

**CHINO COMMERCIAL BANCORP REPORTS  
30% INCREASE IN NET EARNINGS**

Chino, California, April 21, 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 first quarter ended March 31, 2023. Net earnings for the first quarter of 2023, were \$1.2 million, or an increase of 29.8%, as compared with earnings of \$900 thousand for the same quarter last year. Net earnings per basic and diluted share was \$0.44 for the first quarter of 2023, and \$0.34 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “Despite the recent negative news concerning several very large banks, which were involved in tech start-ups and crypto currencies the conditions of our Bank and the local economy remain strong. Earnings for the first quarter of 2023 were up over the same quarter last year, and loan quality remains very strong.

We remain focused on the trend and direction of commercial real estate vacancy, and the demand for Office and Retail space. Rising costs of labor and goods are putting additional pressure on retail margins, and demand for office space over the near term may continue to soften as remote work and shared workspaces become more common. However, despite these headwinds, we are optimistic regarding the opportunities for growth and expansion in the Inland Empire.”

**Financial Condition**

At March 31, 2023, total assets were \$439.3 million, an increase of \$39.4 million or 10.0% over \$399.8 million at December 31, 2022. Total deposits decreased by \$18.6 million or 5.5% to \$318.8 million as of March 31, 2023, compared to \$337.5 million as of December 31, 2022. At March 31, 2022, the Company’s core deposits represent 98.3% of the total deposits.

Gross loans increased by \$2.0 million or 1.08% to \$178.2 million as of March 31, 2022, compared to \$176.3 million as of December 31, 2022. The Bank had two non-performing loans for the quarter ended March 31, 2023, and December 31, 2022. OREO properties remained at zero as of March 31, 2023 and December 31, 2022 respectively.

Effective January 1, 2023, the Company adopted ASU 2016-13 *Financial Instrument – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The Company recorded a net decrease to retained earnings of \$401.6 thousand as of January 1, 2023 for the cumulative effect of adopting ASC 326.

**Earnings**

The Company posted net interest income of \$3.1 million for the three months ended March 31, 2023 and \$2.7 million for the same quarter last year. Average interest-earning assets were \$382.8 million with average interest-bearing liabilities of \$168.7 million, yielding a net interest margin of 3.37% for the first quarter of 2023, as compared to the average interest-earning assets of \$242.9 million

with average interest-bearing liabilities of \$152.9 million, yielding a net interest margin of 4.17% for the first quarter of 2022.

Non-interest income totaled \$594.8 thousand for the first quarter of 2023, or an increase of 16.2% as compared with \$512.0 thousand earned during the same quarter last year. The majority of the increase is attribute to service charges on deposit accounts and other fees.

General and administrative expenses were \$2.1 million for the three months ended March 31, 2023, 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 first quarter of 2023 and \$1.2 million for the same period last year.

Income tax expense was \$463 thousand, which represents an increase of \$112 thousand or 31.8% for the three months ended March 31, 2023, as compared to \$351.9 thousand for the three months ended March 31, 2022. The effective income tax rate for the first quarter of 2022 and 2021 were approximately 28.4% and 28.1% 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.

Contact: Dann H. Bowman, President and CEO or Melinda M. Milincu, Vice President and CFO, Chino Commercial Bancorp and Chino Commercial Bank, N.A., 14245 Pipeline Avenue, Chino, CA. 91710, (909) 393-8880.

Chino Commercial Bankcorp and Subsidiary  
Consolidated Statements of Financial Condition

	31-Mar-23 unaudited	31-Dec-22 audited
<b>Assets</b>		
Cash and due from banks	\$ 78,176,981	\$ 36,436,018
Cash and cash equivalents	78,176,981	36,436,018
Investment securities available for sale , net of zero allowance for credit losses	6,529,327	6,347,231
Investment securities held to maturity , net of zero allowance for credit losses	161,396,993	160,668,959
Total Investments	167,926,320	167,016,191
Loans held for investment, net of allowance for credit losses of \$4,518,359 in 2023, and \$4,100,516 in 2022	173,229,811	176,555,783
Stock investments, restricted, at cost	2,045,200	2,045,200
Fixed assets, net	5,562,561	5,626,850
Accrued interest receivable	1,250,737	1,153,613
Bank owned life insurance	8,100,801	8,054,491
Other assets	2,987,057	2,947,830
Total assets	<u>\$ 439,279,468</u>	<u>\$ 399,835,974</u>
<b>Liabilities</b>		
Deposits		
Noninterest-bearing	191,963,504	204,189,323
Interest-bearing	126,854,885	133,263,940
Total deposits	318,818,389	337,453,262
Federal Home Loan Bank advances	15,000,000	15,000,000
Federal Reserve bank borrowings	57,000,000	-
Subordinated debt	10,000,000	10,000,000
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Accrued interest payable	267,004	124,947
Other liabilities	1,684,100	1,815,062
Total liabilities	<u>405,862,492</u>	<u>367,486,270</u>
<b>Shareholders' Equity</b>		
Common stock, no par value, 10,000,000 shares authorized and 2,676,799 shares issued and outstanding at March 31, 2023 and December 31, 2022	10,502,558	10,502,558
Retained earnings	25,155,080	24,269,527
Accumulated other comprehensive loss - unrecognized loss on available for sale, net of taxes	(2,240,661)	(2,422,382)
Total shareholders' equity	<u>33,416,976</u>	<u>32,349,703</u>
Total liabilities and shareholders' equity	<u>\$ 439,279,468</u>	<u>\$ 399,835,974</u>

