



COMMUNITY BANCORP OF SANTA MARIA

P.O. Box 5307, Santa Maria, CA 93456 • (805) 922-2900

October 18, 2023

To Our Valued Shareholders,

We are pleased to share with you the financial highlights for the Third Quarter, 2023.

	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>Percentage Change</u>
Net Income	\$ 2,946,961	\$ 2,416,604	21.9%
Net Loans	\$228,349,000	\$219,253,000	4.1%
Total Assets	\$392,599,000	\$417,407,000	-5.9%
Total Deposits	\$361,310,000	\$389,801,000	-7.3%

We are pleased to report Net Income of \$2,946,961 for the nine months ended September 30, 2023. This represents a 21.9% increase over the same reporting period in the previous year. Basic Earnings per Share for the nine months ended September 30, 2023 was \$1.36, an increase from the \$1.12 reported in the same reporting period in the previous year. Earnings growth is attributed largely to the 4.1% increase in loans and the current elevated interest rate environment. We would like to emphasize our satisfaction with the loan growth in conjunction with the fact our credit quality remains strong, with no delinquencies, no loans on non-accrual, and no other real estate owned.

The decline in total deposits and total assets did not find us unprepared. The bank experienced significant deposit growth (approximately \$155 million or 66%) between December 31, 2019 and September 30, 2022. While we captured additional market share during this period, we also recognized the initial surge in deposits was a flight to safety during a period of low rates and unpredictable economic conditions. We anticipated some deposit run-off would occur when rates increased and pandemic concerns subsided, and we positioned ourselves accordingly. As a result, we still have ample liquidity and are reporting strong financial performance.

Further, Community Bancorp and Community Bank of Santa Maria continue to receive accolades from various independent agencies. The Bank was recognized by Pacific Coast Business Times on their 2023 list of “Best Places to Work” in the tri-county area. Last quarter we announced The Findley Reports recognized us as a 2022 “Super Premier Performing” bank, and we celebrated another quarter with a “Five Star” rating from Bauer Financial. Additionally, American Banker recognized the Company in their “Top 200 Performing Public Banks under \$2 billion” category. That puts us in the top 20% of California banks under \$2 billion. We are committed to continuing this trend of high performance for our shareholders, staff, and community.

In closing, we want to thank you for your continued support. We value you as a shareholder, and ask that you please refer your family, friends, and business associates to *your* bank for all their banking needs.

Sincerely,

Janet Silveria
President
Chief Executive Officer

	<u>ACTUAL</u> <u>09/30/23¹</u>	<u>Year-end</u> <u>Goal</u> <u>2023</u>
Return on Average Assets	0.99%	1.10%
Return on Average Equity	16.02%	15.00%

¹ Annualized