

**CHINO COMMERCIAL BANCORP REPORTS**  
**85% INCREASE IN NET EARNINGS**

Chino, California, January 20, 2023 – 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 fourth quarter ended December 31, 2022. Net earnings for the fourth quarter of 2022, were \$1.3 million, or an increase of 84.6%, as compared with earnings of \$706 thousand for the same quarter last year. Net earnings per basic and diluted share was \$0.49 for the fourth quarter of 2022, and \$0.26 for the same quarter last year.

Net earnings for the fiscal year ended December 31, 2022 increased by 50.5% or by \$1.6 million to \$4.7 million, as compared to \$3.1 million for fiscal year 2021. Net earnings per basic and diluted share was \$1.76 for the fiscal year 2021, and \$1.17 for fiscal year 2021.

Dann H. Bowman, President and Chief Executive Officer, stated “Despite the rapidly rising interest rate environment, 2022 was a very good year for the Bank, in setting new records for Deposits, Revenue and Earnings and Earnings Per Share. We do see some weakness in the economy over the next 18 months, however, even this has the potential to create opportunities to expand the customer base and grow the company. We are excited about the opportunities for growth and expansion of the Bank as we offer new products and services to help small businesses to grow and innovate as we navigate through challenging times.”

**Financial Condition**

At December 31, 2022, total assets were \$399.7 million, an increase of \$21.1 million or 5.6% over \$378.5 million at December 31, 2021. Total deposits increased by \$18.6 million or 5.8% to \$337.5 million as of December 31, 2022, compared to \$318.9 million as of December 31, 2021. At December 31, 2022, the Company’s core deposits represent 98.3% of the total deposits.

Gross loans increased by 2.8% or \$5.0 million as of December 31, 2022 to \$181.1 million as compared with \$176.2 million at December 31, 2021. The Bank had two non-performing loans for the quarter ended December 31, 2022, and one non-performing loan as of December 31, 2021. OREO properties remained at zero as of December 31, 2022 and December 31, 2021 respectively.

**Earnings**

The Company posted net interest income of \$3.4 million for the three months ended December 31, 2022 and \$2.6 million for the same quarter last year. Average interest-earning assets were \$408.4 million with average interest-bearing liabilities of \$158.7 million, yielding a net interest margin of 3.52% for the fourth quarter of 2022, as compared to the average interest-earning assets of \$374.9 million with average interest-bearing liabilities of \$145.9 million, yielding a net interest margin of 2.63% for the fourth quarter of 2021.

Non-interest income totaled \$614.6 thousand for the fourth quarter of 2022, or an increase of 1.4% as compared with \$606.2 thousand earned during the same quarter last year. The majority of the increase is attributed to service charges on deposit accounts.

General and administrative expenses were \$2.2 million for the three months ended December 31, 2022, and \$2.0 million for the same period last year. The largest component of general and administrative expenses was salary and benefits expense of \$1.4 million for the fourth quarter of 2022 and \$1.2 million for the same period last year.

Income tax expense was \$513.8 thousand which represents an increase of \$254.7 thousand or 98.3% for the three months ended December 31, 2022, as compared to \$259.1 thousand for the three months ended December 31, 2021. The effective income tax rate for the fourth quarter of 2022 and 2021 were approximately 28.2% and 26.8% 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**

December 31, 2022 and 2021

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	\$ 36,436,018	\$ 135,593,445
Federal funds sold	-	-
Total cash and cash equivalents	<u>36,436,018</u>	<u>135,593,445</u>
Interest-bearing deposits in other banks	-	-
Investment securities available for sale	6,347,231	40,270,538
Investment securities held to maturity	160,668,959	12,435,291
Total investments	<u>167,016,190</u>	<u>52,705,829</u>
Loans		
Construction	2,252,407	414,072
Real estate	146,467,077	125,894,826
Commercial	32,272,185	48,133,781
Installment	156,688	1,741,267
Gross loans	<u>181,148,357</u>	<u>176,183,946</u>
Unearned fees and discounts	<u>(492,058)</u>	<u>(1,419,084)</u>
Loans net of unearned fees and discount	180,656,299	174,764,862
Allowance for loan losses	<u>(4,100,516)</u>	<u>(3,888,480)</u>
Net loans	<u>176,555,783</u>	<u>170,876,382</u>
Fixed assets, net	5,628,950	5,897,342
Accrued interest receivable	1,153,613	877,104
Stock investments, restricted, at cost	2,045,200	2,045,200
Bank-owned life insurance	8,054,491	7,871,339
Other assets	2,763,767	2,647,812
Total assets	<u>\$ 399,654,012</u>	<u>\$ 378,514,453</u>
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 204,189,323	\$ 195,274,304
Interest bearing		
NOW and money market	95,203,888	85,144,889
Savings	27,195,883	25,147,965
Time deposits less than \$250,000	8,193,190	3,695,546
Time deposits of \$250,000 or greater	2,670,980	9,616,481
Total deposits	<u>337,453,264</u>	<u>318,879,185</u>
Accrued interest payable	124,947	130,327
Borrowings from Federal Home Loan Bank (FHLB)	15,000,000	15,000,000
Accrued expenses & other payables	1,633,098	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>367,304,309</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 December 31, 2022 and December 31, 2021, respectively.	10,502,558	10,502,557
Retained earnings	24,269,527	19,556,872
Accumulated other comprehensive income/(loss)	<u>(2,422,382)</u>	<u>(465,193)</u>
Total shareholders' equity	<u>32,349,703</u>	<u>29,594,236</u>
Total liabilities & shareholders' equity	<u>\$ 399,654,012</u>	<u>\$ 378,514,453</u>

