

PUBLIC DISCLOSURE

May 15, 2023

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Oxford Bank
RSSD# 448040

60 South Washington Street
Oxford, Michigan 48371

Federal Reserve Bank of Chicago

230 South LaSalle Street
Chicago, Illinois 60604-1413

NOTE: This document is an evaluation of this bank's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods, consistent with safe and sound operation of the bank. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this bank. The rating assigned to this bank does not represent an analysis, conclusion or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial bank.

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INSTITUTION'S CRA RATING

Oxford Bank is rated: Satisfactory

The Lending Test is rated: Satisfactory

The Community Development Test is rated: Satisfactory

Oxford Bank is meeting the credit needs of its community based on an analysis of lending and community development activities. The bank's average loan-to-deposit (LTD) ratio is reasonable given the bank's size, financial condition, local competitors, and the credit needs of the assessment area. A majority of loans are originated inside the assessment area. The geographic distribution of loans reflects reasonable dispersion throughout the assessment areas. Loan distribution reflects reasonable penetration among businesses of different sizes. Neither Oxford Bank nor this Reserve Bank have received any Community Reinvestment Act (CRA) -related complaints since the previous examination.

The bank's community development performance demonstrates adequate responsiveness to the needs of its assessment area through community development loans, qualified donations, and community development services, as appropriate, considering the bank's capacity and the need and availability of such opportunities for community development in the assessment area.

SCOPE OF EXAMINATION

Oxford Bank's CRA performance was evaluated using the Intermediate Small Institution Examination Procedures issued by the Federal Financial Institutions Examination Council (FFIEC). The evaluation was performed within the context of information about the institution and its assessment areas such as asset size, financial condition, competition, and economic demographic characteristics.

The evaluation included one full scope review and two limited-scope reviews. A full scope review was selected for the Warren-Troy-Farmington Hills, Michigan metropolitan division (MD) #47664 assessment area based on several factors including deposit market share, branch concentration, and volume of lending. The Ann Arbor, Michigan metropolitan statistical area (MSA) #11460 and Flint, Michigan MSA #22420 assessment areas received limited scope reviews due to the bank's limited presence in these areas. These limited scope review assessment areas were evaluated for consistency with the bank's performance in its full scope review assessment area, although it did not affect the overall rating.

Loan products reviewed include a sample of small business loans originated in 2022. This product is considered the bank's primary business line based on volume by number and dollar amount. The bank's level of community development activities was also evaluated to determine their responsiveness to the needs of the assessment area.

Performance within the designated assessment areas was evaluated using intermediate-small bank examination procedures based on the following performance criteria:

- ***Loan-to-Deposit Ratio*** – A 13-quarter average loan-to-deposit ratio was calculated for the bank and compared to a sample of local competitors. The average LTD ratio period was evaluated from March 31, 2020 - March 31, 2023.
- ***Lending in the Assessment Area*** – The bank’s small business loans originated from January 1, 2022 – December 31, 2022 were reviewed to determine the percentage of loans originated within the assessment area.
- ***Geographic Distribution of Lending in the Assessment Area*** – The bank’s small business loans originated within the assessment area, from January 1, 2022 – December 31, 2022, were analyzed to determine the extent to which the bank is making loans in geographies of different income levels, particularly those designated as low- and moderate-income.
- ***Lending to Businesses of Different Sizes*** – The bank’s small business loans originated within the assessment area, from January 1, 2022 – December 31, 2022, were reviewed to determine the distribution to businesses with different revenue sizes.
- ***Response to Substantiated Complaints*** – Complaints were reviewed to determine if any were related to the bank’s record of helping to meet community credit needs and its responses to any received were evaluated for appropriateness.
- ***Community Development Activities*** – The bank’s responsiveness to community development needs through community development loans, qualified investments, and community development services, from March 10, 2020 – May 15, 2023 were reviewed considering the capacity, need, and availability of such opportunities within the assessment area.

In addition, two community representatives focusing on economic development were contacted in connection with this examination to provide information regarding local economic and socio-economic conditions in the assessment area.

DESCRIPTION OF INSTITUTION

Oxford Bank is a wholly owned subsidiary of Oxford Bank Corporation, a single bank holding company. The bank has two subsidiaries including Secure SBA, Inc. and Oxford Insurance Solutions, LLC. Secure SBA was recently established to hold the bank’s Small Business Administration servicing program, while Oxford Insurance Solutions is primarily used to generate revenue through insurance referral activity. In addition, the bank has a newly formed subsidiary,

Oxford Commercial Finance (OCF), which was created in January of 2022 to provide new asset-based lending, factoring, and equipment leasing. Oxford Bank’s network includes eight total branches and 19 automated teller machines (ATMs) within its assessment areas. This includes the main office with an ATM, six branches with two full-service ATMs at each location, and a mobile branch without an ATM at Independent Village. In addition, the bank maintains six full-service ATMs across its four loan production offices within the assessment areas. The main office, six branches, and thirteen full-service ATMs are located within Oxford County, while one branch and two full-service ATMs are located within Lapeer County, one branch and two full-service ATMs in Genesee County, one full-service ATM in Washtenaw County, and one full-service ATM is located in Macomb County.

According to the Uniform Bank Performance Report (UBPR), the bank reported total assets of \$821.6 million as of March 31, 2023. The bank offers a range of traditional loan products and services. The bank is primarily a commercial lender, representing 88.7 percent of total loans, but also offers agricultural and consumer loan products. Traditional deposit products include checking and savings accounts, individual retirement accounts (IRAs), certificates of deposit (CDs), and money market accounts (MMDA). Checking and savings accounts are also available for business customers.

As of the June 30, 2022, Federal Deposit Insurance Corporation (FDIC) Deposit Market Share Report, Oxford Bank ranks 15th out of 36 financial institutions operating within the assessment areas. The bank held \$732.6 million in deposits, representing a market share of 0.58 percent. The financial institutions with the largest percentage of the deposit market share are Bank of America (21.4 percent), JP Morgan Chase Bank (17.8 percent), and PNC Bank (11.9 percent).

Details of the allocation of the bank’s loan portfolio are provided in the following table:

Composition of Loan Portfolio as of March, 31, 2023 (000's)		
Type	\$	%
Residential Real Estate	19,918	6.3
Commercial	412,647	88.7
Agriculture	199	0.0
Consumer	12,427	0.7
Other	19,951	4.3
Total	465,142	100.0
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>		

There are no known legal, financial, or other factors impeding the bank’s ability to help meet the credit needs in its communities.

The bank was rated **satisfactory** under the CRA at its previous evaluation conducted on March 9, 2020.

DESCRIPTION OF ASSESSMENT AREA

Oxford bank operates within three assessment areas throughout the state of Michigan. The designated assessment areas include the Warren-Troy-Farmington Hills, Michigan MD #47664, the Flint, Michigan MSA #22420, and the Ann Arbor, Michigan MSA #11460. Within the Warren-Troy-Farmington Hills, MSA, the bank includes the contiguous counties of Oakland, Macomb, and Lapeer in their entirety. The Flint, Michigan MSA includes the entirety of Genessee County, while the Ann Arbor, Michigan MSA assessment area includes the entirety of Washtenaw County. The combined assessment area includes 859 census tracts, and is comprised of 61 low-income, 201 moderate-income, 309 middle-income, 254 upper-income, and 34 unknown-income census tracts. The bank's combined assessment area changed since the previous performance evaluation, dated March 9, 2020, with the addition of the Ann Arbor, MI MSA assessment area in April 2022, and the inclusion of Macomb County in the Warren-Troy-Farmington Hills, MI MD in September 2022. Both additions to the assessment area were due to the opening of an LPO with a full-service ATM, which accepts deposits.

Additional assessment area demographic information is provided in the following table.

