

COMMUNITY WEST BANCSHARES



COUNT ON COMMUNITY



2018
ANNUAL REPORT

COUNT ON COMMITMENT



Record earnings and continued expansion highlight 2018

Community West Bank is uniquely positioned to serve the families and businesses which make up the vibrant, diverse and beautiful communities along California's Central Coast. As many other homegrown community banks have been acquired or merged over the past decade throughout our tri-county area, Community West Bank stands alone as the largest publicly traded and only community bank headquartered and serving communities in Ventura, Santa Barbara and San Luis Obispo counties.

Our communities have not been without significant challenges. The enormous Thomas Fire in December, 2017, followed by devastating mudslides a month later, adversely impacted residents and local businesses in northern Ventura County and southern Santa Barbara County. Tragically, the Hill Fire and Woolsey Fire broke out in November, 2018, destroying homes and businesses in Ventura and Northern Los Angeles counties, further testing the resilience of the communities served by our Bank. We all hope that the threat of year-round wildfires of unprecedented scale, affecting so many of our friends and neighbors in well-established and densely populated areas of California, is not a sign of the new "normal".

Yet even with these challenges, the Bank moved forward. One of the highlights in 2018 was the opening of our Paso Robles branch office on October 15, our second full-service banking office to open in San Luis Obispo County in the last two years, and the eighth Community West Bank branch overall. We now serve communities along a 200 mile stretch of Highway 101, through the heart of a market area that spans from

Westlake Village in the south to Paso Robles in the north. Key financial indicators of our success are listed below.

2018 net income topped \$7.4 million, up 50.7% from \$4.9 million in 2017. Total assets grew 5.2% to \$877.3 million at December 31, 2018, from \$833.3 million a year earlier.

Total deposits increased to \$716.0 million or 2.3% from \$699.7 million

on December 31, 2017,

and more importantly was our core deposit growth of 11.9% to \$505.9 million at December 31, 2018 compared to \$452.2 million at December 31, 2017 reducing the Bank's reliance on wholesale funding.

Additionally, total loans increased \$33.6 million to \$768.2 million at December 31, 2018, compared to \$734.6 million at December 31, 2017. Commercial Real Estate loans outstanding were up 3.2% from year ago levels to \$365.8 million and comprise 47.6% of the total loan portfolio. Manufactured Housing loans were up 10.8% from year-ago levels to \$247.1 million and represent 32.2% of total loans. Commercial loans increased 6.3% from year-ago levels to \$118.5 million and represent 15.4% of the total loan portfolio. For the year, 2018 net interest margin was 4.07% compared to 4.34% in 2017.

Lower corporate tax rates and the ongoing market strength of our local economies contributed to our earnings growth in 2018, and the outlook remains positive for the year ahead. This solid base provides Community West Bank with opportunities to continue growing our franchise by providing the responsive, personal-service approach to offering the financing, deposit products and treasury management services that our clients prefer.

In April 2018, Community West Bank was awarded a "Premier" rating by The Findley Reports. For 50 years, The Findley Reports has been recognizing the financial performance of banking institutions in California and the Western United States. In making their selections, The Findley Reports focuses on four ratios: growth, return on beginning equity, net operating income as a percentage of average assets, and loan losses as a percentage of gross loans.

2019 marks a significant milestone, as we celebrate the 30th anniversary of our Bank. Originally established as Goleta National Bank, our Founders had these simple but powerful ideas: to serve our customers better, and to serve our community like no other bank. What makes us different is not so much what we do, but why we do it. Today, as Community West Bank, our purpose remains the same as it was when first opening our doors in August, 1989: to be the bank of choice, providing an unparalleled experience for our customers, employees and community. That's our Vision, and that's what makes Community West Bank special.

Community West Bank is truly well positioned to serve our communities like no other bank, providing financial services and trusted advice with the "high-touch" personal service our clients and prospects desire and deserve. We appreciate the continued support from you, our shareholders, as we pursue our growth opportunities.



