



COMMUNITY WEST BANCSHARES

Cornerstone of Your Community



ANNUAL REPORT 2017

The Cornerstone of Your Community

The organic office expansion in our market along California's Central Coast and the resulting loan and deposit growth was a highlight of our 2017 results.





The strength of the economy in our marketplace continues to sustain and build our community banking franchise with strong on-going demand for our high-service approach to lending, deposit and cash management programs. While 2017 capped another year of growth and profitability for Community West Bancshares, it also brought significant challenges to the communities of Ventura and Santa Barbara, with the Thomas Fire breaking out on December 4, and growing to become the largest wildfire in California history. This fire, followed by mudslides a month later, destroyed homes and businesses, and caused tragic loss of life.

Long after the flames have been extinguished, the Thomas Fire and subsequent flooding will leave scars on the lives of our neighbors and friends, as well as on the local economies we serve. Community West Bank has many employees and customers who live and work in the communities affected by the fire, and we thank the brave men and women – from all across California and from outside of our great state – who came together to fight the fire. The Thomas Fire Fund was established to help those directly affected by the fire, and Community West Bank made a \$25,000 contribution to the fund.

Among several bank performance highlights in 2017, total assets surpassed \$800 million for the first time in Community West’s history, increasing 17.3% to \$833.3 million, from \$710.6 million the previous year. Total deposits grew 14.3% to \$699.7 million, up from \$612.2 million a year earlier, and non-interest bearing deposits increased 8.1% to \$108.5 million at December 31, 2017.

Total loans reached \$734.6 million, up 16.4% from \$630.8 million at the end of 2016, and nonaccrual loans were \$4.5 million, or 0.61% of total loans at year end 2017. We have maintained a net interest margin above 4%, due to our above industry-average loan yields and loan interest recoveries.

Over the last four years, the communities we serve have witnessed a collapse in the number of community banks, with 10 of 14 locally owned and managed community banks being swept up in acquisitions and consolidation. We see this presenting a great opportunity for Community West Bank to fulfill its original mission: **To serve our community like no one else.** Because it’s our home, and we take care of our own.

Back in 1989, our bank was established as Goleta National Bank, and our founders envisioned it as a cornerstone in Goleta’s effort to establish itself as a stand-alone city. The goal was to be the bank that provided needed capital and financial services to a community in ways which were not being provided by larger, non-local banks.

Today, Goleta National Bank has become Community West Bank, the largest publicly traded and only community bank headquartered and serving California’s Central Coast communities in Ventura, Santa Barbara and San Luis Obispo counties. Our loan production office established in Paso Robles last year will move to a new full-service branch office that is currently under construction and scheduled to open later this year. This expands our service area to eight distinct communities, from Westlake Village in the south to Paso Robles in the north.

Our time has come. We have the opportunity, as well as the responsibility, to serve our communities like no other bank. Now, more than ever, we are well positioned to meet that goal of being the “cornerstone bank” envisioned by our founders – to serve our communities’ needs and to serve them well. We appreciate the continued support from you, our shareholders, as we pursue our growth opportunities.

William R. Peoples
Chairman of the Board

Martin E. Plourd
President/Chief Executive Officer



New Community West Bank full-service branch offices opened

in Oxnard, San Luis Obispo and Santa Maria in 2017 to better serve those communities, and a Paso Robles business loan production office also opened. A full-service branch office currently under construction in downtown Paso Robles will open before year end. We are committed to being the bank of choice in all of the communities we serve, from Westlake Village to Paso Robles.

Our clients count on experienced Community West Bank relationship managers, community banking managers and staff to provide personal service and local market knowledge to assist them with the financing, cash management and deposit services they require. We believe that local deposits should be put to work locally, and our employees are committed to supporting the communities in which they live and work, donating their time and talents to numerous nonprofit and community organizations.

As the largest publicly traded bank headquartered and serving California's Central Coast communities in Ventura, Santa Barbara and San Luis Obispo counties, Community West Bank is large enough to accommodate sophisticated business financing needs while maintaining the flexibility of a responsive, locally owned and managed community bank. Check us out at www.CommunityWestBank.com.



