



Chino California,
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For Immediate Release

CHINO COMMERCIAL BANCORP REPORTS QUARTERLY EARNINGS

Chino, California, October 18, 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 third quarter ended September 30, 2024.

Net earnings year-to-date increased by 0.90% or by \$33.2 thousand, to \$3.74 million, as compared to \$3.71 million for the same period last year. Year-to-date net earnings per share was \$1.17 for the period ending September 30, 2024 and \$1.16 for the same period last year. Net earnings for the third quarter of 2024, were \$1.27 million, which represents a decrease of \$7.6 thousand or 0.60% in comparison with the same quarter last year. Net earnings per basic and diluted share were \$0.39 for the third quarter of 2024 and \$0.40 for the same quarter in 2023, respectively.

Dann H. Bowman, President and Chief Executive Officer, stated, “The Bank’s operating performance for the third quarter, and year-to-date continue to be strong. Total deposits reached an all time record at quarter-end, and we are optimistic about additional opportunities for growth and expansion. Loan quality also remains stable, with the Bank having only one delinquent loan at quarter-end, and year-to-date credit losses were a net recovery of \$10,241, meaning that the Bank collected more bad debt than was charged-off.

In 2023 the Bank became a member of the Card Brand Association and began to offer Credit Card processing for its customers. Not only does this service provide an additional non-interest source of revenue, but the Bank has also been able to provide significant savings and transparency to its customers. For every business, efficient and cost effective processing of electronic payments has become a very important part of managing cash flow. In the future we can envision expanding this service outside of our immediate market; and the revenue from this service becoming an increasingly important part of the Bank’s business model.”

Financial Condition

At September 30, 2024, total assets were \$464.4 million, an increase of \$19.5 million or 11.68% over \$446.4 million at December 31, 2023. Total deposits increased by \$46.4 million or 14.52% to \$366.2 million as of September 30, 2024, compared to \$319.8 million as of December 31, 2023. At September 30, 2024, the Company’s core deposits represent 97.65% of the total deposits.

Gross loans increased by \$15.1 million or 8.4% to \$194.4 million as of September 30, 2024, compared to \$179.0 million as of December 31, 2023. The Bank had three non-performing loans for the quarter ended September 30, 2024, and as of December 31, 2023. OREO properties remained at zero as of September 30, 2024 and December 31, 2023 respectively.

Earnings

The Company posted net interest income of \$3.4 million for the three months ended September 30, 2024 and \$3.3 million for the same quarter last year. Average interest-earning assets were \$442.1 million with average interest-bearing liabilities of \$248.4 million, yielding a net interest margin of 3.08% for the third quarter of 2024, as compared to the average interest-earning assets of \$442.9 million with average interest-bearing liabilities of \$235.8 million, yielding a net interest margin of 2.98% for the third quarter of 2023.

Non-interest income totaled \$793.1 thousand for the third quarter of 2024, or an increase of 17.84% as compared with \$673.1 thousand earned during the same quarter last year. The majority of the increase is attributed to the Company's merchant services processing revenue that reached \$129.2 thousand, representing an increase of \$75.7 thousand during the third quarter as compared to \$53.5 thousand for the same period last year.

General and administrative expenses were \$2.5 million for the three months ended September 30, 2024, and \$2.2 million for the same period last year. The largest component of general and administrative expenses was salary and benefits expense of \$1.5 million for the third quarter of 2024 and \$1.4 million for the same period last year.

Income tax expense was \$500 thousand, which represents a decrease of \$4 thousand or 0.77% for the three months ended September 30, 2024, as compared to \$503 thousand for the same quarter last year. The effective income tax rate for the third quarter of 2024 and 2023 was approximately 28.3%.

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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Consolidated Statements of Financial Condition

As of 9/30/2024

	Sep-2024 Ending Balance	Dec-2023 Ending Balance
<u>Assets</u>		
Cash and due from banks	\$56,235,795	\$35,503,719
Cash and cash equivalents	\$56,235,795	\$35,503,719
Fed Funds Sold	\$34,246	\$25,218
Investment securities available for sale, net of zero allowance for credit losses	\$6,735,550	\$6,736,976
Investment securities held to maturity, net of zero allowance for credit losses	\$187,751,860	\$208,506,305
Total Investments	\$194,487,410	\$215,243,281
Gross loans held for investments	\$194,405,145	\$179,316,494
Allowance for Loan Losses	(\$4,460,580)	(\$4,465,622)
Net Loans	\$189,944,565	\$174,850,872
Stock investments, restricted, at cost	\$3,576,000	\$3,126,100
Fixed assets, net	\$7,204,530	\$5,466,358
Accrued Interest Receivable	\$1,466,479	\$1,439,178
Bank Owned Life Insurance	\$8,421,648	\$8,247,174
Other Assets	\$3,583,393	\$3,010,916
Total Assets	\$464,413,004	\$446,414,238
<u>Liabilities</u>		
Deposits		
Noninterest-bearing	\$186,644,255	\$167,131,411
Interest-bearing	\$179,588,806	\$152,669,374
Total Deposits	\$366,233,061	\$319,800,785
Federal Home Loan Bank advances	\$0	\$15,000,000
Federal Reserve Bank borrowings	\$40,000,000	\$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	\$1,556,057	\$2,156,153
Other Liabilities	\$2,145,941	\$1,876,475
Total Liabilities	\$423,028,059	\$408,926,413
<u>Shareholder Equity</u>		
Common Stock **	\$10,502,558	\$10,502,558
Retained Earnings	\$32,664,661	\$28,920,732
Unrealized Gain (Loss) AFS Securities	(\$1,782,273)	(\$1,935,465)
Total Shareholders' Equity	\$41,384,946	\$37,487,825
Total Liab & Shareholders' Equity	\$464,413,004	\$446,414,238

