



Community Bank
of San Joaquin

22 West Yokuts Avenue
Stockton, CA 95207-5715

Tel: (209) 956-7000
Fax: (209) 956-7720

www.cbsjbank.com

July 25, 2005

Dear Shareholder:

Your Board of Directors has reluctantly accepted the resignation of C. Joseph Crane as the Chief Executive Officer and Chair of the Board of both Bank On It, Inc. and Community Bank of San Joaquin, effective July 31, 2005.

Joe has served our Company with distinction over the past six years; he was instrumental in raising the necessary capital, obtaining regulatory approval and developing our initial customer base. Through his leadership, the Bank has developed a stellar reputation within the community, primarily by providing exemplary customer service. Joe leaves the Company in a strong financial position; our earnings for the first six months of 2005 were up 97% from the prior year, our loan portfolio is problem-free and asset growth has totaled 14% over the past year. We thank him for his many contributions and wish him well.

Over the past six years, the Bank has developed a strong management team, providing for a smooth transition. Most of senior management have been with the Company since inception.

Effective August 1, 2005, the Board of Directors has appointed Rudy Croce as the Chair of the Board for both Bank On It, Inc. and Community Bank of San Joaquin. Rudy was also instrumental in the formation of the Bank and key in attracting investors as well as customers. His strong ties to the community, successful career as the founding partner of a large accounting firm in the area, distinguished reputation and strong commitment to the success of our organization make him the ideal individual to provide leadership in the future.

Jane Butterfield, who has served the Company as its President and Chief Financial Officer since the beginning has been appointed Chief Executive Officer for both the Bank and Holding Company. Jane, too, is a leader in our community. She came to us following a successful career as Chief Financial Officer of a \$1 billion financial institution and will continue to offer her leadership and management expertise as well as increase her visibility with customers and in the community.

We are pleased to provide you with the Company's operating results through the second quarter of 2005. Net income for the first six months of 2005 totaled \$694,330 or \$.60 per share compared to \$351,243 or \$.31 per share through the comparable period in 2004. The increase in earnings can be primarily attributed to asset growth, particularly in the loan portfolio. Although not reflected in the enclosed *Quarterly Report*, net income for the second quarter of 2005 totaled \$.33 per share, up from \$.27 per share for the first quarter, representing a 22% increase.

Again, we would like to thank you for your continued support. We are enthusiastic about our plans for the future and are confident in the leadership we have in place to continue our success. If you have any questions or would like further information, please call us at 209 956-7000.

Sincerely,

Kathleen Lagorio Janssen
Vice Chair
Bank On It, Inc.
Community Bank of San Joaquin

Encl.