

**CHINO COMMERCIAL BANCORP REPORTS**  
**30% INCREASE IN NET EARNINGS**

Chino, California, October 19, 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 third quarter ended September 30, 2018, with net earnings of \$595.3 thousand, or an increase of 29.8%, compared with net income of \$458.5 thousand for the same quarter last year. Net income per basic and diluted share was \$0.32 for the third quarter of 2018 and \$0.23 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The fundamentals of the Bank remain very strong. During the third quarter, not only did the Bank achieve new record levels for Deposits, Loans, Revenue and Earnings, but loan quality also remains very strong, and capital levels are high. In terms of business expansion, the Upland branch opened on October 1<sup>st</sup>, and we are pleased and excited about the business prospects in this region, as well as the Inland Empire overall.”

**Financial Condition**

At September 30, 2018, total assets were \$202.2 million, an increase of \$9.4 million or 4.9% over \$192.8 million at December 31, 2017. Total deposits increased by 17.3% or \$25.7 million during the third quarter to \$174.9 million, compared to \$149.1 million as of December 31, 2017. At September 30, 2018, the Company’s core deposits represent 97.5% of the total deposits.

Gross loans increased by 6.8% or \$8.3 million as of September 30, 2018 to \$130.9 million, as compared with \$122.6 million as of December 31, 2017. The Bank had one non-performing loan for the quarter ended September 30, 2018, and no non-performing loans at December 31, 2017, respectively. OREO properties remained at zero as of September 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 September 30, 2018 and 2017, respectively, or an increase of \$225 thousand or 13.8%. Average interest-earning assets were \$180.8 million with average interest-bearing liabilities of \$95.0 million, yielding a net interest margin of 4.06% for the third quarter of 2018, as compared to the average interest-earning assets of \$176.7 million with average interest-bearing liabilities of \$101.2 million, yielding a net interest margin of 3.65% for the third quarter of 2017.

Non-interest income totaled \$380.6 thousand for the third quarter of 2018, or a decrease of 2.2% as compared with \$389 thousand earned during the same quarter last year. Service charges on deposit accounts increased by \$5 thousand or 1.6% to \$314.2 thousand, primarily due to an increase in income from returned items, overdraft charges, and analysis fees. Dividend income from restricted stock decreased to \$16 thousand for the third quarter of 2018, compared to \$36.4 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 third quarter of 2018 and 2017, respectively.

General and administrative expenses were \$1.4 million for the three months ended September 30, 2018, and 1.2 million for the same period last year. The largest component of general and administrative expenses was salary and benefits expense of \$863 thousand for the third quarter of 2018, as compared to \$732 thousand for the same quarter last year. Advertising and marketing expenses remained consistent at about \$25 thousand in the third quarter of 2018 and 2017, respectively.

Income tax expense was \$239 thousand which represents a decrease of \$61 thousand or 20.2% for the three months ended September 30, 2018 as compared to \$299.5 thousand for the three months ended September 30, 2017. The effective income tax rate for the third quarter of 2018 and 2017 is approximately 28.6% and 39.5%, respectively. The decrease in the income tax expense, as well as the effective tax rate, are 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**  
September 30, 2018 and December 31, 2017

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	\$ 31,094,564	\$ 34,157,668
Total cash and cash equivalents	31,094,564	34,157,668
Interest-bearing deposits in other banks	1,988,000	1,240,000
Investment securities available for sale	6,367,050	3,131,027
Investment securities held to maturity (fair value approximates \$21,394,000 at September 30, 2018 and \$21,104,000 at December 31, 2017)	22,342,296	21,389,552
Total investments	30,697,346	25,760,579
<b>Loans</b>		
Construction	-	-
Real estate	109,105,407	99,585,847
Commercial	21,525,200	22,679,268
Installment	256,443	337,455
Gross loans	130,887,050	122,602,570
Unearned fees and discounts	(374,610)	(365,091)
Loans net of unearned fees and discount	130,512,440	122,237,479
Allowance for loan losses	(2,268,879)	(2,094,723)
Net loans	128,243,561	120,142,756
Fixed assets, net	5,887,413	5,875,381
Accrued interest receivable	620,321	531,771
Stock investments, restricted, at cost	1,240,974	2,084,129
Bank-owned life insurance	3,460,219	3,386,754
Other assets	978,893	861,969
Total assets	\$ 202,223,291	\$ 192,801,007
<b>LIABILITIES:</b>		
<b>Deposits</b>		
Non-interest bearing	\$ 82,447,325	\$ 74,766,694
Interest bearing		
NOW and money market	71,883,471	47,030,167
Savings	9,386,184	7,897,948
Time deposits less than \$250,000	7,689,110	5,727,789
Time deposits of \$250,000 or greater	3,456,037	13,703,790
Total deposits	174,862,127	149,126,388
Accrued interest payable	45,495	65,160
Borrowings from Federal Home Loan Bank (FHLB)	2,000,000	20,000,000
Accrued expenses & other payables	1,151,140	1,012,535
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	181,151,762	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 September 30, 2018 and December 31, 2017, respectively.	10,502,558	10,502,558
Retained earnings	10,656,551	9,020,564
Accumulated other comprehensive income/(loss)	(87,580)	(19,198)
Total shareholders' equity	21,071,529	19,503,924
Total liabilities & shareholders' equity	\$ 202,223,291	\$ 192,801,007

