

## **CHINO COMMERCIAL BANCORP REPORTS**

### **42% INCREASE IN FIRST QUARTER EARNINGS**

Chino, California, April 20, 2015 – 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, 2015 with net earnings of \$318,868, or an increase of 42.1% compared with net income of \$224,423 for the same quarter last year. Net income per basic share for the first quarter of 2015 was \$0.31 as compared \$0.22 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The Company had an excellent first quarter with deposits increasing, loans increasing, and revenue increasing. In addition to very strong net earnings, the Bank also had only one delinquent loan and suffered no credit losses during the first quarter. At the end of the first quarter the Bank had no OREO.

Economic conditions appear to be 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.”

During the first quarter, the Board of the Directors of the Company declared a 12% stock dividend to shareholders of record on March 6, 2015. The dividend was paid to the shareholders on March 27, 2015; and the earnings per share calculations have been adjusted to reflect the dividends paid.

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, 2015, total assets were \$145.4 million, an increase of \$15.3 million or 11.8% over \$130.1 million at December 31, 2014. The increase is attributed to an overall growth across all areas of the Bank. Total deposits increased by 4.4% or \$5.0 million during the first quarter to \$120.5 million compared to \$115.4 million as of December 31, 2014. At March 31, 2015, the Company’s core deposits represent 94.6% of the total deposits.

Gross loans increased by 2.2% or \$1.8 million during the first quarter to \$85.3 million as compared with \$83.5 million as of December 31, 2014. The Bank’s loan quality remained consistent during the first quarter as nonperforming assets and OREO were at zero both at December 31, 2014 and March 31, 2015.

#### Earnings

The Company posted net interest income of \$1,225,212 for the quarter ended March 31, 2015 as compared to \$937,047 for the quarter ended March 31, 2014. Average earning assets increased as well as the yield on earning assets increased by 0.58% to 4.40%. Average interest-earning assets were \$119.5 million with average interest-bearing liabilities of \$57.2 million, yielding a net interest margin of 4.16% for the first quarter of 2015; as compared to the average interest-earning assets of \$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.

Non-interest income totaled \$368,668 for the first quarter of 2015, or a decrease of 16.1% as compared with \$439,560 earned during the first quarter last year. Service charges on deposit accounts decreased 12.9% to \$306,002 due to decrease in income from returned items and overdraft charges. Dividend income from restricted stock increased to \$18,374 for the first quarter of 2015, compared to \$14,318 for the same quarter in 2014, due to additional purchases of restricted stock. Income from bank-owned life insurance remained consistent at \$25,418 in the first quarter of 2015 and \$25,814 in the first quarter of 2014.

General and administrative expenses were \$1,075,780 for the three months ended March 31, 2015, as compared to \$1,019,710 for the first quarter of 2014. The largest component of general and administrative expenses was salary and benefits expense of \$663,539 for the first quarter of 2015, as compared to \$587,396 for the same quarter last year. Regulatory assessments increased by \$2,298 or 8.1% to \$30,519 in the first quarter of 2015 compared to \$28,221 in the first quarter of 2014 due the continuous growth of the Bank. Advertising and marketing expenses decreased 51.4% to \$11,528 in the first quarter of 2015 from \$23,743 for the same period last year.

Income tax expense was \$197,774 for the three months ended March 31, 2015 as compared to \$131,563 for the three months ended March 31, 2014. The effective income tax rate for the first quarter of 2015 and 2014 is approximately 38.3% and 37.0%, 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, 2015 and December 31, 2014

	<u>March 31, 2015</u>	<u>December 31, 2014</u>
	(unaudited)	(audited)
<b>ASSETS:</b>		
Cash and due from banks	\$ 21,528,744	\$ 5,529,963
Total cash and cash equivalents	<u>21,528,744</u>	<u>5,529,963</u>
Interest-bearing deposits in other banks	16,320,000	\$ 19,048,000
Investment securities available for sale	1,592,894	1,637,579
Investment securities held to maturity (fair value approximates \$12,495,000 at March 31, 2014 and \$11,493,000 at December 31, 2014)	10,905,955	11,370,815
Total investments	<u>28,818,849</u>	<u>32,056,394</u>
<b>Loans</b>		
Construction	834,100	613,802
Real estate	64,704,547	65,070,148
Commercial	19,437,222	17,437,492
Installment	318,104	339,519
Gross loans	85,293,973	83,460,961
Unearned fees and discounts	(236,973)	(211,142)
Loans net of unearned fees and discount	85,057,000	83,249,819
Allowance for loan losses	(1,546,493)	(1,536,241)
Net loans	<u>83,510,507</u>	<u>81,713,578</u>
Fixed assets, net	5,926,806	5,971,324
Accrued interest receivable	334,010	312,508
Stock investments, restricted, at cost	1,625,400	716,700
Bank-owned life insurance	3,106,212	3,080,794
Other assets	599,030	751,466
Total assets	<u>\$ 145,449,558</u>	<u>\$ 130,132,727</u>
<b>LIABILITIES:</b>		
Deposits		
Non-interest bearing	\$ 64,749,798	\$ 64,657,125
Interest bearing		
NOW and money market	40,835,905	35,665,321
Savings	4,185,063	4,119,507
Time deposits less than \$100,000	4,249,746	4,367,455
Time deposits of \$100,000 or greater	6,468,102	6,631,526
Total deposits	<u>120,488,614</u>	<u>115,440,934</u>
Accrued interest payable	26,694	26,066
Borrowings from Federal Home Loan Bank (FHLB)	10,000,000	-
Accrued expenses & other payables	728,106	772,134
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>134,336,414</u>	<u>119,332,134</u>
<b>SHAREHOLDERS' EQUITY</b>		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,026,349 shares at March 31, 2015 and 916,550 December 31, 2013, respectively.	6,089,466	4,579,730
Retained earnings	4,992,075	6,185,281
Accumulated other comprehensive income	31,603	35,582
Total shareholders' equity	<u>11,113,144</u>	<u>10,800,593</u>
Total liabilities & shareholders' equity	<u>\$ 145,449,558</u>	<u>\$ 130,132,727</u>

