

CHINO COMMERCIAL BANCORP REPORTS
7% INCREASE IN THIRD QUARTER EARNINGS

Chino, California, October 21, 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 third quarter ended September 30, 2016 with net earnings of \$361,258, or an increase of 7.4%, compared with net income of \$336,328 for the same quarter last year. Net income per basic share for the third quarter of 2016 was \$0.29 as compared to \$0.27 for the same quarter last year.

Financial Condition

At September 30, 2016, total assets were \$182.3 million, an increase of \$20.9 million or 13.0% over \$161.4 million at December 31, 2015. Total deposits increased by 15.1% or \$19.7 million during the year to \$150.0 million, compared to \$130.3 million as of December 31, 2015. At September 30, 2016, the Company's core deposits represent 95.0% of the total deposits.

Gross loans increased by 15.1% or \$14.1 million as of September 30, 2016 to \$107.4 million as compared with \$93.2 million as of December 31, 2015. The Bank had one nonperforming loan at the end of the third quarter and no nonperforming loans as of December 31, 2015. OREO properties remained at zero as of September 30, 2016, and December 31, 2015, respectively.

Earnings

The Company posted net interest income of \$1,428,501 and \$1,310,757 for the three months ended September 30, 2016 and 2015, respectively, or an increase of \$117,744 or 9.0%. Average interest-earning assets were \$161.7 million with average interest-bearing liabilities of \$81.3 million, yielding a net interest margin of 3.51% for the third quarter of 2016, as compared to the average interest-earning assets of \$142.9 million with average interest-bearing liabilities of \$73.7 million, yielding a net interest margin of 3.64% for the third quarter of 2015.

Non-interest income totaled \$395,255 for the third quarter of 2016, or an increase of 12.7% as compared with \$350,622 earned during the same quarter last year. Service charges on deposit accounts increased 13.3% to \$300,936 primarily due to an increase in income from returned items and overdraft charges. Dividend income from restricted stock increased to \$48,962 for the third quarter of 2016, compared to \$37,951 for the same quarter in 2015. Income from bank-owned life insurance remained consistent at \$25,657 in the third quarter of 2016 and \$25,635 in the third quarter of 2015.

General and administrative expenses were \$1,202,581 for the three months ended September 30, 2016, as compared to \$1,115,633 for the third quarter of 2015. The largest component of general and administrative expenses was salary and benefits expense of \$704,158 for the third quarter of 2016, as compared to \$650,333 for the same quarter last year. Regulatory assessments increased to \$36,539 in the third quarter of 2016 in comparison with \$31,611 in the third quarter of 2015. Advertising and marketing expenses increased 38.1% to \$18,935 in the third quarter of 2016 from \$13,714 for the same period last year.



Income tax expense was \$229,917 for the three months ended September 30, 2016 as compared to \$209,175 for the three months ended September 30, 2015. The effective income tax rate for the third quarter of 2016 and 2015 is approximately 38.9% and 38.3%, 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

CHINO COMMERCIAL BANCORP
CONSOLIDATED BALANCE SHEET
September 30, 2016 and December 31, 2015

	<u>September 30, 2016</u>	<u>December 31, 2015</u>
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 39,234,964	\$ 24,898,140
Total cash and cash equivalents	<u>39,234,964</u>	<u>24,898,140</u>
Interest-bearing deposits in other banks	3,472,000	4,960,000
Investment securities available for sale	4,517,291	4,931,068
Investment securities held to maturity (fair value approximates \$17,620,000 at September 30, 2016 and \$23,115,000 at December 31, 2015)	17,298,944	23,100,106
Total investments	<u>25,288,235</u>	<u>32,991,174</u>
Loans		
Real estate	87,494,419	72,756,410
Commercial	19,403,009	20,053,905
Installment	460,024	433,764
Gross loans	<u>107,357,452</u>	<u>93,244,079</u>
Unearned fees and discounts	(331,594)	(251,911)
Loans net of unearned fees and discount	<u>107,025,858</u>	<u>92,992,168</u>
Allowance for loan losses	(1,800,941)	(1,667,204)
Net loans	<u>105,224,917</u>	<u>91,324,964</u>
Fixed assets, net	5,992,816	6,021,446
Accrued interest receivable	269,245	395,685
Stock investments, restricted, at cost	1,901,600	1,766,500
Bank-owned life insurance	3,260,072	3,183,247
Other assets	1,154,550	803,048
Total assets	<u>\$ 182,326,399</u>	<u>\$ 161,384,204</u>
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 82,932,780	\$ 74,431,378
Interest bearing		
NOW and money market	51,693,004	40,980,418
Savings	4,636,936	4,815,198
Time deposits less than \$250,000	3,350,545	3,913,644
Time deposits of \$250,000 or greater	7,481,098	6,208,083
Total deposits	<u>150,094,363</u>	<u>130,348,721</u>
Accrued interest payable	23,208	25,229
Borrowings from Federal Home Loan Bank (FHLB)	15,000,000	15,000,000
Accrued expenses & other payables	892,197	843,691
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>169,102,768</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 September 30, 2016 and December 31, 2015, respectively.	6,089,466	6,089,466
Retained earnings	7,120,131	6,000,577
Accumulated other comprehensive income/(loss)	14,034	(16,480)
Total shareholders' equity	<u>13,223,631</u>	<u>12,073,563</u>
Total liabilities & shareholders' equity	<u>\$ 182,326,399</u>	<u>\$ 161,384,204</u>

