

CHINO COMMERCIAL BANCORP REPORTS 16% INCREASE IN THIRD QUARTER EARNINGS

Chino, California, October 16, 2015 – The Board of Directors of Chino Commercial Bancorp (“CCBC”), the parent company of Chino Commercial Bank, N.A., announced net earnings for the Company and the consolidated Bank for the third quarter ended September 30, 2015 with net earnings of \$336,328 or an increase of 16%, as compared with net income of \$289,916 for the same quarter last year. Net income per basic and diluted share for the third quarter 2015 was \$0.33 as compared to \$0.28 for the same quarter last year. The Company’s income for the nine months ended September 30, 2015 increased 14.9% to \$1,008,749 or \$0.98 per basic and diluted share as compared with net earnings of \$877,887 or \$0.86 per basic and diluted share for the same period in 2014.

Dann H. Bowman, President and Chief Executive Officer, stated, “The Bank’s operating performance in the third quarter and year-to-date has been very strong. Credit quality remains solid with the Bank having no credit losses over the first three quarters, no Non-performing assets, and no foreclosed properties.

Economic conditions in the Inland Empire continue to improve and the business climate is very good. With the Bank’s strong balance sheet, we have the capacity to expand our lending within the community and grow the organization.”

Financial Condition

At September 30, 2015, total assets were \$164.3 million, which was an increase of \$34.1 million or 26.2% over \$130.1 million at December 31, 2014. Deposits increased by \$18.1 million or 15.7% to \$133.5 million at September 30, 2015, from \$115.4 million at December 31, 2014.

Loans net of unearned fees increased 4.8% in the nine months ended September 30, 2015 to \$87.2 million from \$83.2 million at December 31, 2014. The Bank’s loan quality remained consistent during the second quarter as nonperforming assets and OREO remained at zero at September 30, 2015 and December 31, 2014, respectively.

Earnings

The Company posted net interest income of \$1,310,757 and \$1,081,338 for the three months ended September 30, 2015 and 2014, respectively, or an increase of \$229,419 or 21.2%. For the nine months ended September 30, 2015 the Company posted net interest income of \$3,783,457, compared to \$3,087,463 for the same period in 2014, or an increase of \$695,994 or 22.5%.

Average interest-earning assets were \$143.0 million with average interest-bearing liabilities of \$69.8 million, yielding a net interest margin of 3.64% for the third quarter of 2015; as compared to the average interest-earning assets of \$114.9 million with average interest-bearing liabilities of \$55.5 million, yielding a net interest margin of 3.73% for the third quarter of 2014.

Non-interest income totaled \$350,622 for the third quarter of 2015, or a decrease of 11.9% from \$398,190 earned during the third quarter of 2014. For the nine months ended September 30, 2015, non-interest income totaled \$1,108,975 or a 10.4% decrease from \$1,237,134 earned during the same period in 2014.

General and administrative expenses were \$1,115,633 for the three months ended September 30, 2015, as compared to \$1,012,807 for the third quarter of 2014. The largest component of general and administrative expenses was salary and benefits expense of \$650,333 for the third quarter of 2015, as compared to \$570,831 for the three months ended September 30, 2014. Regulatory assessments increased to \$31,611 or 7.0% in the third quarter of 2015, compared to \$29,537 in the third quarter of 2014. Legal, Audit, and Other Professional fees decreased by 44.2% to \$32,980 in the third quarter of 2015, from \$59,100 in the quarter ended September 30, 2014 due to an overall decrease in audit fees.

Income tax expense was \$209,175 for the three months ended September 30, 2015, as compared to \$176,805 for the three months ended September 30, 2014. The effective income tax rate for the third quarter of 2015 and 2014 is approximately 38.3% and 37.9%, 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, 2015 and December 31, 2014

	September 30, 2015	December 31, 2014
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 36,595,837	\$ 5,529,963
Total cash and cash equivalents	36,595,837	5,529,963
Interest-bearing deposits in other banks	5,456,000	\$ 19,048,000
Investment securities available for sale	3,121,918	1,637,579
Investment securities held to maturity (fair value approximates \$21,998,000 at September 30, 2015 and \$11,493,000 at December 31, 2014)	21,777,251	11,370,815
Total investments	30,355,169	32,056,394
Loans		
Construction	1,200,000	613,802
Real estate	65,527,204	65,070,148
Commercial	20,366,126	17,437,492
Installment	376,077	339,519
Gross loans	87,469,407	83,460,961
Unearned fees and discounts	(222,732)	(211,142)
Loans net of unearned fees and discount	87,246,675	83,249,819
Allowance for loan losses	(1,619,773)	(1,536,241)
Net loans	85,626,902	81,713,578
Fixed assets, net	5,891,960	5,971,324
Accrued interest receivable	355,770	312,508
Stock investments, restricted, at cost	1,592,400	716,700
Bank-owned life insurance	3,157,372	3,080,794
Other assets	714,918	751,466
Total assets	\$ 164,290,328	\$ 130,132,727
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 77,092,870	\$ 64,657,125
Interest bearing		
NOW and money market	41,430,640	35,665,321
Savings	4,338,307	4,119,507
Time deposits less than \$100,000	4,053,388	4,367,455
Time deposits of \$100,000 or greater	6,633,531	6,631,526
Total deposits	133,548,736	115,440,934
Accrued interest payable	23,431	26,066
Borrowings from Federal Home Loan Bank (FHLB)	15,000,000	-
Accrued expenses & other payables	826,913	772,134
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	152,492,080	119,332,134
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,026,349 shares at September 30, 2015 and 916,550 December 31, 2014, respectively.	6,089,466	4,579,730
Retained earnings	5,681,956	6,185,281
Accumulated other comprehensive income	26,826	35,582
Total shareholders' equity	11,798,248	10,800,593
Total liabilities & shareholders' equity	\$ 164,290,328	\$ 130,132,727

