

CHINO COMMERCIAL BANCORP REPORTS 108% INCREASE IN SECOND QUARTER EARNINGS

Chino, California, July 22, 2013 – The Board of Directors of Chino Commercial Bancorp (“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, 2013 with net earnings of \$259,167, or an increase of 108.7%, as compared with net income of \$124,196 for the same quarter last year. Net income per basic and diluted share for the second quarter in 2013 was \$0.31 as compared to \$0.15 for the same quarter last year. The Company’s profit for the six months ended June 30, 2013 increased 31.0% to \$429,807 or \$0.52 per basic and diluted share as compared with net earnings of \$328,154 or \$0.41 per basic and diluted share for the same period in 2012.

Dann H. Bowman, President and Chief Executive Officer, stated, “We are very pleased with the performance of the Bank during the second quarter. Economic conditions appear to be rapidly improving in the Inland Empire, and many of our small business customers are reporting better than expected operating results. At the end of the second quarter the Company reported only one delinquent loan and suffered no credit losses so far this year. We continue to remain optimistic about the economy, and are eager to continue lending to the businesses and consumers in our community.”

Financial Condition

At June 30, 2013, total assets were \$117.2 million, which was an increase of \$2.5 million or 2.2% from \$114.6 million at December 31, 2012. This is a direct result of the growth of the Company’s deposits which increased by 2.0% to \$104.1 million at June 30, 2013 from \$102.2 million at December 31, 2012. At June 30, 2013, the Company’s core deposits represent 90.3% of the total deposits.

Loans net of unearned fees remained relatively the same during the first half year. Loans net of unearned fees were \$61.8 million at December 31, 2012 and June 30, 2013. The Company’s asset quality improved in the first half year, as the level of nonperforming assets to total loans and OREO decreased from 1.96% at December 31, 2012 to 0.74% at June 30, 2013.

Earnings

The Company posted net interest income of \$1,074,032 and \$878,636 for the three months ended June 30, 2013 and 2012, respectively, or an increase of \$ 195,396 or 22.2%. For the six months ended June 30, the Company posted net interest income of \$2.1 million compared to \$1.8 million for the first six months 2012 or an increase of \$290,269 or 16.4%. Two loans on non-accrual status paid off in June resulting in \$134,500 of the reported increased income from loans.

Income from earning assets increased \$177,586 for the second quarter of 2013 compared to the same period last year, and \$251,307 for the first half of 2013 compared to 2012. The interest earned in addition to the paid-off loan was due to increased average balances in interest-earning assets. Average interest-earning assets for the quarter ended June 30, 2013 were \$106 million with average interest-bearing liabilities of \$54.5 million, yielding a net interest margin of 4.07% for the second quarter of 2012; as compared to the average interest-earning assets of \$96.0 million with average interest-bearing liabilities of \$52.8 million, yielding a net interest

margin of 3.68% for the same period in 2012. Average interest-earning assets for the first half of 2013 were \$105.0 million with average interest-bearing liabilities of \$56.2 million, yielding a net interest margin of 3.97% compared to the average interest-earning assets of \$94.9 million with average interest-bearing liabilities of \$53.2 million, yielding a net interest margin of 3.76% for the first half of 2012.

Non-interest income totaled \$372,966 for the second quarter of 2013, or an increase of 19.9% from \$310,957 earned during the second quarter of 2012. For the first half of 2013, non-interest income totaled \$684,749 a 13.0% decrease from \$786,775 earned during the same period in 2012. In the first half of 2012 the Company experienced a gain on sale of foreclosed assets of \$93,871 while in the first half of 2013 the Company had no OREO and therefore no gain on sale.

General and administrative expenses were \$1,029,523 for the three months ended June 30, 2013, as compared to \$994,626 for the second quarter of 2012 and was \$2,057,533 and \$2,040,602 for the six months ended June 30, 2013 and 2012, respectively. The largest component of general and administrative expenses was salary and benefits expense of \$557,138 and \$1,128,161 for the second quarter and first half of 2012, respectively; as compared to \$546,560 and \$1,119,842 for the three and six months ended June 30, 2012, respectively.

Income tax expense was \$159,536 for the second quarter of 2013 as compared to \$68,799 for the same period in 2012 resulting in effective income tax rates of approximately 38.1% and 35.6%, respectively. Income tax expense for the first half of 2013 and 2012 were \$260,400 and \$190,173, respectively. The income tax rates were 37.7% and 36.7% for the first half of 2013 and 2012, 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 there from, changes in interest rates, loan portfolio performance, and other factors.

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CHINO COMMERCIAL BANCORP
CONSOLIDATED BALANCE SHEET
June 30, 2013 and December 31, 2012

	June 30, 2013	December 31, 2012
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 3,737,545	\$ 2,946,454
Federal funds sold	20,408,758	17,041,826
Total cash and cash equivalents	24,146,303	19,988,280
Interest-bearing deposits in other banks	16,185,000	17,417,000
Investment securities available for sale	2,104,657	2,349,320
Investment securities held to maturity (fair value approximates \$3,762,000 at June 30, 2013 and \$4,796,000 at December 31, 2012)	3,660,177	4,606,626
Total investments	21,949,834	24,372,946
Loans		
Real estate	47,795,639	49,121,409
Commercial	13,854,622	12,516,101
Installment	338,578	321,502
Gross loans	61,988,839	61,959,012
Unearned fees and discounts	(158,557)	(169,090)
Loans net of unearned fees and discount	61,830,282	61,789,922
Allowance for loan losses	(1,462,055)	(1,438,797)
Net loans	60,368,227	60,351,125
Accrued interest receivable	270,976	286,812
Restricted stock	605,400	623,200
Fixed assets, net	6,170,933	6,258,728
Prepaid & other assets	3,639,156	2,753,820
Total assets	\$ 117,150,829	\$ 114,634,911
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 49,066,379	\$ 48,822,963
Interest bearing		
NOW and money market	37,609,805	36,340,045
Savings	2,754,949	1,989,336
Time deposits less than \$100,000	4,623,821	4,565,281
Time deposits of \$100,000 or greater	10,088,080	10,433,009
Total deposits	104,143,034	102,150,634
Accrued interest payable	46,891	35,674
Accrued expenses & other payables	696,887	633,705
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	107,979,812	105,913,013
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 833,280 shares and 829,602 shares at June 30, 2013 and December 31, 2012, respectively.	3,463,912	3,429,254
Retained earnings	5,651,182	5,221,375
Accumulated other comprehensive income	55,923	71,269
Total shareholders' equity	9,171,017	8,721,898
Total liabilities & shareholders' equity	\$ 117,150,829	\$ 114,634,911

