

CHINO COMMERCIAL BANCORP REPORTS
5% INCREASE IN SECOND QUARTER EARNINGS

Chino, California, July 22, 2016 – The Board of Directors of Chino Commercial Bancorp (OTC: 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 second quarter ended June 30, 2016 with net earnings of \$371,840, or an increase of 5.2%, compared with net income of \$353,552 for the same quarter last year. Net income per basic share for the second quarter of 2016 was \$0.30 as compared to \$0.29 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer, stated, “The second quarter of 2016 marks a new record for the Company with total Deposits, total Loans and total Revenue all reaching new highs. The competitive market for the Bank is very good and as the economy in Southern California continues to improve we are optimistic regarding the potential for further expansion in our markets.

Financial Condition

At June 30, 2016, total assets were \$178.6 million, an increase of \$17.2 million or 10.6% over \$161.4 million at December 31, 2015. Total deposits increased by 8.7% or \$11.3 million during the year to \$141.6 million, compared to \$130.3 million as of December 31, 2015. At June 30, 2016, the Company’s core deposits represent 95.4% of the total deposits.

Gross loans increased by 10.4% or \$9.7 million as of June 30, 2016 to \$103.0 million as compared with \$93.2 million as of December 31, 2015. The Bank’s loan quality remained consistent during the second quarter as nonperforming assets and OREO were both at zero as of June 30, 2016, and December 31, 2015, respectively.

Earnings

The Company posted net interest income of \$1,460,731 and \$1,247,489 for the three months ended June 30, 2016 and 2015, respectively, or an increase of \$213,242 or 17.1%. Average interest-earning assets were \$149.6 million with average interest-bearing liabilities of \$77.7 million, yielding a net interest margin of 3.93% for the second quarter of 2016; as compared to the average interest-earning assets of \$131.5 million with average interest-bearing liabilities of \$67.8 million, yielding a net interest margin of 3.85% for the second quarter of 2015.

Non-interest income totaled \$427,800 for the second quarter of 2016, or an increase of 9.8% as compared with \$389,686 earned during the same quarter last year. Service charges on deposit accounts decreased 10.8% to \$268,928 due to a decrease in income from returned items and overdraft charges. Dividend income from restricted stock decreased to \$37,962 for the second quarter of 2016, compared to \$43,105 for the same quarter in 2015 due to special dividend payout during the second quarter of 2015 from the Federal Home Loan Bank. Income from bank-owned life insurance remained consistent at \$25,597 in the second quarter of 2016 and \$25,525 in the second quarter of 2015.

General and administrative expenses were \$1,147,630 for the three months ended June 30, 2016, as compared to \$1,061,226 for the second quarter of 2015. The largest component of general and

administrative expenses was salary and benefits expense of \$706,355 for the second quarter of 2016, as compared to \$650,690 for the same quarter last year. Regulatory assessments increased to \$36,539 in the second quarter of 2016 in comparison with \$30,683 in the second quarter of 2015. Advertising and marketing expenses increased 18.1% to \$17,426 in the second quarter of 2016 from \$14,757 for the same period last year.

Income tax expense was \$237,697 for the three months ended June 30, 2016 as compared to \$220,057 for the three months ended June 30, 2015. The effective income tax rate for the second quarter of 2016 and 2015 is approximately 39.0% and 38.4%, 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
June 30, 2016 and December 31, 2015

	June 30, 2016	December 31, 2015
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 34,165,233	\$ 24,898,140
Total cash and cash equivalents	<u>34,165,233</u>	<u>24,898,140</u>
Interest-bearing deposits in other banks	4,216,000	4,960,000
Investment securities available for sale	4,728,757	4,931,068
Investment securities held to maturity (fair value approximates \$22,597,000 at June 30, 2016 and \$23,115,000 at December 31, 2015)	<u>22,225,641</u>	<u>23,100,106</u>
Total investments	<u>31,170,398</u>	<u>32,991,174</u>
Loans		
Real estate	83,972,643	72,756,410
Commercial	18,509,423	20,053,905
Installment	<u>488,381</u>	<u>433,764</u>
Gross loans	102,970,447	93,244,079
Unearned fees and discounts	<u>(353,575)</u>	<u>(251,911)</u>
Loans net of unearned fees and discount	102,616,872	92,992,168
Allowance for loan losses	<u>(1,749,671)</u>	<u>(1,667,204)</u>
Net loans	<u>100,867,201</u>	<u>91,324,964</u>
Fixed assets, net	5,913,364	6,021,446
Accrued interest receivable	278,256	395,685
Stock investments, restricted, at cost	1,766,500	1,766,500
Bank-owned life insurance	3,234,415	3,183,247
Other assets	<u>1,173,816</u>	<u>803,048</u>
Total assets	<u>\$ 178,569,183</u>	<u>\$ 161,384,204</u>
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 84,690,309	\$ 74,431,378
Interest bearing		
NOW and money market	42,078,516	40,980,418
Savings	4,840,621	4,815,198
Time deposits less than \$250,000	3,516,649	3,913,644
Time deposits of \$250,000 or greater	<u>6,511,429</u>	<u>6,208,083</u>
Total deposits	141,637,524	130,348,721
Accrued interest payable	25,593	25,229
Borrowings from Federal Home Loan Bank (FHLB)	20,000,000	15,000,000
Accrued expenses & other payables	934,095	843,691
Subordinated notes payable to subsidiary trust	<u>3,093,000</u>	<u>3,093,000</u>
Total liabilities	<u>165,690,212</u>	<u>149,310,641</u>
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,231,332 shares at June 30, 2016 and December 31, 2015, respectively.	6,089,466	6,089,466
Retained earnings	6,758,873	6,000,577
Accumulated other comprehensive income/(loss)	<u>30,632</u>	<u>(16,480)</u>
Total shareholders' equity	<u>12,878,971</u>	<u>12,073,563</u>
Total liabilities & shareholders' equity	<u>\$ 178,569,183</u>	<u>\$ 161,384,204</u>