Chino Commercial Bankcorp and Subsidiary  
Consolidated Statements of Net Income  
March 31, 2023 and 2022

	<u>3/31/2023</u>	<u>3/31/2022</u>
	unaudited	unaudited
Interest Income		
Interest and fees on loans	2,390,159	2,313,197
Interest on investment securities	1,133,586	349,414
Other interest income	<u>405,234</u>	<u>81,413</u>
Total interest income	<u>3,928,979</u>	<u>2,744,024</u>
Interest Expense		
Interest on deposits	376,861	42,517
Interest on borrowings	<u>371,403</u>	<u>206,504</u>
Total interest expense	<u>748,264</u>	<u>249,021</u>
Net Interest Income	3,180,716	2,495,003
Provision For Loan Losses	<u>2,136</u>	<u>(204,595)</u>
Net Interest Income After Provision For Loan Losses	<u>3,178,580</u>	<u>2,699,598</u>
Noninterest Income		
Service charges and fees on deposit accounts	359,899	302,488
Interchange fees	103,159	106,757
Earnings from bank-owned life insurance	46,311	44,133
Other miscellaneous income	<u>85,394</u>	<u>58,688</u>
Total noninterest income	<u>594,763</u>	<u>512,066</u>
Noninterest Expense		
Salaries and employee benefits	1,352,935	1,244,311
Occupancy and equipment	153,591	159,763
Other expenses	<u>634,466</u>	<u>555,466</u>
Total noninterest expense	<u>2,140,992</u>	<u>1,959,540</u>
Income before income tax expense	1,632,350	1,252,124
Provision for income taxes	<u>463,901</u>	<u>351,911</u>
Net Income	<u>\$ 1,168,449</u>	<u>\$ 900,213</u>
Basic earnings per share	<u>\$ 0.44</u>	<u>\$ 0.34</u>
Diluted earnings per share	<u>\$ 0.44</u>	<u>\$ 0.34</u>

Chino Commercial Bankcorp and Subsidiary  
Financial Highlights  
March 31, 2023 and 2022

<b>Key Financial Ratios</b> (unaudited)	<u>3/31/2023</u>	<u>3/31/2022</u>
Annualized return on average equity	14.26%	12.23%
Annualized return on average assets	1.16%	0.92%
Net interest margin	3.37%	4.17%
Core efficiency ratio	56.71%	65.16%
Net chargeoffs/(recoveries) to average loans	-0.008%	-0.0001
 Average Balances (thousands, unaudited)		
Average assets	401,948	389,889
Average interest-earning assets	382,782	242,900
Average interest-bearing liabilities	168,672	152,877
Average gross loans	181,642	170,405
Average deposits	328,562	330,352
Average equity	32,770	29,454
	 End of period	
	<u>3/31/2023</u>	<u>12/31/2022</u>
<b>Credit Quality</b>		
Non-performing loans	527,388	404,095
Non-performing loans to total loans	0.30%	0.22%
Non-performing loans to total assets	0.12%	0.10%
Allowance for credit losses to total loans	2.54%	2.26%
Nonperforming assets as a percentage of total loans and OREO	0.30%	0.22%
Allowance for credit losses to non-performing loans	856.74%	1014.74%
 <b>Other Period-end Statistics</b>		
Shareholders equity to total assets	7.61%	8.09%
Net loans to deposits	54.16%	52.32%
Non-interest bearing deposits to total deposits	60.34%	60.51%
Company Leverage Ratio	9.64%	9.27%