

**CHINO COMMERCIAL BANCORP REPORTS**  
**26% INCREASE IN NET EARNINGS**

Chino, California, July 20, 2018 – 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 second quarter ended June 30, 2018, with net earnings of \$531 thousand, or an increase of 26.4%, compared with net income of \$420 thousand for the same quarter last year. Net income per basic and diluted share was \$0.29 for the second quarter of 2018 and \$0.23 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The second quarter results for the Bank were excellent. The Bank achieved new record levels for Deposits, Loans, Revenue and Earnings. The Upland branch is expected to be opened in the third quarter and we are pleased and excited about the business prospects in the Inland Empire, and in this area especially.”

**Financial Condition**

At June 30, 2018, total assets were \$201.0 million, an increase of \$8.1 million or 4.2% over \$192.8 million at December 31, 2017. Total deposits increased by 13.5% or \$20 million during the second quarter to \$169.3 million, compared to \$149.1 million as of December 31, 2017. At June 30, 2018, the Company’s core deposits represent 95.0% of the total deposits.

Gross loans increased by 5.9% or \$7.3 million as of June 30, 2018 to \$129.9 million, as compared with \$122.6 million as of December 31, 2017. The Bank did not have any nonperforming loans for the quarters ended June 30, 2018, and December 31, 2017, respectively. OREO properties remained at zero as of June 30, 2018 and December 31, 2017, respectively.

**Earnings**

The Company posted net interest income of \$1.8 million and \$1.6 million for the three months ended June 30, 2018 and 2017, respectively, or an increase of \$260 thousand or 16.6%. Average interest-earning assets were \$173.8 million with average interest-bearing liabilities of \$88.6 million, yielding a net interest margin of 4.21% for the second quarter of 2018, as compared to the average interest-earning assets of \$166.1 million with average interest-bearing liabilities of \$95.3 million, yielding a net interest margin of 3.78% for the second quarter of 2017.

Non-interest income totaled \$371 thousand for the second quarter of 2018, or a decrease of 4.4% as compared with \$389 thousand earned during the same quarter last year. Service charges on deposit accounts decreased by \$19.3 thousand or 6.1% to \$298 thousand, primarily due to a decrease in income from returned items, overdraft charges, and analysis fees. Dividend income from restricted stock decreased to \$24 thousand for the second quarter of 2018, compared to \$28 thousand for the same quarter in 2017, due to the Federal Home Loan Bank change in dividend payout percentage policy. Income from Bank-owned life insurance remained consistent at about \$25 thousand in the second quarter of 2018 and 2017, respectively.

General and administrative expenses were \$1.4 million for the three months ended June 30, 2018, and 1.3 million for the same period last year. The largest component of general and administrative expenses was

salary and benefits expense of \$864 thousand for the second quarter of 2018, as compared to \$772 thousand for the same quarter last year. Advertising and marketing expenses remained consistent at about \$30 thousand in the second quarter of 2018 and 2017, respectively.

Income tax expense was \$212 thousand which represents a decrease of \$61 thousand or 22.3% for the three months ended June 30, 2018 as compared to \$273 thousand for the three months ended June 30, 2017. The effective income tax rate for the second quarter of 2018 and 2017 is approximately 28.6% and 39.4%, respectively. The decrease in the income tax expense as well as the effective tax rate is entirely attributed to the new Tax Reform Act signed into law in December 2017.

### **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**  
June 30, 2018 and December 31, 2017

	<b>June 30, 2018</b>	<b>December 31, 2017</b>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	34,248,782	\$ 34,157,668
Total cash and cash equivalents	34,248,782	34,157,668
Interest-bearing deposits in other banks	744,000	1,240,000
Investment securities available for sale	5,712,782	3,131,027
Investment securities held to maturity (fair value approximates \$20,889,000 at June 30, 2018 and \$21,104,000 at December 31, 2017)	20,959,915	21,389,552
Total investments	27,416,697	25,760,579
<b>Loans</b>		
Construction	0	-
Real estate	109,080,272	99,585,847
Commercial	20,502,509	22,679,268
Installment	302,895	337,455
Gross loans	129,885,676	122,602,570
Unearned fees and discounts	(394,084)	(365,091)
Loans net of unearned fees and discount	129,491,592	122,237,479
Allowance for loan losses	(2,230,784)	(2,094,723)
Net loans	127,260,808	120,142,756
Fixed assets, net	5,817,298	5,875,381
Accrued interest receivable	541,023	531,771
Stock investments, restricted, at cost	1,240,202	2,084,129
Bank-owned life insurance	3,435,766	3,386,754
Other assets	1,026,515	861,969
Total assets	\$ 200,987,091	\$ 192,801,007
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 78,186,662	\$ 74,766,694
Interest bearing		
NOW and money market	70,543,178	47,030,167
Savings	9,394,315	7,897,948
Time deposits less than \$250,000	7,694,910	5,727,789
Time deposits of \$250,000 or greater	3,477,364	13,703,790
Total deposits	169,296,429	149,126,388
Accrued interest payable	39,005	65,160
Borrowings from Federal Home Loan Bank (FHLB)	7,000,000	20,000,000
Accrued expenses & other payables	1,072,149	1,012,535
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	180,500,583	173,297,083
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,859,132 shares at June 30, 2018 and December 31, 2017, respectively.	10,502,558	10,502,558
Retained earnings	10,061,183	9,020,564
Accumulated other comprehensive income/(loss)	(77,233)	(19,198)
Total shareholders' equity	20,486,508	19,503,924
Total liabilities & shareholders' equity	\$ 200,987,091	\$ 192,801,007