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

	For the three months ended		For the year ended	
	September 30		September 30	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(audited)
Interest income				
Interest and fee income on loans	\$ 1,778,205	\$ 1,564,413	\$ 5,184,331	\$ 4,523,485
Interest on federal funds sold and FRB deposits	123,758	108,167	318,445	241,780
Interest on time deposits in banks	8,638	7,032	15,748	21,045
Interest on investment securities	162,810	148,121	454,877	407,413
Total interest income	<u>2,073,411</u>	<u>1,827,733</u>	<u>5,973,401</u>	<u>5,193,723</u>
Interest Expense				
Interest on deposits	191,937	107,328	423,419	259,212
Other borrowings	31,527	95,086	151,852	218,462
Total interest expense	<u>223,464</u>	<u>202,414</u>	<u>575,271</u>	<u>477,674</u>
Net interest income	1,849,947	1,625,319	5,398,130	4,716,049
Provision for loan losses	<u>20,000</u>	<u>55,000.00</u>	<u>150,000</u>	<u>110,000</u>
Net interest income after provision for loan losses	<u>1,829,947</u>	<u>1,570,319</u>	<u>5,248,130</u>	<u>4,606,049</u>
Non-interest income				
Service charges on deposit accounts	314,173	309,215	919,280	918,252
Other miscellaneous income	21,549	18,184	65,489	54,361
Dividend income from restricted stock	20,429	36,381	80,261	109,302
Income from bank-owned life insurance	24,453	25,223	73,465	75,455
Total non-interest income	<u>380,604</u>	<u>389,003</u>	<u>1,138,495</u>	<u>1,157,370</u>
Non-interest expenses				
Salaries and employee benefits	863,178	731,943	2,595,776	2,248,259
Occupancy and equipment	131,149	109,829	367,372	314,502
Data and item processing	99,786	85,632	288,075	247,479
Advertising and marketing	25,448	24,934	83,284	77,050
Legal and professional fees	39,110	38,518	112,263	149,376
Regulatory assessments	33,928	37,607	100,984	112,824
Insurance	9,005	8,685	26,568	25,374
Directors' fees and expenses	29,482	32,484	88,444	90,576
Other expenses	145,186	131,622	434,827	367,482
Total non-interest expenses	<u>1,376,272</u>	<u>1,201,254</u>	<u>4,097,593</u>	<u>3,632,922</u>
Income before income tax expense	834,279	758,068	2,289,032	2,130,497
Income tax expense	<u>238,910</u>	<u>299,516</u>	<u>653,799</u>	<u>839,896</u>
Net income	<u>\$ 595,369</u>	<u>\$ 458,552</u>	<u>\$ 1,635,233</u>	<u>\$ 1,290,601</u>
Basic earnings per share	\$ 0.32	\$ 0.25	\$ 0.88	\$ 0.69
Diluted earnings per share	\$ 0.32	\$ 0.25	\$ 0.88	\$ 0.69
Tax rate	28.6%	39.5%	28.6%	39.4%

KEY FINANCIAL RATIOS (unaudited)	For the three months ended		For the year ended	
	September 30		September 30	
	2018	2017	2018	2017
Annualized return on average equity	11.43%	11.29%	10.73%	11.66%
Annualized return on average assets	1.20%	0.96%	1.11%	0.94%
Net interest margin	4.06%	3.65%	4.10%	3.73%
Core efficiency ratio	61.70%	59.64%	62.69%	61.85%
Net chargeoffs/(recoveries) to average loans	-0.013%	-0.01%	-0.02%	-0.03%

#### AVERAGE BALANCES

(thousands, unaudited)								
Average assets	\$	197,849	\$	191,547	\$	195,609	\$	183,985
Average interest-earning assets	\$	180,829	\$	176,693	\$	176,094	\$	169,227
Average gross loans	\$	130,398	\$	114,760	\$	127,027	\$	112,304
Average deposits	\$	172,476	\$	145,223	\$	161,613	\$	142,519
Average equity	\$	20,836	\$	16,246	\$	20,325	\$	14,760

#### CREDIT QUALITY

(unaudited)	End of period	
	September 30, 2018	December 31, 2017
Non-performing loans	\$ 646,956	\$ -
Non-performing loans to total loans	0.49%	0.00%
Non-performing loans to total assets	0.32%	0.00%
Allowance for loan losses to total loans	1.73%	1.71%
Nonperforming assets as a percentage of total loans and OREO	0.49%	0.00%
Allowance for loan losses to non-performing loans	n/a	n/a

#### OTHER PERIOD-END STATISTICS

(unaudited)		
Shareholders equity to total assets	10.42%	10.12%
Net loans to deposits	73.34%	80.56%
Non-interest bearing deposits to total deposits	47.15%	50.14%
Total capital to total risk-weighted assets	18.67%	18.43%
Tier 1 capital to total risk-weighted assets	20.26%	19.76%
Tier 1 leverage ratio	14.26%	13.41%
Common equity tier 1	20.26%	19.76%