

CHINO COMMERCIAL BANCORP REPORTS 39% INCREASE IN THIRD QUARTER EARNINGS

Chino, California, October 21, 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 third quarter ended September 30, 2013 with net earnings of \$214,950, or an increase of 39.7%, as compared with net income of \$153,816 for the same quarter last year. Net income per basic and diluted share for the third quarter 2013 was \$0.26 as compared to \$0.19 for the same quarter last year. The Company's profit for the nine months ended September 30, 2013 increased 33.8% to \$644,758 or \$0.77 per basic and diluted share as compared with net earnings of \$481,970 or \$0.60 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 third 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 third quarter the Company reported no delinquent loans, no foreclosures and has experienced no credit losses so far this year.

In addition to the excellent financial performance of the Bank during the third quarter, Management recently announced the termination of the Formal Agreement with their primary regulator the Office of the Comptroller of the Currency. We are very pleased with the action taken by the OCC and we are gratified that our primary regulator has recognized the significant progress we have made in addressing the requirements of the Formal Agreement.

At this time the Bank is well positioned to take advantage of market opportunities and expand its lending to the businesses and consumers in our community."

Financial Condition

At September 30, 2013, total assets were \$114.9 million, which was an increase of \$220,796 or 0.2% from \$114.6 million at December 31, 2012. Deposits decreased slightly by 0.6% to \$101.6 million at September 30, 2013 from \$102.2 million at December 31, 2012. At September 30, 2013, the Company's core deposits represent 90.3% of the total deposits.

Loans net of unearned fees increased 1.4% in the nine months ended September 30, 2013 to \$62.6 million from \$61.8 million at December 31, 2012. The Company's asset quality improved in the nine months ended September 30, 2013, as the level of nonperforming assets to total loans and OREO decreased from 1.96% at December 31, 2012 to 0.69% at September 30, 2013.

Earnings

The Company posted net interest income of \$944,563 and \$923,873 for the three months ended September 30, 2013 and 2012, respectively, or an increase of \$20,690 or 2.2%. For the nine months ended September 30, 2013 the Company posted net interest income of \$3.0 million compared to \$2.7 million for the same period in 2012, or an increase of \$310,963 or 11.5%. Two loans on non-accrual status paid off in June 2013, resulting in \$134,500 of the reported increased income from loans.

Income from earning assets decreased slightly by \$4,056 for the third quarter of 2013 compared to the same period last year, and increased \$247,255 for the nine months ended September 30, 2013 compared to same period in 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 September 30, 2013 were \$104.8 million with average interest-bearing liabilities of \$52.6 million, yielding a net interest margin of 3.58% for the third quarter of 2013; as compared to the average interest-earning assets of \$98.3 million with average interest-bearing liabilities of \$54.7 million, yielding a net interest margin of 3.74% for the same period in 2012. Average interest-earning assets for the nine months ended September 30, 2013 were \$104.8 million with average interest-bearing liabilities of \$55.0 million, yielding a net interest margin of 3.84%, compared to average interest-earning assets of \$96.1 million with average interest-bearing liabilities of \$53.7 million, yielding a net interest margin of 3.75% for the same period in 2012.

Non-interest income totaled \$421,492 for the third quarter of 2013, or an increase of 34.1% from \$314,333 earned during the third quarter of 2012. For the nine months ended September 30, 2013, non-interest income totaled \$1,106,241 or a 0.5% increase from \$1,101,108 earned during the same period in 2012. In the nine months ended September 30, 2012, the Company experienced a gain on sale of foreclosed assets of \$93,871 while in the same period of 2013 the Company had no OREO and therefore no gain on sale.

General and administrative expenses were \$1,025,979 for the three months ended September 30, 2013, as compared to \$995,743 for the third quarter of 2012; and were \$3,083,514 and \$3,036,344 for the nine months ended September 30, 2013 and 2012, respectively. The largest component of general and administrative expenses was salary and benefits expense of \$552,905 and \$1,681,065 for the three and nine months ended September 30, 2013, respectively; as compared to \$513,382 and \$1,633,223 for the three and nine months ended September 30, 2012, respectively.

Income tax expense was \$124,879 for the third quarter of 2013 as compared to \$88,571 for the same period in 2012, resulting in effective income tax rates of approximately 36.7% and 36.5%, respectively. Income tax expense for the nine months ended September 30, 2013 and 2012 were \$385,279 and \$278,744, respectively. The income tax rates were 37.4% and 36.6% for the nine months ended September 30, 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
September 30, 2013 and December 31, 2012

	September 30, 2013	December 31, 2012
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 4,256,322	\$ 2,946,454
Federal funds sold	15,857,496	17,041,826
Total cash and cash equivalents	20,113,818	19,988,280
Interest-bearing deposits in other banks	16,270,000	17,417,000
Investment securities available for sale	1,954,601	2,349,320
Investment securities held to maturity (fair value approximates \$4,438,000 at September 30, 2013 and \$4,796,000 at December 31, 2012)	4,318,745	4,606,626
Total investments	22,543,346	24,372,946
Loans		
Real estate	48,283,748	49,121,409
Commercial	14,178,126	12,516,101
Installment	326,799	321,502
Gross loans	62,788,673	61,959,012
Unearned fees and discounts	(155,010)	(169,090)
Loans net of unearned fees and discount	62,633,663	61,789,922
Allowance for loan losses	(1,465,377)	(1,438,797)
Net loans	61,168,286	60,351,125
Accrued interest receivable	232,660	286,812
Restricted stock	605,400	623,200
Fixed assets, net	6,129,106	6,258,728
Prepaid & other assets	4,063,091	2,753,820
Total assets	\$ 114,855,707	\$ 114,634,911
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 49,410,807	\$ 48,822,963
Interest bearing		
NOW and money market	35,317,846	36,340,045
Savings	2,711,779	1,989,336
Time deposits less than \$100,000	4,684,878	4,565,281
Time deposits of \$100,000 or greater	9,460,521	10,433,009
Total deposits	101,585,831	102,150,634
Accrued interest payable	28,463	35,674
Accrued expenses & other payables	770,797	633,705
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	105,478,091	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 September 30, 2013 and December 31, 2012, respectively.	3,463,912	3,429,254
Retained earnings	5,866,133	5,221,375
Accumulated other comprehensive income	47,571	71,269
Total shareholders' equity	9,377,616	8,721,898
Total liabilities & shareholders' equity	\$ 114,855,707	\$ 114,634,911

