

**CHINO COMMERCIAL BANCORP REPORTS**  
**14.5% INCREASE IN FULL YEAR EARNINGS**

Chino, California, January 29, 2020 – 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, 2019. Net earnings for the fourth quarter 2019, were \$502 thousand, or a decrease of 15.62%, as compared with earnings of \$595 thousand for the same quarter last year. Net earnings for the fiscal year ended December 31, 2019 increased by 14.5% or by \$323 thousand to \$2.6 million, as compared to \$2.2 million for fiscal year 2018.

Net earnings per basic and diluted share was \$0.23 for the fourth quarter of 2019 as compared with \$0.27 for the same quarter last year. Net earnings per basic and diluted share was \$1.14 for the year ended December 31, 2019, as compared with \$1.00 as December 31, 2018, respectively.

Dann H. Bowman, President and Chief Executive Officer, stated: “We are very pleased with the performance of the Bank during 2019. The Bank set new record levels for total Deposits, total Loans, Revenue and Net Earnings. The economy of the Inland Empire continues to improve and expand, allowing for continued business growth into the future. We have a great team, a great market, and we are excited about the prospects for the Company over the next few years.”

**Financial Condition**

At December 31, 2019, total assets were \$230 million, an increase of \$27.5 million or 13.6% over \$202 million at December 31, 2018. Total deposits increased by 5.3% or \$9 million to \$180 million as of December 31, 2019, compared to \$171 million as of December 31, 2018. At December 31, 2019, the Company’s core deposits represent 94% of the total deposits.

Gross loans increased by 9.2% or \$12 million as of December 31, 2019 to \$144 million, as compared with \$132 million as of December 31, 2018. The Bank had one non-performing loan for the quarter ended December 31, 2019, and none as of December 31, 2018. OREO properties remained at zero as of December 31, 2019 and December 31, 2018 respectively.

**Earnings**

For the year ended December 31, 2019, net interest income was \$8.1 million, an increase of 11.4% or \$834 thousand in comparison to \$7.3 million as of December 31, 2018. The Company posted net interest income of \$1.97 million and \$1.93 million for the three months ended December 31, 2019 and 2018 respectively, or an increase of \$40 thousand or 2.1%. Average interest-earning assets were \$177.3 million with average interest-bearing liabilities of \$119.4 million, yielding a net interest margin of 4.41% for the fourth quarter of 2019, as compared to the average interest-earning assets of \$179.0 million with average interest-bearing liabilities of \$91.5 million, yielding a net interest margin of 4.27% for the fourth quarter of 2018.

For the year ended December 31, 2019, non-interest income was \$1.9 million, an increase of 22.9% or \$358 thousand in comparison to \$1.6 million as of December 31, 2018. Non-interest income totaled \$457 thousand for the fourth quarter of 2019, or an increase of 7.6% as compared with \$424 thousand earned during the same quarter last year. Service charges on deposit accounts increased over the fourth quarter by \$39.6

thousand or 11.5% to \$383 thousand, primarily due to an increase in income from returned items, overdraft charges, and analysis fees. Dividend income from restricted stock decreased to \$17 thousand for the fourth quarter of 2019, compared to \$35 thousand for the same quarter in 2018, due to the Federal Home Loan Bank and Pacific Coast Bankers Bank changes in dividend payout percentage policy. Income from Bank-owned life insurance increased by \$7.2 thousand for the fourth quarter of 2019, compared to \$25 thousand for the same quarter in 2018, due to a new life insurance policy added during 2019.

For the year ended December 31, 2019, general and administrative expenses were \$6.5 million, an increase of 15.8% or \$886 thousand in comparison to \$5.6 million as of December 31, 2018. General and administrative expenses were \$1.7 million for the three months ended December 31, 2019, and \$1.5 million for the same period last year. The largest component of general and administrative expenses was salary and benefits expense of \$1 million for the fourth quarter of 2019, as compared to \$973 thousand for the same quarter last year and \$3.9 million and \$3.6 million for the years ended December 2019 and 2018 respectively. Occupancy and equipment increase year over year by \$110 thousand due to the opening of our new branch in Upland during the fourth quarter of 2018.