**CHINO COMMERCIAL BANCORP**  
CONSOLIDATED STATEMENTS OF NET INCOME  
(unaudited)

	For the three months ended	
	March 31	
	2015	2014
Interest income		
Interest and fee income on loans	\$ 1,185,445	\$ 914,348
Interest on federal funds sold and FRB deposits	1,112	10,087
Interest on time deposits in banks	30,195	29,613
Interest on investment securities	80,646	52,386
Total interest income	1,297,398	1,006,434
Interest Expense		
Interest on deposits	55,818	54,977
Other borrowings	16,368	14,410
Total interest expense	72,186	69,387
Net interest income	1,225,212	937,047
Provision for loan losses	1,458	911
Net interest income after provision for loan losses	1,223,754	936,136
Non-interest income		
Service charges on deposit accounts	306,002	351,376
Other miscellaneous income	18,874	48,052
Dividend income from restricted stock	18,374	14,318
Income from bank-owned life insurance	25,418	25,814
Total non-interest income	368,668	439,560
Non-interest expenses		
Salaries and employee benefits	663,539	587,396
Occupancy and equipment	103,001	99,802
Data and item processing	93,338	96,982
Advertising and marketing	11,528	23,743
Legal and professional fees	45,236	60,314
Regulatory assessments	30,519	28,221
Insurance	7,865	8,413
Directors' fees and expenses	26,417	26,669
Other expenses	94,337	88,170
Total non-interest expenses	1,075,780	1,019,710
Income before income tax expense	516,642	355,986
Income tax expense	197,774	131,563
Net income	\$ 318,868	\$ 224,423
Basic earnings per share	\$ 0.31	\$ 0.22
Diluted earnings per share	\$ 0.31	\$ 0.22

## CHINO COMMERCIAL BANCORP

	For the three months ended	
	March 31	
	2015	2014
<b>KEY FINANCIAL RATIOS</b>		
(unaudited)		
Annualized return on average equity	11.54%	9.17%
Annualized return on average assets	0.96%	0.75%
Net interest margin	4.16%	3.56%
Core efficiency ratio	67.49%	74.07%
Net chargeoffs to average loans	-0.01%	-0.01%
 <b>AVERAGE BALANCES</b>		
(thousands, unaudited)		
Average assets	\$ 132,848	\$ 119,901
Average interest-earning assets	\$ 119,493	\$ 106,850
Average gross loans	\$ 86,538	\$ 64,330
Average deposits	\$ 109,349	\$ 106,245
Average equity	\$ 11,057	\$ 9,793
 <b>CREDIT QUALITY</b>		
(unaudited)		
	End of period	
	March 31, 2015	March 31, 2014
Non-performing loans	\$ -	\$ 198,766
Non-performing loans to total loans	0.00%	0.24%
Non-performing loans to total assets	0.00%	0.15%
Allowance for loan losses to total loans	1.81%	1.84%
Nonperforming assets as a percentage of total loans and OREO	0.00%	0.24%
Allowance for loan losses to non-performing loans	n/a	772.89%
 <b>OTHER PERIOD-END STATISTICS</b>		
(unaudited)		
	March 31, 2015	March 31, 2014
Shareholders equity to total assets	7.64%	8.30%
Net Loans to deposits	69.31%	70.78%
Non-interest bearing deposits to total deposits	53.74%	56.01%
Total capital to total risk-weighted assets	16.82%	18.55%
Tier 1 capital to total risk-weighted assets	16.23%	17.54%
Tier 1 leverage ratio	11.12%	10.95%
Common equity tier 1	16.23%	n/a