

# To Our Shareholders

July 16, 2020

Dear Fellow Shareholders:

We are delighted to highlight some of the outstanding progress Solera National Bancorp has made since our last Annual Meeting and to update you on a few new initiatives that are noteworthy for our shareholders. First and foremost, ***we intend to pay our first dividend this year.*** The Company has accumulated over \$3.5 million in retained earnings and has sustained quarterly profits at an average of \$0.21 per share. In the words of our Chairman, Mr. Michael Quagliano, “It’s time to start sharing some of our success with our shareholders.”

*To aid the most efficient payment of your dividend, we encourage you to complete the enclosed **Direct Deposit Authorization Form** and return it in the envelope provided. This will reduce our cost to process your dividend payment as well as expedite the receipt of your funds.*

Thankfully, Solera National Bank spent several years improving our technological capabilities so we were able to flip to remote working in March 2020 without missing a beat and without any service interruption to our customers. Additionally, we pulled together as a team to deliver much needed emergency relief to business owners. As of June 30, 2020, we have funded **662 PPP loans** totaling over **\$93.7 million**.

2020 marks the third consecutive year that Solera National Bank made the **Top 200 Healthiest Banks in America** list, coming in as number 54 (<https://www.depositaccounts.com/banks/health.aspx>).

## Highlights for the 2019 year:

- Net income increased 60%, ending 2019 at \$3.56 million.
- Noninterest-bearing deposits ended the year at \$154 million and represented 65% of total deposits.
- Cost of funds continued to decline – averaging 56 basis points during fourth quarter 2019.
- Asset quality remained strong.
- Our capital position is healthy. We ended the year with total risk-based capital ratio above 18%.
- During 2019, our stock price ranged from \$8.75 - \$11.75 per share.

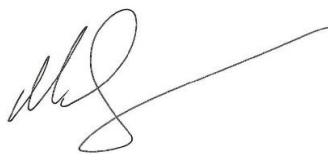
We provide detailed financial results each quarter for you to monitor the health of your investment in Solera. If you are not already getting these results, we encourage you to visit the Investor Relations page of our website to stay up-to-date (<http://ir.solerabankonline.com/News>). You can also sign up for an email to alert you when we post a new press release.

Our ongoing success is attributed to the commitment of our hard-working employees and to the leadership of our talented management team. We would like to thank the Board of Directors for their guidance and our shareholders for their continued confidence and support. Unfortunately, given the current environment, we are unlikely to see many of you at our upcoming annual meeting on **Thursday, August 20, 2020, at 2:00 p.m.**, local time, at Solera National Bank, 319 S. Sheridan Blvd., Lakewood, CO 80226. However, we encourage you to vote using the electronic voting methods detailed in the enclosed materials. If you do plan to attend the meeting in person, please be informed that a face mask will be required for everyone’s protection.

Sincerely,



Michael D. Quagliano  
Chairman of the Board



Martin P. May  
President and Chief Executive Officer