

CHINO COMMERCIAL BANCORP REPORTS
23% INCREASE IN NET EARNINGS

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, 2019, with net earnings of \$625 thousand, or an increase of 23%, compared with net income of \$509 thousand for the same quarter last year. Net income per basic and diluted share was \$0.34 for the first quarter of 2019 and \$0.27 for the same quarter 2018, respectively.

Dann H. Bowman, President and Chief Executive Officer stated, “The economic strength of the Inland Empire is supporting tremendous growth opportunities for the Bank, and the first quarter marked new record levels for total assets, loans, revenue and net earnings. In general, this is a very good time for the Bank and we are pleased and excited about the future.”

Financial Condition

At March 31, 2019, total assets were \$209.5 million, an increase of \$7.5 million or 3.7% over \$201.9 million at December 31, 2018. Total deposits increased by 2.8% or \$4.8 million during the first quarter to \$175.8 million, compared to \$171.0 million as of December 31, 2018. At March 31, 2019, the Company’s core deposits represent 94.2% of the total deposits.

Gross loans increased by 2.6% or \$3.5 million as of March 31, 2019 to \$135.7 million, as compared with \$132.2 million as of December 31, 2018. The Bank did not have any nonperforming loans for the quarter ended March 31, 2019, and as of December 31, 2018, respectively. OREO properties remained at zero as of March 31, 2019 and December 31, 2018, respectively.

Earnings

The Company posted net interest income of \$2.0 million and \$1.7 million for the three months ended March 31, 2019 and 2018, respectively, or an increase of \$309 thousand or 17.9%. Average interest-earning assets were \$187.3 million with average interest-bearing liabilities of \$98.6 million, yielding a net interest margin of 4.40% for the first quarter of 2019, as compared to the average interest-earning assets of \$173.5 million with average interest-bearing liabilities of \$91.0 million, yielding a net interest margin of 4.03% for the first quarter of 2018.

Non-interest income totaled \$425 thousand for the first quarter of 2019, or an increase of 10.0% as compared with \$386.5 thousand earned during the same quarter last year. Service charges on deposit accounts, the largest component of non-interest income, increased by \$49.0 thousand or 16.0% to \$356 thousand, primarily due to an increase in income from returned items, overdraft charges, and analysis fees.

General and administrative expenses were \$1.5 million for the three months ended March 31, 2019, and \$1.4 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 2019, as compared to \$869 thousand for the same quarter last year. Occupancy and equipment expenses increased by \$38 thousand or 33.6% to \$153 thousand in the first quarter of 2019 from \$115 thousand for the same period last year. The increase in occupancy and equipment is mostly attributed to opening the Upland branch in the fourth quarter of 2018.

Income tax expense was \$251 thousand which represents an increase of \$48.6 thousand or 24.03% for the three months ended March 31, 2019 as compared to \$202.5 thousand for the three months ended March 31, 2018. The effective income tax rate for the first quarters of 2019 and 2018 is approximately 28.7% 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, customer 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, 2019 and December 31, 2018

	March 31, 2019	December 31, 2018
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	20,066,672	\$ 25,451,866
Total cash and cash equivalents	20,066,672	25,451,866
Interest-bearing deposits in other banks	1,988,000	1,988,000
Investment securities available for sale	5,644,987	5,914,736
Investment securities held to maturity (fair value approximates \$36,019,665 at March 31, 2019 and \$26,092,226 at December 31, 2018)	36,312,327	26,623,343
Total investments	43,945,314	34,526,079
Loans		
Construction	-	-
Real estate	112,066,869	107,902,821
Commercial	23,365,834	24,029,989
Installment	231,892	241,077
Gross loans	135,664,595	132,173,887
Unearned fees and discounts	(316,765)	(345,054)
Loans net of unearned fees and discount	135,347,830	131,828,833
Allowance for loan losses	(2,352,700)	(2,292,478)
Net loans	132,995,130	129,536,355
Fixed assets, net	6,007,030	6,063,350
Accrued interest receivable	682,064	585,506
Stock investments, restricted, at cost	1,248,400	1,248,400
Bank-owned life insurance	3,508,396	3,484,885
Other assets	1,077,240	1,091,805
Total assets	\$ 209,530,246	\$ 201,988,246
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 78,750,774	\$ 83,237,014
Interest bearing		
NOW and money market	73,113,787	66,046,085
Savings	9,854,601	9,870,263
Time deposits less than \$250,000	8,947,155	4,191,717
Time deposits of \$250,000 or greater	5,140,705	7,674,742
Total deposits	175,807,022	171,019,821
Accrued interest payable	93,838	64,794
Borrowings from Federal Home Loan Bank (FHLB)	7,000,000	5,000,000
Accrued expenses & other payables	1,186,202	1,101,417
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	187,180,062	180,279,032
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,859,132 shares at March 31, 2019 and December 31, 2018, respectively.	10,502,557	10,502,557
Retained earnings	11,876,425	11,251,915
Accumulated other comprehensive income/(loss)	(28,798)	(45,258)
Total shareholders' equity	22,350,184	21,709,214
Total liabilities & shareholders' equity	\$ 209,530,246	\$ 201,988,246

