

CHINO COMMERCIAL BANCORP REPORTS

5.5% INCREASE IN NET EARNINGS

The Board of Directors of Chino Commercial Bank, N.A. (OTC:CCBC) announced the results of operations for the quarter ended March 31, 2017 with net income of \$411,914, or an increase of 5.5% over net income of \$390,530 for March 31, 2016. Net income per basic and diluted share for the quarter ended March 31, 2017 was \$0.33 as compared to \$0.32 per share for the quarter ended March 31, 2016.

Dann H. Bowman, President and Chief Executive Officer stated, “In addition to the excellent first quarter earnings results, the Bank was recently recognized by the Findley Reports on Financial Institutions by receiving their highest rating of “Super Premier Performing.” The economic strength of the Inland Empire is supporting tremendous growth opportunities for the Bank; and the first quarter marked new record levels for total assets, loans, revenue and net earnings. In general, this is a very good time for the Bank and we are pleased and excited about the future.”

Financial Condition

At March 31, 2017, total assets were \$185.3 million, an increase of \$10.2 million or 5.9% over \$175.1 million at December 31, 2016. Total deposits increased by 7.2% or \$9.9 million during the year to \$147.5 million, compared to \$137.6 million as of December 31, 2016. At March 31, 2017, the Company’s core deposits represent 97.1% of the total deposits.

Gross loans increased by 3.3% or \$3.6 million as of March 31, 2017 to \$113.1 million as compared with \$109.6 million as of December 31, 2016. The Bank had one nonperforming loan for the quarter ended March 31, 2017 and December 31, 2016, respectively. OREO properties remained at zero as of March 31, 2017, and December 31, 2016, respectively.

Earnings

The Company posted net interest income of \$1,527,669 and \$1,400,128 for the three months ended March 31, 2017 and 2016, respectively, or an increase of \$127,541 or 9.1%. Average interest-earning assets were \$164.8 million with average interest-bearing liabilities of \$97.1 million, yielding a net interest margin of 3.76% for the first quarter of 2017, as compared to the average interest-earning assets of \$147.7 million with average interest-bearing liabilities of \$76.0 million, yielding a net interest margin of 3.81% for the first quarter of 2016.

Non-interest income totaled \$379,856 for the first quarter of 2017, or an increase of 5.2% as compared with \$360,959 earned during the same quarter last year. Service charges on deposit accounts increased 5.0% to \$291,643 primarily due to an increase in income from returned items and overdraft charges. Dividend income from restricted stock increased to \$45,081 for the first quarter of 2017, compared to \$34,881 for the same quarter in 2016. Income from bank-owned life insurance remained consistent at \$25,022 in the first quarter of 2017 and \$25,572 in the first quarter of 2016.

General and administrative expenses were \$1,173,533 for the three months ended March 31, 2017, as compared to \$1,118,217 for the first quarter of 2017. The largest component of general and administrative expenses was salary and benefits expense of \$744,775 for the first quarter of 2017, as compared to \$680,889 for the same quarter last year. Regulatory assessments increased to \$37,610 in the first quarter of 2017 in comparison with \$30,311 in the first quarter of 2016. Advertising and



marketing expenses increased 27.6% to \$21,844 in the first quarter of 2017 from \$17,116 for the same period last year.

Income tax expense was \$267,078 for the three months ended March 31, 2017 as compared to \$251,294 for the three months ended March 31, 2016. The effective income tax rate for the first quarter of 2016 and 2015 is approximately 39.3% and 39.2%, 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
 March 31, 2017 and December 31, 2016

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	37,139,627	\$30,498,888
Total cash and cash equivalents	<u>37,139,627</u>	<u>30,498,888</u>
Interest-bearing deposits in other banks	2,232,000	2,480,000
Investment securities available for sale	3,753,782	3,924,102
Investment securities held to maturity (fair value approximates \$19,042,472 at March 31, 2017 and \$18,240,000 at December 31, 2016)	19,191,568	18,407,741
Total investments	<u>25,177,350</u>	<u>24,811,843</u>
Loans		
Real estate	93,882,650	87,306,627
Commercial	18,844,416	21,822,341
Installment	399,330	424,818
Gross loans	<u>113,126,396</u>	<u>109,553,786</u>
Unearned fees and discounts	(352,799)	(348,359)
Loans net of unearned fees and discount	<u>112,773,597</u>	<u>109,205,427</u>
Allowance for loan losses	(1,908,975)	(1,845,447)
Net loans	<u>110,864,622</u>	<u>107,359,980</u>
Fixed assets, net	5,946,157	6,000,404
Accrued interest receivable	281,885	295,102
Stock investments, restricted, at cost	1,935,300	1,935,300
Bank-owned life insurance	3,310,986	3,285,963
Other assets	678,908	904,338
Total assets	<u>\$185,334,835</u>	<u>\$175,091,818</u>
LIABILITIES:		
Deposits		
Non-interest bearing	\$72,583,231	\$68,613,998
Interest bearing		
NOW and money market	58,354,775	52,873,006
Savings	5,890,136	5,165,730
Time deposits less than \$250,000	6,314,105	4,438,254
Time deposits of \$250,000 or greater	4,319,520	6,471,260
Total deposits	<u>147,461,767</u>	<u>137,562,248</u>
Accrued interest payable	30,673	27,902
Borrowings from Federal Home Loan Bank (FHLB)	20,000,000	20,000,000
Accrued expenses & other payables	807,039	872,374
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	<u>171,392,479</u>	<u>161,555,524</u>
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,231,332 shares at March 31, 2017 and December 31, 2016, respectively.	6,089,466	6,089,466
Retained earnings	7,861,522	7,449,608
Accumulated other comprehensive income/(loss)	(8,632)	(2,780)
Total shareholders' equity	<u>13,942,356</u>	<u>13,536,294</u>
Total liabilities & shareholders' equity	<u>\$185,334,835</u>	<u>\$175,091,818</u>

