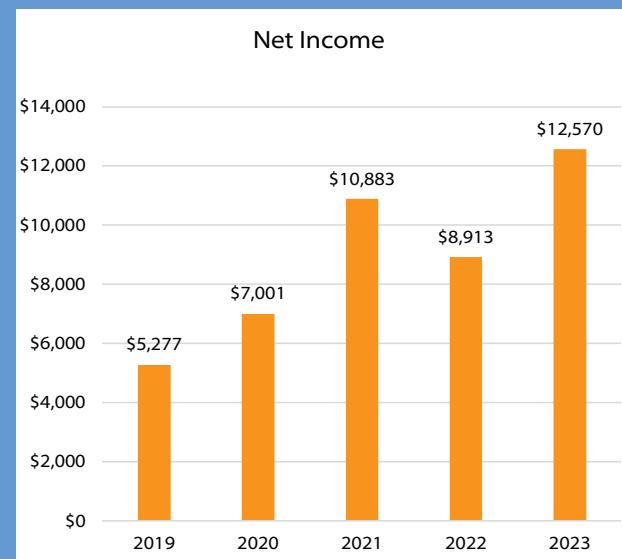
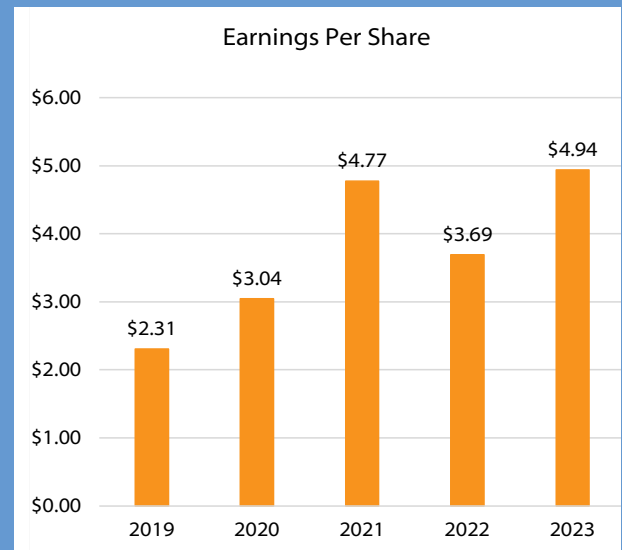
Assets	2023	2022
Cash and cash equivalents	\$82,919	\$112,367
Interest-bearing time deposits at other financial institutions	5,469	9,187
Investment securities – available for sale, at fair value	141,252	186,316
Investment securities – held to maturity (fair value of \$1,088 and \$1,210 as of December 31, 2023 and 2022, respectively)	1,170	1,310
Restricted stock at cost – FRB and FHLB	2,388	2,336
Loans – Net of allowance for credit losses of \$6,084 and \$5,628 as of December 31, 2023 and 2022, respectively	536,554	445,261
Premises and equipment – net	8,522	8,191
Bank-owned life insurance	10,850	10,540
Goodwill	7,000	7,000
Right of use asset	3,246	1,191
Equipment on operating leases, net	3,892	-
Accrued interest receivable and other assets	13,404	11,044
<b>Total assets</b>	<b>\$816,666</b>	<b>\$794,743</b>
<b>Liabilities and Stockholders' Equity</b>		
Deposits:		
Non-interest bearing	\$292,902	\$173,400
Interest bearing	413,027	529,622
<b>Total deposits</b>	<b>705,929</b>	<b>703,022</b>
Subordinated debt – net	15,746	15,713
Lease liability	3,246	1,191
Accrued interest payable and other liabilities	7,157	5,114
<b>Total liabilities</b>	<b>732,078</b>	<b>725,040</b>
<b>Stockholders' Equity</b>		
Common stock – No par value; 10,000,000 shares authorized; 2,455,341 and 2,423,749 shares issued and outstanding at December 31, 2023 and 2022, respectively	28,054	28,321
Additional paid-in capital	2,081	1,721
Retained earnings	59,246	47,301
Accumulated other comprehensive loss	(5,531)	(7,877)
<b>Total stockholders' equity attributable to parent</b>	<b>83,850</b>	<b>69,466</b>
Noncontrolling interest	738	237
<b>Total stockholders' equity</b>	<b>84,588</b>	<b>69,703</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$816,666</b>	<b>\$794,743</b>



# Consolidated Statement of Operations

Years Ended December 31, 2023 and 2022 (000s Omitted, Except Per Share Data)