Relationship Banking

Our bank's motto is "Let's Work Together" and it accurately summarizes the way Community West Bank chooses to do business. As true community bankers, our outstanding team of professionals are committed to working with clients to help them prosper. We're proud to offer exceptional service throughout our community - to individuals, families, businesses, nonprofit organizations and public entities.

We offer the complete range of services and capabilities that you would expect from a full-service financial institution, provided with the personal care that sets us apart from larger, non-local banks. Community West Bank provides a wide variety of deposit accounts and loans, and the convenience of electronic cash management services. It's the way our bankers deliver those services, every day, with an uncommon level of care and attention to detail, that builds trust and close banking relationships with our clients.

You have many choices when selecting the bank that's right for you - we want to be your best choice. Let's work together!

Commercial Lending

We first opened our doors in 1989 as a small local business, Goleta National Bank. From those humble roots, Community West Bank has developed a first-hand understanding and appreciation for the specific needs of our business clients, and therefore we are better able to make well guided local lending decisions based on knowledge of the communities we serve. From revolving lines of credit, term loans and commercial real estate financing, to agribusiness financing, equipment loans and SBA loans, we offer the right financing solutions for local businesses.

Among the many business cash management services we provide are remote deposit capture, online banking and bill pay, mobile banking, ACH processing, positive pay, merchant card processing, domestic and international wire transfers and business credit cards. Our clients tell us that immediate access to trusted advisors, flexible financing and rapid turnaround are among the most important considerations when choosing to do business with Community West Bank. Our background and experience in tailoring financing to fit business goals is what sets us apart.



Agricultural Lending

Community West Bank supports agricultural and agribusiness clients, whether it's an agricultural mortgage loan for land acquisition, refinancing existing debt or financing capital improvements. We understand that the challenges faced by agricultural businesses are different from our other business clients, and require expertise, dedication and experience from their banker.

We are an approved lender for Farmer Mac, offering long term fixed rates, and have been the predominant USDA Farm Service Agency lender under the Farm Ownership Program for the past 5 years in a row. Community West Bank has dedicated staff and resources focusing on the opportunities afforded by these programs to serve the agricultural sector throughout California.



Government Guaranteed Lending

Since Community West Bank started providing government guaranteed lending, our business clients have received over \$700 million in funding for commercial space, expansion and capital improvements. Our bank has earned the designation of "Preferred Lender" by the U.S. Small Business Administration (SBA), which allows us to expedite the processing of SBA loan applications with in-house approvals and rapid loan closings. For more than two decades, Community West Bank has offered SBA loan programs, as well as the U.S. Department of Agriculture (USDA) Business & Industry and California Coastal Rural Development loan programs for businesses in rural areas.

Manufactured Home Lending

For the past 17 years, Community West Bank has become the premier manufactured home lender in Santa Barbara County and we are increasing our market share in Ventura and San Luis Obispo counties. We lend in coastal California communities from San Diego to San Francisco, and have strong relationships with the top four largest manufactured home dealers in California in order to focus on the new home market. Manufactured home loans are retained in the bank's portfolio and currently have a delinquency rate of less than 1%. At the end of 2017, Community West Bank held more than 1,800 manufactured home loans in over 300 mobile home parks.



Community Involvement

Community West Bank, and our employees, proudly support non-profit and community organizations throughout Ventura, Santa Barbara and San Luis Obispo counties.

American Heart Association
Arthritis Foundation
Blanche Reynolds Elementary School
Boys & Girls Club of Greater Oxnard
and Port Hueneme
Boys & Girls Club of North SLO County
Boys & Girls Club of Ventura
Buena Girls Soccer
California Society of CPAs
California Women for Agriculture
Central Coast Alliance United for
Sustainable Economy
Central Coast Economic Forecast
Central Coast Veterans Helping Veterans
Children's Creative Project
Chumash Education Center
Clinicas del Camino Real
Court Appointed Special Advocates
of SLO County
Dog Adoption and Welfare Group
Dos Pueblos Little League
Economic Vitality Corporation
of SLO County
Festivals for a Cause
Fiestas Patrias
Food Bank Coalition of SLO County
French Hospital Foundation
GenSpan Foundation
Goleta Valley Chamber of Commerce
Goleta Valley Cottage Hospital Foundation
Goleta Valley Historical Society