2022 Combined AA AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	61	7.1	35,627	4.7	10,192	28.6	155,393	20.4
Moderate	201	23.4	164,313	21.6	19,623	11.9	134,547	17.7
Middle	309	36.0	291,139	38.2	15,482	5.3	161,252	21.2
Upper	254	29.6	266,433	35.0	7,349	2.8	310,012	40.7
Unknown	34	4.0	3,692	0.5	667	18.1	0	0.0
Total AA	859	100.0	761,204	100.0	53,313	7.0	761,204	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	85,334	26,939	3.1	31.6	46,818	54.9	11,577	13.6
Moderate	312,235	170,769	19.9	54.7	116,044	37.2	25,422	8.1
Middle	488,139	340,941	39.7	69.8	120,763	24.7	26,435	5.4
Upper	393,509	316,087	36.8	80.3	57,725	14.7	19,697	5.0
Unknown	11,714	3,564	0.4	30.4	6,941	59.3	1,209	10.3
Total AA	1,290,931	858,300	100.0	66.5	348,291	27.0	84,340	6.5
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	8,056	5.3	6,950	5.0	1,054	8.2	52	4.1
Moderate	30,434	20.0	27,470	19.9	2,759	21.4	205	16.3
Middle	55,376	36.4	50,566	36.7	4,352	33.7	458	36.4
Upper	55,330	36.4	50,791	36.8	4,028	31.2	511	40.6
Unknown	2,916	1.9	2,173	1.6	710	5.5	33	2.6
Total AA	152,112	100.0	137,950	100.0	12,903	100.0	1,259	100.0
Percentage of Total Businesses:				90.7		8.5		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	22	1.7	22	1.8	0	0.0	0	0.0
Moderate	173	13.5	170	13.5	3	10.7	0	0.0
Middle	653	50.9	637	50.8	16	57.1	0	0.0
Upper	433	33.7	423	33.7	9	32.1	1	100.0
Unknown	3	0.2	3	0.2	0	0.0	0	0.0
Total AA	1,284	100.0	1,255	100.0	28	100.0	1	100.0
Percentage of Total Farms:				97.7		2.2		0.1
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE CRITERIA

LENDING TEST

Oxford Bank's performance relative to the lending test is **Satisfactory**. Overall, the bank is meeting the credit needs of its assessment areas based on an analysis of the bank's lending activities. The loan-to-deposit ratio is reasonable given the bank's size, financial condition, and assessment areas' credit needs. The majority of small business loans are originated in the combined assessment areas. The geographic distribution of loans reflects reasonable dispersion throughout the combined assessment areas. Additionally, the loan distribution reflects reasonable penetration among businesses of different revenue sizes. Lastly, no CRA-related complaints were received by the institution, nor this Reserve Bank since the previous evaluation.

Loan-to-Deposit Ratio

Oxford Bank had a reasonable loan-to-deposit ratio (considering seasonal variations) given the bank's size, financial condition, the credit needs of its assessment area(s), and taking into account, as appropriate, other lending-related activities such as loan originations for sale to the secondary markets and community development loans and qualified investments. As of March 31, 2023, the bank's LTD ratio averaged 72.5 percent over a 13-quarter period. The LTD has remained stable since the previous evaluation with an average LTD ratio of 76.9 percent over a five-quarter period ending December 31, 2019. The following table compares the bank's LTD ratio to its local competitors.

Comparative Loan-to-Deposit Ratios as of March 31, 2023	
Comparative Data	13-Quarter Average (%)
Oxford Bank	72.5
Peer Avg – Local	67.3
Competitors	
Chelsea State Bank	57.8
Eastern Michigan Bank	44.5
Eaton Community Bank	62.5
First Community Bank	76.9
First Independence Bank	72.9
Northstar Bank	81.2
Tri-County Bank	71.9
University Bank	77.9
First State Bank	60.2

Assessment Area Concentration

Oxford Bank originated a majority of its small business loans in the bank's assessment area during the review period. Specifically, Oxford Bank originated 74.2 percent of its total small business loans by volume and 68.7 percent by dollar amount inside the assessment areas. The total small business loan originated within the assessment area increased since the previous evaluation, when the bank originated 65.4 percent of its loans with the assessment area. The percentage of small business loans originated within the assessment area indicates the bank's responsiveness to assessment area credit needs.

The following table includes a sample of small business loans originated inside/outside its combined assessment areas from January 1, 2022 to December 31, 2022.

Lending Inside and Outside the Assessment Area								
Loan Type	Inside				Outside			
	#	%	\$(000s)	%	#	%	\$(000s)	%
Small Business	135	74.2	45,454	68.7	47	25.8	20,746	100.0
TOTAL LOANS	135	74.2	45,454	68.7	47	25.8	20,746	100.0

Geographic and Borrower Distribution

Oxford Bank demonstrated a reasonable geographic distribution of loans given the bank's assessment area(s). In addition, the borrower distribution reflects reasonable penetration among businesses of different sizes. Additional information regarding the bank's geographic and borrower distribution is found within the respective assessment area sections below.

Response to Complaints

The bank or this Reserve Bank has not received any CRA-related complaints since the previous examination.

COMMUNITY DEVELOPMENT TEST

The bank's performance relative to the community development test is Satisfactory.

Lending, Investment, and Services Activities

Oxford Bank demonstrates adequate responsiveness to the community development needs of its assessment area(s) through community development loans, qualified investments, and community development services. During the evaluation period, the bank originated 22 qualified loans totaling approximately \$41.7 million towards economic development across its assessment area and portions of the state. Community development lending has significantly increased since the

previous evaluation, during which the bank originated seven loans totaling \$8.4 million. All of the community development loans submitted by the bank were a part of the Small Business Association’s (SBA) 504 loan program, through which the bank provided long-term financing to small businesses that otherwise might not obtain the necessary financing to grow. Community representatives stated that there’s a growing need and demand for more small business banking options within the assessment area, as such the bank’s ability to find opportunities to lend for small business economic development is particularly responsive.

The bank also made three new investments since the previous evaluation totaling \$3.8 million in the assessment area and across portions of the state. The investments made include affordable housing efforts primarily tailored to low- and moderate-income communities or families. Further, Oxford Bank made 49 donations totaling \$81,820 in the assessment area. The majority of donations were focused on providing vital community services to low- and moderate-income individuals and families.

During the evaluation period, bank staff provided 1,431 hours targeted towards community development financial services during the bank’s evaluation period. Across the 16 community organizations served, a substantial amount of community development hours was dedicated to organizations with a community service focus. It should be noted that during the evaluation period, bank staff were impacted by the results of the COVID-19 pandemic, which hindered their abilities to provide additional service activities in-person.

Additional information with respect to the bank’s community development activities is found within the full review assessment area section for Warren-Troy-Farmington Hills, MI MSA.

Community Development Activities March 10, 2020 – May 15, 2023								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$ (000)s	#	\$ (000)s	#	\$ (000)s	#	Hours
Warren-Troy-Farmington Hills, MI MD #47664	12	27,205	2	3,104	30	54	8	817
Flint, MI MSA #22420	2	926	0	0	11	15	2	255
Ann Arbor, MI MSA #11460	2	2,701	0	0	4	4	5	353
Outside of Assessment Area	6	10,863	1	750	4	8	1	6
Total	22	41,695	3	3,854	49	81	16	1,431

FAIR LENDING OR OTHER ILLEGAL CREDIT PRACTICES REVIEW

No evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs was identified.

WARREN-TROY-FARMINGTON HILLS, MICHIGAN MD #47664 – FULL REVIEW

SCOPE OF EXAMINATION

Full scope examination procedures were used to evaluate the bank's performance in the Warren-Troy-Farmington Hills, Michigan MD assessment area. The scope is consistent with the scope of examination described within the institution summary. For further information, refer to the "Scope of Examination" section for details.