CHINO COMMERCIAL BANCORP

CHINO COMMERCIAL BANCORP
 CONSOLIDATED STATEMENTS OF NET INCOME
 (unaudited)

	For the three months ended	
	March 31	
	2017	2016
Interest income		
Interest and fee income on loans	\$ 1,467,711	\$ 1,310,104
Interest on federal funds sold and FRB deposits	60,129	26,333
Interest on time deposits in banks	7,057	10,450
Interest on investment securities	122,745	147,839
Total interest income	1,657,642	1,494,726
Interest Expense		
Interest on deposits	75,841	60,347
Other borrowings	54,132	34,251
Total interest expense	129,973	94,598
Net interest income	1,527,669	1,400,128
Provision for loan losses	55,000	1,046
Net interest income after provision for loan losses	1,472,669	1,399,082
Non-interest income		
Service charges on deposit accounts	291,643	277,873
Other miscellaneous income	18,110	22,633
Dividend income from restricted stock	45,081	34,881
Income from bank-owned life insurance	25,022	25,572
Total non-interest income	379,856	360,959
Non-interest expenses		
Salaries and employee benefits	744,775	680,889
Occupancy and equipment	105,532	103,828
Data and item processing	76,081	77,120
Advertising and marketing	21,844	17,116
Legal and professional fees	37,434	47,430
Regulatory assessments	37,610	30,311
Insurance	8,005	8,471
Directors' fees and expenses	26,548	26,709
Other expenses	115,704	126,343
Total non-interest expenses	1,173,533	1,118,217
Income before income tax expense	678,992	641,824
Income tax expense	267,078	251,294
Net income	\$411,914	\$390,530
Basic earnings per share	\$0.33	\$0.32
Diluted earnings per share	\$0.33	\$0.32
Tax rate	39.3%	39.2%

CHINO COMMERCIAL BANCORP

	For the three months ended	
	March 31	
	2017	2016
KEY FINANCIAL RATIOS		
(unaudited)		
Annualized return on average equity	12.18%	12.68%
Annualized return on average assets	0.92%	0.96%
Net interest margin	3.76%	3.81%
Core efficiency ratio	61.52%	63.50%
Net charge offs/(recoveries) to average loans	-0.01%	-0.01%
AVERAGE BALANCES		
(thousands, unaudited)		
Average assets	\$ 179,168	\$ 161,960
Average interest-earning assets	\$ 164,802	\$ 147,688
Average gross loans	\$ 110,136	\$ 95,183
Average deposits	\$ 139,925	\$ 129,679
Average equity	\$ 13,532	\$ 12,316
CREDIT QUALITY		
(unaudited)		
	End of period	
	March 31, 2017	December 31, 2016
Non-performing loans	\$ 521,696	\$ -
Non-performing loans to total loans	0.46%	0.00%
Non-performing loans to total assets	0.28%	0.00%
Allowance for loan losses to total loans	1.69%	1.68%
Nonperforming assets as a percentage of total loans and OREO	0.46%	0.00%
Allowance for loan losses to non-performing loans	365.92%	n/a
OTHER PERIOD-END STATISTICS		
(unaudited)		
Shareholders equity to total assets	7.52%	7.73%
Net loans to deposits	75.18%	78.04%
Non-interest bearing deposits to total deposits	49.22%	49.88%
Total capital to total risk-weighted assets	15.78%	15.37%
Tier 1 capital to total risk-weighted assets	15.85%	15.32%
Tier 1 leverage ratio	10.64%	10.24%
Common equity tier 1	15.85%	15.32%