Grower-Shipper Association
of Central California
Greater Conejo Valley Chamber
of Commerce
Habitat for Humanity of Southern
Santa Barbara County
Housing Authority of SLO County
Inferno Youth Sports
Kellogg Elementary School
Legal Aid Foundation of SB County
Lifewater International
Meals That Connect
Montessori Center School
Neal Taylor Nature Center
North County Rape Crisis and
Child Protection Center
Northern Santa Barbara County United Way
Oakheart Country Music Festival
Old Spanish Days
Oxnard Ambassadors
Oxnard Chamber of Commerce
Page Youth Center
Paso Robles Chamber of Commerce
People's Self-Help Housing
Rebozo Festival
Rio Mesa Athletic Booster Club
Rotary Club of Goleta
Rotary Club of Westlake Village
San Luis Obispo Chamber of Commerce
Santa Barbara Association of Realtors
Santa Barbara Chamber of Commerce

Santa Barbara Community Housing
Corporation
Santa Barbara County Fair
Santa Barbara Elks Lodge
Santa Barbara Family YMCA
Santa Barbara Foresters
Santa Barbara Zoological Foundation
Santa Maria Chamber of Commerce
Santa Maria Elks Club Rodeo
Santa Maria Police Council
Santa Maria Valley Contractors Association
Scholarship Foundation of Santa Barbara
Science and Engineering Council
of Santa Barbara
Sheridan Way Elementary School
UCSB Economic Forecast Project
United Boys & Girls Clubs of Santa Barbara
County
United Way of Santa Barbara
United Way of Ventura County
Thomas Fire Fund
Unity Shoppe
Ventura Chamber of Commerce
Ventura County Contractors Association
Ventura County Medical Resource
Foundation
Ventura Unified School District
Westmont College Foundation
Women's Shelter Program of SLO County
YMCA



2017 Financials Snapshot

	Year Ended December 31,				
	2017	2016	2015	2014	2013
	(in thousands, except per share amounts)				
Results of Operations:					
Interest income	\$37,391	\$32,216	\$30,222	\$28,004	\$27,866
Interest expense	4,729	3,127	2,516	3,275	4,332
Net interest income	32,662	29,089	27,706	24,729	23,534
Provision (credit) for loan losses	411	(48)	(2,274)	(5,135)	(1,944)
Net interest income after provision for loan losses	32,251	29,137	29,980	29,864	25,478
Non-interest income	2,950	2,253	2,309	2,197	2,831
Non-interest expenses	24,738	22,548	27,281	20,081	22,135
Income before income taxes	10,463	8,842	5,008	11,980	6,174
Provision (benefit) for income taxes	5,548	3,613	2,138	4,934	(2,812)
Net income	4,915	5,229	2,870	7,046	8,986
Dividends and accretion on preferred stock	-	-	445	937	1,039
Discount on partial redemption of preferred stock	-	-	(129)	(159)	-
Net income available to common stockholders	\$4,915	\$5,229	\$2,554	\$6,268	\$7,947
Per Share Data:					
Income per common share - basic	\$0.60	\$0.64	\$0.31	\$0.77	\$1.13
Weighted average shares outstanding - basic	8,146	8,114	8,203	8,141	7,017
Income per common share - diluted	\$0.57	\$0.62	\$0.30	\$0.75	\$0.98
Weighted average shares outstanding - diluted	8,589	8,444	8,491	8,505	8,390
Book value per common share	\$8.55	\$8.07	\$7.55	\$7.31	\$6.60
Selected Balance Sheet Data:					
Net loans	726,189	623,355	536,546	487,256	462,005
Total assets	833,315	710,572	621,213	557,318	539,000
Total deposits	699,684	612,236	544,338	477,084	436,135
Total liabilities	763,245	645,236	559,269	490,311	471,444
Total stockholders' equity	70,070	65,336	61,944	67,007	67,556
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	7.16%	8.19%	4.34%	10.42%	15.15%
Return on average assets	0.64%	0.81%	0.49%	1.25%	1.69%
Equity to assets ratio	8.96%	9.91%	11.23%	12.02%	11.16%
Tier 1 leverage ratio	8.72%	9.64%	10.11%	11.86%	12.68%
Common Equity Tier 1 ratio	9.96%	10.57%	12.12%	-	-
Tier 1 risk-based capital ratio	9.96%	10.57%	12.12%	14.94%	15.65%
Total risk-based capital ratio	11.17%	11.80%	13.37%	16.19%	17.26%

