

Chino California,
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For Immediate Release

CHINO COMMERCIAL BANCORP REPORTS 13% INCREASE IN NET EARNINGS

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, 2017 with net earnings of \$420 thousand, or an increase of 13%, compared with net income of \$372 thousand for the same quarter last year. Net income per basic share for the second quarter of 2017 was \$0.34 as compared to \$0.30 for the same quarter last year.

Dann H. Bowman, President and Chief Executive Officer stated, “In addition to the excellent second 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. In general, this is a very good time for the Bank and we are pleased and excited about the future.”

Financial Condition

At June 30, 2017, total assets were \$180.3 million, an increase of \$5.2 million or 3.0% over \$175.1 million at December 31, 2016. Total deposits increased by 3.0% or \$4.1 million during the year to \$141.7 million, compared to \$137.6 million as of December 31, 2016. At June 30, 2017, the Company’s core deposits represent 97.0% of the total deposits.

Gross loans increased by 1.7% or \$1.9 million as of June 30, 2017 to \$111.4 million, as compared with \$109.5 million as of December 31, 2016. The Bank did not have any nonperforming loans for the quarter ended June 30, 2017, and one nonperforming loan as of December 31, 2016, respectively. OREO properties remained at zero as of June 30, 2017 and December 31, 2016, respectively.

Earnings

The Company posted net interest income of \$1.6 million and \$1.5 million for the three months ended June 30, 2017 and 2016, respectively, or an increase of \$102 thousand or 7.0%. Average interest-earning assets were \$166.1 million with average interest-bearing liabilities of \$95.3 million, yielding a net interest margin of 3.78% for the second quarter of 2017, as compared to the average interest-earning assets of \$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.

Non-interest income totaled \$389 thousand for the second quarter of 2017, or a decrease of 9.2% as compared with \$427 thousand earned during the same quarter last year. The majority of this decrease is attributed to \$77 thousand of extraordinary income recorded in the same quarter last year. Without this extraordinary income the Company would have reported a \$37 thousand or 10.8% increase in non-interest income for the second quarter of 2017. Service charges on deposit accounts increased by \$48

thousand or 18.0% to \$317 thousand primarily due to an increase in income from returned items and overdraft charges. Dividend income from restricted stock decreased to \$28 thousand for the second quarter of 2017, compared to \$38 thousand for the same quarter in 2016, due to the Federal Home Loan Bank change in dividend payout percentage policy. Income from bank-owned life insurance remained consistent at \$25 thousand in the second quarter of 2017 and 2016, respectively.

General and administrative expenses were \$1.3 million for the three months ended June 30, 2017, as compared to \$1.1 million for the second quarter of 2016. The largest component of general and administrative expenses was salary and benefits expense of \$772 thousand for the second quarter of 2017, as compared to \$706 thousand for the same quarter last year. Regulatory assessments remained consistent at \$37 thousand for the second quarter of 2017 and 2016, respectively. Advertising and marketing expenses increased by \$13 thousand or 73.7% to \$30 thousand in the second quarter of 2017 from \$17 thousand for the same period last year. The Company engaged a marketing company to assist with advertising efforts during the second quarter of 2017.

Income tax expense was \$273 thousand for the three months ended June 30, 2017 as compared to \$238 thousand for the three months ended June 30, 2016. The effective income tax rate for the second quarter of 2017 and 2016 is approximately 39.4% and 39.0%, 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, 2017 and December 31, 2016

	June 30, 2017	December 31, 2016
	(unaudited)	(audited)
ASSETS:		
Cash and due from banks	\$ 29,825,751	\$ 30,498,888
Total cash and cash equivalents	29,825,751	30,498,888
Interest-bearing deposits in other banks	2,232,000	2,480,000
Investment securities available for sale	3,531,430	3,924,102
Investment securities held to maturity (fair value approximates \$22,491,000 at June 30, 2017 and \$18,240,000 at December 31, 2016)	22,496,275	18,407,741
Total investments	28,259,705	24,811,843
Loans		
Commercial	17,993,486	21,822,341
Installment	514,395	424,818
Gross loans	111,447,642	109,553,786
Unearned fees and discounts	(347,223)	(348,359)
Loans net of unearned fees and discount	111,100,419	109,205,427
Allowance for loan losses	(1,916,446)	(1,845,447)
Net loans	109,183,973	107,359,980
Fixed assets, net	5,900,130	6,000,404
Accrued interest receivable	444,797	295,102
Stock investments, restricted, at cost	1,963,496	1,935,300
Bank-owned life insurance	3,336,195	3,285,963
Other assets	1,407,297	904,338
Total assets	\$ 180,321,344	\$ 175,091,818
LIABILITIES:		
Deposits		
Non-interest bearing	\$ 69,565,818	\$ 68,613,998
Interest bearing		
NOW and money market	55,416,295	52,873,006
Savings	6,399,383	5,165,730
Time deposits less than \$250,000	6,008,275	4,438,254
Time deposits of \$250,000 or greater	4,270,436	6,471,260
Total deposits	141,660,207	137,562,248
Accrued interest payable	27,705	27,902
Borrowings from Federal Home Loan Bank (FHLB)	20,000,000	20,000,000
Accrued expenses & other payables	1,164,749	872,374
Subordinated notes payable to subsidiary trust	3,093,000	3,093,000
Total liabilities	165,945,661	161,555,524
SHAREHOLDERS' EQUITY		
Common stock, authorized 10,000,000 shares with no par value, issued and outstanding 1,231,332 shares at June 30, 2017 and December 31, 2016, respectively.	6,089,466	6,089,466
Retained earnings	8,281,651	7,449,608
Accumulated other comprehensive income/(loss)	4,566	(2,780)
Total shareholders' equity	14,375,683	13,536,294
Total liabilities & shareholders' equity	\$ 180,321,344	\$ 175,091,818