DESCRIPTION OF INSTITUTION'S OPERATIONS IN WARREN-TROY-FARMINGTON HILLS, MICHIGAN MSA¹

Oxford Bank's Warren-Troy-Farmington Hills, Michigan MD assessment area consists of Macomb, Oakland, and Lapeer counties in their entireties. The assessment area has changed since the previous examination to include Macomb County, with the inclusion of a full-service ATM. Based on 2022 FFIEC Census data, there are a total of 618 census tracts across the three counties and census tract composition includes 32 low-income, 155 moderate-income, 228 middle-income, 185 upper-income, and 18 unknown-income census tracts due to the lakes within the assessment area. No underserved and/or distressed middle-income census tracts are located within the assessment area.

Within the assessment area, the bank operates a main office in Oxford, Michigan, six additional branch locations, and 16 full-service ATMs. Six of the branch locations and 13 full-service ATMs are located within Oakland County, while a single branch and two additional full-service ATMs are within Lapeer County, and a single full-service ATM is in Macomb County. A single ATM is located within a low-income census tract in Oakland County, and the remainder of branch and ATM locations are within middle and upper-income census tracts. Further, the bank added an additional ATM within an upper-income census tract in Macomb County. There have been no closures of ATMs or branches since the previous evaluation.

According to the June 30, 2022 Federal Deposit Insurance Corporation (FDIC) Market Share Report, Oxford Bank ranked 12th among 31 FDIC insured financial institutions operating in Oakland, Macomb, and Lapeer Counties. The bank held \$701.9 million in deposits inside of the market, representing a 0.7 percent of the total deposit market share within the three counties. The financial institutions with the largest percentage of the deposit market share are Bank of America (24.2 percent) and JP Morgan Chase Bank (16.0 percent).

¹ Census tract designations are based on American Community Survey income data. For years 2022 and after, the designations are based on 2016-2020 ACS data. For years 2021 and before, the designations are based on 2011-2015 ACS data. For examinations that include performance before and after 2022, both sets of data have been used to perform the analysis of bank activity in the respective timeframes.

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	24	32	8
Moderate	67	155	88
Middle	123	228	105
Upper	146	185	39
Unknown	2	18	16
Total	362	618	256
<i>Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015 U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020</i>			

Additional assessment area demographic information is provided in the following table.

2022 Warren-Troy-Farmington Hills, MI MD 47664 AA Demographics									
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income		
	#	%	#	%	#	%	#	%	
Low	32	5.2	19,934	3.5	4,935	24.8	115,426	20.2	
Moderate	155	25.1	134,701	23.6	13,524	10.0	101,234	17.7	
Middle	228	36.9	221,038	38.7	10,787	4.9	121,328	21.2	
Upper	185	29.9	195,608	34.2	4,801	2.5	233,494	40.9	
Unknown	18	2.9	201	0.0	105	52.2	0	0.0	
Total AA	618	100.0	571,482	100.0	34,152	6.0	571,482	100.0	
	Housing Units by Tract	Housing Type by Tract							
		Owner-occupied			Rental		Vacant		
		#	% by tract	% by unit	#	% by unit	#	% by unit	
Low	46,790	14,773	2.3	31.6	26,811	57.3	5,206	11.1	
Moderate	246,103	142,324	21.9	57.8	87,919	35.7	15,860	6.4	
Middle	368,250	259,709	39.9	70.5	89,788	24.4	18,753	5.1	
Upper	284,920	233,880	35.9	82.1	37,287	13.1	13,753	4.8	
Unknown	532	292	0.0	54.9	187	35.2	53	10.0	
Total AA	946,595	650,978	100.0	68.8	241,992	25.6	53,625	5.7	
	Total Businesses by Tract	Businesses by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low	5,929	4.9	4,997	4.6	892	8.5	40	4.0	
Moderate	26,150	21.8	23,499	21.6	2,471	23.6	180	18.1	
Middle	43,045	35.8	39,369	36.2	3,338	31.9	338	34.0	
Upper	43,393	36.1	39,762	36.6	3,216	30.7	415	41.7	
Unknown	1,622	1.4	1,037	1.0	563	5.4	22	2.2	
Total AA	120,139	100.0	108,664	100.0	10,480	100.0	995	100.0	
Percentage of Total Businesses:				90.4		8.7		0.8	
	Total Farms by Tract	Farms by Tract & Revenue Size							
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported			
		#	%	#	%	#	%	#	%
Low	13	1.7	13	1.8	0	0.0	0	0.0	
Moderate	155	20.8	152	21.0	3	14.3	0	0.0	
Middle	337	45.2	327	45.2	10	47.6	0	0.0	
Upper	239	32.1	231	31.9	8	38.1	0	0.0	
Unknown	1	0.1	1	0.1	0	0.0	0	0.0	
Total AA	745	100.0	724	100.0	21	100.0	0	0.0	
Percentage of Total Farms:				97.2		2.8		0.0	
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2018-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.									

Population Characteristics

According to the 2015 American Community Survey (ACS) demographic data, the assessment area’s population is 2,244,231, an increase of 3.3 percent since 2015. Each county within the MD experienced similar growth in population, with the exception of Lapeer County (0.4 percent since 2015), at 3.1 percent for Macomb County, and 3.7 percent within Oakland County.

Community representatives attributed the disparity in population percentage change between Lapeer County and other counties within the assessment area to it being a more distressed and less accessible urban community. Further a lack of adequate housing supply within Lapeer County was noted as an impediment to population growth within the county. Community representatives attributed the increased growth within Macomb and Oakland County to the availability of higher paying jobs and the ease of commute between them.

2022 Warren-Troy-Farmington Hills, MI MD 47664 Population Change			
Area	2015 Population	2020 Population	Percent Change (%)
2022 Warren-Troy-Farmington Hills, MI MD 47664	2,172,427	2,244,231	3.3
Lapeer County, MI	88,235	88,619	0.4
Macomb County, MI	854,689	881,217	3.1
Oakland County, MI	1,229,503	1,274,395	3.7
Warren-Troy-Farmington Hills, MI MD	2,517,447	2,598,480	3.2
Michigan	9,900,571	10,077,331	1.8
<i>Source: 2011-2015 U.S. Census Bureau American Community Survey 2020 U.S. Census Bureau Decennial Census</i>			

Income Characteristics

The following table presents median family income (MFI) for families living within the assessment area. According to the 2015-2020 ACS data, the MFI for the counties within the assessment area, the entire MD, and the state of Michigan experienced nearly double-digit percentage increases in MFI. Comparing the assessment area to the entire state of Michigan, both experienced nearly similar increases in MFI at 10.3 percent and 11.0 percent, respectively. Amongst individual counties within the assessment area, Macomb County experienced the smallest increase in MFI percentage at 8.5 percent, compared to Lapeer and Oakland Counties at 10.5 and 11.3 percent, respectively.

According to community representatives, Oakland County and Macomb County are some of the most densely populated counties within the state due to its concentration in a higher-skilled workforce and proximity to higher-income jobs. The increase in electric vehicle, start-ups, and engineering related industries within the assessment area is the largest driver of increased wages within these counties. Conversely, it is the opinion of both representatives that Lapeer County is

recognized as a more distressed urban community and generally less favorable to commuters due to institutionalized transportation issues, and this has had an impact on the ability of people being able to commute to certain jobs.

2022 Warren-Troy-Farmington Hills, MI MD 47664			
Median Family Income Change			
Area	2015 Median Family Income (\$)	2020 Median Family Income (\$)	Percent Change (%)
2022 Warren-Troy-Farmington Hills, MI MD 47664	84,038	92,733	10.3
Lapeer County, MI	67,575	74,675	10.5
Macomb County, MI	74,060	80,371	8.5
Oakland County, MI	95,290	106,060	11.3
Warren-Troy-Farmington Hills, MI MD	83,843	92,419	10.2
Michigan	68,010	75,470	11.0

*Source: 2011 - 2015 U.S. Census Bureau American Community Survey
2016 - 2020 U.S. Census Bureau American Community Survey
Median Family Incomes have been inflation-adjusted and are expressed in 2020 dollars.*

Housing Characteristics

According to the 2022 FFIEC Census Data, a total of 946,595 housing units exist in the assessment area. The majority of housing units are owner-occupied at 68.8 percent, while 25.6 percent are rental, and 5.7 percent of units are vacant.

