



# COMMUNITY BANCORP OF SANTA MARIA

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

October 21, 2024

To Our Valued Shareholders,

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

|                | <u>September 30, 2024</u> | <u>September 30, 2023</u> | <u>Percentage Change</u> |
|----------------|---------------------------|---------------------------|--------------------------|
| Net Loans      | \$253,226,000             | \$228,349,000             | 10.9%                    |
| Total Assets   | \$400,420,000             | \$392,599,000             | 2.0%                     |
| Total Deposits | \$359,746,000             | \$361,310,000             | -0.4%                    |
| Net Income     | \$ 2,351,208              | \$ 2,946,961              | -20.2%                   |

We are pleased to report the continuing trend in loan growth. We would like to emphasize our satisfaction with that loan growth in conjunction with the fact our credit quality remains strong. And while we are reporting a slight year-over-year decline in Total Deposits, we are happy to report deposits have grown 1.1% since December 31, 2023, and almost 1% in the third quarter. That is modest growth by any measure, yet it nevertheless indicates deposits have stabilized, which is a positive trend in the current banking environment. Although deposits have stabilized, an increase in interest expense, coupled with inflationary pressures on non-interest expense, has contributed to the decline in Net Income. Basic earnings per share declined from \$1.36 at September 30, 2023 to \$1.09 at September 30, 2024. However, third-quarter net income of \$819,337 is up 16.9% from the \$700,729 reported in the second-quarter.

We mentioned this last quarter, but it warrants another mention. 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. And that gives us confidence we're on the right track to ensure solid, long-term performance for our shareholders.

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 2024 list of "Best Places to Work" in the tri-county area and recognized us with a "Spirit of Small Business" award. We're celebrating another quarter with a "Five Star" rating from Bauer Financial and last quarter we announced The Findley Reports recognized us as a 2023 "Super Premier Performing" bank. 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

|                          | ACTUAL<br><u>09/30/24<sup>1</sup></u> | Year-end<br>Goal<br><u>2024</u> |
|--------------------------|---------------------------------------|---------------------------------|
| Return on Average Assets | 0.79%                                 | 0.98%                           |
| Return on Average Equity | 10.56%                                | 13.00%                          |

<sup>1</sup> Annualized