



Chino California,
January 19, 2024

For Immediate Release

CHINO COMMERCIAL BANCORP REPORTS RECORD EARNINGS

Chino, California, January 19, 2024 – 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, 2023. Net earnings year-to-date increased by 4.54% or by \$224 thousand, to \$4.9 million, as compared to \$4.7 million for the same period last year. Net earnings per basic and diluted share was \$1.54 for the period ending December 31, 2023 and \$1.47 for the same period last year.

Net earnings for the fourth quarter of 2023, were \$1.2 million, which represents a decrease of \$79 thousand or 6.0% in comparison with the same quarter last year. Net earnings per basic and diluted share were \$0.38 for the fourth quarter of 2023 and \$0.41 for the same quarter in 2022, respectively.

Dann H. Bowman, President and Chief Executive Officer, stated, “We are very pleased with the Bank’s performance in 2023. Total net interest income reached an all-time high at \$13 million, and net earnings also reached an all time high at \$4.9 million. Though loan growth was not as high as we had hoped, credit quality was very strong, with the Bank having only one delinquent loan at year-end, no pending foreclosures, and no OREO. We very 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 December 31, 2023, total assets were \$446.4 million, an increase of \$46.6 million or 11.65% over \$399.8 million at December 31, 2022. Total deposits decreased by \$17.7 million or 5.2% to \$319.8 million as of December 31, 2023, compared to \$337.5 million as of December 31, 2022. At December 31, 2023, the Company’s core deposits represent 97.8% of the total deposits.

Gross loans decreased by \$1.8 million or 1.0% to \$179.3 million as of December 31, 2023, compared to \$181.2 million as of December 31, 2022. The Bank had three non-performing loans for the quarter ended December 31, 2023, and two non-performing loans as of December 31, 2022. OREO properties remained at zero as of December 31, 2023 and December 31, 2022 respectively.

Earnings

The Company posted net interest income of \$3.3 million for the three months ended December 31, 2023 and \$3.5 million or the same quarter last year, respectively. Average interest-earning assets were \$386.4 million with average interest-bearing liabilities of \$161.6 million, yielding a net interest margin of 2.98% for the fourth 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 3.07% for the fourth quarter of 2022.

Non-interest income totaled \$677.6 thousand for the fourth quarter of 2023, or an increase of 16.16% as compared with \$583.3 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 December 31, 2023, and 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 2023 and for the same period last year.

Income tax expense was \$490 thousand, which represents an decrease of \$23 thousand or 4.51% for the three months ended December 31, 2023, as compared to \$513 thousand for the three months ended December 31, 2022. The effective income tax rate for the fourth quarter of 2022 was approximately 28.6%, and 28.2% 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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