

CHINO COMMERCIAL BANCORP REPORTS

31% INCREASE IN FIRST QUARTER EARNINGS

Chino, California, April 21, 2014 – 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 first quarter ended March 31, 2014 with net earnings of \$224,422, or an increase of 31.5% compared with net income of \$170,640 for the same quarter last year. Net income per basic share for the first quarter of 2014 was \$0.27 as compared \$0.21 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “We are very pleased with the performance of the Bank during the first quarter. In addition to very strong net earnings, the Bank also had no delinquent loans and suffered no credit losses during the first 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. We continue to remain optimistic about the economy, and are eager to lend to the businesses and consumers in our community.”

Separately, the Bank recently reported that it had received recognition from the **Findley Reports on Financial Institutions** by again receiving their highest rating of **Super Premier Performing**.

Financial Condition

At March 31, 2014, total assets were \$123.9 million, an increase of \$0.8 million or 0.6% over \$123.1 million at December 31, 2013. The increase is a direct result of growth in the Bank’s deposits which increased by 0.6% to \$110.2 million at March 31, 2014, or an increase from \$109.6 million at December 31, 2013. At March 31, 2014, the Company’s core deposits represent 96.5% of the total deposits.

Gross loans increased by 1.4% or \$0.9 million during the first quarter to \$65.2 million as compared with \$64.3 million as of December 31, 2013. The Bank’s loan quality also improved during the first quarter as the level of nonperforming assets to total loans and OREO decreased from 0.17% at December 31, 2013 to 0.16% at March 31, 2014.

Earnings

The Company posted net interest income of \$937,047 for the quarter ended March 31, 2014 as compared to \$990,365 for the quarter ended March 31, 2013. Although average earning assets increased, the yield on earning assets decreased by 0.36% to 3.82%. Average interest-earning assets were \$106.9 million with average interest-bearing liabilities of \$55.6 million, yielding a net interest margin of 3.56% for the first quarter of 2014; as compared to the average interest-earning assets of \$104.0 million with average interest-bearing liabilities of \$58.0 million, yielding a net interest margin of 3.86% for the first quarter of 2013.

Non-interest income totaled \$439,560 for the first quarter of 2014, or an increase of 41.0% as compared with \$311,783 earned during the first quarter last year. Service charges on deposit accounts increased 25.5% to \$351,376 due to increased income from returned items and overdraft charges. Other miscellaneous income increased to \$48,052 for the first quarter of 2014, compared to \$10,736 for the same quarter in 2013, due to reimbursement of Fees in 2014 for a failed software solution; and income from leased premises received in 2014. Due to the purchase of additional BOLI, income from bank-owned life insurance increased from \$16,313 in the first quarter of 2013 to \$25,815 in the first quarter of 2014.

General and administrative expenses were \$1,019,711 for the three months ended March 31, 2014, as compared to \$1,028,012 for the first quarter of 2013. The largest component of general and administrative expenses was salary and benefits expense of \$587,396 for the first quarter of 2014, as compared to \$571,023 for the same quarter last year. Regulatory assessments decreased by \$29,547 or 51.1% to \$28,221 in the first quarter of 2014 compared to \$57,768 in the first quarter of 2013 due to the termination of the Formal Agreement with the Office of the Comptroller of the Currency; in addition to a more favorable rating received from regulators in the fourth quarter of 2013. Advertising and marketing expenses increased 76.0% to \$23,743 in the first quarter of 2014 from \$13,489 for the same period last year.

Income tax expense was \$131,563 for the three months ended March 31, 2014 as compared to \$100,864 for the three months ended March 31, 2013. The effective income tax rate for the first quarter of 2014 and 2013 is approximately 37.0% and 37.2%, 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 detailed in the Company's SEC filings.

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CHINO COMMERCIAL BANCORP
CONSOLIDATED BALANCE SHEET
March 31, 2014 and December 31, 2013

