



COMMUNITY BANCORP OF SANTA MARIA

April 19, 2022

To Our Valued Shareholders,

We are pleased to share with you the following financial highlights from the first-quarter ending 2022.

	<u>March 31, 2022</u>	<u>March 31, 2021</u>	<u>Percentage Increase</u>
Total Deposits	\$378,248,000	\$326,316,000	15.9%
Total Assets	\$411,390,000	\$357,961,000	14.9%
Net Loans	\$208,502,000	\$249,150,000	-16.3%
Net Income	\$ 458,123	\$ 565,683	-19.0%

The bank proudly participated in the Paycheck Protection Program ('PPP') offered by the Small Business Administration ('SBA') under the CARES Act. We processed over 650 PPP loans for a total of \$81.5 million. Not only did this activity have a positive impact on the Bank's growth and earnings, but it also had a significant impact on the businesses, their employees, and the community. The decline in Net Loans reported above reflects the payoffs received from SBA on those PPP loans as the borrowers applied and qualified for forgiveness. After adjusting for PPP loans, Net Loans increased about 1%. Again, we are proud to have participated in the PPP program and are looking forward to building on the momentum it produced in terms of capturing market share and developing our next generation of loyal customers.

The decline in Net Income is largely attributed to a much higher percentage of PPP Fee Income recognized last year versus this year. After adjusting for PPP Fee Income, Gross Income increased 135%. However, in the first quarter last year, we made a large provision for loan losses, versus not making any provision in the first quarter this year. After adjusting for the provision last year, Gross Income was relatively flat.

Turning now from financial news, we are excited to share with you that Community Bank of Santa Maria was named a 2021 "Super Premier Performing" bank by The Findley Companies, and we celebrated another quarter with a "Five Star" rating from Bauer Financial. These are independent rating agencies, and these are their highest ratings.

Proxy Season is upon us, and we hope we can count on your support. Please vote your proxy and our hope is you follow management's recommendations and vote 'yes' for the four proposals. We're happy to answer any questions you may have, so please don't hesitate to reach out. It's important to remember that voting your proxy goes beyond having your voice heard as a shareholder. It is California law that inactive assets be turned over to the State for safekeeping. For shareholders, cashing your dividend checks and voting your proxy serves to avoid this action.

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>03/31/22¹</u>	<u>YEAR-END GOAL</u> <u>2022</u>
Return on Average Assets	0.44%	0.55%
Return on Average Equity	6.52%	7.00%

¹ Annualized