



COMMUNITY BANCORP OF SANTA MARIA

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

July 18, 2024

To Our Valued Shareholders,

We are pleased to share with you the financial highlights for the Second Quarter, 2024.

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>Percentage Change</u>
Net Loans	\$257,147,000	\$226,468,000	13.5%
Total Assets	\$405,563,000	\$405,552,000	0.0%
Total Deposits	\$356,913,000	\$372,776,000	-4.2%
Net Income	\$ 1,531,870	\$ 1,989,548	-23.0%
Earnings Per Share	\$0.71	\$0.92	

We are excited to report a year-over-year increase of 13.5% in net loans. In the second quarter 2024 alone, net loans grew 7.3%. While we are reporting a year-over-year decline in Total Deposits, we are happy to report total deposits grew 3.9% this quarter. While the growth this quarter indicates deposits have stabilized, the interest paid on those deposits has increased. Our current cost of funds is 0.98%, which remains well below our peers. Nevertheless, the increased interest expense, coupled with inflationary pressures on non-interest expense, has contributed to the decline in Net Income.

Throughout the bank's history, there is evidence of resilience. We have been through the terrorist attacks of 9/11, the 'great recession', and a world-wide pandemic. We attribute our resilience to our unwavering commitment to maintaining a fortress type balance sheet with exceptional loan quality and strong core deposits. In other words, we manage our balance sheet to withstand short-term pressures, and provide long-term stability. For example, our Loan to Deposit Ratio has improved from 61% at June 30, 2023 to 72% at June 30, 2024. This type of loan growth, coupled with our track record of healthy loan quality, gives us confidence we're on the right track to ensure solid, long-term performance for our shareholders.

As a result of the ongoing financial strength and stability of the Company, the Board of Directors recently announced the payment of an annual cash dividend of \$0.25 per share payable on July 8, 2024, to shareholders of record on June 30, 2024.

Further, Community Bancorp and Community Bank of Santa Maria continue to receive accolades from various independent agencies. Last quarter we announced The Findley Reports recognized us as a 2023 "Super Premier Performing" bank, and we are celebrating 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>06/30/24¹</u>	<u>Year-end</u> <u>Goal</u> <u>2024</u>
Return on Average Assets	0.79%	0.98%
Return on Average Equity	10.59%	13.00%

¹ Annualized