

**CHINO COMMERCIAL BANCORP REPORTS**  
**77% INCREASE IN NET EARNINGS**

Chino, California, October 21, 2022 – The Board of Directors of Chino Commercial Bancorp (OTC: CCBC), the parent company of Chino Commercial Bank, N.A., announced the results of operations for the Bank and the consolidated holding company for the third quarter ended September 30, 2022. Net earnings for the third quarter of 2022, were \$1.3 million, or an increase of 77.2%, as compared with earnings of \$718 thousand for the same quarter last year. Net earnings per basic and diluted share were \$0.48 for the third quarter of 2022, and \$0.27 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The third quarter of 2022 marks a new record for the Company with total Deposits, total Revenue, and Net Earnings all reaching new record highs. The Bank’s value proposition remains very strong, and we continue to attract new customers every month.

Though the economy is showing signs of possible weakening, so far, we have not experienced a significant down-turn in credit quality. At the end of the quarter, the Bank had only one delinquent loan, no in-process foreclosures, and no OREO.”

**Financial Condition**

At September 30, 2022, total assets were \$416.6 million, an increase of \$38.1 million or 10.1% over \$378.5 million at December 31, 2021. Total deposits increased by \$37.0 million or 11.6% to \$355.9 million as of September 30, 2022, compared to \$318.9 million as of December 31, 2021. At September 30, 2022, the Company’s core deposits represent 98% of the total deposits.

Gross loans increased by 1.2% or \$3.7 million as of September 30, 2022 to \$178.3 million as compared with \$176.2 million at December 31, 2021. The Bank had two non-performing loans for the quarter ended September 30, 2022, and one non-performing loan as of December 31, 2021. OREO properties remained at zero as of September 30, 2022 and December 31, 2021 respectively.

**Earnings**

The Company posted net interest income of \$3.3 million for the three months ended September 30, 2022 and \$2.5 million for the same quarter last year. Average interest-earning assets were \$393.5 million with average interest-bearing liabilities of \$160.2 million, yielding a net interest margin of 3.33% for the third quarter of 2022, as compared to the average interest-earning assets of \$334.5 million with average interest-bearing liabilities of \$145.6 million, yielding a net interest margin of 2.91% for the third quarter of 2021.

Non-interest income totaled \$608.3 thousand for the third quarter of 2022, or an increase of 11.7% as compared with \$544.6 thousand earned during the same quarter last year. The majority of the increase was attributed to service charges on deposit accounts.

General and administrative expenses were \$2.0 million for the three months ended September 30, 2022, and \$1.8 million for the same period last year. The largest component of general and

administrative expenses was salary and benefits expense of \$1.3 million for the third quarter of 2022 and \$1.1 million for the same period last year.

Income tax expense was \$506.5 thousand which represents an increase of \$233 thousand or 44% for the three months ended September 30, 2022, as compared to \$273.4 thousand for the three months ended September 30, 2021. The effective income tax rate for the third quarter of 2022 and 2021 were approximately 28.5% and 27.6% respectively.

### **Forward-Looking Statements**

The statements contained in this press release that are not historical facts are forward-looking statements based on management's current expectations and beliefs concerning future developments and their potential effects on the Company. Readers are cautioned not to unduly rely on forward-looking statements. Actual results may differ from those projected. These forward-looking statements involve risks and uncertainties, including but not limited to, the health of the national and California economies, the Company's ability to attract and retain skilled employees, customers' service expectations, the Company's ability to successfully deploy new technology and gain efficiencies therefrom, and changes in interest rates, loan portfolio performance, and other factors.

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**CHINO COMMERCIAL BANCORP**  
**CONSOLIDATED BALANCE SHEET**  
September 30, 2022 and 2021

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	\$ 57,195,216	\$ 135,593,445
Federal funds sold	-	-
Total cash and cash equivalents	<u>57,195,216</u>	<u>135,593,445</u>
Interest-bearing deposits in other banks	-	-
Investment securities available for sale	6,224,948	40,270,538
Investment securities held to maturity	160,080,875	12,435,291
Total investments	<u>166,305,823</u>	<u>52,705,829</u>
Loans		
Construction	1,223,140	414,072
Real estate	145,313,932	125,894,826
Commercial	31,635,685	48,133,781
Installment	132,776	1,741,267
Gross loans	<u>178,305,533</u>	<u>176,183,946</u>
Unearned fees and discounts	(561,576)	(1,419,084)
Loans net of unearned fees and discount	<u>177,743,957</u>	<u>174,764,862</u>
Allowance for loan losses	(4,078,299)	(3,888,480)
Net loans	<u>173,665,658</u>	<u>170,876,382</u>
Fixed assets, net	5,695,525	5,897,342
Accrued interest receivable	1,022,524	877,104
Stock investments, restricted, at cost	2,045,200	7,871,339
Bank-owned life insurance	8,007,214	2,045,200
Other assets	2,661,018	2,647,812
Total assets	<u>\$ 416,598,178</u>	<u>\$ 378,514,453</u>
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 219,895,119	\$ 195,274,304
Interest bearing		
NOW and money market	93,212,934	85,144,889
Savings	31,908,897	25,147,965
Time deposits less than \$250,000	7,913,244	3,695,546
Time deposits of \$250,000 or greater	2,920,458	9,616,481
Total deposits	<u>355,850,652</u>	<u>318,879,185</u>
Accrued interest payable	179,785	130,327
Borrowings from Federal Home Loan Bank (FHLB)	15,000,000	15,000,000
Accrued expenses & other payables	1,573,362	1,817,705
Subordinated debt	10,000,000	10,000,000
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>385,696,799</u>	<u>348,920,217</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 2,676,799 shares at September 30, 2022 and December 31, 2021, respectively.	10,502,558	10,502,557
Retained earnings	22,964,278	19,556,872
Accumulated other comprehensive income/(loss)	(2,565,457)	(465,193)
Total shareholders' equity	<u>30,901,379</u>	<u>29,594,236</u>
Total liabilities & shareholders' equity	<u>\$ 416,598,178</u>	<u>\$ 378,514,453</u>