The following table presents recent housing cost burden for groups of income classes within the assessment area, counties within the assessment area, and the state of Michigan. The cost burden is the ratio of households gross monthly costs to household’s gross monthly income. Housing cost burden, as defined by the Department of Housing and Urban Development (HUD), takes these quantitative ratios, and assigns qualitative values to them. If a household’s housing is above 30.0 percent of its income, then the household is severely housing cost burdened.

Across the assessment area, 40.8 percent of all renters are considered cost burdened. Of the cost burdened renters, 78.5 percent are low-income, and 41.1 percent moderate-income. For homeowners, only 18.5 percent are experiencing housing cost burden within the assessment area, but similar to renters, the majority are low- and moderate-income owners at 6.8 percent and 32.3 percent, respectfully.

Community representative noted an imbalance between the age of housing stock and the cost of new construction in the assessment area. Generally, Lapeer County did not experience an increase in housing stock, compared to other counties within the assessment area, although there is an increased effort to bring affordable housing and apartment complexes to the area by some developers from the adjacent Detroit metropolitan area. While there is some effort to increase the housing stock, the cost of construction has significantly increased due to economic pressures over the past few years. Price points on new, single-family construction are not obtainable for the average homebuyer in the area, hence the emphasis on affordable housing and apartment complex projects. Representatives also noted that Oakland County is home to higher income skilled laborers and is the wealthiest county within the state of Michigan. Concentrations of this workforce has attributed to less affordable housing within Oakland County, compared to Macomb and Lapeer Counties.

2022 Warren-Troy-Farmington Hills, MI MD 47664 Housing Cost Burden (%)						
Area	Cost Burden - Renters			Cost Burden - Owners		
	Low Income	Moderate Income	All Renters	Low Income	Moderate Income	All Owners
2022 Warren-Troy-Farmington Hills, MI MD 47664	78.5	41.1	40.8	66.8	32.3	18.5
Lapeer County, MI	69.8	20.3	44.0	62.0	24.9	18.6
Macomb County, MI	80.3	36.2	43.6	64.1	29.1	18.9
Oakland County, MI	77.6	45.4	38.9	70.0	36.5	18.1
Warren-Troy-Farmington Hills, MI MD	77.7	38.9	40.8	65.8	31.0	18.4
Michigan	74.2	31.3	43.2	61.7	26.5	18.2
<i>Cost Burden is housing cost that equals 30 percent or more of household income</i>						
<i>Source: U.S. Department of Housing and Urban Development (HUD), 2015-2019 Comprehensive Housing Affordability Strategy</i>						

Employment Characteristics

Overall, the unemployment rates in the assessment area, counties within the assessment area, and the state of Michigan have fluctuated from 2017 to 2021. From 2019 to 2020, all geographies experienced significant increase due to the COVID-19 pandemic. Community representatives indicated that unemployment rates were high in 2020 due to the COVID-19 pandemic, but most areas have since returned to pre-pandemic unemployment levels. One representative attributed wage correction and the increase in minimum wages as the biggest factors in higher unemployment rates in 2021 when compared to pre-pandemic levels. Representatives also noted that small businesses drive the state’s economy, and the increase in minimum wages may have

affected these businesses’ ability to hire hourly workers at the same rate prior to the pandemic.

2022 Warren-Troy-Farmington Hills, MI MD 47664 Unemployment Rates (%)					
Area	2017	2018	2019	2020	2021
2022 Warren-Troy-Farmington Hills, MI MD 47664	3.9	3.7	3.7	10.2	5.2
Lapeer County, MI	5.5	5.2	5.3	12.2	6.1
Macomb County, MI	4.4	4.1	4.2	11.8	5.9
Oakland County, MI	3.5	3.4	3.4	9.1	4.7
Warren-Troy-Farmington Hills, MI MD	4.0	3.7	3.8	10.2	5.2
Michigan	4.6	4.2	4.1	10.0	5.9

Source: Bureau of Labor Statistics(BLS), Local Area Unemployment Statistics

Industry Characteristics

According to the U.S. Bureau of Labor Statistics, the assessment area contains a diverse employment base and is most heavily impacted by the industries of healthcare, manufacturing, professional and technical services, and retail. Community representatives mentioned that the assessment area is experiencing a change in its historical industries, transitioning from legacy automobile manufacturing to semiconductor facilities and science, technology, engineering, and mathematics (STEM) focused businesses.

Community Representatives

Two community representatives were contacted during the evaluation period to provide information regarding local economic and demographic conditions. The representatives provided information on housing, employment, and economic development needs within the assessment area, as well as providing information regarding the effects of the economy due to the COVID-19 pandemic. Both representatives noted the transition of the assessment area’s historic automobile industry into STEM focused industries. Further, both representatives stated that there is an immediate need for more small business banking options within the assessment area, as small businesses are the largest drivers of the local economy within the assessment area and expressed the need for the refinancing of COVID-19 debt.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN WARREN-TROY-FARMINGTON HILLS, MI MSA

LENDING TEST

Geographic Distribution of Loans

Oxford Bank demonstrates reasonable geographic distribution of loans given the bank's assessment area. A sample of small business loans originated from January 1, 2022 - December 31, 2022, were reviewed to determine dispersion of loans among the assessment area geographies.

An analysis of the dispersion of loans throughout the assessment area was conducted to identify conspicuous gaps in lending. According to the analysis, in 2022 the Warren-Troy-Farmington Hills, MI MD assessment area contained 618 census tracts, of which 32 are low-income and 155 are moderate-income. In the same year, the bank originated loans in 10.7 percent of the 618 census tracts. Specifically, the bank originated loans within three of the 32 low-income census tracts and 12 of the 155 moderate-income census tracts. Despite the low figures, the bank's size, locations (relative to LMI census tracts), and lender competition contributed to the low level of LMI census tract penetration. Overall, examiners determined there was no conspicuous lending gaps in the bank's assessment area.

Small Business Loans

The geographic distribution of small business loans reflects reasonable dispersion throughout the assessment area. Within the sample of small business loans reviewed, Oxford Bank originated 119 small business loans within the assessment area in 2022. The bank's lending volume in low-income census tracts at 2.5 percent underperforms the percentage of total businesses located in low-income tracts at 4.9 percent. Similarly, the bank's lending volume in moderate-income census tracts at 16.0 percent also underperforms the percentage of total businesses located in moderate-income census tracts at 21.8 percent. While the bank's performance in low-and moderate-income tracts trailed the percentage of businesses, there is significant competition from other lenders that have branches located within the low-and moderate-income tracts.

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	3	2.5	1,220	3.1	4.9
Moderate	19	16.0	6,653	16.8	21.8
Middle	54	45.4	19,364	48.8	35.8
Upper	43	36.1	12,458	31.4	36.1
Unknown	0	0.0	0	0.0	1.4
Tract-Unk	0	0.0	0	0.0	
Total	119	100.0	39,695	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Data & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey
Note: Percentages may not total 100.0 percent due to rounding.

Lending to Businesses of Different Sizes

Oxford Bank demonstrates the distribution of loans to and, as appropriate, other lending-related activities for businesses of different sizes that is reasonable given the demographics of the bank’s assessment area.

