

**CHINO COMMERCIAL BANCORP REPORTS**  
**42% INCREASE IN FULL YEAR EARNINGS**

Chino, California, January 18, 2019 – 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 fourth quarter and year ended December 31, 2018. Net earnings for the fourth quarter 2018, were \$595 thousand, or an increase of 112%, as compared with earnings of \$280 thousand for the same quarter last year. A significant portion of the increase in net income for the fourth quarter 2018 as compared with the same quarter 2017 was attributable to a one-time deferred tax adjustment in December 2017 which did not reoccur in 2018. Net earnings for the fiscal year ended December 31, 2018 increased by 42% or by \$660 thousand to \$2.2 million, as compared to \$1.6 million for fiscal year 2017.

Net earnings per basic and diluted share was \$0.32 for the fourth quarter of 2018 as compared with \$0.15 for the same quarter last year. Net earnings per basic and diluted share was \$1.20 for the year ended December 31, 2018, as compared with \$0.84 as December 31, 2017, respectively.

Dann H. Bowman, President and Chief Executive Officer, stated, “The Company’s performance in 2018 was very strong, with the Bank reaching record levels of Deposits, Loans, Revenue and Net Earnings. Loan quality also remains very strong, with the Bank having no delinquent loans at year-end. In October the Bank opened its fourth location in Upland, at 300 N. Mountain Ave. We are very excited to have this new location and the acceptance from the community has been very positive.”

**Financial Condition**

At December 31, 2018, total assets were \$202 million, an increase of \$9 million or 5% over \$193 million at December 31, 2017. Total deposits increased by 15% or \$22 million to \$171 million as of December 31, 2018, compared to \$149 million as of December 31, 2017. At December 31, 2018, the Company’s core deposits represent 97% of the total deposits.

Gross loans increased by 8% or \$10 million as of December 31, 2018 to \$132 million, as compared with \$123 million as of December 31, 2017. The Bank had no non-performing loans for the quarters ended December 31, 2018, and December 31, 2017 respectively. OREO properties remained at zero as of December 31, 2018 and December 31, 2017 respectively.

**Earnings**

For the year ended December 31, 2018, net interest income was \$7.3 million, an increase of 15.3% or \$974 thousand in comparison to \$6.4 million as of December 31, 2017. The Company posted net interest income of \$1.9 million and \$1.6 million for the three months ended December 31, 2018 and 2017 respectively, or an increase of \$291.7 thousand or 17.8%. Average interest-earning assets were \$181.8 million with average interest-bearing liabilities of \$91.5 million, yielding a net interest margin of 4.21% for the fourth quarter of 2018, as compared to the average interest-earning assets of \$179.4 million with average interest-bearing liabilities of \$101.0 million, yielding a net interest margin of 3.62% for the fourth quarter of 2017.

For the year ended December 31, 2018, non-interest income was \$1.6 million, an increase of 2.2% or \$33 thousand in comparison to \$1.5 million as of December 31, 2017. Non-interest income totaled \$424

thousand for the fourth quarter of 2018, or an increase of 14% as compared with \$372 thousand earned during the same quarter last year. Service charges on deposit accounts increased over the fourth quarter by \$58.5 thousand or 20.6% to \$343 thousand, primarily due to an increase in income from returned items, overdraft charges, and analysis fees. Dividend income from restricted stock decreased to \$35 thousand for the fourth quarter of 2018, compared to \$41 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 fourth quarter of 2018 and 2017 respectively.

For the year ended December 31, 2018, general and administrative expenses were \$5.6 million, an increase of 13.4% or \$662 thousand in comparison to \$5.0 million as of December 31, 2017. General and administrative expenses were \$1.5 million for the three months ended December 31, 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 \$973 thousand for the fourth quarter of 2018, as compared to \$803 thousand for the same quarter last year and \$3.6 million and \$3.1 million for the years ended December 2018 and 2017 respectively. Occupancy and equipment increase by \$44.7 thousand due to the opening of our new branch in Upland during the fourth quarter of 2018.