<b>Interest Income</b>	2023	2022
Loans	\$34,465	\$23,433
Investment securities:		
Taxable	3,102	2,670
Tax exempt	53	58
Other	3,804	2,652
Total interest income	41,424	28,813
<b>Interest Expense</b>		
Interest on deposits	4,973	1,232
Interest on subordinated debt	553	687
Total interest expense	5,526	1,919
<b>Net Interest Income</b>	35,898	26,894
<b>Credit Loss Expense</b>		
Provision for credit losses – loans	1,919	150
Provision for credit losses – off balance sheet exposure	(24)	-
Total credit loss expense	1,895	150
<b>Net Interest Income after Credit Loss Expense</b>	34,003	26,744
<b>Noninterest Income</b>		
Service charges – deposits	589	662
ATM fee income	707	730
Gain on sale of loans held for sale	487	530
Loan servicing income	308	357
Commercial finance fee income	3,653	2,595
Operating lease income	276	-
Income on bank-owned life insurance	311	314
Gain (Loss) on disposal of premises and equipment	16	(433)
Other	2,384	1,789
Total noninterest income	8,731	6,544
<b>Noninterest Expense</b>		
Salaries and employee benefits	15,956	12,655
Occupancy and equipment	2,022	2,011
Data processing	3,778	3,501
Other	5,561	4,089
Total noninterest expense	27,317	22,256
<b>Income – Before income taxes</b>	15,417	11,032
Income tax expense	2,847	2,119
<b>Net Income</b>	12,570	8,913
Net income attributable to noncontrolling interest	512	93
<b>Net Income Attributable to Parent</b>	12,058	8,820
<b>Other Comprehensive Income (Loss) - Net of Tax</b>		
Unrealized gain (loss) on investment securities		
Change in unrealized gain (loss) on investment securities	2,970	(9,968)
Reclassification adjustment	-	(2)
Tax effect	(624)	2,094
Total other comprehensive income (loss)	2,346	(7,876)
<b>Comprehensive Income</b>	\$14,916	1,037
Comprehensive income attributable to noncontrolling interest	512	93
<b>Comprehensive Income Attributable to Parent</b>	\$14,404	\$944





# Consolidated Statement of Changes in Stockholders' Equity

Years Ended December 31, 2023 and 2022 (000s Omitted, Except Per Share Data)

	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Non- controlling Interest	Total Stock- holders' Equity
<b>Balance – January 1, 2022</b>	\$22,941	\$1,306	\$38,481	\$(1)	\$-	\$62,727
Comprehensive income:						
Net income	-	-	8,820	-	93	8,913
Other comprehensive loss	-	-	-	(7,876)	-	(7,876)
Repurchase of 27,514 shares	(998)	-	-	-	-	(998)
Sale of 173,281 shares	5,378	-	-	-	-	5,378
Shares issued in acquisition (31,114)	1,000	-	-	-	-	1,000
Equity compensation expense	-	415	-	-	-	415
Contribution, net of distributions, from noncontrolling interest	-	-	-	-	144	144
<b>Balance – December 31, 2022</b>	\$28,321	\$1,721	\$47,301	\$(7,877)	\$237	\$69,703
Cumulative change in accounting principle	-	-	(113)	-	-	(113)
<b>Balance – January 1, 2023 (as adjusted)</b>	\$28,321	\$1,721	\$47,188	\$(7,877)	\$237	\$69,590
Comprehensive income:						
Net income	-	-	12,058	-	512	12,570
Other comprehensive income	-	-	-	2,346	-	2,346
Repurchase of 9,499 shares	(267)	-	-	-	-	(267)
Equity compensation expense	-	360	-	-	-	360
Contribution, net of distributions, from noncontrolling interest	-	-	-	-	(11)	(11)
<b>Balance – December 31, 2023</b>	\$28,054	\$2,081	\$59,246	\$(5,531)	\$738	\$84,588



**DELIVERING VALUE.  
FOR LIFE.**

# Oxford Bank Historical Timeline

1884 - 2024



**1884** – Oxford Savings Bank is created and opens at 9 South Washington Street by Gabriel S. Holbert, founder and first CEO, and John D. Hagerman, first President.



**1923** – Oxford Savings Bank moves to 1 North Washington Street, becoming the "Bank on the Corner."



**1973** – The Lake Orion Branch opens at 1115 South Lapeer Road.



**1985** – Oxford Savings Bank changes its name to Oxford Bank.

**1894** – Transfer of assets from the Bank of Oxford to Oxford Savings Bank.



**1966** – Oxford Savings Bank moves to 60 South Washington Street.



**1976** – The Addison-Oaks Branch opens at 35 South Rochester Road.



**1987** – Oxford Bank Corporation is incorporated, and the Clarkston Branch opens at 7199 North Main Street.





**1989** – With an increase in loan volume, the Finance Center is built behind the Main Branch at 64 South Washington.



**1995** – The Dryden Branch is opened to fill the town's banking void.



**2016** – Interactive Teller Machines replace drive-through windows. Oxford Financial Solutions, a wholly owned subsidiary of Oxford Bank, is created.



**2024** – Oxford Bank celebrates its 140th Year.

**1990** – The Ortonville Branch opens at 345 South Ortonville Road.



**2005** – The Davison Branch opens at 600 North State Road.



**2021** – Oxford Commercial Finance is officially formed. The Rochester Hills Customer Experience Center opens at 183 South Livernois.



**OXFORD**  
COMMERCIAL FINANCE

## Locations & 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

### **CUSTOMER EXPERIENCE CENTER – NORTH**

183 S. Livernois Road  
Rochester Hills, MI 48307  
(248) 429-3301

### **CUSTOMER EXPERIENCE CENTER – EAST**

51020 Hayes Road  
Macomb, MI 48044  
(586) 868-8300

### **CUSTOMER EXPERIENCE CENTER – WEST**

3645 Jackson Road  
Ann Arbor, MI 48103  
(586) 868-8300

### **LOBBY HOURS**

Monday – Friday: 9 a.m. – 5 p.m.

### **ITM DRIVE-THRU 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 LOCATION**

28345 Beck Road  
Wixom, MI 48393



(248) 628-2533 • [oxfordbank.bank](http://oxfordbank.bank)