Small Business Loans

The distribution of small business loans reflects reasonable penetration among businesses of different revenues sizes. A sample of small business loans originated in 2022 were reviewed, of which 45.4 percent by number were to businesses with gross revenues equal to or less than \$1.0 million, compared to the demographic measures of 90.4 percent of businesses having revenues of \$1.0 million or less in the assessment area. While the bank’s performance was below the percentage of total businesses, the bank operates in an extremely competitive market and maintains a relatively small footprint compared to other lenders. Also, the bank’s branch offices only account for 0.5 percent of the total branch offices operating within the assessment area. Separately, of the bank’s small business loan originations, 27.8 percent of loans were made in dollar amounts of \$100,000 or less which are generally considered most beneficial for small businesses.

Lastly, in April 2020, the Small Business Administration (SBA) created the Paycheck Protection Program (PPP). This program was designed to provide direct incentive for small businesses, allow workforces to remain employed, and promote economic stability during the COVID-19 pandemic. Oxford Bank participated in the Payment Protection Program, which assisted small businesses by originating \$346.0 million in PPP loans. Overall, these factors help demonstrate the bank’s responsiveness to the credit needs of small businesses within the assessment area.

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Warren-Troy-Farmington Hills, MI MD 47664					
	Bank Loans				Total Businesses
	#	#%	\$(000)	\$%	
By Revenue					
\$1 Million or Less	54	45.4	17,112	43.1	90.4
Over \$1 Million	65	54.6	22,584	56.9	8.7
Revenue Unknown	0	0.0	0	0.0	0.8
Total	119	100.0	39,695	100.0	100.0
By Loan Size					
\$100,000 or Less	24	20.2	1,404	3.5	
\$100,001 - \$250,000	32	26.9	6,200	15.6	
\$250,001 - \$1 Million	63	52.9	32,091	80.8	
Total	119	100.0	39,695	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	15	27.8	623	3.6	
\$100,001 - \$250,000	9	16.7	1,851	10.8	
\$250,001 - \$1 Million	30	55.6	14,638	85.5	
Total	54	100.0	17,112	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

The bank’s community development performance demonstrates adequate responsiveness to community development needs of its assessment area through community development loans, donations, and community development services, as appropriate, considering the bank’s capacity as well as the need and the availability of such opportunities for community development in the bank’s assessment area.

Lending

During the evaluation period, the bank originated 12 qualified loans totaling approximately \$27.2 million toward economic development within the assessment area. Each of the community development loans originated by the bank were a part of the Small Business Administration’s (SBA) 504 loan program, through which the bank provided long-term financing to small businesses that otherwise might not obtain the necessary financing to grow. Community representatives stated that there’s a growing need and demand for more small business banking options within the assessment area, as such the bank’s ability to find opportunities to lend for small business economic development is particularly responsive.

Through its use of the SBA 504 loan program, the bank significantly increased the level of community development lending since the previous evaluation period within this assessment area, during which time the bank originated four qualified loans totaling approximately \$6.7 million. The bank was also heavily involved the Small Business Administration's Paycheck Protection Program (PPP), which provided small businesses with funding during the COVID-19 pandemic. These loans were generally for smaller amounts than community development loans originated during the review period.

Investments

During the evaluation period, the bank made two new investments totaling \$3.1 million in the assessment area. The investments made include affordable housing efforts primarily tailored to low- and moderate-income communities or families. Further, Oxford Bank made 30 donations for \$54,828 in the assessment area. The majority of donations were focused on providing vital community services to low- and moderate-income individuals and families.

Services

During the evaluation period, bank staff provided 817 hours targeted towards community development financial services during the bank's evaluation period. Across the eight community organizations served, a substantial amount of community hours was dedicated to organizations with a community service focus. It should be noted that during the evaluation period, bank staff were impacted by the results of the COVID-19 pandemic, which hindered their abilities to provide additional service activities in-person. The following table presents the community development activities during the evaluation period in the Warren-Troy-Farmington Hills, Michigan MD.

Community Development Activities March 10, 2020 – May 15, 2023								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$ (000)s	#	\$ (000)s	#	\$ (000)s	#	Hours
Warren-Troy-Farmington Hills, MI MSA #47664	12	27205	2	3,104	30	54	8	817
Flint, MI MSA #22420	2	926	0	0	11	15	2	255
Ann Arbor, MI MSA #11460	2	2,701	0	0	4	4	5	353
Outside of Assessment Area	6	10,863	1	750	4	8	1	6
Total	22	41,695	3	3,854	49	81	16	1,431

FLINT, MICHIGAN MSA 22420 – LIMITED REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN FLINT, MICHIGAN MSA #22420

Oxford Bank’s assessment area is comprised of Genesee County in its entirety. The assessment area is comprised of 134 census tracts, including 16 low-, 33 moderate-, 41 middle-, and 39 upper-, and five unknown-income census tracts. No underserved and/or distressed middle-income census tracts are located within the assessment area. The bank has one branch location with two full-service ATMs in Davison, Michigan. The branch and ATMs are located within an upper-income census tract.

According to the June 30, 2022, FDIC Market Share Report, Oxford Bank ranked ninth among nine FDIC-insured financial institutions operating in Genesee County. The bank held \$30.7 million in deposits, representing 0.5 percent of the total deposit market share in the Flint, Michigan MSA. The financial institutions comprising the largest percentage of the deposit market share are JP Morgan Chase Bank (43.3 percent) and the Huntington National Bank (29.4 percent).

Tract Designation Change Data

The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau’s American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level). The income data used to calculate geographic income designations changed between 2021 and 2022. Accordingly, lending activity that took place in calendar years up to and including 2021 are evaluated based on ACS income level definitions from the five-year survey data set 2011-2015. Lending activity performed in 2022 and beyond are evaluated based on ACS income level definitions from the five-year survey data set 2016-2020.

Census Tract Designation Changes American Community Survey Data (ACS)			
Tract Income Designation	2021 Designations (#)	2022 Designations (#)	Net Change (#)
Low	20	16	-4
Moderate	28	33	5
Middle	47	41	-6
Upper	34	39	5
Unknown	2	5	3
Total	131	134	3

*Source: U. S. Census Bureau: Decennial Census: American Community Survey Data: 2011-2015
U.S. Census Bureau: Decennial Census: America Community Survey Data: 2016-2020*

Additional assessment area demographic information is provided in the following table.

2022 Flint, MI MSA 22420 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	16	11.9	9,012	8.3	3,511	39.0	23,052	21.3
Moderate	33	24.6	21,362	19.7	5,018	23.5	18,958	17.5
Middle	41	30.6	34,988	32.3	3,341	9.5	22,509	20.8
Upper	39	29.1	40,177	37.1	1,776	4.4	43,911	40.5
Unknown	5	3.7	2,891	2.7	393	13.6	0	0.0
Total AA	134	100.0	108,430	100.0	14,039	12.9	108,430	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	20,522	8,014	6.7	39.1	7,401	36.1	5,107	24.9
Moderate	47,988	20,839	17.5	43.4	18,764	39.1	8,385	17.5
Middle	58,678	39,973	33.5	68.1	14,016	23.9	4,689	8.0
Upper	60,706	47,609	39.9	78.4	9,692	16.0	3,405	5.6
Unknown	4,689	2,949	2.5	62.9	1,324	28.2	416	8.9
Total AA	192,583	119,384	100.0	62.0	51,197	26.6	22,002	11.4
	Total Businesses by Tract		Businesses by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	842	5.8	783	5.8	55	5.3	4	3.4
Moderate	2,805	19.3	2,577	19.2	210	20.2	18	15.1
Middle	5,059	34.7	4,580	34.2	433	41.6	46	38.7
Upper	5,148	35.3	4,840	36.1	266	25.5	42	35.3
Unknown	712	4.9	625	4.7	78	7.5	9	7.6
Total AA	14,566	100.0	13,405	100.0	1,042	100.0	119	100.0
Percentage of Total Businesses:				92.0		7.2		0.8
	Total Farms by Tract		Farms by Tract & Revenue Size					
			Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported	
			#	%	#	%	#	%
Low	2	1.0	2	1.0	0	0.0	0	0.0
Moderate	9	4.6	9	4.7	0	0.0	0	0.0
Middle	90	46.2	87	45.5	3	75.0	0	0.0
Upper	92	47.2	91	47.6	1	25.0	0	0.0
Unknown	2	1.0	2	1.0	0	0.0	0	0.0
Total AA	195	100.0	191	100.0	4	100.0	0	0.0
Percentage of Total Farms:				97.9		2.1		0.0
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN FLINT, MI MSA

Assessment Area	Lending Test	Community Development Test
Flint, MI MSA	Consistent	Consistent

Oxford Bank’s lending and community development performance in the area is consistent with the institution’s lending and community development performance overall.

