



Chain Bridge Bancorp, Inc. 2022 Earnings Release

McLean, VA, January 26, 2023 — Chain Bridge Bancorp, Inc. (the “Company”), the parent of Chain Bridge Bank, N.A. (the “Bank”) (collectively, “Chain Bridge”), today reported net income of \$8,281,180, an increase of \$1.23 million or 17.48% from the \$7,048,718 earned in 2021.

Earnings per weighted average common share, basic and diluted, increased \$22.67 or 7.52% to \$324.26 in 2022, from \$301.59 in 2021. The Company’s return on average equity was 12.79% in 2022 versus 10.18% in 2021.

Book value per share was \$2,559.65 at year-end 2022, a decrease of 13.92% from \$2,973.63 at year-end 2021. On a non-GAAP basis, excluding the unrealized gain or loss on debt securities, book value per share was \$3,216.38 at year-end 2022, an increase of 11.12% over \$2,894.46 at year-end 2021.

In 2022, Chain Bridge increased its loan loss reserves by \$822,000, compared to a reversal of \$530,000 in 2021. Chain Bridge ended the year with an allowance for loan losses of \$4.48 million, or 1.40% of gross loans, compared to \$3.66 million, or 1.29% of gross loans, at year-end 2021. Chain Bridge reported zero non-performing assets at December 31, 2022, the eleventh consecutive year-end with zero non-performing assets.

In the second quarter of 2022, the Company raised \$10.50 million by means of a private offering. Pursuant to the terms of the offering, the Company issued 3,500 shares of common stock, at a price per share of \$3,000.00. This issuance raised the number of Company shares outstanding from 23,372 to 26,872.

At its July meeting, the Company’s Board voted to recommend to shareholders that the Company reincorporate from Virginia to Delaware by means of a conversion. The Company Board also voted, effective immediately, to increase the size of the Company’s Board and to add all Bank directors to the Company’s Board.

On September 21, 2022, shareholders voted, at a special meeting called for the purpose, to approve the reincorporation of the Company from Virginia to Delaware by means of a conversion. At the special meeting, shareholders approved the Plan of Conversion as well as the Company’s Delaware Certificate of Incorporation and Delaware Bylaws. The Company completed its reincorporation to Delaware, by means of a conversion, effective September 30, 2022.

At its October meeting, the Company Board created a Governance and Nominating Committee, an Audit Committee, a Compensation Committee and a Risk Committee.

In October, the U.S. Court of Appeals for the Fourth Circuit heard oral arguments on Blue Flame Medical, LLC's ("Blue Flame") and JPMorgan Chase Bank, N.A.'s (JPMorgan) consolidated appeals from the District Court's orders of Summary Judgment in favor of Chain Bridge and against Blue Flame and JPMorgan. The Fourth Circuit has yet to announce its decisions on these appeals.

Chain Bridge Bank, N.A. is a national banking association organized under the laws of the United States and is the sole subsidiary of Chain Bridge Bancorp, Inc., a Delaware corporation and bank holding company registered with the Federal Reserve. The Bank is a member of the FDIC and its deposits are insured up to the legal maximums. The Company's shares are privately held.

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including statements of goals, intentions, and expectations as to future trends, plans, events or results of Chain Bridge's operations and policies and regarding general economic conditions. Because of the uncertainties and the assumptions on which this discussion and the forward-looking statements are based, actual future operations and results may differ materially from those indicated herein. Important factors that could have such a result include: market interest rates and inflation; disruptions in the financial markets; actions by government agencies, including those that impact money supply; changes in customer behavior; and changes in customers', suppliers and other counterparties performance and creditworthiness. Readers are cautioned against placing undue reliance on any such forward-looking statements. Forward-looking statements speak only as of the date made. We do not assume any duty and do not undertake any obligation to update forward-looking statements. The Company's and Bank's past results are not necessarily indicative of future performance.

**Chain Bridge Bancorp, Inc. and
Chain Bridge Bank, National Association**
Consolidated Financial Highlights
(unaudited)

	Years Ended December 31,	
	2022	2021
Performance Measures and Yields		
Consolidated net income	\$ 8,281,180	\$ 7,048,718
Return on average assets (ROAA)	0.65%	0.70%
Return on average risk-weighted assets ¹	2.02%	2.02%
Return on average equity (ROAE)	12.79%	10.18%
Yield on earning assets	2.18%	2.15%
Cost of funds	0.11%	0.03%
Net interest margin (Fully Tax Equivalent)	2.08%	2.12%
Balance Sheet and Other Highlights		
Total assets	\$ 1,030,683,857	\$ 1,218,153,554
Average cash balances held at the Federal Reserve Bank	\$ 394,300,295	\$ 230,920,633
U.S. Treasury securities ²	\$ 200,078,020	\$ 446,200,041
Total investment grade securities ²	\$ 592,649,117	\$ 791,786,809
Total loans	\$ 320,192,778	\$ 283,919,621
SBA Paycheck Protection Program (PPP) loans, outstanding balance	\$ -	\$ 21,319,352
Total deposits	\$ 952,953,867	\$ 1,140,872,375
Trust Department: Total custody and managed assets	\$ 141,823,608	\$ 355,928,607
Asset Quality (%)		
Non-performing assets / assets	0.00%	0.00%
Texas ratio ³	0.00%	0.00%
Risk-weighted asset density ⁴	43.33%	30.81%
Loan loss reserves / gross loans	1.40%	1.29%
Loan loss reserves / gross loans excluding PPP loans (non-GAAP)	1.40%	1.39%
Net charge offs (recoveries) / average loans	0.00%	0.00%
Chain Bridge Bancorp, Inc. Regulatory Capital Information		
Tier 1 risk-based capital	\$ 86,430,482	\$ 67,649,302
Tier 1 risk-based capital ratio	19.35%	18.03%
Total regulatory capital	\$ 90,912,482	\$ 71,309,302
Total regulatory capital ratio	20.36%	19.00%
Chain Bridge Bancorp, Inc. Share Information		
Number of shares outstanding	26,872	23,372
Book value per share	\$ 2,559.65	\$ 2,973.63
Book value per share, excluding unrealized gain/loss on securities (non-GAAP)	\$ 3,216.38	\$ 2,894.46
Earnings per share, basic and diluted	\$ 324.26	\$ 301.59

¹ Average is calculated using the last five quarter ends.

