

# Bank On It, Inc.

22 West Yokuts Avenue | Tel: (209) 956-7000  
Stockton, CA 95207-5715 | Fax: (209) 956-7720

December 24, 2008

Dear Shareholder:

Our country is currently in the middle of an economic crisis that was precipitated in large part by sub-prime mortgage lending. Unfortunately, the real estate market in Stockton and the Central Valley has been greatly impacted by these events, leading to significant declines in the value of real estate.

Although we did no sub-prime lending, Community Bank of San Joaquin's construction loan portfolio has been negatively impacted by these conditions. However, Community Bank remains strong – as of the end of the third quarter, our capital ratio was 16.82%, well above the 10% that is the regulatory standard for well capitalized.

The financial problems facing our country have prompted banking regulators to more closely examine banks throughout the U.S., particularly those in areas like ours where the real estate crisis is so severe.

As a result of conversations we have had with our regulators, we have entered into a formal stipulation for the Bank to continue to improve the quality of its loan portfolio and loan administration. We have already made significant progress in resolving problem loans and are in the process of enhancing our loan infrastructure.

We believe the commitments we have made consistent with this formal action will strengthen our Bank's practices and position us well for the future. Our agreement with regulators may become the subject of media attention so we wanted you to be aware of it. If you have any questions about the agreement or any other issue, please do not hesitate to call either of us at 209-956-7000.

Finally, we want to thank you for your continued support of Community Bank of San Joaquin and Bank On It, Inc. We remain committed to building value for you, our shareholders, and serving the financial needs of our community.

Our warmest regards and best wishes for a prosperous new year.

Sincerely,

Rudy Croce  
Chairman of the Board  
Bank On It, Inc.

Jane Butterfield  
President and Chief Executive Officer  
Bank On It, Inc.