For the year ended December 31, 2019, income tax expense was \$985 thousand, a decrease of 10.3% or \$92 thousand in comparison to \$893 million as of December 31, 2018. Income tax expense was \$197 thousand which represents a decrease of \$41 thousand or 17.5% for the three months ended December 31, 2019, as compared to \$239 thousand for the three months ended December 31, 2018. The effective income tax rate for the fourth quarter of 2019 and 2018 is approximately 28.2% and 28.6% respectively, and for the year ending December 31, 2019 and 2018, the effective income tax rates were 27.8% 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, 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.

Contact: Dann H. Bowman, President and CEO or Melinda M. Milincu, Vice President and CFO, Chino Commercial Bancorp and Chino Commercial Bank, N.A., 14245 Pipeline Avenue, Chino, Ca. 91710, (909) 393-8880.

**CHINO COMMERCIAL BANCORP**  
**CONSOLIDATED BALANCE SHEET**  
December 31, 2019 and December 31, 2018

	<b>December 31, 2019</b>	<b>December 31, 2018</b>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	\$ 4,363,753	\$ 25,451,866
Federal funds sold	32,415,000	-
Total cash and cash equivalents	36,778,753	25,451,866
Interest-bearing deposits in other banks	496,000	1,988,000
Investment securities available for sale	7,977,936	5,914,736
Investment securities held to maturity (fair value approximates \$28,625,251 at December 31, 2019 and \$26,092,226 at December 31, 2018)	28,367,056	26,623,343
Total investments	36,840,992	34,526,079
<b>Loans</b>		
Construction	-	-
Real estate	115,633,626	107,902,821
Commercial	28,522,543	24,029,989
Installment	232,328	241,077
Gross loans	144,388,497	132,173,887
Unearned fees and discounts	(438,380)	(345,054)
Loans net of unearned fees and discount	143,950,117	131,828,833
Allowance for loan losses	(2,391,765)	(2,292,478)
Net loans	141,558,352	129,536,355
Fixed assets, net	6,401,773	6,063,350
Accrued interest receivable	619,856	585,506
Stock investments, restricted, at cost	1,440,900	1,248,400
Bank-owned life insurance	4,595,584	3,484,885
Other assets	1,270,936	1,091,805
Total assets	\$ 229,507,146	\$ 201,988,246
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 88,412,668	\$ 83,237,014
Interest bearing		
NOW and money market	64,520,387	66,046,085
Savings	12,209,281	9,870,263
Time deposits less than \$250,000	9,537,555	4,191,717
Time deposits of \$250,000 or greater	5,471,451	7,674,742
Total deposits	180,151,342	171,019,821
Accrued interest payable	203,246	64,794
Borrowings from Federal Home Loan Bank (FHLB)	20,000,000	5,000,000
Accrued expenses & other payables	1,686,981	1,101,417
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	205,134,569	180,279,032
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 2,230,808 shares at December 31, 2019 and December 31, 2018, respectively.	10,502,557	10,502,557
Retained earnings	13,803,528	11,251,915
Accumulated other comprehensive income/(loss)	66,492	(45,258)
Total shareholders' equity	24,372,577	21,709,214
Total liabilities & shareholders' equity	\$ 229,507,146	\$ 201,988,246