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME

	(unaudited)			
	For the three months ended		For the year ended	
	June 30		June 30	
	2016	2015	2016	2015
Interest income				
Interest and fee income on loans	\$ 1,382,543	\$ 1,202,183	\$ 2,692,647	\$ 2,387,628
Interest on federal funds sold and FRB deposits	26,703	10,102	53,036	11,214
Interest on time deposits in banks	9,929	22,994	20,379	53,189
Interest on investment securities	140,819	89,933	288,658	170,579
Total interest income	<u>1,559,994</u>	<u>1,325,212</u>	<u>3,054,720</u>	<u>2,622,610</u>
Interest Expense				
Interest on deposits	65,082	57,621	125,430	113,439
Other borrowings	34,181	20,102	68,432	36,470
Total interest expense	<u>99,263</u>	<u>77,723</u>	<u>193,862</u>	<u>149,909</u>
Net interest income	1,460,731	1,247,489	2,860,858	2,472,701
Provision for loan losses	<u>131,364</u>	<u>2,340</u>	<u>131,364</u>	<u>3,798</u>
Net interest income after provision for loan losses	<u>1,329,367</u>	<u>1,245,149</u>	<u>2,729,494</u>	<u>2,468,903</u>
Non-interest income				
Service charges on deposit accounts	268,928	301,395	546,801	607,397
Other miscellaneous income	95,313	19,661	117,946	38,535
Dividend income from restricted stock	37,962	43,105	72,843	61,479
Income from bank-owned life insurance	25,597	25,525	51,168	50,943
Total non-interest income	<u>427,800</u>	<u>389,686</u>	<u>788,758</u>	<u>758,354</u>
Non-interest expenses				
Salaries and employee benefits	706,355	650,690	1,387,244	1,314,229
Occupancy and equipment	99,125	99,280	202,953	202,281
Data and item processing	95,226	96,081	189,667	189,419
Advertising and marketing	17,426	14,757	34,542	26,285
Legal and professional fees	40,101	37,390	87,531	82,626
Regulatory assessments	36,539	30,683	66,850	61,202
Insurance	8,539	8,471	17,010	16,336
Directors' fees and expenses	27,129	27,663	53,839	54,080
Other expenses	117,190	96,211	226,211	190,547
Total non-interest expenses	<u>1,147,630</u>	<u>1,061,226</u>	<u>2,265,847</u>	<u>2,137,005</u>
Income before income tax expense	609,537	573,609	1,252,405	1,090,252
Income tax expense	<u>237,697</u>	<u>220,057</u>	<u>488,991</u>	<u>417,831</u>
Net income	<u>\$ 371,840</u>	<u>\$ 353,552</u>	<u>\$ 763,414</u>	<u>\$ 672,421</u>
Basic earnings per share	\$ 0.30	\$ 0.29	\$ 0.62	\$ 0.55
Diluted earnings per share	\$ 0.30	\$ 0.29	\$ 0.62	\$ 0.55

	For the three months ended		For the year ended	
	June 30		June 30	
	2016	2015	2016	2015
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	11.70%	12.64%	24.40%	24.04%
Annualized return on average assets	0.90%	0.97%	1.86%	1.93%
Net interest margin	3.93%	3.85%	7.77%	7.99%
Core efficiency ratio	60.77%	64.82%	62.08%	66.14%
Net chargeoffs/(recoveries) to average loans	0.06%	-0.01%	0.05%	-0.02%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 165,504	\$ 145,442	\$ 163,906	\$ 139,180
Average interest-earning assets	\$ 149,635	\$ 131,473	\$ 148,096	\$ 125,516
Average gross loans	\$ 98,736	\$ 87,189	\$ 96,382	\$ 86,865
Average deposits	\$ 132,349	\$ 119,383	\$ 131,014	\$ 116,207
Average equity	\$ 12,717	\$ 11,321	\$ 12,516	\$ 11,190

CREDIT QUALITY

(unaudited)

	End of period	
	June 30, 2016	December 31, 2015
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	1.70%	1.79%
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)

Shareholders equity to total assets	7.21%	7.48%
Net Loans to deposits	71.22%	70.06%
Non-interest bearing deposits to total deposits	59.79%	57.10%
Total capital to total risk-weighted assets	15.43%	16.15%
Tier 1 capital to total risk-weighted assets	15.23%	15.82%
Tier 1 leverage ratio	10.34%	9.79%
Common equity tier 1	15.23%	15.82%