** Common stock, no par value, 10,000,000 shares authorized and 3,211,970 shares issued and outstanding at 9/30/2024 and 12/31/2023



Consolidated Statements of Net Income

As of 9/30/2024

	Sep-2024 QTD Balance	Sep-2023 QTD Balance	Sep-2024 YTD Balance	Sep-2023 YTD Balance
Interest Income				
Interest & Fees On Loans	\$3,035,928	\$2,467,400	\$8,564,927	\$7,245,563
Interest on Investment Securities	\$1,843,696	\$1,166,387	\$5,725,365	\$3,444,135
Other Interest Income	\$661,305	\$1,410,450	\$2,181,584	\$2,990,487
Total Interest Income	\$5,540,929	\$5,044,237	\$16,471,876	\$13,680,185
Interest Expense				
Interest on Deposits	\$1,168,014	\$841,282	\$3,255,683	\$1,835,134
Interest on Borrowings	\$945,921	\$877,179	\$3,256,138	\$2,112,955
Total Interest Expense	\$2,113,935	\$1,718,461	\$6,511,821	\$3,948,089
Net Interest Income	\$3,426,994	\$3,325,776	\$9,960,055	\$9,732,096
Provision For Loan Losses	(\$14,173)	\$6,578	(\$15,312)	(\$81,806)
Net Interest Income After Provision for Loan Losses	\$3,441,167	\$3,319,198	\$9,975,367	\$9,813,902
Noninterest Income				
Service Charges and Fees on Deposit Accounts	\$445,176	\$424,453	\$1,345,691	\$1,184,329
Interchange Fees	\$113,647	\$106,418	\$308,680	\$314,803
Earnings from Bank-Owned Life Insurance	\$59,599	\$48,677	\$174,474	\$142,799
Merchant Services Processing	\$129,184	\$53,513	\$410,722	\$140,904
Other Miscellaneous Income	\$45,488	\$39,989	\$149,010	\$130,747
Total Noninterest Income	\$793,094	\$673,050	\$2,388,577	\$1,913,582
Noninterest Expense				
Salaries and Employee Benefits	\$1,521,825	\$1,381,721	\$4,444,120	\$4,101,388
Occupancy and Equipment	\$182,813	\$164,092	\$515,286	\$485,502
Merchant Services Processing	\$77,452	\$47,345	\$222,055	\$82,807
Other Expenses	\$684,102	\$619,533	\$1,964,230	\$1,876,220
Total Noninterest Expense	\$2,466,192	\$2,212,691	\$7,145,691	\$6,545,917
Income Before Income Tax Expense	\$1,768,070	\$1,779,556	\$5,218,253	\$5,181,566
Provision For Income Tax	\$499,565	\$503,424	\$1,474,323	\$1,470,859
Net Income	\$1,268,505	\$1,276,132	\$3,743,930	\$3,710,707
Basic earnings per share	\$0.39	\$0.40	\$1.17	\$1.16
Diluted earnings per share	\$0.39	\$0.40	\$1.17	\$1.16
Effective Income Tax Rate	28.25%	28.29%	28.25%	28.39%



Financial Highlights

As of 9/30/2024

Key Financial Ratios

	Sep-2024 QTD	Sep-2023 QTD	Sep-2024 YTD	Sep-2023 YTD
Annualized Return on Average Equity	12.42%	14.34%	12.73%	14.57%
Annualized Return on Average Assets	1.08%	1.09%	1.06%	1.13%
Net Interest Margin	3.08%	2.98%	2.97%	3.11%
Core Efficiency Ratio	58.44%	55.33%	57.87%	56.21%
Net Chargeoffs/Recoveries to Average Loans	-0.01%	0.00%	-0.01%	-0.02%

Average Balances

(thousands, unaudited)

Average assets	\$466,891	\$463,977	\$472,470	\$439,669
Average interest-earning assets	\$442,078	\$442,870	\$447,855	\$418,593
Average interest-bearing liabilities	\$248,448	\$235,812	\$255,169	\$209,835
Average gross loans	\$192,243	\$178,251	\$187,406	\$179,089
Average deposits	\$344,372	\$340,261	\$335,140	\$333,225
Average equity	\$40,630	\$35,312	\$39,297	\$34,046

Credit Quality

Non-performing loans	\$448,233	\$492,242
Non-performing loans to total loans	0.23%	0.27%
Non-performing loans to total assets	0.10%	0.11%
Allowance for credit losses to total loans	2.29%	2.49%
Nonperforming assets as a percentage of total loans and OREO	0.23%	0.27%
Allowance for credit losses to non-performing loans	995.15%	907.20%

Other Period-end Statistics

Shareholders equity to total assets	8.91%	8.40%
Net Loans to Deposits	51.72%	54.52%
Non-interest bearing deposits to total deposits	50.96%	52.26%
Company Leverage Ratio	9.91%	9.26%