

**CHINO COMMERCIAL BANCORP REPORTS**  
**48% 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 second quarter ended June 30, 2019, with net earnings of \$787 thousand, or an increase of 48%, compared with net income of \$531 thousand for the same quarter last year. Net income per basic and diluted share was \$0.35 for the second quarter of 2019 and \$0.24 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 second 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.

Also, on May 15th the Board of Directors approved a 20% stock dividend. The dividend was issued on or about July 2, 2019 to shareholders of record as of June 14, 2019. The dividend increased the number of outstanding shares of the Company by 371,676 bringing the total shares outstanding to 2,230,808. This is the Company’s fifth stock dividend since inception in 2000”

**Financial Condition**

At June 30, 2019, total assets were \$216.9 million, an increase of \$14.9 million or 7.4% over \$201.9 million at December 31, 2018. Total deposits increased by 3.6% or \$6.2 million during the second quarter to \$177.2 million, compared to \$171.0 million as of December 31, 2018. At June 30, 2019, the Company’s core deposits represent 94.3% of the total deposits.

Gross loans increased by 6.0% or \$7.8 million as of June 30, 2019 to \$140.0 million, as compared with \$132.2 million as of December 31, 2018. The Bank had one nonperforming loan for the quarter ended June 30, 2019, and none as of December 31, 2018, respectively. OREO properties remained at zero as of June 30, 2019 and December 31, 2018, respectively.

**Earnings**

The Company posted net interest income of \$2.1 million and \$1.8 million for the three months ended June 30, 2019 and 2018, respectively, or an increase of \$244 thousand or 13.4%. Average interest-earning assets were \$188.8 million with average interest-bearing liabilities of \$107.6 million, yielding a net interest margin of 4.39% for the second quarter of 2019, as compared to the average interest-earning assets of \$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.

Non-interest income totaled \$566 thousand for the second quarter of 2019, or an increase of 52.5% as compared with \$371.4 thousand earned during the same quarter last year. Service charges on deposit accounts, the largest component of non-interest income, increased by \$100 thousand or 33.5% to \$398 thousand, primarily due to an increase in income from returned items, overdraft charges, and analysis fees.

General and administrative expenses were \$1.6 million for the three months ended June 30, 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 \$960 thousand for the second quarter of 2019, as compared to \$863 thousand for the same quarter last year. Occupancy and equipment expenses increased by \$44 thousand or 36% to \$165 thousand in the second quarter of 2019 from \$122 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 \$281 thousand which represents an increase of \$69 thousand or 32.3% for the three months ended June 30, 2019 as compared to \$212.4 thousand for the three months ended June 30, 2018. The effective income tax rate for the second quarters of 2019 and 2018 is approximately 26.3% and 28.6%, 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**  
June 30, 2019 and December 31, 2018

	<b>June 30, 2019</b>	<b>December 31, 2018</b>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	5,524,564	\$ 25,451,866
Federal funds sold	14,625,000	-
Total cash and cash equivalents	20,149,564	25,451,866
Interest-bearing deposits in other banks	1,988,000	1,988,000
Investment securities available for sale	9,493,033	5,914,736
Investment securities held to maturity (fair value approximates \$35,242,399 at June 30 2019 and \$26,092,226 at December 31, 2018)	34,962,262	26,623,343
Total investments	46,443,295	34,526,079
Loans		
Real estate	112,878,664	107,902,821
Commercial	26,958,138	24,029,989
Installment	226,760	241,077
Gross loans	140,063,562	132,173,887
Unearned fees and discounts	(326,551)	(345,054)
Loans net of unearned fees and discount	139,737,011	131,828,833
Allowance for loan losses	(2,389,973)	(2,292,478)
Net loans	137,347,038	129,536,355
Fixed assets, net	5,966,200	6,063,350
Accrued interest receivable	683,502	585,506
Stock investments, restricted, at cost	1,440,900	1,248,400
Bank-owned life insurance	3,532,250	3,484,885
Other assets	1,389,057	1,091,805
Total assets	\$ 216,951,806	\$ 201,988,246
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 82,803,339	\$ 83,237,014
Interest bearing		
NOW and money market	69,572,350	66,046,085
Savings	10,158,426	9,870,263
Time deposits less than \$250,000	9,512,052	4,191,717
Time deposits of \$250,000 or greater	5,158,089	7,674,742
Total deposits	177,204,256	171,019,821
Accrued interest payable	166,636	64,794
Borrowings from Federal Home Loan Bank (FHLB)	12,000,000	5,000,000
Accrued expenses & other payables	1,299,075	1,101,417
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	193,762,967	180,279,032
<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, 2019 and December 31, 2018, respectively.	10,502,557	10,502,557
Retained earnings	12,663,233	11,251,915
Accumulated other comprehensive income/(loss)	23,049	(45,258)
Total shareholders' equity	23,188,839	21,709,214
Total liabilities & shareholders' equity	\$ 216,951,806	\$ 201,988,246

