



Chino California,
October 20, 2023

For Immediate Release

CHINO COMMERCIAL BANCORP REPORTS THIRD QUARTER EARNINGS

Chino, California, October 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 third quarter ended September 30, 2023. Net earnings for the third quarter of 2023, were \$1.3 million, which remains consistent with the same quarter last year. Net earnings per basic and diluted share were \$0.40 for the third quarter of 2023 and 2022, respectively.

Net earnings year-to-date increased by 8.17% or by \$303 thousand, to \$3.7 million, as compared to \$3.4 million for the same period last year. Net earnings per basic and diluted share was \$1.16 for the period ending September 30, 2023 and \$1.06 for the same period last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The Bank’s operating performance in the third quarter and year-to-date was very strong. Loan quality remains solid, with the Bank having only one delinquent loan at quarter-end, and revenue was up significantly over the same period last year. Total assets reached an all time record in the third quarter, and we are optimistic about additional opportunities for growth and expansion over the next several years. We believe the economic engine of the Inland Empire is strong and diverse, and the Bank is well positioned to help small business customers in our market.”

Financial Condition

At September 30, 2023, total assets were \$465.8 million, an increase of \$65.9 million or 16.49% over \$399.8 million at December 31, 2022. Total deposits increased by \$3.9 million or 1.2% to \$341.4 million as of September 30, 2023, compared to \$337.5 million as of December 31, 2022. At September 30, 2022, the Company’s core deposits represent 97.8% of the total deposits.

Gross loans decreased by \$2.9 million or 1.65% to \$178.2 million as of September 30, 2022, compared to \$181.2 million as of December 31, 2022. The Bank had three non-performing loans for the quarter ended September 30, 2023, and two non-performing loans as of December 31, 2022. OREO properties remained at zero as of September 30, 2023 and December 31, 2022 respectively.

Earnings

The Company posted net interest income of \$3.3 million for the three months ended September 30, 2023 and for the same quarter last year, respectively. Average interest-earning assets were \$442.9 million with average interest-bearing liabilities of \$235.8 million, yielding a net interest margin of 3.01% for the third quarter of 2023, as compared to the average interest-earning assets of \$391.6 million with average interest-bearing liabilities of \$163.2 million, yielding a net interest margin of 3.41% for the third quarter of 2022.

Non-interest income totaled \$673.0 thousand for the third quarter of 2023, or an increase of 16.12% as compared with \$579.6 thousand earned during the same quarter last year. The majority of the increase is attributed to service charges on deposit accounts and other fees.

General and administrative expenses were \$2.2 million for the three months ended September 30, 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 third quarter of 2023 and \$1.3 million for the same period last year.

Income tax expense was \$503 thousand, which represents an decrease of \$3 thousand or 0.6% for the three months ended September 30, 2023, as compared to \$506 thousand for the three months ended September 30, 2022. The effective income tax rate for the third quarter of 2022 was approximately 28.3%, and 28.5% for the same quarter last year.

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 Bankcorp and Subsidiary
Consolidated Statements of Financial Condition

	As of	
	9/30/2023	12/31/2022
	unaudited	audited
Assets		
Cash and due from banks	\$ 104,561,071	\$ 36,436,018
Cash and cash equivalents	104,561,071	36,436,018
Fed Funds Sold	2,300	-
	2,300	-
Investment securities available for sale , net of zero allowance for credit losses	6,087,441	6,347,231
Investment securities held to maturity , net of zero allowance for credit losses	161,749,315	160,668,959
Total Investments	167,836,756	167,016,191
Loans held for investment, net of allowance for credit losses of \$4,444,904 in 2023, and \$4,100,516 in 2022	173,224,506	176,555,783
Stock investments, restricted, at cost	3,126,100	2,045,200
Fixed assets, net	5,515,355	5,626,850
Accrued interest receivable	1,286,041	1,153,613
Bank owned life insurance	8,197,290	8,054,491
Other assets	2,021,278	2,947,830
Total assets	<u>\$ 465,770,697</u>	<u>\$ 399,835,974</u>
Liabilities		
Deposits		
Noninterest-bearing	185,148,633	204,189,323
Interest-bearing	156,230,416	133,263,940
Total deposits	341,379,049	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	1,569,455	124,947
Other liabilities	1,986,510	1,815,062
Total liabilities	430,028,014	367,486,270
Shareholders' Equity		
Common stock, no par value, 10,000,000 shares authorized and 3,211,981 shares issued and outstanding at September 30, 2023 and December 31, 2022	10,502,558	10,502,558
Retained earnings	27,694,744	24,269,527
Accumulated other comprehensive loss - unrecognized loss on available for sale, net of taxes	(2,454,619)	(2,422,382)
Total shareholders' equity	35,742,683	32,349,703
Total liabilities and shareholders' equity	<u>\$ 465,770,697</u>	<u>\$ 399,835,974</u>