² Available for sale securities are reported at fair value, and held to maturity securities are report at carrying value.

³ Texas ratio is defined as nonperforming assets plus delinquent loans as a percent of tangible equity and reserves.

⁴ Risk-weighted asset density measures the riskiness of the Bank's assets. It is calculated as risk-weighted assets divided by total assets.

**Chain Bridge Bancorp, Inc. and
Chain Bridge Bank, National Association
Consolidated Balance Sheets**

	December 31,	
	2022	2021
	<i>(unaudited)</i>	<i>*</i>
Assets		
Cash and due from banks	\$ 6,773,145	\$ 3,028,217
Interest-bearing deposits in other banks	91,889,968	120,848,526
Securities available for sale, at fair value	279,596,208	791,246,041
Securities held to maturity, at carrying value	312,567,291	--
Equity securities, at fair value	485,618	540,768
Restricted securities, at cost	2,500,900	2,032,600
Loans, net of allowance for loan losses of \$4,482,000 in 2022 and \$3,660,000 in 2021	315,710,778	280,259,621
Premises and equipment, net of accumulated depreciation of \$6,300,012 in 2022 and \$5,799,029 in 2021	10,079,737	10,492,884
Accrued interest receivable	4,313,033	3,568,409
Other assets	6,767,179	6,136,488
Total assets	\$1,030,683,857	\$1,218,153,554
Liabilities and Stockholders' Equity		
Liabilities		
Deposits:		
Noninterest-bearing	\$ 666,493,146	\$ 928,392,740
Savings, interest-bearing checking and money market accounts	273,888,277	199,610,956
Time, \$250,000 and over	5,374,103	5,483,404
Other time	7,198,341	7,385,275
Total deposits	\$ 952,953,867	\$1,140,872,375
Short-term borrowings	5,000,000	5,000,000
Accrued interest payable	20,087	5,979
Accrued expenses and other liabilities	3,926,989	2,775,518
Total liabilities	\$ 961,900,943	\$1,148,653,872
Stockholders' Equity		
Preferred stock		
\$1 par value, authorized 10,000 shares, no shares issued or outstanding	\$ --	\$ --
Common stock		
\$1 par value, authorized 50,000 shares, 26,872 and 23,372 shares issued and outstanding respectively	26,872	23,372
Additional paid-in capital	38,283,095	27,786,595
Retained earnings	48,120,515	39,839,335
Accumulated other comprehensive (loss) income	(17,647,568)	1,850,380
Total stockholders' equity	\$ 68,782,914	\$ 69,499,682
Total liabilities and stockholders' equity	\$1,030,683,857	\$1,218,153,554

* Derived from audited financial statements.

**Chain Bridge Bancorp, Inc. and
Chain Bridge Bank, National Association**

Consolidated Statements of Income

For the Years Ended December 31, 2022 and 2021

	2022	2021
	<i>(unaudited)</i>	*
Interest and Dividend Income		
Interest and fees on loans	\$ 11,311,115	\$ 12,507,337
Interest and dividends on securities, taxable	9,190,140	6,440,293
Interest on securities, tax-exempt	1,293,961	1,425,986
Interest on interest bearing deposits in banks	5,589,092	315,011
Total interest and dividend income	\$ 27,384,308	\$ 20,688,627
Interest Expense		
Interest on deposits	\$ 1,081,831	\$ 163,195
Interest on short-term borrowings	201,082	137,634
Total interest expense	\$ 1,282,913	\$ 300,829
Net Interest Income	\$ 26,101,395	\$ 20,387,798
Provision for (Recovery of) Loan Losses	822,000	(530,000)
Net interest income after provision for (recovery of) loan losses	\$ 25,279,395	\$ 20,917,798
Noninterest Income		
Deposit placement services income	\$ 1,542,600	\$ 20,825
Service charges on accounts	1,153,618	978,860
Trust and wealth management income	335,103	344,952
Gain on sale of mortgage loans	17,785	412,488
Other income	60,641	1,519,972
Total noninterest income	\$ 3,109,747	\$ 3,277,097
Noninterest Expenses		
Salaries and employee benefits	\$ 11,172,906	\$ 9,647,555
Data processing and communication expenses	1,964,610	1,724,643
Professional services	1,367,310	1,308,036
Occupancy and equipment expenses	932,399	952,216
FDIC and regulatory assessments	847,511	423,815
Virginia bank franchise tax	627,312	451,423
Directors fees	370,850	307,900
Other operating expenses	943,026	818,758
Total noninterest expenses	\$ 18,225,924	\$ 15,634,346
Net income before taxes	\$ 10,163,218	\$ 8,560,549
Income Tax Expense	1,882,038	1,511,831
Net income	\$ 8,281,180	\$ 7,048,718
Earnings per common share, basic and diluted	\$ 324.26	\$ 301.59

* Derived from audited financial statements.