



Community Bank
of San Joaquin

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November 26, 2008

Dear Shareholder:

The *Quarterly Report for September 30, 2008* is enclosed. Bank On It, Inc. reported a net loss for the nine months ending September 30, 2008 of \$917,118 or \$0.65 per share compared to net income of \$865,399 or \$0.61 per share for the same period in 2007. The loss reported for the period was due entirely to provisions established for potential loan losses. In response to the deterioration in the real estate market and increase in our level of nonperforming loans, the Bank established additional loan loss provisions of \$2.4 million in the first nine months of this year. Only minimal provisions were established in 2007. The Company reported a net loss for the third quarter of 2008 of \$87,705 or \$.06 per share; loss provisions for the quarter totaled \$385,000.

Thus far, the losses in our loan portfolio have been confined to construction lending, primarily on a single-family residential subdivision, land and retail commercial real estate. We are moving aggressively to resolve identified problems. Our small size allows us to monitor our remaining loans closely so other potential weaknesses can be addressed quickly.

As many of you are aware, the FDIC recently increased deposit insurance coverage in a number of areas. Our staff has been trained on the new limits. A summary of changes that have occurred through October 14 is enclosed. We would encourage you to call us for further information.

We are experiencing unprecedented times in our economy and our local market in particular. We remain focused on resolving problem assets and maintaining a strong balance sheet. We would encourage you to contact us regarding any questions or concerns you may have about the Bank. We appreciate your continued support.

Sincerely,

Rudy G. Croce
Chairman

Jane R. Butterfield
President and CEO

Enclosure (2)