PRESS RELEASE

OXFORD BANK CORPORATION
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OXFORD BANK CORPORATION ANNOUNCES SECOND QUARTER 2026 OPERATING RESULTS

Oxford, Michigan – Oxford Bank Corporation ("the Company") (OTCQX: OXBC), the holding company for Oxford Bank ("the Bank"), today announced operating results for the second quarter ended June 30, 2026.

The Company reported consolidated net income of $2.71 million, or $1.09 per weighted average share, for the second quarter of 2026, compared to $2.78 million, or $1.13 per share, for the same period one year ago and $1.53 million, or $0.62 per share, in the first quarter of 2026.

Chairman, President and CEO David Lamb commented, "Balance sheet trends during the second quarter reflect the normalized growth expectations for our business. Deposits increased $29 million and loans grew $21 million during the quarter, reflecting continued momentum across our Company. This growth is driven by our team's ability to build deep client relationships that foster long-term loyalty and attract higher-value banking relationships. The strength of the Oxford Bank brand continues to support successful expansion into attractive growth niches, including municipal banking and small business lending."

Core Earnings, Credit Quality, and Lending Activity

"From an operating standpoint, our lending businesses produced another exceptional quarter," Lamb continued. "Oxford Commercial Finance loans and leases reached a record $147 million at June 30, 2026, demonstrating continued demand for the business line's specialized financing solutions. Conventional commercial lending originations also performed well as teams converted strong pipelines into new client relationships while maintaining discipline around underwriting, pricing, and deposit relationship requirements. Growth in conventional commercial balances was moderated by the timing of several planned relationship exits and loan payoffs."

"Importantly, earning asset yields continued to increase at a pace that exceeded funding cost pressures. Average earning asset yields expanded to 7.15% during June compared with 6.93% during the prior quarter, supporting margin expansion and overall profitability."

Net interest income for the quarter increased $1.02 million, or 10%, compared to the same quarter in 2025 and increased $0.46 million, or 4%, from the first quarter of 2026. Net interest margin expanded to 4.97% year-to-date, compared with 4.79% in the first quarter of 2026, reflecting improving earning asset yields and continued balance sheet optimization. The benefit of higher asset yields more than offset modest increases in funding costs during the period.

Provision for credit losses totaled $0.24 million during the quarter, reflecting specific reserve allocations associated with certain nonperforming credits. Net recoveries of approximately $0.13 million partially offset the provision expense.

"Our Managed Asset team continues to perform exceptionally well," Lamb noted. "During the first six months of 2026, the team recovered approximately $232 thousand of previously charged-off balances, highlighting both the quality of our workout process and the value of our collateral management efforts. While a small number of nonperforming credits continue to require active management, we remain encouraged by both our collection results and the progress toward resolution."

Deposit Trends, Liquidity, and Funding

Total assets increased to $930.5 million at June 30, 2026, compared to $902.1 million at March 31, 2026, reflecting strong deposit growth and continued expansion of earning assets. Total deposits increased to $769.8 million at quarter-end, compared to $740.6 million at March 31, 2026.

Bank cost of funds increased modestly to 1.49% year-to-date, compared with 1.47% during the first quarter and 1.31% for full-year 2025. Retail branch deposits remain the foundation of the Bank's low-cost funding base, and the cost of these deposits has remained stable. Recent growth has been supplemented through higher-cost funding channels that now represent a larger proportion of the overall funding mix. The Bank's Municipal Banking platform continued to gain momentum during the quarter, growing to approximately $65 million in deposits at June 30, 2026.

"As the Bank continues to expand its earning asset base through disciplined lending, we anticipate funding costs will continue to increase at a modest pace," Lamb said. "In many of our core markets, Oxford Bank already maintains meaningful deposit market share, which naturally limits the pace of growth available through traditional retail channels alone. As a result, future funding growth will increasingly be supported by specialty deposit verticals, municipal banking relationships, and other strategic funding channels. Liquidity remains strong and continues to provide ample support for future growth opportunities."

Expense Trends and Operating Leverage

Noninterest expense increased compared to the prior-year period, reflecting continued investments in team, technology, treasury management infrastructure, and costs associated with managing and resolving certain distressed assets. During the quarter, the Bank incurred property taxes, carrying costs, and other expenditures related to foreclosed real estate and nonperforming assets.

"The Managed Asset team made meaningful progress during the quarter toward resolution of our largest foreclosed property exposure," Lamb said. "While these expenses negatively affect reported efficiency metrics in the short term, management believes the actions being taken are necessary to maximize recovery and reduce long-term risk exposure. Successfully resolving these assets should allow more of our expanding net interest income to flow through to shareholder earnings in future periods."

Capital and Shareholder Value

Total shareholders' equity increased to $113.5 million at June 30, 2026, representing book value per share of $45.58, compared to $44.85 at March 31, 2026. The increase reflects continued earnings generation and growth in retained capital.

The Bank's Tier 1 capital ratio was 13.19% at quarter-end and remained comfortably above regulatory well-capitalized thresholds, reflecting the strength of the balance sheet and providing capacity to support continued growth. We are actively working on capital management as current levels are too high.

Outlook

Lamb concluded, "Our second quarter results demonstrate the underlying earnings power of the franchise and the resilience of our relationship-based business model. Loan and deposit growth remained strong, earning asset yields improved, and net income returned to a more normalized level following first-quarter credit-related impacts."

"While work remains to resolve a small number of legacy problem assets, we remain confident in our ability to continue generating profitable growth, expanding shareholder value, and delivering long-term results consistent with the expectations we have established for the organization. Our team remains focused on deepening client relationships, maintaining disciplined credit standards, and building a stronger franchise for our shareholders, customers, employees, and communities."

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 operates 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 and commercial finance centers in Phoenix, AZ, Wixom, downtown Oxford, and Flint, Michigan. Founded in 1884, the Bank has operated continuously under local ownership and management for more than 140 years. For more information, visit **www.oxfordbank.bank**.

Except for historical information contained herein, certain matters discussed may be deemed forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements involve risks and uncertainties that could cause actual results to differ materially, including changes in interest rates, economic conditions, regulatory policies, competitive factors, and other risks described in the Company's filings. The Company undertakes no obligation to update forward-looking statements.

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