For the year ended December 31, 2018, income tax expense was \$893 thousand, a decrease of 22.2% or \$255 thousand in comparison to \$1.1 million as of December 31, 2017. Income tax expense was \$239 thousand which represents a decrease of \$68 thousand or 22.3% for the three months ended December 31, 2018, as compared to \$307.3 thousand for the three months ended December 31, 2017. The effective income tax rate for the fourth quarter of 2018 and 2017 is approximately 28.6% and 52.3% respectively, and for the year ending December 31, 2018 and 2017, the effective income tax rates were 28.6% and 42.2% 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**  
December 31, 2018 and December 31, 2017

	<b>December 31, 2018</b>	<b>December 31, 2017</b>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	25,451,866	\$ 34,157,668
Total cash and cash equivalents	25,451,866	34,157,668
Interest-bearing deposits in other banks	1,988,000	1,240,000
Investment securities available for sale	5,914,736	3,131,027
Investment securities held to maturity (fair value approximates \$26,092,226 at December 31, 2018 and \$21,104,000 at December 31, 2017)	26,623,343	21,389,552
Total investments	34,526,079	25,760,579
<b>Loans</b>		
Construction	-	-
Real estate	107,902,821	99,585,847
Commercial	24,029,989	22,679,268
Installment	241,077	337,455
Gross loans	132,173,887	122,602,570
Unearned fees and discounts	(345,053)	(365,091)
Loans net of unearned fees and discount	131,828,834	122,237,479
Allowance for loan losses	(2,292,478)	(2,094,723)
Net loans	129,536,356	120,142,756
Fixed assets, net	6,063,350	5,875,381
Accrued interest receivable	585,506	531,771
Stock investments, restricted, at cost	1,248,400	2,084,129
Bank-owned life insurance	3,484,885	3,386,754
Other assets	1,091,804	861,969
Total assets	\$ 201,988,246	\$ 192,801,007
<b>LIABILITIES:</b>		
<b>Deposits</b>		
Non-interest bearing	\$ 83,237,014	\$ 74,766,694
Interest bearing		
NOW and money market	66,046,085	47,030,167
Savings	9,870,263	7,897,948
Time deposits less than \$250,000	7,674,742	5,727,789
Time deposits of \$250,000 or greater	4,191,717	13,703,790
Total deposits	171,019,821	149,126,388
Accrued interest payable	64,794	65,160
Borrowings from Federal Home Loan Bank (FHLB)	5,000,000	20,000,000
Accrued expenses & other payables	1,101,417	1,012,535
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	180,279,032	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 December 31, 2018 and December 31, 2017, respectively.	10,502,557	10,502,558
Retained earnings	11,251,915	9,020,564
Accumulated other comprehensive income/(loss)	(45,258)	(19,198)
Total shareholders' equity	21,709,214	19,503,924
Total liabilities & shareholders' equity	\$ 201,988,246	\$ 192,801,007