Chino Commercial Bankcorp and Subsidiary
Consolidated Statements of Net Income

	For the three month ended 30-Sep		For the nine month ended 30-Sep	
	2023	2022	2023	2022
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest Income				
Interest and fees on loans	2,467,400	2,289,166	7,245,563	7,193,378
Interest on investment securities	1,166,387	1,004,274	3,444,135	2,196,498
Other interest income	1,410,450	344,108	2,990,487	580,703
Total interest income	5,044,237	3,637,548	13,680,184	9,970,579
Interest Expense				
Interest on deposits	841,282	86,555	1,835,134	177,876
Interest on borrowings	877,179	222,041	2,112,955	641,264
Total interest expense	1,718,460	308,597	3,948,089	819,140
Net Interest Income	3,325,776	3,328,951	9,732,096	9,151,439
Provision For Loan Losses	6,578	93,457	(81,806)	135,987
Net Interest Income After Provision For Loan Losses	3,319,198	3,235,495	9,813,901	9,015,453
Noninterest Income				
Service charges and fees on deposit accounts	424,453	324,008	1,184,329	943,114
Interchange fees	106,418	130,022	314,803	364,397
Earnings from bank-owned life insurance	48,677	46,724	142,799	135,876
Other miscellaneous income	93,502	78,876	271,651	209,345
Total noninterest income	673,049	579,630	1,913,582	1,652,732
Noninterest Expense				
Salaries and employee benefits	1,381,721	1,266,765	4,101,388	3,702,106
Occupancy and equipment	156,317	166,159	460,390	478,881
Other expenses	674,654	603,331	1,984,139	1,729,437
Total noninterest expense	2,212,691	2,036,255	6,545,917	5,910,424
Income before income tax expense	1,779,556	1,778,870	5,181,566	4,757,760
Provision for income taxes	503,424	506,530	1,470,859	1,350,354
Net Income	\$ 1,276,132	\$ 1,272,340	\$ 3,710,707	\$ 3,407,406
Basic earnings per share	\$ 0.40	\$ 0.40	\$ 1.16	\$ 1.06
Diluted earnings per share	\$ 0.40	\$ 0.40	\$ 1.16	\$ 1.06

Chino Commercial Bankcorp and Subsidiary
Financial Highlights

	For the three month ended			
	30-Sep		30-Sep	
Key Financial Ratios (unaudited)	2023	2022	2023	2022
Annualized return on average equity	14.46%	16.62%	14.53%	15.20%
Annualized return on average assets	1.10%	1.23%	1.13%	1.13%
Net interest margin	3.01%	3.41%	3.11%	3.21%
Core efficiency ratio	55.33%	52.10%	56.21%	54.71%
Net chargeoffs/(recoveries) to average loans	0.001%	-0.008%	-0.017%	-0.031%
Average Balances (thousands, unaudited)				
Average assets	463,977	413,023	439,669	402,883
Average interest-earning assets	442,867	391,582	418,587	381,264
Average interest-bearing liabilities	235,812	163,224	209,835	157,915
Average gross loans	178,251	176,252	179,089	175,436
Average deposits	340,261	352,419	333,225	342,936
Average equity	35,312	30,614	34,046	29,887
	End of period			
	9/30/2023	12/31/2022		
Credit Quality				
Non-performing loans	520,726	404,095		
Non-performing loans to total loans	0.29%	0.22%		
Non-performing loans to total assets	0.11%	0.10%		
Allowance for credit losses to total loans	2.50%	2.26%		
Nonperforming assets as a percentage of total loans and OREO	0.29%	0.22%		
Allowance for credit losses to non-performing loans	854.56%	1014.74%		
Other Period-end Statistics				
Shareholders equity to total assets	7.67%	7.92%		
Net loans to deposits	50.74%	52.32%		
Non-interest bearing deposits to total deposits	54.24%	60.51%		
Company Leverage Ratio	8.90%	8.12%		