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME
(unaudited)

	For the three months ended		For the year ended	
	September 30		September 30	
	2015	2014	2015	2014
Interest income				
Interest and fee income on loans	\$ 1,228,781	\$ 1,021,331	\$ 3,616,409	\$ 2,965,236
Interest on federal funds sold and FRB deposits	16,161	5,921	27,375	27,361
Interest on time deposits in banks	15,004	38,095	68,193	101,323
Interest on investment securities	132,792	87,190	303,371	203,325
Total interest income	<u>1,392,738</u>	<u>1,152,537</u>	<u>4,015,348</u>	<u>3,297,245</u>
Interest Expense				
Interest on deposits	59,424	56,546	172,863	166,214
Other borrowings	22,557	14,653	59,028	43,568
Total interest expense	<u>81,981</u>	<u>71,199</u>	<u>231,891</u>	<u>209,782</u>
Net interest income	1,310,757	1,081,338	3,783,457	3,087,463
Provision for loan losses	243	-	4,041	(129,089)
Net interest income after provision for loan losses	<u>1,310,514</u>	<u>1,081,338</u>	<u>3,779,416</u>	<u>3,216,552</u>
Non-interest income				
Service charges on deposit accounts	265,693	336,670	873,089	1,031,575
Other miscellaneous income	21,343	20,268	59,878	89,171
Dividend income from restricted stock	37,951	15,119	99,430	38,457
Income from bank-owned life insurance	25,635	26,133	76,578	77,931
Total non-interest income	<u>350,622</u>	<u>398,190</u>	<u>1,108,975</u>	<u>1,237,134</u>
Non-interest expenses				
Salaries and employee benefits	650,333	570,831	1,964,562	1,733,248
Occupancy and equipment	108,305	112,808	310,585	315,138
Data and item processing	97,934	96,585	287,353	288,571
Advertising and marketing	13,714	26,033	39,998	70,038
Legal and professional fees	32,980	59,100	115,606	164,117
Regulatory assessments	31,611	29,537	92,813	87,879
Insurance	8,471	8,431	24,807	25,275
Directors' fees and expenses	26,771	27,628	80,850	82,469
Other expenses	145,514	81,854	336,062	272,048
Total non-interest expenses	<u>1,115,633</u>	<u>1,012,807</u>	<u>3,252,636</u>	<u>3,038,783</u>
Income before income tax expense	545,503	466,721	1,635,755	1,414,903
Income tax expense	209,175	176,805	627,006	537,016
Net income	<u>\$ 336,328</u>	<u>\$ 289,916</u>	<u>\$ 1,008,749</u>	<u>\$ 877,887</u>
Basic earnings per share	\$ 0.33	\$ 0.28	\$ 0.98	\$ 0.86
Diluted earnings per share	\$ 0.33	\$ 0.28	\$ 0.98	\$ 0.86

	For the three months ended		For the year ended	
	September 30		September 30	
	2015	2014	2015	2014
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	11.55%	11.14%	11.86%	11.61%
Annualized return on average assets	0.86%	0.91%	0.93%	0.94%
Net interest margin	3.64%	3.73%	3.85%	3.70%
Core efficiency ratio	67.15%	68.45%	66.48%	70.27%
Net chargeoffs/(recoveries) to average loans	-0.07%	-0.02%	-0.09%	-0.24%
AVERAGE BALANCES				
(thousands, unaudited)				
Average assets	\$ 156,751	\$ 127,863	\$ 145,101	\$ 124,456
Average interest-earning assets	\$ 142,958	\$ 114,908	\$ 131,394	\$ 111,461
Average gross loans	\$ 85,866	\$ 69,029	\$ 86,529	\$ 65,830
Average deposits	\$ 121,976	\$ 113,482	\$ 115,721	\$ 110,467
Average equity	\$ 11,651	\$ 10,409	\$ 11,345	\$ 10,078
CREDIT QUALITY				
(unaudited)				
	End of period			
	September 30, 2015	December 31, 2014		
Non-performing loans	\$ -	\$ -		
Non-performing loans to total loans	0.00%	0.00%		
Non-performing loans to total assets	0.00%	0.00%		
Allowance for loan losses to total loans	1.85%	1.84%		
Nonperforming assets as a percentage of total loans and OREO	0.00%	0.00%		
Allowance for loan losses to non-performing loans	n/a	n/a		
OTHER PERIOD-END STATISTICS				
(unaudited)				
	September 30, 2015	December 31, 2014		
Shareholders equity to total assets	7.18%	8.30%		
Net Loans to deposits	64.12%	70.78%		
Non-interest bearing deposits to total deposits	57.73%	56.01%		
Total capital to total risk-weighted assets	16.93%	16.72%		
Tier 1 capital to total risk-weighted assets	16.55%	16.01%		
Tier 1 leverage ratio	10.01%	11.18%		
Common equity tier 1	16.55%	n/a		