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME

	For the three months ended	
	March 31	
	2019	2018
	(unaudited)	(unaudited)
Interest income		
Interest and fee income on loans	\$ 1,951,881	\$ 1,659,877
Interest on federal funds sold and FRB deposits	70,411	97,724
Interest on time deposits in banks	11,887	3,956
Interest on investment securities	266,232	140,573
Total interest income	<u>2,300,411</u>	<u>1,902,130</u>
Interest Expense		
Interest on deposits	217,017	87,244
Other borrowings	49,431	89,636
Total interest expense	<u>266,448</u>	<u>176,880</u>
Net interest income	2,033,963	1,725,250
Provision for loan losses	<u>40,000</u>	<u>50,000</u>
Net interest income after provision for loan losses	<u>1,993,963</u>	<u>1,675,250</u>
Non-interest income		
Service charges on deposit accounts	356,065	307,037
Other miscellaneous income	22,975	19,196
Dividend income from restricted stock	22,474	35,834
Income from bank-owned life insurance	23,512	24,453
Total non-interest income	<u>425,026</u>	<u>386,520</u>
Non-interest expenses		
Salaries and employee benefits	1,010,328	868,915
Occupancy and equipment	153,132	114,656
Data and item processing	104,899	91,636
Advertising and marketing	6,318	28,586
Legal and professional fees	33,418	33,198
Regulatory assessments	29,435	33,128
Insurance	9,005	8,559
Directors' fees and expenses	33,769	30,759
Other expenses	162,978	140,986
Total non-interest expenses	<u>1,543,282</u>	<u>1,350,423</u>
Income before income tax expense	875,707	711,347
Income tax expense	251,197	202,534
Net income	<u>\$ 624,510</u>	<u>\$ 508,813</u>
Basic earnings per share	\$ 0.34	\$ 0.27
Diluted earnings per share	\$ 0.34	\$ 0.27
Tax rate	28.7%	28.5%

CHINO COMMERCIAL BANCORP

	For the three months ended	
	March 31	
	2019	2018
KEY FINANCIAL RATIOS		
(unaudited)		
Annualized return on average equity	11.33%	10.27%
Annualized return on average assets	1.24%	1.02%
Net interest margin	4.40%	4.03%
Core efficiency ratio	62.76%	63.95%
Net chargeoffs/(recoveries) to average loans	-0.010%	-0.01%
AVERAGE BALANCES		
(thousands, unaudited)		
Average assets	\$ 201,500	\$ 199,089
Average interest-earning assets	\$ 187,315	\$ 173,525
Average gross loans	\$ 136,882	\$ 122,699
Average deposits	\$ 171,868	\$ 147,053
Average equity	\$ 22,051	\$ 19,822
CREDIT QUALITY		
(unaudited)		
	End of period	
	March 31, 2019	December 31, 2018
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%	1.73%
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	10.67%	10.75%
Net loans to deposits	75.65%	75.74%
Non-interest bearing deposits to total deposits	44.79%	48.67%
Total capital to total risk-weighted assets	19.18%	19.19%
Tier 1 capital to total risk-weighted assets	21.00%	20.93%
Tier 1 leverage ratio	14.80%	14.80%
Common equity tier 1	21.00%	20.93%