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME
(unaudited)

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
Interest income				
Investment securities and due from banks	\$ 66,600	\$ 87,527	\$ 136,746	\$ 195,062
Interest on Federal funds sold	13,796	11,974	26,023	19,822
Interest and fee income on loans	1,073,824	877,133	2,063,734	1,760,312
Total interest income	<u>1,154,220</u>	<u>976,634</u>	<u>2,226,503</u>	<u>1,975,196</u>
Interest expense				
Deposits	65,371	80,733	132,381	165,602
Other borrowings	14,817	17,265	29,727	35,468
Total interest expense	<u>80,188</u>	<u>97,998</u>	<u>162,108</u>	<u>201,070</u>
Net interest income	1,074,032	878,636	2,064,395	1,774,126
Provision for loan losses	(1,228)	1,972	1,404	1,972
Net interest income after provision for loan losses	<u>1,075,260</u>	<u>876,664</u>	<u>2,062,991</u>	<u>1,772,154</u>
Non-interest income				
Service charges on deposit accounts	325,460	279,348	605,355	590,841
Gain on sale of foreclosed assets	0	0	0	93,871
Other miscellaneous income	13,303	7,815	24,039	57,749
Dividend income from restricted stock	13,880	6,535	18,719	9,963
Income from bank-owned life insurance	20,323	17,259	36,636	34,351
Total non-interest income	<u>372,966</u>	<u>310,957</u>	<u>684,749</u>	<u>786,775</u>
Non-interest expenses				
Salaries and employee benefits	557,138	546,560	1,128,161	1,119,842
Occupancy and equipment	101,637	100,967	202,031	207,065
Data and item processing	97,976	83,831	196,791	172,844
Advertising and marketing	19,128	11,850	32,617	24,906
Legal and professional fees	59,656	67,650	116,165	136,759
Regulatory assessments	59,717	55,460	117,485	111,324
Insurance	12,335	11,968	24,582	24,435
Directors' fees and expenses	27,676	27,495	55,541	53,040
Other expenses	94,260	88,845	184,160	190,387
Total non-interest expenses	<u>1,029,523</u>	<u>994,626</u>	<u>2,057,533</u>	<u>2,040,602</u>
Income before income tax expense	418,703	192,995	690,207	518,327
Income tax expense	159,536	68,799	260,400	190,173
Net income	<u>\$ 259,167</u>	<u>\$ 124,196</u>	<u>\$ 429,807</u>	<u>\$ 328,154</u>
Basic earnings per share	<u>\$ 0.31</u>	<u>\$ 0.15</u>	<u>\$ 0.52</u>	<u>\$ 0.41</u>
Diluted earnings per share	<u>\$ 0.31</u>	<u>\$ 0.15</u>	<u>\$ 0.52</u>	<u>\$ 0.41</u>

CHINO COMMERCIAL BANCORP

	For the three months ended		For the six months ended	
	June 30		June 30	
	2013	2012	2013	2012
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	11.49%	6.03%	9.62%	8.23%
Annualized return on average assets	0.87%	0.46%	0.73%	0.61%
Net interest margin	4.07%	3.68%	3.97%	3.76%
Core efficiency ratio	71.15%	83.61%	74.84%	82.71%
Net chargeoffs to average loans	-0.01%	0.12%	-0.04%	0.13%
AVERAGE BALANCES				
(thousands, unaudited)				
Average assets	\$ 118,715	\$ 108,365	\$ 117,466	\$ 107,752
Average interest-earning assets	\$ 105,966	\$ 96,025	\$ 104,969	\$ 94,919
Average gross loans	\$ 62,872	\$ 54,603	\$ 62,159	\$ 55,351
Average deposits	\$ 101,295	\$ 95,935	\$ 102,410	\$ 95,546
Average equity	\$ 9,024	\$ 8,240	\$ 8,934	\$ 7,973

	End of period	
	June 30, 2013	December 31, 2012
	\$	\$
CREDIT QUALITY		
(unaudited)		
Non-performing loans	456,633	1,216,253
Non-performing loans to total loans	0.74%	1.96%
Non-performing loans to total assets	0.39%	1.06%
Allowance for loan losses to total loans	2.36%	2.32%
Nonperforming assets as a percentage of total loans and OREO	1.70%	1.96%
Allowance for loan losses to non-performing loans	320.18%	118.30%

	End of period	
	June 30, 2013	December 31, 2012
OTHER PERIOD-END STATISTICS		
(unaudited)		
Shareholders equity to total assets	7.83%	7.61%
Net Loans to deposits	57.97%	59.08%
Non-interest bearing deposits to total deposits	47.11%	47.80%
Total capital to total risk-weighted assets	19.22%	17.50%
Tier 1 capital to total risk-weighted assets	17.88%	15.95%
Tier 1 leverage ratio	10.48%	9.86%