

CHINO COMMERCIAL BANCORP REPORTS 22% INCREASE IN FOURTH QUARTER EARNINGS

Chino, California, January 27, 2016 – The Board of Directors of Chino Commercial Bancorp (OTC:CCBC), the parent company of Chino Commercial Bank, N.A., announced net earnings for the Company and the consolidated Bank for the fourth quarter ended December 31, 2015 of \$318,620 or an increase of 21.7%, as compared with net income of \$261,886 for the same quarter last year. Net income per basic and diluted share for the fourth quarter 2015 was \$0.31, as compared to \$0.26 for the same quarter last year. The Company's income for the year ended December 31, 2015 increased 16.5% to \$1,327,370 or \$1.29 per basic and diluted share, as compared with net earnings of \$1,139,773 or \$1.11 per basic and diluted share for the same period in 2014.

Dann H. Bowman, President and Chief Executive Officer stated, "The Bank had a very good year, with net earnings increasing 16% over last year. Credit quality remains solid with the Bank having no credit losses during the year, no Non-performing assets at year-end, 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 continue to grow the Bank."

Financial Condition

At December 31, 2015, total assets were \$161.4 million, which was an increase of \$31.3 million or 24.0% over \$130.1 million at December 31, 2014. Deposits increased by \$14.9 million or 12.9% to \$130.3 million at December 31, 2015, from \$115.4 million at December 31, 2014.

Loans net of unearned fees increased 11.7% in the year ended December 31, 2015 to \$93.0 million from \$83.2 million at December 31, 2014. The Bank's loan quality remained consistent, as nonperforming assets and OREO remained at zero as of December 31, 2015 and December 31, 2014, respectively.

Earnings

The Company posted net interest income of \$1,355,351 and \$1,170,793 for the three months ended December 31, 2015 and 2014, respectively, or an increase of \$184,558 or 15.8%. For the year ended December 31, 2015 the Company posted net interest income of \$5,138,809, compared to \$4,258,258 for the same period in 2014, or an increase of \$880,551 or 20.7%.

Average interest-earning assets were \$150.7 million with average interest-bearing liabilities of \$71.5 million, yielding a net interest margin of 3.57% for the fourth quarter of 2015; as compared to the average interest-earning assets of \$115.1 million with average interest-bearing liabilities of \$56.0 million, yielding a net interest margin of 4.03% for the fourth quarter of 2014.

Non-interest income totaled \$375,022 for the fourth quarter of 2015, or an increase of 1.9% from \$367,964 earned during the fourth quarter of 2014. For the year ended December 31, 2015, non-interest income totaled \$1,483,998 or a 7.5% decrease from \$1,605,098 earned during the same period in 2014.

General and administrative expenses were \$1,176,051 for the three months ended December 31, 2015, as compared to \$1,114,531 for the fourth quarter of 2014. The largest component of general and administrative expenses was salary and benefits expense of \$690,496 for the fourth quarter of 2015, as compared to \$665,516 for the three months ended December 31, 2014. Regulatory assessments increased to \$33,767 or 65.2% in the fourth quarter of 2015, compared to \$20,446 in the fourth quarter of 2014. Legal, Audit, and Other Professional fees decreased by 18.1% to \$42,934 in the fourth quarter of 2015, from \$52,425 in the quarter ended December 31, 2014, due to an overall decrease in audit fees.

Income tax expense was \$197,455 for the three months ended December 31, 2015, as compared to \$157,743 for the three months ended December 31, 2014. The effective income tax rate for the fourth quarter of 2015 and 2014 is approximately 38.3% and 37.6%, 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.

Contact: Dann H. Bowman, President and CEO or Melinda M. Milincu, Vice President and CFO, Chino Commercial Bancorp and Chino Commercial Bank, N.A., 14245 Pipeline Avenue, Chino, Ca. 91710, (909) 393-8880.

CHINO COMMERCIAL BANCORP
CONSOLIDATED BALANCE SHEET
December 31, 2015 and 2014

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 24,898,140	\$ 5,529,963
Total cash and cash equivalents	<u>24,898,140</u>	<u>5,529,963</u>
Interest-bearing deposits in other banks	4,960,000	19,048,000
Investment securities available for sale	4,931,068	1,637,579
Investment securities held to maturity (fair value approximates \$23,115,000 at December 31, 2015 and \$11,493,000 at December 31, 2014)	23,100,106	11,370,815
Total investments	<u>32,991,174</u>	<u>32,056,394</u>
Loans		
Construction	-	613,802
Real estate	72,756,410	65,070,148
Commercial	20,053,905	17,437,492
Installment	433,764	339,519
Gross loans	<u>93,244,079</u>	<u>83,460,961</u>
Unearned fees and discounts	(251,911)	(211,142)
Loans net of unearned fees and discount	<u>92,992,168</u>	<u>83,249,819</u>
Allowance for loan losses	(1,667,204)	(1,536,241)
Net loans	<u>91,324,964</u>	<u>81,713,578</u>
Fixed assets, net	6,021,446	5,971,324
Accrued interest receivable	395,685	312,508
Stock investments, restricted, at cost	1,766,500	716,700
Bank-owned life insurance	3,183,247	3,080,794
Other assets	803,048	751,466
Total assets	<u>\$ 161,384,204</u>	<u>\$ 130,132,727</u>
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 74,431,378	\$ 64,657,125
Interest bearing		
NOW and money market	40,980,418	35,665,321
Savings	4,815,198	4,119,507
Time deposits less than \$100,000	3,527,293	4,367,455
Time deposits of \$100,000 or greater	6,594,434	6,631,526
Total deposits	<u>130,348,721</u>	<u>115,440,934</u>
Accrued interest payable	25,229	26,066
Borrowings from Federal Home Loan Bank (FHLB)	15,000,000	-
Accrued expenses & other payables	843,691	772,134
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>149,310,641</u>	<u>119,332,134</u>
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,026,349 shares at December 31, 2015 and 916,550 December 31, 2014, respectively.	6,089,466	4,579,730
Retained earnings	6,000,577	6,185,281
Accumulated other comprehensive income	(16,480)	35,582
Total shareholders' equity	<u>12,073,563</u>	<u>10,800,593</u>
Total liabilities & shareholders' equity	<u>\$ 161,384,204</u>	<u>\$ 130,132,727</u>

