



COMMUNITY BANCORP OF SANTA MARIA

January 18, 2022

To Our Valued Shareholders,

We are pleased to share with you the following 2021 year-end financial highlights.

	<u>December 31, 2021</u>	<u>December 31, 2020</u>	<u>Percentage Increase</u>
Net Income	\$ 2,850,385	\$ 2,209,293	29.0%
Total Deposits	\$378,237,000	\$307,605,000	23.0%
Total Assets	\$415,006,000	\$338,796,000	22.5%
Net Loans	\$211,402,000	\$236,602,000	-10.6%
Net Loans-Adjusted	\$201,871,000	\$193,254,000	4.5%

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 as a whole. The decline in Net Loans reported above reflects the payoffs received from SBA on those PPP loans as the borrowers apply and qualify for forgiveness. We have provided "Net Loans- Adjusted" which excludes PPP loans to paint a more accurate picture of the positive loan growth we have experienced this past year. 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.

As we close out another year, we would like to pause to acknowledge the significant growth and other milestones we achieved in 2021. Our growth reflects our ability to provide valuable support and financial services to our community in a manner that differentiates us from the competition; namely, 'Santa Maria Style' Service. That differentiation not only contributed to our growth but also to our ability to reach a major milestone: our 20-year anniversary! We celebrated by giving away \$20,000 in donations to local non-profits nominated by our customers. We could think of no better way to show our appreciation to our customers and our community for their support these past 20 years. We also celebrated accolades from various industries. We were recognized on American Banker's list of Top 200 Performing Banks for 2021 and were recognized by Pacific Coast Business Times on their list of Best Places to Work in 2021, as well as being a recipient of their Spirit of Small Business Award. And, earlier in 2021, we announced The Findley Reports recognized us as a 2020 "Super Premier Performing" bank.

We are proud of our successes, but we are also proud of our commitment to our shareholders. We value and appreciate your support, which is why we are committed to continuing shareholder rewards in the form of dividends and long-term stock value appreciation. 2022 is going to bring challenges, but we are nimble, resilient, and well positioned for long-term success. You can help by referring 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>Year-end</u>
	<u>12/31/21¹</u>	<u>Goal</u>
Return on Average Assets	0.76%	0.80%
Return on Average Equity	9.84%	9.25%

¹ Annualized