Geographic Distribution of Loans

Distribution of 2022 Small Business Lending By Income Level of Geography					
Assessment Area: Flint, MI MSA 22420					
Geographic Income Level	Bank Loans				Total Businesses %
	#	#%	\$(000)	\$%	
Low	0	0.0	0	0.0	5.8
Moderate	0	0.0	0	0.0	19.3
Middle	4	36.4	604	25.7	34.7
Upper	7	63.6	1,749	74.3	35.3
Unknown	0	0.0	0	0.0	4.9
Tract-Unk	0	0.0	0	0.0	
Total	11	100.0	2,353	100.0	100.0

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Businesses of Different Sizes

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Flint, MI MSA 22420					
	Bank Loans				Total Businesses
	#	#%	\$(000)	%	
By Revenue					
\$1 Million or Less	5	45.5	994	42.2	92.0
Over \$1 Million	6	54.5	1,359	57.8	7.2
Revenue Unknown	0	0.0	0	0.0	0.8
Total	11	100.0	2,353	100.0	100.0
By Loan Size					
\$100,000 or Less	6	54.5	333	14.2	
\$100,001 - \$250,000	2	18.2	350	14.9	
\$250,001 - \$1 Million	3	27.3	1,670	71.0	
Total	11	100.0	2,353	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	3	60.0	174	17.5	
\$100,001 - \$250,000	0	0.0	0	0.0	
\$250,001 - \$1 Million	2	40.0	820	82.5	
Total	5	100.0	994	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

Oxford Bank’s community development performance in the area is consistent with the institution’s community development performance overall.

Community Development Activities								
March 10, 2020 – May 15, 2023								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$ (000)s	#	\$ (000)s	#	\$ (000)s	#	Hours
Warren-Troy-Farmington Hills, MI MSA #47664	12	27,205	2	3,104	30	54	8	817
Flint, MI MSA #22420	2	926	0	0	11	15	2	255
Ann Arbor, MI MSA #11460	2	2,701	0	0	4	4	5	353
Outside of Assessment Area	6	10,863	1	750	4	8	1	6
Total	22	41,695	3	3,854	49	81	16	1,431

ANN ARBOR, MICHIGAN MSA #11460 – LIMITED REVIEW

DESCRIPTION OF INSTITUTION’S OPERATIONS IN ANN ARBOR, MICHIGAN MSA #11460

Oxford Bank’s assessment area is comprised of Washtenaw County in its entirety. The assessment area is comprised of 107 total census tracts, including 13 low-, 13 moderate-, 40 middle-, and 30 upper -, and 11 are unknown-income census tracts. No underserved and/or distressed middle-income census tracts are located within the assessment area. The bank has no branches within the assessment are, but does operate a single, new full-service ATM. The assessment area is new since the previous evaluation due to the opening of a new loan production office, with the full-service ATM, in April 2022.

There are no deposits allocated to this assessment area as it does not have a branch office. As such, no analysis of the bank’s deposit market share within the assessment area was conducted.

Additional assessment area demographic information is provided in the following table.

2022 Ann Arbor, MI MSA 11460 AA Demographics								
Income Categories	Tract Distribution		Families by Tract Income		Families < Poverty Level as % of Families by Tract		Families by Family Income	
	#	%	#	%	#	%	#	%
Low	13	12.1	6,681	8.2	1,746	26.1	16,915	20.8
Moderate	13	12.1	8,250	10.1	1,081	13.1	14,355	17.7
Middle	40	37.4	35,113	43.2	1,354	3.9	17,415	21.4
Upper	30	28.0	30,648	37.7	772	2.5	32,607	40.1
Unknown	11	10.3	600	0.7	169	28.2	0	0.0
Total AA	107	100.0	81,292	100.0	5,122	6.3	81,292	100.0
	Housing Units by Tract	Housing Type by Tract						
		Owner-occupied			Rental		Vacant	
		#	% by tract	% by unit	#	% by unit	#	% by unit
Low	18,022	4,152	4.7	23.0	12,606	69.9	1,264	7.0
Moderate	18,144	7,606	8.6	41.9	9,361	51.6	1,177	6.5
Middle	61,211	41,259	46.9	67.4	16,959	27.7	2,993	4.9
Upper	47,883	34,598	39.3	72.3	10,746	22.4	2,539	5.3
Unknown	6,493	323	0.4	5.0	5,430	83.6	740	11.4
Total AA	151,753	87,938	100.0	57.9	55,102	36.3	8,713	5.7
	Total Businesses by Tract	Businesses by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	1,285	7.4	1,170	7.4	107	7.7	8	5.5
Moderate	1,479	8.5	1,394	8.8	78	5.6	7	4.8
Middle	7,272	41.8	6,617	41.7	581	42.1	74	51.0
Upper	6,789	39.0	6,189	39.0	546	39.5	54	37.2
Unknown	582	3.3	511	3.2	69	5.0	2	1.4
Total AA	17,407	100.0	15,881	100.0	1,381	100.0	145	100.0
Percentage of Total Businesses:				91.2		7.9		0.8
	Total Farms by Tract	Farms by Tract & Revenue Size						
		Less Than or = \$1 Million		Over \$1 Million		Revenue Not Reported		
		#	%	#	%	#	%	
Low	7	2.0	7	2.1	0	0.0	0	0.0
Moderate	9	2.6	9	2.6	0	0.0	0	0.0
Middle	226	65.7	223	65.6	3	100.0	0	0.0
Upper	102	29.7	101	29.7	0	0.0	1	100.0
Unknown	0	0.0	0	0.0	0	0.0	0	0.0
Total AA	344	100.0	340	100.0	3	100.0	1	100.0
Percentage of Total Farms:				98.8		0.9		0.3
Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey Note: Percentages may not total 100.0 percent due to rounding.								

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS IN ANN ARBOR, MI MSA

Assessment Area	Lending Test	Community Development Test
Ann Arbor, MI MSA	Consistent	Consistent

LENDING TEST

Oxford Bank’s lending and community development performance in the area is consistent with the institution’s lending and community development performance overall.

Geographic Distribution of Loans

Distribution of 2022 Small Business Lending By Income Level of Geography						
Assessment Area: Ann Arbor, MI MSA 11460						
Geographic Income Level	Bank Loans				Total Businesses %	
	#	%	\$(000)	%		
Low	1	20.0	607	17.8	7.4	
Moderate	0	0.0	0	0.0	8.5	
Middle	3	60.0	1,855	54.4	41.8	
Upper	1	20.0	945	27.7	39.0	
Unknown	0	0.0	0	0.0	3.3	
Tract-Unk	0	0.0	0	0.0		
Total	5	100.0	3,407	100.0	100.0	

Source: 2022 FFIEC Census Data
2022 Dun & Bradstreet Data
2016-2020 U.S. Census Bureau: American Community Survey

Note: Percentages may not total 100.0 percent due to rounding.