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME

	(unaudited)			
	For the three months ended		For the year ended	
	December 31		December 31	
	2015	2014	2015	2014
Interest income				
Interest and fee income on loans	\$ 1,262,845	\$ 1,119,762	\$ 4,879,254	\$ 4,084,998
Interest on federal funds sold and FRB deposits	20,931	468	48,306	27,829
Interest on time deposits in banks	13,056	36,931	81,249	138,255
Interest on investment securities	142,525	84,198	445,896	287,524
Total interest income	<u>1,439,357</u>	<u>1,241,359</u>	<u>5,454,705</u>	<u>4,538,606</u>
Interest Expense				
Interest on deposits	59,969	55,204	232,831	221,418
Other borrowings	24,037	15,362	83,065	58,930
Total interest expense	<u>84,006</u>	<u>70,566</u>	<u>315,896</u>	<u>280,348</u>
Net interest income	1,355,351	1,170,793	5,138,809	4,258,258
Provision for loan losses	<u>38,247</u>	<u>4,597</u>	<u>42,288</u>	<u>(124,492)</u>
Net interest income after provision for loan losses	<u>1,317,104</u>	<u>1,166,196</u>	<u>5,096,521</u>	<u>4,382,750</u>
Non-interest income				
Service charges on deposit accounts	275,640	312,524	1,148,730	1,344,099
Other miscellaneous income	21,556	19,171	81,434	108,343
Dividend income from restricted stock	51,951	9,882	151,381	48,339
Income from bank-owned life insurance	25,875	26,387	102,453	104,317
Total non-interest income	<u>375,022</u>	<u>367,964</u>	<u>1,483,998</u>	<u>1,605,098</u>
Non-interest expenses				
Salaries and employee benefits	690,496	665,516	2,655,057	2,398,764
Occupancy and equipment	114,130	123,112	424,715	438,251
Data and item processing	99,441	94,191	386,793	382,762
Advertising and marketing	16,438	30,129	56,437	100,168
Legal and professional fees	42,934	52,425	158,540	216,542
Regulatory assessments	33,767	20,446	126,580	108,325
Insurance	8,471	8,431	33,278	33,705
Directors' fees and expenses	26,460	27,456	107,310	109,925
Other expenses	143,914	92,825	479,978	364,874
Total non-interest expenses	<u>1,176,051</u>	<u>1,114,531</u>	<u>4,428,688</u>	<u>4,153,316</u>
Income before income tax expense	516,075	419,629	2,151,831	1,834,532
Income tax expense	<u>197,455</u>	<u>157,743</u>	<u>824,461</u>	<u>694,759</u>
Net income	<u>\$ 318,620</u>	<u>\$ 261,886</u>	<u>\$ 1,327,370</u>	<u>\$ 1,139,773</u>
Basic earnings per share	\$ 0.31	\$ 0.26	\$ 1.29	\$ 1.11
Diluted earnings per share	\$ 0.31	\$ 0.26	\$ 1.29	\$ 1.11
Tax rate	38.3%	37.6%	38.3%	37.9%

	For the three months ended		For the year ended	
	December 31		December 31	
	2015	2014	2015	2014
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	10.63%	9.80%	11.54%	11.14%
Annualized return on average assets	0.77%	0.82%	0.88%	0.91%
Net interest margin	3.57%	4.03%	3.77%	3.79%
Core efficiency ratio	67.97%	72.43%	66.87%	70.84%
Net chargeoffs/(recoveries) to average loans	-0.01%	-0.01%	-0.10%	-0.24%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 164,614	\$ 128,349	\$ 150,004	\$ 125,437
Average interest-earning assets	\$ 150,657	\$ 115,133	\$ 136,231	\$ 112,387
Average gross loans	\$ 88,730	\$ 79,834	\$ 87,066	\$ 69,360
Average deposits	\$ 128,323	\$ 112,169	\$ 118,902	\$ 110,896
Average equity	\$ 11,988	\$ 10,689	\$ 11,504	\$ 10,232

CREDIT QUALITY

(unaudited)

	End of period	
	December 31, 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	1.79%	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)

	December 31, 2015	December 31, 2014
Shareholders equity to total assets	7.48%	8.30%
Net Loans to deposits	70.06%	70.78%
Non-interest bearing deposits to total deposits	57.10%	56.01%
Total capital to total risk-weighted assets	17.28%	16.72%
Tier 1 capital to total risk-weighted assets	17.01%	16.01%
Tier 1 leverage ratio	9.79%	11.18%
Common equity tier 1	17.01%	n/a