William R. Peeples
Chairman of the Board



Martin E. Plourd
President and Chief Executive Officer





Community West Bank

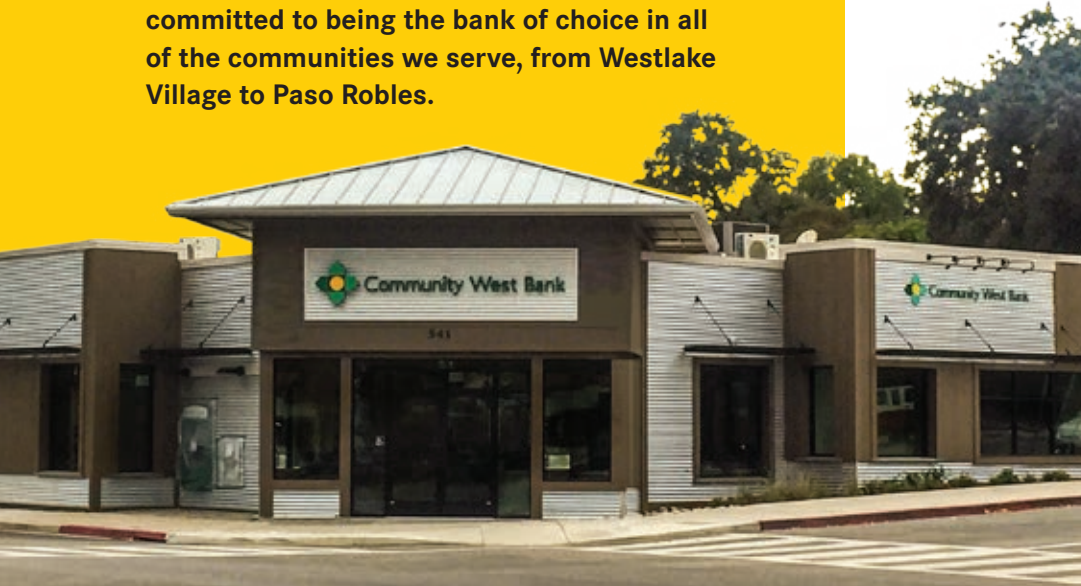
Let's work together™

COUNT ON RELATIONSHIPS



2019 marks the 30th anniversary for Community West Bank! We opened our doors as Goleta National Bank in 1989 with a single office at 5827 Hollister Avenue, which is still the home of our Goleta branch.

Community West Bank has grown to eight full-service banking offices, with our Paso Robles branch opening in October, 2018. Over the past few years, we have also opened new branch offices in Oxnard, San Luis Obispo and Santa Maria, and are now the only community bank headquartered on California's Central Coast with offices throughout Ventura, Santa Barbara and San Luis Obispo counties. We are committed to being the bank of choice in all of the communities we serve, from Westlake Village to Paso Robles.



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 nonprofit and community organizations. 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, treasury management and deposit services they require.

Community West Bank is large enough to accommodate sophisticated financing needs while maintaining the flexibility of a responsive, locally owned and managed community bank. For more information, please check us out at www.CommunityWestBank.com.

RELATIONSHIP BANKING

“Let’s Work Together” is our bank motto, and accurately summarizes the way Community West Bank strives to serve clients. Our outstanding team of professionals are true community bankers, committed to working with our business and personal customers to help them prosper. We proudly offer exceptional service throughout our communities – to individuals, families, businesses, nonprofit organizations and public entities.

Count on Community West Bankers to provide the financing, deposit services, convenient treasury management and trusted advice businesses need, offered with the personal care that sets us apart from larger, non-local banks. It’s the way our bankers deliver those services, every day, with an uncommon level of attention to detail, that builds trust and close banking relationships with our clients.

BUSINESS FINANCING AND TREASURY MANAGEMENT SERVICES

Community West Bank has developed a strong understanding and appreciation for the specific needs of our business clients, making us better able to provide 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. Our background and experience in tailoring financing to fit business goals is what makes us different.

Safe, secure and accurate, our business banking services can contribute significantly to the smooth and efficient operation of local businesses. Community West Bank provides a full range of treasury management services, including mobile banking, payment processing services, payroll processing services, remote deposit capture, ACH processing, positive pay, lockbox services, business credit cards and online banking with bill pay. Our bankers work closely with clients to tailor these services to fit their businesses.

COUNT ON OPPORTUNITY



AGRICULTURAL LENDING

Community West Bank supports agricultural and agribusiness clients with financing, from agricultural mortgage loans for land acquisition, to refinancing existing debt and loans for capital improvements. Understanding that the challenges confronting agricultural businesses are different from our other business clients, we provide the expertise, dedication and experience they need 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 6 years in a row. Community West Bank has dedicated staff and resources focused on the opportunities afforded by these programs to serve the agricultural sector throughout California.



GOVERNMENT GUARANTEED LENDING

Over the years, Community West Bank has provided our business clients with over \$700 million in funding for commercial space, expansion and capital improvements through government guaranteed lending programs.