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

	For the three months ended		For the year ended	
	December 31		December 31	
	2018	2017	2018	2017
	(unaudited)	(unaudited)	(unaudited)	(audited)
Interest income				
Interest and fee income on loans	\$ 1,828,378	\$ 1,562,601	\$ 7,012,709	\$ 6,086,085
Interest on federal funds sold and FRB deposits	104,132	117,777	422,577	359,557
Interest on time deposits in banks	12,151	5,353	27,899	26,398
Interest on investment securities	204,829	145,098	659,707	552,510
Total interest income	<u>2,149,490</u>	<u>1,830,829</u>	<u>8,122,892</u>	<u>7,024,550</u>
Interest Expense				
Interest on deposits	189,493	107,280	612,912	366,492
Other borrowings	31,785	87,061	183,636	305,524
Total interest expense	<u>221,278</u>	<u>194,341</u>	<u>796,548</u>	<u>672,016</u>
Net interest income	<u>1,928,212</u>	<u>1,636,488</u>	<u>7,326,344</u>	<u>6,352,534</u>
Provision for loan losses	<u>-</u>	<u>100,000</u>	<u>150,000</u>	<u>210,000</u>
Net interest income after provision for loan losses	<u>1,928,212</u>	<u>1,536,488</u>	<u>7,176,344</u>	<u>6,142,534</u>
Non-interest income				
Service charges on deposit accounts	343,216	284,681	1,262,496	1,202,933
Other miscellaneous income	21,160	21,323	86,647	75,684
Dividend income from restricted stock	35,101	40,681	115,362	149,983
Income from bank-owned life insurance	24,666	25,336	98,130	100,791
Total non-interest income	<u>424,143</u>	<u>372,021</u>	<u>1,562,635</u>	<u>1,529,391</u>
Non-interest expenses				
Salaries and employee benefits	973,047	803,215	3,568,823	3,051,474
Occupancy and equipment	155,086	110,354	522,458	424,856
Data and item processing	102,410	88,103	390,485	335,582
Advertising and marketing	7,075	50,321	90,359	127,371
Legal and professional fees	37,955	46,706	150,218	196,082
Regulatory assessments	34,435	37,929	135,419	150,753
Insurance	9,032	9,102	35,599	34,475
Directors' fees and expenses	29,266	29,638	117,710	120,214
Other expenses	169,825	145,458	604,653	512,938
Total non-interest expenses	<u>1,518,131</u>	<u>1,320,826</u>	<u>5,615,724</u>	<u>4,953,745</u>
Income before income tax expense	<u>834,224</u>	<u>587,683</u>	<u>3,123,255</u>	<u>2,718,180</u>
Income tax expense	<u>238,860</u>	<u>307,328</u>	<u>892,659</u>	<u>1,147,224</u>
Net income	<u>\$ 595,364</u>	<u>\$ 280,355</u>	<u>\$ 2,230,596</u>	<u>\$ 1,570,956</u>
Basic earnings per share	\$ 0.32	\$ 0.15	\$ 1.20	\$ 0.84
Diluted earnings per share	\$ 0.32	\$ 0.15	\$ 1.20	\$ 0.84
Tax rate	28.6%	52.3%	28.6%	42.2%
Average shares outstanding	1,859,132	1,859,132	1,859,132	1,859,132
EPS	0.32	0.15	1.20	0.84

	For the three months ended		For the year ended	
	December 31		December 31	
	2018	2017	2018	2017
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	11.11%	6.25%	12.15%	10.45%
Annualized return on average assets	1.22%	0.58%	1.16%	0.84%
Net interest margin	4.21%	3.62%	4.10%	3.70%
Core efficiency ratio	64.54%	65.76%	63.18%	62.85%
Net chargeoffs/(recoveries) to average loans	-0.016%	0.01%	-0.04%	-0.04%

#### AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$	195,986	\$	194,156	\$	193,120	\$	186,548
Average interest-earning assets	\$	181,785	\$	179,445	\$	178,638	\$	171,802
Average gross loans	\$	129,717	\$	117,395	\$	127,705	\$	113,587
Average deposits	\$	170,063	\$	149,863	\$	162,393	\$	144,370
Average equity	\$	21,435	\$	17,946	\$	18,358	\$	15,037

#### CREDIT QUALITY

(unaudited)

	End of period	
	December 31, 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	1.73%	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	10.74%	10.12%
Net loans to deposits	75.74%	80.56%
Non-interest bearing deposits to total deposits	48.67%	50.14%
Total capital to total risk-weighted assets	19.19%	18.43%
Tier 1 capital to total risk-weighted assets	20.93%	19.76%
Tier 1 leverage ratio	14.82%	13.41%
Common equity tier 1	20.93%	19.76%