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

	For the three months ended		For the twelve months ended	
	December 31		December 31	
	2022	2021	2022	2021
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
<b>Interest income</b>				
Interest and fee income on loans	\$2,376,312	\$2,271,284	\$ 9,569,690	\$9,914,710
Interest on federal funds sold and FRB deposits	356,363	47,599	846,687	130,615
Interest on time deposits in banks	-	-	-	-
Interest on investment securities	1,127,397	242,681	3,323,894	880,324
Total interest income	<u>3,860,072</u>	<u>2,561,564</u>	<u>13,740,271</u>	<u>10,925,649</u>
<b>Interest Expense</b>				
Interest on deposits	185,046	42,090	362,922	187,460
Other borrowings	233,400	207,193	874,663	693,963
Total interest expense	<u>418,446</u>	<u>249,283</u>	<u>1,237,585</u>	<u>881,423</u>
Net interest income	3,441,626	2,312,281	12,502,686	10,044,226
Provision for loan losses	-	-	150,000	555,000
Net interest income after provision for loan losses	<u>3,441,626</u>	<u>2,312,281</u>	<u>12,352,686</u>	<u>9,489,226</u>
<b>Non-interest income</b>				
Service charges on deposit accounts	453,361	412,268	1,760,872	1,545,628
Other miscellaneous income	82,695	119,487	292,040	343,246
Dividend income from restricted stock	31,262	28,693	121,641	101,622
Income from bank-owned life insurance	47,276	45,711	183,152	150,107
Total non-interest income	<u>614,594</u>	<u>606,159</u>	<u>2,357,705</u>	<u>2,140,603</u>
<b>Non-interest expenses</b>				
Salaries and employee benefits	1,398,248	1,234,412	5,100,354	4,408,276
Occupancy and equipment	158,265	157,939	637,146	619,851
Data and item processing	187,819	173,749	743,502	664,422
Advertising and marketing	34,101	26,664	152,684	126,457
Legal and professional fees	77,250	900	209,895	138,895
Regulatory assessments	53,918	41,768	199,645	149,569
Insurance	10,713	10,106	41,086	40,141
Directors' fees and expenses	37,470	32,520	133,830	129,600
Other expenses	279,416	274,294	915,470	1,018,813
Total non-interest expenses	<u>2,237,200</u>	<u>1,952,352</u>	<u>8,133,612</u>	<u>7,296,024</u>
Income before income tax expense	1,819,020	966,088	6,576,779	4,333,805
Income tax expense	513,771	259,105	1,864,125	1,202,816
Net income	<u>\$1,305,249</u>	<u>\$ 706,983</u>	<u>\$ 4,712,654</u>	<u>\$3,130,989</u>
Basic earnings per share	\$ 0.49	\$ 0.26	\$ 1.76	\$ 1.17
Diluted earnings per share	\$ 0.49	\$ 0.26	\$ 1.76	\$ 1.17

	For the three months ended		For the twelve months ended	
	December 31		December 31	
	2022	2021	2022	2021
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	19.02%	10.68%	16.81%	11.70%
Annualized return on average assets	1.28%	0.75%	1.17%	0.89%
Net interest margin	3.52%	2.63%	3.26%	3.06%
Core efficiency ratio	55.15%	66.90%	54.73%	59.88%
Net chargeoffs/(recoveries) to average loans	-0.008%	-0.008%	-0.04%	-0.03%

#### AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 408,424	\$ 374,871	\$ 404,283	\$ 353,393
Average interest-earning assets	\$ 388,271	\$ 348,574	\$ 383,713	\$ 328,772
Average gross loans	\$ 180,687	\$ 175,748	\$ 176,759	\$ 187,096
Average deposits	\$ 357,027	\$ 325,436	\$ 354,050	\$ 305,234
Average equity	\$ 27,450	\$ 26,488	\$ 28,040	\$ 26,772

#### CREDIT QUALITY

(unaudited)

	End of period	
	December 31, 2022	December 31, 2021
Non-performing loans	\$ 404,095	\$ 115,434
Non-performing loans to total loans	0.22%	0.07%
Non-performing loans to total assets	0.10%	0.03%
Allowance for loan losses to total loans	2.26%	2.21%
Nonperforming assets as a percentage of total loans and OREO	0.22%	0.07%
Allowance for loan losses to non-performing loans	1014.74%	3368.57%

#### OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	8.09%	7.82%
Net loans to deposits	52.32%	53.59%
Non-interest bearing deposits to total deposits	60.51%	61.24%
Total capital to total risk-weighted assets	24.33%	18.30%
Tier 1 capital to total risk-weighted assets	28.24%	20.16%
Company Leverage Ratio	9.27%	8.84%
Common equity tier 1	28.24%	20.16%