	<u>March 31, 2014</u>	<u>December 31, 2013</u>
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 20,988,068	\$ 25,538,999
Federal funds sold	50,798	50,773
Total cash and cash equivalents	<u>21,038,866</u>	<u>25,589,772</u>
Interest-bearing deposits in other banks	19,982,000	18,990,000
Investment securities available for sale	1,834,366	1,887,251
Investment securities held to maturity (fair value approximates \$6,819,000 at March 31, 2014 and \$3,195,000 at December 31, 2013)	6,763,617	3,095,803
Total investments	<u>28,579,983</u>	<u>23,973,054</u>
Loans		
Real estate	49,561,133	49,370,423
Commercial	15,381,268	14,675,130
Installment	342,661	313,144
Gross loans	<u>65,285,062</u>	<u>64,358,697</u>
Unearned fees and discounts	(110,358)	(98,360)
Loans net of unearned fees and discount	<u>65,174,704</u>	<u>64,260,337</u>
Allowance for loan losses	(1,505,325)	(1,496,995)
Net loans	<u>63,669,379</u>	<u>62,763,342</u>
Accrued interest receivable	249,882	270,106
Restricted stock	605,400	605,400
Fixed assets, net	6,094,422	6,140,958
Prepaid & other assets	3,668,555	3,783,159
Total assets	<u>\$ 123,906,487</u>	<u>\$ 123,125,791</u>
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 57,867,650	\$ 56,565,703
Interest bearing		
NOW and money market	36,278,210	36,984,852
Savings	3,320,784	2,937,076
Time deposits less than \$100,000	4,857,529	4,700,243
Time deposits of \$100,000 or greater	7,875,911	8,415,988
Total deposits	<u>110,200,084</u>	<u>109,603,862</u>
Accrued interest payable	29,817	28,367
Accrued expenses & other payables	686,932	724,120
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>114,009,833</u>	<u>113,449,349</u>
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 833,280 shares at March 31, 2014 and December 31, 2013.	3,463,912	3,463,912
Retained earnings	6,386,525	6,162,103
Accumulated other comprehensive income	46,217	50,428
Total shareholders' equity	<u>9,896,654</u>	<u>9,676,443</u>
Total liabilities & shareholders' equity	<u>\$ 123,906,487</u>	<u>\$ 123,125,792</u>

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME
(unaudited)

	For the three months ended	
	March 31	
	2014	2013
Interest income		
Investment securities and due from banks	\$ 81,999	\$ 70,147
Interest on Federal funds sold	10,087	12,228
Interest and fee income on loans	914,348	989,910
Total interest income	1,006,434	1,072,285
Interest expense		
Deposits	54,977	67,010
Other borrowings	14,410	14,910
Total interest expense	69,387	81,920
Net interest income	937,047	990,365
Provision for loan losses	911	2,632
Net interest income after provision for loan losses	936,136	987,733
Non-interest income		
Service charges on deposit accounts	351,376	279,895
Other miscellaneous income	48,052	10,736
Dividend income from restricted stock	14,318	4,839
Income from bank-owned life insurance	25,814	16,313
Total non-interest income	439,560	311,783
Non-interest expenses		
Salaries and employee benefits	587,396	571,023
Occupancy and equipment	99,802	100,394
Data and item processing	96,982	98,815
Advertising and marketing	23,743	13,489
Legal and professional fees	60,314	56,509
Regulatory assessments	28,221	57,768
Insurance	8,413	12,247
Directors' fees and expenses	26,669	27,865
Other expenses	88,171	89,902
Total non-interest expenses	1,019,711	1,028,012
Income before income tax expense	355,985	271,504
Income tax expense	131,563	100,864
Net income	\$ 224,422	\$ 170,640
Basic earnings per share	\$ 0.27	\$ 0.21
Diluted earnings per share	\$ 0.27	\$ 0.21

CHINO COMMERCIAL BANCORP

For the three months ended
March 31

	2014	2013
KEY FINANCIAL RATIOS		
(unaudited)		
Annualized return on average equity	9.17%	7.72%
Annualized return on average assets	0.75%	0.59%
Net interest margin	3.56%	3.86%
Core efficiency ratio	74.07%	78.95%
Net chargeoffs to average loans	-0.01%	-0.03%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 119,901	\$ 116,203
Average interest-earning assets	\$ 106,851	\$ 103,961
Average gross loans	\$ 64,330	\$ 61,438
Average deposits	\$ 106,244	\$ 103,536
Average equity	\$ 9,793	\$ 8,844

CREDIT QUALITY

(unaudited)

End of period

	March 31, 2014	December 31, 2013
Non-performing loans	\$ 198,766	\$ 207,942
Non-performing loans to total loans	0.30%	0.32%
Non-performing loans to total assets	0.16%	0.17%
Allowance for loan losses to total loans	2.31%	2.33%
Nonperforming assets as a percentage of total loans and OREO	0.30%	0.32%
Allowance for loan losses to non-performing loans	757.34%	719.91%

OTHER PERIOD-END STATISTICS

(unaudited)

	March 31, 2014	December 31, 2013
Shareholders equity to total assets	7.99%	7.86%
Net Loans to deposits	57.78%	57.26%
Non-interest bearing deposits to total deposits	52.51%	51.61%
Total capital to total risk-weighted assets	18.55%	18.18%
Tier 1 capital to total risk-weighted assets	17.54%	17.08%
Tier 1 leverage ratio	10.95%	10.69%