

CHINO COMMERCIAL BANCORP REPORTS
37% INCREASE IN NET EARNINGS

Chino, California, April 16, 2021 – 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, 2021. Net earnings for the first quarter 2021, were \$838 thousand, or an increase of 36.6%, as compared with earnings of \$614 thousand for the same quarter last year. The increase in earnings is primarily attributed to the increase in loan interest and loan fee income. Net earnings per basic and diluted share was \$0.38 for the first quarter of 2021, and \$0.28 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated: “The Bank continues to perform well during these difficult times. Stimulus programs like the SBA PPP program for small businesses have been very helpful in allowing small businesses to remain viable. It is during difficult times like these that the Bank’s value proposition of providing focused, personalized service to its customers becomes more important than ever. Having a telephone number and direct contact with your banker can make a big difference when you have to make a fast decision, or need immediate help.”

Financial Condition

At March 31, 2021, total assets were \$338.7 million, an increase of \$23.9 million or 7.6% over \$314.8 million at December 31, 2020. Total deposits increased by 9.2% or \$23.6 million to \$281.3 million as of March 31, 2021, compared to \$257.7 million as of December 31, 2020. At March 31, 2021, the Company’s core deposits represent 96.8% of the total deposits.

Gross loans increased by 4.0 % or \$7.7 million as of March 31, 2021 to \$203.4 million, as compared with \$195.7 million as of December 31, 2020. The Bank had one non-performing loan for the quarters ended March 31, 2021, and December 31, 2020. OREO properties remained at zero as of March 31, 2021 and December 31, 2020 respectively.

The increases in total assets, deposits and loans are attributed to Bank’s response to the overwhelming request of PPP loans. Overall, since the program started the Bank approved and funded 644 PPP loans with an outstanding balance of \$58.2 million as of March 31, 2021.

Earnings

The Company posted net interest income of \$2.7 million for the three months ended March 31, 2021 and \$2.1 million for the same quarter last year. Average interest-earning assets were \$305.5 million with average interest-bearing liabilities of \$138.6 million, yielding a net interest margin of 3.59% for the first quarter of 2021, as compared to the average interest-earning assets of \$184.0 million with average interest-bearing liabilities of \$114.8 million, yielding a net interest margin of 4.56% for the first quarter of 2020.

Non-interest income totaled \$463.5 thousand for the first quarter of 2021, or an increase of 1% as compared with \$460.8 thousand earned during the same quarter last year. The majority of the increase is attribute to increases to dividend income and other fees.

General and administrative expenses were \$1.8 million for the three months ended March 31, 2021, and \$1.6 million for the same period last year. The largest component of general and administrative expenses was salary and benefits expense of \$1.0 million for the first quarter of 2021 and for the same period last year.

Income tax expense was \$328.6 thousand which represents an increase of \$84 thousand or 34.4% for the three months ended March 31, 2021, as compared to \$244.5 thousand for the three months ended March 31, 2020. The effective income tax rate for the first quarter of 2021 and 2020 were approximately 28.2% and 28.5% 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.

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CHINO COMMERCIAL BANCORP
CONSOLIDATED BALANCE SHEET
March 31, 2021 and December 31, 2020

	March 31, 2021	December 31, 2020
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 78,939,945	\$ 58,075,217
Federal funds sold	-	-
Total cash and cash equivalents	78,939,945	58,075,217
Interest-bearing deposits in other banks	-	-
Investment securities available for sale	30,155,721	32,370,042
Investment securities held to maturity (fair value approximates \$17,669,746 at March 31, 2021 and \$19,556,250 at December 31, 2020)	16,973,739	18,626,525
Total investments	47,129,460	50,996,567
Loans		
Construction	1,195,030	1,014,462
Real estate	115,763,483	119,302,116
Commercial	86,343,727	75,237,752
Installment	102,386	110,475
Gross loans	203,404,626	195,664,805
Unearned fees and discounts	(2,337,377)	(1,678,642)
Loans net of unearned fees and discount	201,067,249	193,986,163
Allowance for loan losses	(3,488,458)	(3,271,921)
Net loans	197,578,791	190,714,242
Fixed assets, net	6,097,603	6,145,711
Accrued interest receivable	979,621	1,013,732
Stock investments, restricted, at cost	1,554,200	1,554,200
Bank-owned life insurance	4,751,796	4,721,232
Other assets	1,672,294	1,618,717
Total assets	\$ 338,703,710	\$ 314,839,618
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 167,532,314	\$ 145,433,815
Interest bearing		
NOW and money market	76,524,209	76,774,242
Savings	23,218,709	21,467,034
Time deposits less than \$250,000	9,996,990	4,473,409
Time deposits of \$250,000 or greater	4,036,340	9,563,300
Total deposits	281,308,562	257,711,800
Accrued interest payable	99,106	137,487
Borrowings from Federal Home Loan Bank (FHLB)	25,000,000	25,000,000
Accrued expenses & other payables	1,731,826	1,674,150
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	311,132,494	287,616,437
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 2,230,808 shares at March 31, 2021 and December 31, 2020, respectively.	10,502,558	10,502,557
Retained earnings	17,266,670	16,428,258
Accumulated other comprehensive income/(loss)	(298,012)	292,366
Total shareholders' equity	27,471,216	27,223,181
Total liabilities & shareholders' equity	\$ 338,703,710	\$ 314,839,618