Lending to Businesses of Different Sizes

Distribution of 2022 Small Business Lending By Revenue Size of Businesses					
Assessment Area: Ann Arbor, MIMSA 11460					
	Bank Loans				Total Businesses
	#	%	\$(000)	%	
By Revenue					
\$1 Million or Less	3	60.0	1,850	54.3	91.2
Over \$1 Million	2	40.0	1,557	45.7	7.9
Revenue Unknown	0	0.0	0	0.0	0.8
Total	5	100.0	3,407	100.0	100.0
By Loan Size					
\$100,000 or Less	0	0.0	0	0.0	
\$100,001 - \$250,000	1	20.0	145	4.3	
\$250,001 - \$1 Million	4	80.0	3,262	95.7	
Total	5	100.0	3,407	100.0	
By Loan Size and Revenues \$1 Million or Less					
\$100,000 or Less	0	0.0	0	0.0	
\$100,001 - \$250,000	1	33.3	145	7.8	
\$250,001 - \$1 Million	2	66.7	1,705	92.2	
Total	3	100.0	1,850	100.0	
<i>Source: 2022 FFIEC Census Data 2022 Dun & Bradstreet Data 2016-2020 U.S. Census Bureau: American Community Survey</i>					
<i>Note: Percentages may not total 100.0 percent due to rounding.</i>					

COMMUNITY DEVELOPMENT TEST

Oxford Bank’s community development performance in the area is consistent with the institution’s community development performance overall.

Community Development Activities March 10, 2020 – May 15, 2023								
Assessment Area	Loans		Investments		Donations		Services	
	#	\$ (000)s	#	\$ (000)s	#	\$ (000)s	#	Hours
Warren-Troy-Farmington Hills, MI MSA #47664	12	27,205	2	3,104	30	54	8	817
Flint, MI MSA #22420	2	926	0	0	11	15	2	255
Ann Arbor, MI MSA #11460	2	2,701	0	0	4	4	5	353
Outside of Assessment Area	6	10,863	1	750	4	8	1	6
Total	22	41,695	3	3,854	49	81	16	1,431

APPENDIX B – Scope of Examination

SCOPE OF EXAMINATION			
TIME PERIOD REVIEWED	Lending Test: Small Business Loans (sample): January 1, 2022 to December 31, 2022 Community Development Test: March 10, 2020 to May 15, 2023		
FINANCIAL INSTITUTION Oxford Bank			PRODUCTS REVIEWED Small Business Loans
AFFILIATE(S)	AFFILIATE RELATIONSHIP		PRODUCTS REVIEWED
None	N/A		N/A
LIST OF ASSESSMENT AREAS AND TYPE OF EXAMINATION			
ASSESSMENT AREA	TYPE OF EXAMINATION	BRANCHES VISITED	OTHER INFORMATION
Warren-Troy-Farmington Hills, MI MD #47664	Full scope	N/A	N/A
Flint, MI MSA #22420	Limited scope	N/A	N/A
Ann Arbor, MI MSA #11460	Limited scope	N/A	N/A

APPENDIX C – Glossary

Affiliate: Any company that controls, is controlled by, or is under common control with another company. A company is under common control with another company if the same company directly or indirectly controls both companies. A bank subsidiary is controlled by the bank and is, therefore, an affiliate.

Affordability ratio: To determine housing affordability, the affordability ratio is calculated by dividing median household income by median housing value. This ratio allows the comparison of housing affordability across assessment areas and/or communities. An area with a high ratio generally has more affordable housing than an area with a low ratio.

Aggregate lending: The number of loans originated and purchased by all lenders subject to reporting requirements as a percentage of the aggregate number of loans originated and purchased by all lenders in the MSA/assessment area.

American Community Survey Data (ACS): The American Community Survey (ACS) data is based on a nationwide survey designed to provide local communities with reliable and timely demographic, social, economic, and housing data each year. The Census Bureau first released data for geographies of all sizes in 2010. This data is known as the “five-year estimate data.” The five-year estimate data is used by the FFIEC as the base file for data used in conjunction with consumer compliance and CRA examinations.²

Area Median Income (AMI): AMI means –

1. The median family income for the MSA, if a person or geography is located in an MSA, or for the metropolitan division, if a person or geography is located in an MSA that has been subdivided into metropolitan divisions; or
2. The statewide nonmetropolitan median family income, if a person or geography is located outside an MSA.

Assessment area: Assessment area means a geographic area delineated in accordance with section 228.41

Automated teller machine (ATM): An automated teller machine means an automated, unstaffed banking facility owned or operated by, or operated exclusively for, the bank at which deposits are received, cash dispersed or money lent.

Bank: Bank means a state member as that term is defined in section 3(d)(2) of the Federal Deposit Insurance Act (12 USC 1813(d)(2)), except as provided in section 228.11(c)(3), and includes an

² Source: FFIEC press release dated October 19, 2011.

uninsured state branch (other than a limited branch) of a foreign bank described in section 228.11(c)(2).

Branch: Branch refers to a staffed banking facility approved as a branch, whether shared or unshared, including, for example, a mini-branch in a grocery store or a branch operated in conjunction with any other local business or nonprofit organization.

Census tract: Small subdivisions of metropolitan and other densely populated counties. Census tract boundaries do not cross county lines; however, they may cross the boundaries of metropolitan statistical areas. They usually have between 2,500 and 8,000 persons, and their physical size varies widely depending upon population density. Census tracts are designed to be homogeneous with respect to population characteristics, economic status, and living conditions to allow for statistical comparisons.

Combined Statistical Area (CSAs): Adjacent metropolitan statistical areas/metropolitan divisions (MSA/MDs) and micropolitan statistical areas may be combined into larger Combined Statistical Areas based on social and economic ties as well as commuting patterns. The ties used as the basis for CSAs are not as strong as the ties used to support MSA/MD and micropolitan statistical area designations; however, they do bind the larger area together and may be particularly useful for regional planning authorities and the private sector. Under Regulation BB, assessment areas may be presented under a Combined Statistical Area heading; however, all analysis is conducted on the basis of median income figures for MSA/MDs and the applicable state-wide non metropolitan median income figure.

Community Development: The financial supervisory agencies have adopted the following definition for community development:

1. Affordable housing, including for multi-family housing, for low- and moderate-income households;
2. Community services tailored to meet the needs of low- and moderate-income individuals;
3. Activities that promote economic development by financing businesses or farms that meet the size eligibility standards of the Small Business Administration's Development Company or Small Business Investment Company programs (13 CFR 121.301) or have gross annual revenues of \$1 million or less; or
4. Activities that revitalize or stabilize low- or moderate-income geographies.

Effective September 1, 2005, the Board of Governors of the Federal Reserve System, Office of the Comptroller of the Currency, and the Federal Deposit Insurance Corporation have adopted the following additional language as part of the revitalize or stabilize definitions of community development. Activities that revitalize or stabilize:

- 1) Low- or moderate-income geographies;
- 2) Designated disaster areas; or
- 3) Distressed or underserved nonmetropolitan middle-income geographies

designated by the Board, Federal Deposit Insurance Corporation and Office of the Comptroller of the Currency based on:

- a. Rates of poverty, unemployment, or population loss; or
- b. Population size, density, and dispersion. Activities that revitalize and stabilize geographies designated based on population size, density, and dispersion if they help to meet essential community services including the needs of low- and moderate-income individuals.

Community Development Loan: A community development loan means a loan that:

- 1) Has as its primary purpose community development; and
- 2) Except in the case of a wholesale or limited purpose bank –
 - a. Has not been reported or collected by the bank or an affiliate for consideration in the bank’s assessment as a home mortgage, small business, small farm, or consumer loan, unless it is a multi-family housing loan (as described in the regulation implementing the Home Mortgage Disclosure Act); and
 - b. Benefits the bank’s assessment area(s) or a broader statewide or regional area that includes the bank’s assessment area(s).

Community Development Service: A community development service means a service that:

- 1) Has as its primary purpose community development; and
- 2) Is related to the provision of financial services.