CHINO COMMERCIAL BANCORP
CONSOLIDATED STATEMENTS OF NET INCOME

	(unaudited)			
	For the three months ended		For the year ended	
	June 30		June 30	
	2017	2016	2017	2016
Interest income				
Interest and fee income on loans	\$ 1,491,361	\$ 1,382,543	\$ 2,959,072	\$ 2,692,647
Interest on federal funds sold and FRB deposits	73,484	26,703	133,613	53,036
Interest on time deposits in banks	6,956	9,929	14,013	20,379
Interest on investment securities	136,547	140,819	259,292	288,658
Total interest income	<u>1,708,348</u>	<u>1,559,994</u>	<u>3,365,990</u>	<u>3,054,720</u>
Interest Expense				
Interest on deposits	76,044	65,082	151,885	125,430
Other borrowings	69,244	34,181	123,377	68,432
Total interest expense	<u>145,288</u>	<u>99,263</u>	<u>275,262</u>	<u>193,862</u>
Net interest income	1,563,060	1,460,731	3,090,728	2,860,858
Provision for loan losses	-	131,364	55,000	126,300
Net interest income after provision for loan losses	<u>1,563,060</u>	<u>1,329,367</u>	<u>3,035,728</u>	<u>2,734,558</u>
Non-interest income				
Service charges on deposit accounts	317,394	268,928	609,037	546,801
Other miscellaneous income	18,067	95,313	36,177	117,946
Dividend income from restricted stock	27,840	37,962	72,921	72,843
Income from bank-owned life insurance	25,210	25,597	50,232	51,168
Total non-interest income	<u>388,511</u>	<u>427,800</u>	<u>768,367</u>	<u>788,758</u>
Non-interest expenses				
Salaries and employee benefits	771,541	706,355	1,516,317	1,387,244
Occupancy and equipment	99,142	99,125	204,673	202,953
Data and item processing	85,765	77,128	119,445	189,667
Advertising and marketing	30,271	17,426	52,115	34,542
Legal and professional fees	73,424	40,101	110,859	87,531
Regulatory assessments	37,607	36,539	75,218	66,850
Insurance	8,685	8,539	16,689	17,010
Directors' fees and expenses	31,545	27,129	58,092	53,839
Other expenses	120,161	135,288	219,443	232,321
Total non-interest expenses	<u>1,258,141</u>	<u>1,147,630</u>	<u>2,372,851</u>	<u>2,271,957</u>
Income before income tax expense	693,430	609,537	1,431,244	1,251,359
Income tax expense	273,302	237,697	540,380	488,991
Net income	<u>\$ 420,128</u>	<u>\$ 371,840</u>	<u>\$ 890,864</u>	<u>\$ 762,368</u>
Basic earnings per share	\$ 0.34	\$ 0.30	\$ 0.72	\$ 0.62
Diluted earnings per share	\$ 0.34	\$ 0.30	\$ 0.72	\$ 0.62
Tax rate	39.4%	39.0%	37.8%	39.1%

	For the three months ended		For the year ended	
	June 30		June 30	
	2017	2016	2017	2016
KEY FINANCIAL RATIOS				
(unaudited)				
Annualized return on average equity	11.82%	11.70%	12.72%	12.18%
Annualized return on average assets	0.93%	0.90%	0.99%	0.93%
Net interest margin	3.78%	3.93%	3.77%	3.88%
Core efficiency ratio	64.47%	60.77%	61.49%	62.25%
Net chargeoffs/(recoveries) to average loans	-0.01%	0.06%	-0.02%	0.05%

AVERAGE BALANCES

(thousands, unaudited)

Average assets	\$ 181,103	\$ 165,504	\$ 180,141	\$ 163,906
Average interest-earning assets	\$ 166,054	\$ 149,635	\$ 165,432	\$ 148,096
Average gross loans	\$ 111,967	\$ 98,736	\$ 111,056	\$ 96,382
Average deposits	\$ 142,353	\$ 132,349	\$ 141,145	\$ 131,014
Average equity	\$ 14,212	\$ 12,717	\$ 14,004	\$ 12,516

CREDIT QUALITY

(unaudited)

	End of period	
	June 30, 2017	December 31, 2016
Non-performing loans	\$ -	\$ 521,696
Non-performing loans to total loans	0.00%	0.48%
Non-performing loans to total assets	0.00%	0.30%
Allowance for loan losses to total loans	1.72%	1.68%
Nonperforming assets as a percentage of total loans and OREO	0.00%	0.48%
Allowance for loan losses to non-performing loans	n/a	353.74%

OTHER PERIOD-END STATISTICS

(unaudited)

Shareholders equity to total assets	7.97%	7.73%
Net loans to deposits	77.07%	78.04%
Non-interest bearing deposits to total deposits	49.11%	49.88%
Total capital to total risk-weighted assets	15.55%	15.37%
Tier 1 capital to total risk-weighted assets	15.69%	15.32%
Tier 1 leverage ratio	10.58%	10.24%
Common equity tier 1	15.69%	15.32%