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME

	For the three months ended March 31	
	2021	2020
	(unaudited)	(unaudited)
Interest income		
Interest and fee income on loans	\$ 2,648,462	\$ 2,068,444
Interest on federal funds sold and FRB deposits	16,265	112,930
Interest on time deposits in banks	-	1,856
Interest on investment securities	213,442	214,152
Total interest income	<u>2,878,169</u>	<u>2,397,382</u>
Interest Expense		
Interest on deposits	49,794	177,833
Other borrowings	122,064	134,654
Total interest expense	<u>171,858</u>	<u>312,487</u>
Net interest income	2,706,311	2,084,895
Provision for loan losses	<u>200,000</u>	<u>50,000</u>
Net interest income after provision for loan losses	<u>2,506,311</u>	<u>2,034,895</u>
Non-interest income		
Service charges on deposit accounts	348,098	368,683
Other miscellaneous income	61,716	39,100
Dividend income from restricted stock	23,108	21,971
Income from bank-owned life insurance	30,564	31,035
Total non-interest income	<u>463,486</u>	<u>460,789</u>
Non-interest expenses		
Salaries and employee benefits	1,048,224	1,023,362
Occupancy and equipment	156,286	149,686
Data and item processing	156,549	134,488
Advertising and marketing	20,337	42,604
Legal and professional fees	44,265	44,640
Regulatory assessments	33,480	18,261
Insurance	9,823	8,834
Directors' fees and expenses	32,280	33,214
Other expenses	301,581	182,394
Total non-interest expenses	<u>1,802,825</u>	<u>1,637,483</u>
Income before income tax expense	1,166,972	858,201
Income tax expense	<u>328,560</u>	<u>244,524</u>
Net income	<u>\$ 838,412</u>	<u>\$ 613,677</u>
Basic earnings per share	\$ 0.38	\$ 0.28
Diluted earnings per share	\$ 0.38	\$ 0.28

For the three months ended

March 31

	2021	2020
KEY FINANCIAL RATIOS		
(unaudited)		
Annualized return on average equity	12.38%	9.89%
Annualized return on average assets	1.02%	1.05%
Net interest margin	3.59%	4.56%
Core efficiency ratio	56.88%	64.32%
Net chargeoffs/(recoveries) to average loans	-0.008%	-0.056%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 327,614	\$ 233,703
Average interest-earning assets	\$ 305,535	\$ 184,016
Average gross loans	\$ 195,983	\$ 144,491
Average deposits	\$ 270,019	\$ 183,970
Average equity	\$ 27,091	\$ 24,809

CREDIT QUALITY

(unaudited)

End of period

	March 31, 2021	December 31, 2020
Non-performing loans	\$ 120,507	\$ 107,672
Non-performing loans to total loans	0.06%	0.06%
Non-performing loans to total assets	0.04%	0.03%
Allowance for loan losses to total loans	1.72%	1.67%
Nonperforming assets as a percentage of total loans and OREO	0.06%	0.06%
Allowance for loan losses to non-performing loans	2894.82%	3038.79%

OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	8.11%	8.65%
Net loans to deposits	70.24%	74.00%
Non-interest bearing deposits to total deposits	59.55%	56.43%
Total capital to total risk-weighted assets	20.81%	18.30%
Tier 1 capital to total risk-weighted assets	23.46%	20.16%
Community Bank Leverage Ratio	11.30%	11.44%