

Bank On It, Inc.

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August 30, 2010

Dear Shareholder:

Enclosed is the *Quarterly Report for June 30, 2010*. For the six months ending June 30, 2010, the Company reported a net loss of \$724,000 or \$.47 per share compared to a loss of \$366,000 or \$.24 per share for the same period in 2009. In 2010, loan loss provisions totaled \$1,160,000 compared to provisions of \$615,000 reported for the same period in 2009.

Despite the increased loan loss provision, the Bank continues to make progress in reducing the level of problem assets. As of June 30, 2010, non-performing assets totaled \$7,369,000 compared to \$10,247,000 as of June 30, 2009, a decline of 30%. Other loan delinquencies were minimal at quarter end. In addition, the Company continues to be successful in reducing operating expenses, which declined by 8% versus the same period in 2009.

In June of this year, Don Reynolds retired from the Board of the Company and the Bank. He served as a director of the Company and the Bank since our inception in 1999. We thank Don for the many years of service he provided to both the Company and Community Bank of San Joaquin.

Recently, the FDIC announced that the increase in standard FDIC insurance to \$250,000 per account ownership type had been made permanent. In addition, non-interest bearing transaction accounts (checking accounts) will have the benefit of unlimited FDIC insurance through December 31, 2012. This is good news for all financial institutions and for our customers. We are enclosing our updated flyer for your reference, and would be glad to discuss this change or how to maximize your insurance coverage.

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. (2)