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME
(unaudited)

	For the three months ended September 30		For the nine months ended September 30	
	2013	2012	2013	2012
Interest income				
Investment securities and due from banks	\$ 63,752	\$ 82,697	\$ 200,499	\$ 277,759
Interest on Federal funds sold	12,852	10,280	38,876	30,102
Interest and fee income on loans	943,581	931,264	3,007,316	2,691,575
Total interest income	<u>1,020,185</u>	<u>1,024,241</u>	<u>3,246,691</u>	<u>2,999,436</u>
Interest expense				
Deposits	60,671	83,041	193,052	248,643
Other borrowings	14,951	17,327	44,678	52,795
Total interest expense	<u>75,622</u>	<u>100,368</u>	<u>237,730</u>	<u>301,438</u>
Net interest income	944,563	923,873	3,008,961	2,697,998
Provision for loan losses	247	76	1,651	2,048
Net interest income after provision for loan losses	<u>944,316</u>	<u>923,797</u>	<u>3,007,310</u>	<u>2,695,950</u>
Non-interest income				
Service charges on deposit accounts	355,816	286,132	961,171	876,973
Gain on sale of foreclosed assets	0	0	0	93,871
Other miscellaneous income	31,945	8,415	55,984	66,164
Dividend income from restricted stock	7,594	2,996	26,313	12,959
Income from bank-owned life insurance	26,137	16,790	62,773	51,141
Total non-interest income	<u>421,492</u>	<u>314,333</u>	<u>1,106,241</u>	<u>1,101,108</u>
Non-interest expenses				
Salaries and employee benefits	552,905	513,382	1,681,065	1,633,223
Occupancy and equipment	106,451	111,905	308,482	318,971
Data and item processing	102,574	92,848	299,365	265,691
Advertising and marketing	16,444	13,919	49,061	38,824
Legal and professional fees	55,008	76,224	171,173	212,983
Regulatory assessments	61,141	54,872	178,626	166,195
Insurance	11,059	12,062	35,641	36,497
Directors' fees and expenses	28,781	27,167	84,322	80,207
Other expenses	91,616	93,364	275,779	283,753
Total non-interest expenses	<u>1,025,979</u>	<u>995,743</u>	<u>3,083,514</u>	<u>3,036,344</u>
Income before income tax expense	339,829	242,387	1,030,037	760,714
Income tax expense	124,879	88,571	385,279	278,744
Net income	<u>\$ 214,950</u>	<u>\$ 153,816</u>	<u>\$ 644,758</u>	<u>\$ 481,970</u>
Basic earnings per share	<u>\$ 0.26</u>	<u>\$ 0.19</u>	<u>\$ 0.77</u>	<u>\$ 0.60</u>
Diluted earnings per share	<u>\$ 0.26</u>	<u>\$ 0.19</u>	<u>\$ 0.77</u>	<u>\$ 0.59</u>

CHINO COMMERCIAL BANCORP

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2013	2012	2013	2012
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	9.29%	7.21%	9.51%	7.82%
Annualized return on average assets	0.73%	0.56%	0.73%	0.59%
Net interest margin	3.58%	3.74%	3.84%	3.75%
Core efficiency ratio	75.11%	80.42%	74.93%	81.95%
Net chargeoffs to average loans	0.00%	0.05%	-0.04%	0.18%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 117,671	\$ 110,727	\$ 117,535	\$ 108,751
Average interest-earning assets	\$ 104,571	\$ 98,316	\$ 104,836	\$ 96,061
Average gross loans	\$ 62,791	\$ 58,075	\$ 62,372	\$ 56,266
Average deposits	\$ 99,599	\$ 98,234	\$ 101,462	\$ 96,449
Average equity	\$ 9,252	\$ 8,536	\$ 9,042	\$ 8,218

CREDIT QUALITY

(unaudited)

	End of period	
	September 30, 2013	December 31, 2012
Non-performing loans	\$ 430,986	\$ 1,216,253
Non-performing loans to total loans	0.69%	1.96%
Non-performing loans to total assets	0.38%	1.06%
Allowance for loan losses to total loans	2.33%	2.32%
Nonperforming assets as a percentage of total loans and OREO	0.69%	1.96%
Allowance for loan losses to non-performing loans	340.01%	118.30%

OTHER PERIOD-END STATISTICS

(unaudited)

	September 30, 2013	December 31, 2012
Shareholders equity to total assets	8.16%	7.61%
Net Loans to deposits	60.21%	59.08%
Non-interest bearing deposits to total deposits	48.64%	47.80%
Total capital to total risk-weighted assets	17.35%	17.50%
Tier 1 capital to total risk-weighted assets	16.11%	15.95%
Tier 1 leverage ratio	10.57%	9.86%