CHINO COMMERCIAL BANCORP

CHINO COMMERCIAL BANCORP CONSOLIDATED STATEMENTS OF NET INCOME

	(unaudited)			
	For the three months ended		For the year ended	
	September 30		September 30	
	2016	2015	2016	2015
Interest income				
Interest and fee income on loans	\$ 1,354,618	\$ 1,228,781	\$ 4,047,265	\$ 3,616,409
Interest on federal funds sold and FRB deposits	36,165	16,161	89,201	27,375
Interest on time deposits in banks	10,272	15,004	30,651	68,193
Interest on investment securities	134,864	132,792	423,522	303,371
Total interest income	<u>1,535,919</u>	<u>1,392,738</u>	<u>4,590,639</u>	<u>4,015,348</u>
Interest Expense				
Interest on deposits	69,390	59,424	194,820	172,863
Other borrowings	38,028	22,557	106,459	59,028
Total interest expense	<u>107,418</u>	<u>81,981</u>	<u>301,279</u>	<u>231,891</u>
Net interest income	1,428,501	1,310,757	4,289,360	3,783,457
Provision for loan losses	<u>30,000</u>	<u>243</u>	<u>162,410</u>	<u>4,041</u>
Net interest income after provision for loan losses	<u>1,398,501</u>	<u>1,310,514</u>	<u>4,126,950</u>	<u>3,779,416</u>
Non-interest income				
Service charges on deposit accounts	300,936	265,693	847,737	873,089
Other miscellaneous income	19,700	21,343	137,646	59,878
Dividend income from restricted stock	48,962	37,951	121,805	99,430
Income from bank-owned life insurance	25,657	25,635	76,825	76,578
Total non-interest income	<u>395,255</u>	<u>350,622</u>	<u>1,184,013</u>	<u>1,108,975</u>
Non-interest expenses				
Salaries and employee benefits	704,158	650,333	2,091,401	1,964,562
Occupancy and equipment	111,480	108,305	314,434	310,585
Data and item processing	95,639	97,934	285,305	287,353
Advertising and marketing	18,935	13,714	53,477	39,998
Legal and professional fees	51,143	32,980	138,674	115,606
Regulatory assessments	36,539	31,611	103,389	92,813
Insurance	8,562	8,471	25,572	24,807
Directors' fees and expenses	27,192	26,771	81,030	80,850
Other expenses	148,933	145,514	375,146	336,063
Total non-interest expenses	<u>1,202,581</u>	<u>1,115,633</u>	<u>3,468,428</u>	<u>3,252,637</u>
Income before income tax expense	591,175	545,503	1,842,535	1,635,754
Income tax expense	<u>229,917</u>	<u>209,175</u>	<u>718,908</u>	<u>627,006</u>
Net income	<u>\$ 361,258</u>	<u>\$ 336,328</u>	<u>\$ 1,123,627</u>	<u>\$ 1,008,748</u>
Basic earnings per share	\$ 0.29	\$ 0.27	\$ 0.91	\$ 0.82
Diluted earnings per share	\$ 0.29	\$ 0.27	\$ 0.91	\$ 0.82



CHINO COMMERCIAL BANCORP

	For the three months ended		For the year ended	
	September 30		September 30	
	2016	2015	2016	2015
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	11.05%	11.55%	11.79%	11.86%
Annualized return on average assets	0.82%	0.86%	0.89%	0.93%
Net interest margin	3.51%	3.64%	3.73%	3.85%
Core efficiency ratio	65.94%	67.15%	63.37%	66.48%
Net chargeoffs/(recoveries) to average loans	-0.01%	-0.07%	0.03%	-0.09%
AVERAGE BALANCES				
(thousands, unaudited)				
Average assets	\$ 176,473	\$ 156,751	\$ 168,130	\$ 145,101
Average interest-earning assets	\$ 161,774	\$ 142,958	\$ 153,680	\$ 131,394
Average gross loans	\$ 104,499	\$ 85,866	\$ 100,087	\$ 86,529
Average deposits	\$ 140,514	\$ 125,884	\$ 134,204	\$ 119,468
Average equity	\$ 13,076	\$ 11,651	\$ 12,704	\$ 11,345
CREDIT QUALITY				
(unaudited)				
	End of period			
	September 30, 2016	December 31, 2015		
Non-performing loans	\$ 536,696	\$ -		
Non-performing loans to total loans	0.50%	0.00%		
Non-performing loans to total assets	0.29%	0.00%		
Allowance for loan losses to total loans	1.68%	1.79%		
Nonperforming assets as a percentage of total loans and OREO	0.50%	0.00%		
Allowance for loan losses to non-performing loans	335.56%	n/a		
OTHER PERIOD-END STATISTICS				
(unaudited)				
Shareholders equity to total assets	7.25%	7.48%		
Net Loans to deposits	70.11%	70.06%		
Non-interest bearing deposits to total deposits	55.25%	57.10%		
Total capital to total risk-weighted assets	15.50%	16.15%		
Tier 1 capital to total risk-weighted assets	15.39%	15.82%		
Tier 1 leverage ratio	9.98%	9.79%		
Common equity tier 1	15.39%	15.82%		