**CHINO COMMERCIAL BANCORP**  
**CONSOLIDATED STATEMENTS OF NET INCOME**

	For the three months ended September 30		For the nine months ended September 30	
	2022 <u>(unaudited)</u>	2021 <u>(unaudited)</u>	2022 <u>(unaudited)</u>	2021 <u>(unaudited)</u>
Interest income				
Interest and fee income on loans	\$2,289,166	\$2,458,482	\$ 7,193,378	\$ 7,643,426
Interest on federal funds sold and FRB deposits	315,415	42,915	490,324	83,015
Interest on time deposits in banks	-	-	-	-
Interest on investment securities	1,004,274	206,101	2,196,498	637,644
Total interest income	<u>3,608,855</u>	<u>2,707,498</u>	<u>9,880,200</u>	<u>8,364,085</u>
Interest Expense				
Interest on deposits	86,555	46,825	177,876	145,370
Other borrowings	222,041	207,096	641,264	486,770
Total interest expense	<u>308,596</u>	<u>253,921</u>	<u>819,140</u>	<u>632,140</u>
Net interest income	3,300,259	2,453,577	9,061,060	7,731,945
Provision for loan losses	<u>100,000</u>	<u>185,000</u>	<u>150,000</u>	<u>555,000</u>
Net interest income after provision for loan losses	<u>3,200,259</u>	<u>2,268,577</u>	<u>8,911,060</u>	<u>7,176,945</u>
Non-interest income				
Service charges on deposit accounts	454,030	394,024	1,307,511	1,133,360
Other miscellaneous income	78,877	81,984	209,346	223,760
Dividend income from restricted stock	28,693	25,903	90,379	72,928
Income from bank-owned life insurance	46,724	42,669	135,876	104,395
Total non-interest income	<u>608,324</u>	<u>544,580</u>	<u>1,743,112</u>	<u>1,534,443</u>
Non-interest expenses				
Salaries and employee benefits	1,266,765	1,092,730	3,702,106	3,173,864
Occupancy and equipment	166,159	153,998	478,881	461,912
Data and item processing	183,504	170,018	555,683	490,673
Advertising and marketing	21,952	29,035	106,939	91,121
Legal and professional fees	44,850	49,355	132,645	137,995
Regulatory assessments	56,630	37,761	145,727	107,801
Insurance	10,320	10,106	30,373	30,035
Directors' fees and expenses	32,160	31,920	96,360	97,080
Other expenses	247,373	246,677	647,176	753,192
Total non-interest expenses	<u>2,029,713</u>	<u>1,821,600</u>	<u>5,895,890</u>	<u>5,343,673</u>
Income before income tax expense	1,778,870	991,557	4,758,282	3,367,715
Income tax expense	<u>506,530</u>	<u>273,434</u>	<u>1,350,354</u>	<u>943,711</u>
Net income	<u>\$1,272,340</u>	<u>\$ 718,123</u>	<u>\$ 3,407,928</u>	<u>\$ 2,424,004</u>
Basic earnings per share	\$ 0.48	\$ 0.27	\$ 1.27	\$ 0.91
Diluted earnings per share	\$ 0.48	\$ 0.27	\$ 1.27	\$ 0.91

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	16.62%	10.71%	15.22%	12.03%
Annualized return on average assets	1.23%	0.80%	1.13%	0.93%
Net interest margin	3.33%	2.91%	3.17%	3.21%
Core efficiency ratio	51.93%	60.76%	54.57%	57.67%
Net chargeoffs/(recoveries) to average loans	-0.008%	-0.011%	-0.03%	-0.03%

#### AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 413,023	\$ 360,266	\$ 402,883	\$ 346,155
Average interest-earning assets	\$ 393,530	\$ 334,456	\$ 382,177	\$ 322,099
Average gross loans	\$ 176,252	\$ 180,478	\$ 175,436	\$ 190,920
Average deposits	\$ 362,549	\$ 311,254	\$ 353,047	\$ 298,413
Average equity	\$ 30,620	\$ 26,830	\$ 29,859	\$ 26,867

#### CREDIT QUALITY

(unaudited)

	End of period	
	September 30, 2022	December 31, 2021
Non-performing loans	\$ 411,992	\$ 115,434
Non-performing loans to total loans	0.23%	0.07%
Non-performing loans to total assets	0.10%	0.03%
Allowance for loan losses to total loans	2.29%	2.21%
Nonperforming assets as a percentage of total loans and OREO	0.23%	0.07%
Allowance for loan losses to non-performing loans	989.90%	3368.57%

#### OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	7.42%	7.82%
Net loans to deposits	48.80%	53.59%
Non-interest bearing deposits to total deposits	61.79%	61.24%
Total capital to total risk-weighted assets	23.53%	18.30%
Tier 1 capital to total risk-weighted assets	27.18%	20.16%
Company Leverage Ratio	8.85%	8.84%