**CHINO COMMERCIAL BANCORP**  
**CONSOLIDATED STATEMENTS OF NET INCOME**

	For the three months ended		For the year ended	
	June 30		June 30	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(audited)
<b>Interest income</b>				
Interest and fee income on loans	\$ 1,746,249	\$ 1,491,361	\$ 3,406,126	\$ 2,959,072
Interest on federal funds sold and FRB deposits	96,963	73,484	194,687	133,613
Interest on time deposits in banks	3,153	6,956	7,109	14,013
Interest on investment securities	151,494	136,547	292,068	259,292
Total interest income	<u>1,997,859</u>	<u>1,708,348</u>	<u>3,899,990</u>	<u>3,365,990</u>
<b>Interest Expense</b>				
Interest on deposits	144,238	76,044	231,482	151,885
Other borrowings	30,689	69,244	120,325	123,377
Total interest expense	<u>174,927</u>	<u>145,288</u>	<u>351,807</u>	<u>275,262</u>
Net interest income	1,822,932	1,563,060	3,548,183	3,090,728
Provision for loan losses	80,000	-	130,000	55,000
Net interest income after provision for loan losses	<u>1,742,932</u>	<u>1,563,060</u>	<u>3,418,183</u>	<u>3,035,728</u>
<b>Non-interest income</b>				
Service charges on deposit accounts	298,069	317,394	605,106	609,037
Other miscellaneous income	24,748	18,067	43,943	36,177
Dividend income from restricted stock	23,998	27,840	59,832	72,921
Income from bank-owned life insurance	24,559	25,210	49,012	50,232
Total non-interest income	<u>371,374</u>	<u>388,511</u>	<u>757,893</u>	<u>768,367</u>
<b>Non-interest expenses</b>				
Salaries and employee benefits	863,683	771,541	1,732,598	1,516,317
Occupancy and equipment	121,568	99,142	236,224	204,673
Data and item processing	96,653	85,765	188,288	161,847
Advertising and marketing	29,251	30,271	57,837	52,115
Legal and professional fees	39,955	73,424	73,153	110,859
Regulatory assessments	33,928	37,607	67,057	75,218
Insurance	9,005	8,685	17,563	16,689
Directors' fees and expenses	28,203	31,545	58,962	58,092
Other expenses	148,654	120,161	289,641	235,862
Total non-interest expenses	<u>1,370,900</u>	<u>1,258,141</u>	<u>2,721,323</u>	<u>2,431,672</u>
Income before income tax expense	743,406	693,430	1,454,753	1,372,423
Income tax expense	212,355	273,302	414,889	540,380
Net income	<u>\$ 531,051</u>	<u>\$ 420,128</u>	<u>\$ 1,039,864</u>	<u>\$ 832,043</u>
Basic earnings per share	\$ 0.29	\$ 0.23	\$ 0.56	\$ 0.45
Diluted earnings per share	\$ 0.29	\$ 0.23	\$ 0.56	\$ 0.45
Tax rate	28.6%	39.4%	28.5%	39.4%
Average shares outstanding	1,859,132	1,859,132	1,859,132	1,859,132
EPS	0.29	0.23	0.56	0.45

	For the three months ended		For the year ended	
	June 30		June 30	
	2018	2017	2018	2017
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	10.46%	11.82%	10.36%	11.88%
Annualized return on average assets	1.12%	0.93%	1.10%	0.92%
Net interest margin	4.21%	3.78%	4.12%	3.77%
Core efficiency ratio	62.48%	64.47%	63.20%	63.01%
Net chargeoffs/(recoveries) to average loans	-0.003%	-0.01%	-0.01%	-0.02%

#### AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 189,902	\$ 181,103	\$ 189,214	\$ 180,141
Average interest-earning assets	\$ 173,847	\$ 166,054	\$ 173,687	\$ 165,432
Average gross loans	\$ 127,898	\$ 111,967	\$ 125,313	\$ 111,056
Average deposits	\$ 165,030	\$ 142,353	\$ 156,091	\$ 141,145
Average equity	\$ 20,307	\$ 14,212	\$ 20,065	\$ 14,004

#### CREDIT QUALITY

(unaudited)

	End of period	
	June 30, 2018	December 31, 2017
Non-performing loans	\$ -	\$ -
Non-performing loans to total loans	0.00%	0.00%
Non-performing loans to total assets	0.00%	0.00%
Allowance for loan losses to total loans	1.72%	1.71%
Nonperforming assets as a percentage of total loans and OREO	0.00%	0.00%
Allowance for loan losses to non-performing loans	n/a	n/a

#### OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	10.19%	10.12%
Net loans to deposits	75.17%	80.56%
Non-interest bearing deposits to total deposits	46.18%	50.14%
Total capital to total risk-weighted assets	18.42%	18.43%
Tier 1 capital to total risk-weighted assets	19.89%	19.76%
Tier 1 leverage ratio	14.44%	13.41%
Common equity tier 1	19.89%	19.76%