Consumer loan: A loan(s) to one or more individuals for household, family, or other personal expenditures. A consumer loan does not include a home mortgage, small business, or small farm loan. This definition includes the following categories of loans: motor vehicle, credit card, other consumer secured loan, includes loans for home improvement purposes not secured by a dwelling, and other consumer unsecured loan, includes loans for home improvement purposes not secured.

Family: Includes a householder and one or more other persons living in the same household who are related to the householder by birth, marriage, or adoption. The number of family households always equals the number of families; however, a family household may also include non-relatives living with the family. Families are classified by type as either a married couple family or other family, which is further classified into “male householder” (a family with a male householder and no wife present) or “female householder” (a family with a female householder and no husband present).

Fair market rent: Fair market rents (FMRs) are gross rent estimates. They include the shelter rent plus the cost of all tenant-paid utilities, except telephones, cable or satellite television service, and internet service. HUD sets FMRs to assure that a sufficient supply of rental housing is available to their program participants. To accomplish this objective, FMRs must be both high enough to

permit a selection of units and neighborhoods and low enough to serve as many low-income families as possible. The level at which FMRs are set is expressed as a percentile point within the rent distribution of standard-quality rental housing units. The current definition used is the 40th percentile rent, the dollar amount below which 40 percent of the standard-quality rental housing units are rented. The 40th percentile rent is drawn from the distribution of rents of all units occupied by recent movers (renter households who moved to their present residence within the past 15 months). HUD is required to ensure that FMRs exclude non-market rental housing in their computation. Therefore, HUD excludes all units falling below a specified rent level determined from public housing rents in HUD's program databases as likely to be either assisted housing or otherwise at a below-market rent, and units less than two years old.

Full review: Performance under the Lending, Investment, and Service Tests is analyzed considering performance context, quantitative factors (for example, geographic distribution, borrower distribution, and amount of qualified investments) and qualitative factors (for example, innovativeness, complexity, and responsiveness).

Geography: A census tract delineated by the U.S. Bureau of the Census in the most recent decennial census.

Home Mortgage Disclosure Act: The statute that requires certain mortgage lenders that do business or have banking offices in metropolitan statistical areas to file annual summary reports of their mortgage lending activity. The reports include data such as the race, gender and income of the applicant(s) and the disposition of the application(s) (for example, approved, denied, and withdrawn).

Home mortgage loans: Are defined in conformance with the definitions of home mortgage activity under the Home Mortgage Disclosure Act and include closed end mortgage loans secured by a dwelling and open-end lines of credit secured by a dwelling. This includes loans for home purchase, refinancing and loans for multi-family housing. It does not include loans for home improvement purposes that are not secured by a dwelling.

Household: Includes all persons occupying a housing unit. Persons not living in households are classified as living in group quarters. In 100 percent tabulations, the count of households always equals the count of occupied housing units.

Income Level: Income level means:

- 1) Low-income – an individual income that is less than 50 percent of the area median income, or a median family income that is less than 50 percent in the case of a census tract;
- 2) Moderate-income – an individual income that is at least 50 percent and less than 80 percent of the area median income, or a median family income that is at least 50 percent and less than 80 percent in the case of a census tract;

- 3) Middle-income – an individual income that is at least 80 percent and less than 120 percent of the area median income, or a median family income that is at least 80 percent and less than 120 percent in the case of a census tract; and
- 4) Upper-income – an individual income that is at least 120 percent of the area median income, or a median family income that is at least 120 percent in the case of a census tract.

Additional Guidance: .12(m) Income Level: The median family income levels (MFI) for census tracts are calculated using the income data from the United States Census Bureau's American Community Survey and geographic definitions from the Office of Management and Budget (OMB) and are updated approximately every five years (.12(m) Income Level).

Limited-purpose bank: This term refers to a bank that offers only a narrow product line such as credit card or motor vehicle loans to a regional or broader market and for which a designation as a limited-purpose bank is in effect, in accordance with section 228.25(b).

Limited review: Performance under the Lending, Investment, and Services test is analyzed using only quantitative factors (for example, geographic distribution, borrower distribution, amount of investments and branch office distribution).

Loan location: Under this definition, a loan is located as follows:

- 1) Consumer loan is located in the census tract where the borrower resides;
- 2) Home mortgage loan is located in the census tract where the property to which the loan relates is located;
- 3) Small business and small farm loan is located in the census tract where the main business facility or farm is located or where the loan proceeds have been applied as indicated by the borrower.

Loan production office: This term refers to a staffed facility, other than a branch, that is open to the public and that provides lending-related services, such as loan information and applications.

Market share: The number of loans originated and purchased by the institution as a percentage of the aggregate number of loans originated and purchased by all reporting lenders in the MA/assessment area.

Median Family Income (MFI): The median income determined by the U.S. Census Bureau every ten years and used to determine the income level category of geographies. Also, the median income determined by the Department of Housing and Urban Development (HUD) annually that is used to determine the income level category of individuals. For any given area, the median is the point at which half of the families have income above it and half below it.

Metropolitan Area: A metropolitan statistical area (MSA) or a metropolitan division (MD) as defined by the Office of Management and Budget. A MSA is a core area containing at least one urbanized area of 50,000 or more inhabitants, together with adjacent communities having a high degree of economic and social integration with that core. A MD is a division of a MSA based on specific criteria including commuting patterns. Only a MSA that has a single core population of at least 2.5 million may be divided into MDs. A metropolitan statistical area that crosses into two or more bordering states is called a multistate metropolitan statistical area.

Multifamily: Refers to a residential structure that contains five or more units.

Nonmetropolitan area: This term refers to any area that is not located in a metropolitan statistical area or metropolitan division. Micropolitan statistical areas are included in the definition of a nonmetropolitan area; a micropolitan statistical area has an urban core population of at least 10,000 but less than 50,000.

Owner-occupied units: Includes units occupied by the owner or co-owner, even if the unit has not been fully paid for or is mortgaged.

Qualified Investment: This term refers to any lawful investment, deposit, membership share, or grant that has as its primary purpose community development.

Rated area: This term refers to a state or multistate metropolitan area. For institutions with domestic branch offices in one state only, the institution's CRA rating is the state's rating. If the institution maintains domestic branch offices in more than one state, the institution will receive a rating for each state in which those branch offices are located. If the institution maintains domestic branch offices in at least two states in a multistate metropolitan statistical area, the institution will receive a rating for the multistate metropolitan area.

Small Bank: This term refers to a bank that as of December 31 of either of the prior two calendar years, had assets of less than \$1.252 billion. Intermediate small bank means a small bank with assets of at least \$313 million as of December 31 of both of the prior two calendar years and less than \$1.252 billion as of December 31 of either of the prior two calendar years.

Annual Adjustment: The dollar figures in paragraph (u)(1) of this section shall be adjusted annually and published by the Board, based on the year-to-year change in the average of the Consumer Price Index for Urban Wage Earners and Clerical Workers, not seasonally adjusted, for each 12-month period ending in November, with rounding to the nearest million.

Small Business Loan: This term refers to a loan that is included in "loans to small businesses" as defined in the instructions for preparation of the Consolidated Report of Condition and Income. The loans have original amounts of \$1 million or less and are either secured nonfarm, nonresidential properties or are classified as commercial and industrial loans.

Small Farm Loan: This term refers to a loan that is included in “loans to small farms” as defined in the instructions for preparation of the Consolidated Report of Condition and Income. These loans have original amounts of \$500 thousand or less and are either secured by farmland, including farm residential and other improvements, or are classified as loans to finance agricultural production and other loans to farmers.

Wholesale Bank: This term refers to a bank that is not in the business of extending home mortgage, small business, small farm, or consumer loans to retail customers, and for which a designation as a wholesale bank is in effect, in accordance with section 228.25(b).