Locations & Corporate Information



Goleta Branch



Oxnard Branch



Corporate Headquarters



Paso Robles Branch (Opening Summer 2018)



San Luis Obispo Branch



Santa Barbara Branch



Santa Maria Branch



Ventura Branch



Westlake Village Branch

Corporate Headquarters

445 Pine Avenue, Goleta, CA 93117
(805) 692-5821
www.communitywest.com

Goleta

5827 Hollister Avenue
Goleta, CA 93117
(805) 683-4944

Oxnard

300 E. Esplanade Drive
Oxnard, CA 93036
(805) 597-4140

Paso Robles (Opening Summer 2018)

541 Spring Street
Paso Robles, CA 93446
(805) 597-7778

San Luis Obispo

4464 Broad Street
San Luis Obispo, CA 93401
(805) 597-3655

Santa Barbara

1501 State Street
Santa Barbara, CA 93101
(805) 962-7420

Santa Maria

122 E. Betteravia Road
Santa Maria, CA 93454
(805) 938-1690

Ventura

1463 S. Victoria Avenue
Ventura, CA 93003
(805) 650-1901

Westlake Village

951 S. Westlake Boulevard
Westlake Village, CA 91361
(805) 494-5172

Investor Relations Contact

Martin E. Plourd

Annual Meeting

The Annual Meeting of Shareholders of Community West Bancshares will be held on May 24, 2018 at 6:30 pm PDT at the La Cumbre Country Club, 4015 Via Laguna, Santa Barbara, CA

Transfer Agent & Registrar

Computershare Trust Co., NA
250 Royall Street
Canton, MA 02021

Independent Auditors

RSM US LLP
300 South Fourth Street
Las Vegas, NV 89101

Corporate Counsel

Duane Morris LLP
865 S. Figueroa Street, Suite 3100
Los Angeles, CA 90017-5450



Board of Directors



William R. Peeples
Chairman of the Board,
Community West Bancshares
Private Investor



Martin E. Plourd
President and
Chief Executive Officer



Robert H. Bartlein
Chairman of the Board,
Community West Bank
President and CEO, Bartlein & Co.



Jean W. Blois
Independent Consultant
Former Mayor, City of Goleta



Dana L. Boutain
Certified Public Accountant
Managing Director, CBIZ



Tom L. Dobyns
Retired Bank CEO



John D. Illgen
Modeling and Simulation
Consultant



James W. Lokey
Retired Bank
Chairman and CEO



Shereef Moharram
Attorney
Partner, Price, Postel
& Parma LLP



Kirk B. Stovesand
Certified Public Accountant
Partner, Walpole & Co.

Executive Management Team

Martin E. Plourd
President and CEO

Maureen C. Clark
Executive Vice President
Chief Operating Officer
and Chief Information Officer

William F. Filippin
Executive Vice President
Chief Banking Officer

Kristine D. Price
Executive Vice President
Chief Credit Officer

Susan C. Thompson
Executive Vice President
Chief Financial Officer

Senior Management Team

Jonathan Apilado
Senior Vice President
Controller

Jason Bietz
Regional President

Clay Dickens
Senior Vice President
Senior Loan Consultant

Luis Garcia-Moreira
Senior Vice President
Cash Management Manager

James D. Gray
Senior Vice President
Manufactured Home
Division Manager

Seth Harvey
Senior Vice President
Credit Administrator and
Commercial Underwriting Manager

Cynthia M. Hooper
Senior Vice President
Loan Servicing Department Manager

Chris Lem
Senior Vice President
Compliance Manager

Laura Maffei
Senior Vice President
Regional Agriculture Loan Manager

Janie Marlborough
Senior Vice President
Credit Administration Policy and
Project Manager

Kevin W. Moon
Senior Vice President
Director of Marketing
and Product Development

Jennifer Ofner
Senior Vice President
Director of Human Resources

Brian Schwabecher
Regional President

Thomas Wetzel
Senior Vice President
Chief Risk Officer

Michael Will
Senior Vice President
Staff Attorney

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