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

	For the three months ended		For the year ended	
	June 30		June 30	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(audited)
Interest income				
Interest and fee income on loans	\$ 1,976,912	\$ 1,746,249	\$ 3,928,793	\$ 3,406,126
Interest on federal funds sold and FRB deposits	69,291	96,963	139,702	194,687
Interest on time deposits in banks	12,019	3,153	23,906	7,109
Interest on investment securities	346,401	151,494	612,633	292,068
Total interest income	<u>2,404,623</u>	<u>1,997,859</u>	<u>4,705,034</u>	<u>3,899,990</u>
Interest Expense				
Interest on deposits	236,598	144,238	453,614	231,482
Other borrowings	101,539	30,689	150,970	120,325
Total interest expense	<u>338,137</u>	<u>174,927</u>	<u>604,584</u>	<u>351,807</u>
Net interest income	2,066,486	1,822,932	4,100,450	3,548,183
Provision for loan losses	<u>-</u>	<u>80,000</u>	<u>40,000</u>	<u>130,000</u>
Net interest income after provision for loan losses	<u>2,066,486</u>	<u>1,742,932</u>	<u>4,060,450</u>	<u>3,418,183</u>
Non-interest income				
Service charges on deposit accounts	398,023	298,069	754,088	605,106
Other miscellaneous income	120,424	24,746	143,398	43,942
Dividend income from restricted stock	23,973	23,998	46,447	59,832
Income from bank-owned life insurance	23,854	24,559	47,366	49,012
Total non-interest income	<u>566,274</u>	<u>371,372</u>	<u>991,299</u>	<u>757,892</u>
Non-interest expenses				
Salaries and employee benefits	959,657	863,683	1,969,985	1,732,598
Occupancy and equipment	165,273	121,568	318,405	236,224
Data and item processing	119,999	96,653	224,898	188,288
Advertising and marketing	47,037	29,251	53,355	57,837
Legal and professional fees	32,807	39,955	66,225	73,153
Regulatory assessments	32,541	33,928	61,976	67,057
Insurance	9,108	9,005	18,112	17,563
Directors' fees and expenses	33,051	28,203	66,820	58,962
Other expenses	165,605	148,652	328,584	289,640
Total non-interest expenses	<u>1,565,078</u>	<u>1,370,898</u>	<u>3,108,360</u>	<u>2,721,322</u>
Income before income tax expense	1,067,682	743,406	1,943,389	1,454,753
Income tax expense	<u>280,874</u>	<u>212,355</u>	<u>532,071</u>	<u>414,889</u>
Net income	<u>\$ 786,808</u>	<u>\$ 531,051</u>	<u>\$ 1,411,318</u>	<u>\$ 1,039,864</u>
Basic earnings per share	\$ 0.35	\$ 0.24	\$ 0.63	\$ 0.47
Diluted earnings per share	\$ 0.35	\$ 0.24	\$ 0.63	\$ 0.47

## CHINO COMMERCIAL BANCORP

	For the three months ended		For the year ended	
	June 30		June 30	
	2019	2018	2019	2018
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	13.81%	10.46%	12.59%	10.36%
Annualized return on average assets	1.49%	1.12%	1.37%	1.10%
Net interest margin	4.39%	4.21%	4.40%	4.12%
Core efficiency ratio	59.45%	62.48%	61.05%	63.20%
Net chargeoffs/(recoveries) to average loans	-0.030%	-0.003%	-0.04%	-0.01%
<b>AVERAGE BALANCES</b>				
(thousands, unaudited)				
Average assets	\$ 211,083	\$ 189,902	\$ 206,331	\$ 189,214
Average interest-earning assets	\$ 188,824	\$ 173,847	\$ 188,073	\$ 173,687
Average gross loans	\$ 138,658	\$ 127,898	\$ 137,775	\$ 125,313
Average deposits	\$ 174,089	\$ 165,030	\$ 172,984	\$ 156,091
Average equity	\$ 22,794	\$ 20,307	\$ 22,427	\$ 20,065
<b>CREDIT QUALITY</b>				
(unaudited)				
	End of period			
	June 30, 2019	December 31, 2018		
Non-performing loans	<u>\$ 129,111</u>	<u>\$ -</u>		
Non-performing loans to total loans	0.09%	0.00%		
Non-performing loans to total assets	0.06%	0.00%		
Allowance for loan losses to total loans	1.71%	1.73%		
Nonperforming assets as a percentage of total loans and OREO	0.00%	0.00%		
Allowance for loan losses to non-performing loans	1851.10%	n/a		
<b>OTHER PERIOD-END STATISTICS</b>				
(unaudited)				
Shareholders equity to total assets	10.69%	10.75%		
Net loans to deposits	77.51%	75.74%		
Non-interest bearing deposits to total deposits	46.73%	48.67%		
Total capital to total risk-weighted assets	18.77%	19.19%		
Tier 1 capital to total risk-weighted assets	20.60%	20.93%		
Tier 1 leverage ratio	14.63%	14.80%		
Common equity tier 1	20.60%	20.93%		