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

	For the three months ended		For the year ended	
	December 31		December 31	
	2019	2018	2019	2018
	(unaudited)	(unaudited)	(unaudited)	(audited)
Interest income				
Interest and fee income on loans	\$ 1,982,610	\$ 1,828,378	\$ 7,884,573	\$ 7,012,709
Interest on federal funds sold and FRB deposits	184,875	104,132	510,650	422,577
Interest on time deposits in banks	3,219	12,151	35,077	27,899
Interest on investment securities	167,707	204,829	1,078,908	659,707
Total interest income	<u>2,338,411</u>	<u>2,149,490</u>	<u>9,509,208</u>	<u>8,122,892</u>
Interest Expense				
Interest on deposits	230,243	189,493	935,215	612,912
Other borrowings	139,476	31,785	413,749	183,636
Total interest expense	<u>369,719</u>	<u>221,278</u>	<u>1,348,964</u>	<u>796,548</u>
Net interest income	1,968,692	1,928,212	8,160,244	7,326,344
Provision for loan losses	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>150,000</u>
Net interest income after provision for loan losses	<u>1,968,692</u>	<u>1,928,212</u>	<u>8,120,244</u>	<u>7,176,344</u>
Non-interest income				
Service charges on deposit accounts	382,839	343,216	1,530,853	1,262,496
Other miscellaneous income	24,567	21,159	190,567	86,647
Dividend income from restricted stock	17,267	35,101	88,281	115,362
Income from bank-owned life insurance	31,901	24,666	110,699	98,130
Total non-interest income	<u>456,574</u>	<u>424,142</u>	<u>1,920,400</u>	<u>1,562,635</u>
Non-interest expenses				
Salaries and employee benefits	1,002,259	973,047	3,941,211	3,568,823
Occupancy and equipment	155,473	155,086	632,501	522,458
Data and item processing	123,409	102,410	469,176	390,485
Advertising and marketing	30,867	7,075	97,035	90,359
Legal and professional fees	217,088	37,955	430,050	150,218
Regulatory assessments	(12,940)	34,435	81,578	135,419
Insurance	10,295	9,032	37,911	35,599
Directors' fees and expenses	32,742	29,266	137,142	117,710
Other expenses	166,708	169,824	675,289	604,653
Total non-interest expenses	<u>1,725,901</u>	<u>1,518,130</u>	<u>6,501,893</u>	<u>5,615,724</u>
Income before income tax expense	699,365	834,224	3,538,751	3,123,255
Income tax expense	<u>196,971</u>	<u>238,860</u>	<u>984,794</u>	<u>892,659</u>
Net income	<u>\$ 502,394</u>	<u>\$ 595,364</u>	<u>\$ 2,553,957</u>	<u>\$ 2,230,596</u>
Basic earnings per share	\$ 0.23	\$ 0.27	\$ 1.14	\$ 1.00
Diluted earnings per share	\$ 0.23	\$ 0.27	\$ 1.14	\$ 1.00

	For the three months ended		For the year ended	
	December 31		December 31	
	2019	2018	2019	2018
<b>KEY FINANCIAL RATIOS</b>				
(unaudited)				
Annualized return on average equity	8.31%	11.43%	11.03%	12.34%
Annualized return on average assets	0.85%	1.22%	1.17%	1.16%
Net interest margin	4.41%	4.27%	4.46%	4.14%
Core efficiency ratio	71.16%	64.54%	64.50%	63.18%
Net chargeoffs/(recoveries) to average loans	0.002%	-0.013%	-0.05%	-0.02%

#### AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$	235,723	\$	195,986	\$	219,167	\$	193,120
Average interest-earning assets	\$	177,259	\$	179,009	\$	183,108	\$	176,829
Average gross loans	\$	136,963	\$	129,717	\$	136,504	\$	127,705
Average deposits	\$	186,587	\$	170,063	\$	179,226	\$	162,393
Average equity	\$	24,182	\$	20,830	\$	23,156	\$	18,074

#### CREDIT QUALITY

(unaudited)

	End of period	
	December 31, 2019	December 31, 2018
Non-performing loans	\$ 120,423	\$ -
Non-performing loans to total loans	0.08%	0.00%
Non-performing loans to total assets	0.05%	0.00%
Allowance for loan losses to total loans	1.66%	1.73%
Nonperforming assets as a percentage of total loans and OREO	0.08%	0.00%
Allowance for loan losses to non-performing loans	1986.14%	n/a

#### OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	10.62%	10.75%
Net loans to deposits	78.58%	75.74%
Non-interest bearing deposits to total deposits	49.08%	48.67%
Total capital to total risk-weighted assets	18.30%	19.19%
Tier 1 capital to total risk-weighted assets	20.16%	20.93%
Tier 1 leverage ratio	13.74%	14.80%
Common equity tier 1	20.16%	20.93%