
PRESS RELEASE

OXFORD BANK CORPORATION

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OXFORD BANK CORPORATION ANNOUNCES THIRD QUARTER 2025 AND NINE-MONTH 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, 2025.

The Company’s quarterly consolidated earnings for the three months ended September 30, 2025, were \$3.06 million, or \$1.24 per weighted average share, compared to \$2.75 million, or \$1.12 per weighted average share for the same period one year ago and \$2.78 million, or \$1.13 per weighted average share for the second quarter of 2025. President and CEO, David Lamb, commented “We are pleased with the performance during the quarter and year-to-date. As many of our team members are also owners, we prize the consistency we have achieved year to date. However, we are well aware of our need to continue to grow and change in an extremely competitive environment on a less than equal playing field i.e. credit unions’ tax exemption is only one of several impediments. Our team is up to the challenge of transforming while growing even against a likely reduction in our several years of unprecedented margin. We aren’t moving away from our strategy of people-oriented relationship supplemented by technology to improve clients’ experience only accelerating change on the experience part. Clearly, our strength is our team’s ability to build relationships, and we need to help them with a tool kit that helps not hinder that process. We are cautiously optimistic that AI will play a role in improving our competitiveness but not an overnight fix. I do remain confident in our ability to deliver consistent value to our stakeholders and believe we have a team that will do just that.”

Lamb continued, “Comparing to prior year, net interest income grew at a 6% rate compared to noninterest expense increases of only 3%. This profitable growth indicates that we are effectively scaling our investments in technology and infrastructure. Net interest income is the lifeblood of community banks like Oxford and provides a stable and recurring driver of earnings going forward. Maintaining the pace of net interest income growth demonstrated year-to-date will be challenged by the variable-rate portion of the loan portfolio repricing in a declining rate environment.”

Total Assets of the Company were \$915.31 million as of September 30, 2025, compared to \$859.51 million at June 30, 2025 and \$870.50 million at September 30, 2024. “The balance sheet has increased significantly from the prior quarter end, driven by \$62 million increase in deposits. This rapid growth is primarily attributable to a small number of large deposit relationships. As of September 30, 2025, the Bank’s portfolio of large commercial depositors is at its highest aggregate balance since the team began daily tracking of this portfolio. Given the possibility of these large depositors normalizing their deposit levels, Cash has increased from the prior quarter to appropriately mitigate the Bank’s liquidity risks. Liquidity remains strong between cash and readily marketable investments.” reported CEO David Lamb.

Total loans and leases at September 30, 2025 were \$663.06 million, compared to \$635.01 million at June 30, 2025, or \$597.00 million at September 30, 2024. CEO Lamb noted, “Our lending activity remains strong without compromising our standards for credit underwriting, pricing discipline, or requirements for a full relationship which includes primary deposit account(s). We very much appreciate our team’s commitment to growing the lending businesses without relenting on requiring depository relationship so they have a relationship, not a commodity transaction. During the quarter, we launched the final phase (of a several years phase-in) of our Small Business Lending initiative. The purpose is to grow our small businesses client base significantly by streamlining the borrowing process for qualified small businesses. The team is excited about our ability to improve the client experience and reduce cycle times from application to funding, without compromising quality. We believe this will be an important element in our decade long drive to increase our deposit relationships significantly. To that end, we are revamping the small business deposit products to make them more valuable to our clients and prospects which should be ready by the beginning of the new year.”

Total deposits were \$783.02 million as of September 30, 2025, compared to \$721.36 million at June 30, 2025 and \$747.81 million at September 30, 2024. Overall Bank cost of funds remained 1.30% year-to-date, as of September 30, 2025, consistent with 1.30% for the first half of 2025. This is a slight increase from 1.25% for full-year 2024, which is due to the small increase in wholesale funding. The Bank’s loan and deposit activity in the quarter resulted in Net Interest Margin (“NIM”) expansion to 5.27% year-to-date, as of September 30, 2025, from 5.22% for the first half of 2025. This compares to 4.88% for full-year 2024. “We continue to be pleased with the stickiness of our deposits and the strength of our client relationships. This is the foundation of our low-cost funding mix and has allowed us to maintain margin despite operating in a rate environment where competition for deposits is very high. While utilizing comparatively expensive wholesale funding has driven the increase in our overall cost of funds, facilitating loan growth in this manner has ensured we do not unnecessarily cannibalize our low-cost branch network deposits in pursuit of balance sheet expansion.”

The allowance for credit loss increased proportionally with portfolio growth, to \$7.71 million at September 30, 2025, from \$7.29 million at June 30, 2025. Provisions for credit loss of \$0.86 million this quarter were driven roughly equally by provisions on net portfolio growth and by net charge-offs of \$0.50 million. Lamb commented, “While non-accrual loans remain elevated compared to peers, we are confident that our exposures are properly supported by robust collateral coverage and/or government guarantee programs. We expect the loan portfolio to continue to show only modest and isolated losses. The drag, if any, on earnings performance is expected to be minor. We continue to closely monitor our customers and prospective customers for the impact of tariffs, but have not yet observed any meaningful change to their creditworthiness due to tariff policy. The Bank has comparatively low levels of investment real estate and office exposure and a good mix of industry and geography (albeit southeast Michigan centered) that mitigates concentration risk. We also actively utilize the SBA and other government guarantee programs like the Michigan Economic Development Corp. to mitigate weaknesses in transactions to allow us to continue to provide capital to the businesses within the communities where we live and work.”

The Company’s total shareholders’ equity was \$107.36 million as of September 30, 2025, representing book value per share of \$43.36, compared to total shareholders’ equity of \$103.18 million, or \$41.70 per share at June 30, 2025 and \$95.10 million, or \$38.58 per share at September 30, 2024. The increase in year-over-year equity is mainly a reflection of the positive accretion of retained earnings. The subsidiary Bank’s Tier 1 capital totaled \$103.75 million as of September 30, 2025, or 14.24% of risk-weighted assets compared to \$101.63 million, or 14.29% of risk-weighted assets as of June 30, 2025, and \$94.50 million, or 13.83% as of September 30, 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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