



Community Bank
of San Joaquin

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August 1, 2007

Dear Shareholder:

Bank On It, Inc., parent company of Community Bank of San Joaquin, reported earnings of \$632,000, or \$0.47 per share for the first six months of 2007, compared to \$671,000 or \$0.50 per share for the same period in 2006. Net interest income remained relatively flat during the period, while non-interest income declined. General and administrative expenses were flat compared to the prior year even though a new branch was opened on Waterloo Road in Stockton this year.

Total loans increased \$19.2 million to \$94.0 million as of June 30, 2007, compared to \$74.8 million as of June 30, 2006, representing a 26 percent increase. Total deposits increased \$6.7 million to \$106.4 million as of June 30, 2007, compared to \$99.7 million as of June 30, 2006. The *Quarterly Report for June 30, 2007* is enclosed.

The second quarter of 2007 saw a decline in the price of Bank On It, Inc. stock along with community bank stocks in general. Concerns over sub-prime lending, residential foreclosures and a decline in the overall residential real estate market are the primary reasons cited.

We are excited to announce that Karl L. Miller has joined Community Bank of San Joaquin as Senior Executive Vice President in charge of the lending, trust and business development areas of the Bank. Karl has held executive level positions with Union Safe Deposit Bank in Stockton and Key Bank of Washington. He joins Community Bank of San Joaquin from Umpqua Bank in Sacramento where he was an executive vice-president of commercial banking for the Capital Valley Region. Karl has consistently focused on relationship banking and brings an extensive background in management, commercial banking and business development that will be highly beneficial to our future growth.

Lastly, our stock transfer agent and registrar, US Stock Transfer has been acquired by Computershare Trust Company, N.A. Computershare will provide the same recordkeeping services as US Stock Transfer and act as the disbursing agent and processor for any dividends or payments made by the Company.

Thank you again for your confidence and support of Community Bank of San Joaquin, and its parent, Bank On It, Inc. If you have any questions or would like further information, please call us at 209-956-7000.

Sincerely,

Rudy G. Croce
Chairman

Jane R. Butterfield
President and CEO

Encl.