Our bank has earned the “Preferred Lender” designation 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 loan program for businesses in rural areas.



MANUFACTURED HOME LENDING

For 18 years, Community West Bank has been the premier manufactured home lender in Santa Barbara County while we have steadily increased our market share in Ventura and San Luis Obispo counties. We lend in coastal California communities from San Diego to San Francisco, and have developed strong relationships with California’s top four largest manufactured home dealers 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 2018, Community West Bank held more than 1,900 manufactured home loans in over 300 mobile home parks.

COUNT ON COMMUNITY INVOLVEMENT

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

Alpha Resource Center of Santa Barbara
American Heart Association
Arthritis Foundation
Boys & Girls Club of North SLO County
Bucket Brigade
Buena Girls Soccer
California Farm Bureau
California High School Rodeo Association
California Lutheran University
California Society of CPAs
California Women for Agriculture
Central Coast Alliance United for Sustainable Economy
Central Coast Economic Forecast
Central Coast Veterans Helping Veterans
Center for Urban Agriculture
Child Abuse Listening Mediation (CALM)
Chumash Reservation
Coastal Housing Partnership
Cottage Hospital Foundation
Clinicas del Camino Real
Community Action Commission of Santa Barbara County
Coastal Housing Partnership
Court Appointed Special Advocates of SLO County
Dog Adoption and Welfare Group
Dos Pueblos Little League
Economic Vitality Corporation of SLO County
Fiestas Patrias

Food Bank Coalition of San Luis Obispo County
Food From the Heart
French Hospital Foundation
GenSpan Foundation
Goleta Lions Club
Goleta Lemon Festival
Goleta Old Town Association
Goleta Rotary Club
Goleta Valley Chamber of Commerce
Goleta Valley Historical Society
Grower-Shipper Association of Central California
Greater Conejo Valley Chamber of Commerce
Habitat for Humanity
IBEW Local 952
Kellogg Elementary School
Legal Aid Foundation of SB County
Lifewater International
Meals That Connect
Montecito Union School
Montessori Center School
MOXI Science Museum
National Association of Women Business Owners

Neal Taylor Nature Center
North County Rape Crisis and Child Protection Center
Oakheart Country Music Festival
Old Spanish Days
Oxnard Fire Explorers
Page Youth Center
Paso Robles Downtown Main Street Association
Paso Robles Chamber of Commerce
Paso Robles Uptown Park
People's Self-Help Housing
Rebozo Festival
Rotary Club of Paso Robles
Rotary Club of Westlake Village
San Marcos High School
Santa Barbara Association of Realtors
Santa Barbara Athletic Roundtable
Santa Barbara County Veterans Stand Down
Santa Barbara Elks Lodge
Santa Barbara Family YMCA
Santa Barbara Foresters
Santa Barbara Historical Museum
Santa Maria Elks Club Rodeo
Santa Maria Police Council

Scholarship Foundation of Santa Barbara
Science and Engineering Council of Santa Barbara
Shelter Box USA
Soroptimist International
St. Vincent's Santa Barbara
Transitions Mental Health Association
Temple Beth Torah
UCSB Economic Forecast Project
United Boys & Girls Clubs of Santa Barbara County
United Blood Services
United Way
Unity Shoppe
Ventura County Arts Events
Ventura County Bar Association
Ventura County Coalition of Labor, Agriculture and Business
Ventura County Contractors Association
Ventura County Legal Aid
Ventura County Medical Resource Foundation
Westmont College Foundation



2018 FINANCIALS SNAPSHOT

YEAR ENDED DECEMBER 31,

	2018	2017	2016	2015	2014
	(in thousands, except per share amounts)				
Results of Operations:					
Interest income	\$42,631	\$37,391	\$32,216	\$30,222	\$28,004
Interest expense	8,988	4,729	3,127	2,516	3,275
Net interest income	33,643	32,662	29,089	27,706	24,729
Provision (credit) for loan losses	14	411	(48)	(2,274)	(5,135)
Net interest income after provision for loan losses	33,629	32,251	29,137	29,980	29,864
Non-interest income	2,628	2,757	2,253	2,309	2,197
Non-interest expenses	26,039	24,545	22,548	27,281	20,081
Income before income taxes	10,218	10,463	8,842	5,008	11,980
Provision (benefit) for income taxes	2,809	5,548	3,613	2,138	4,934
Net income	7,409	4,915	5,229	2,870	7,046
Dividends and accretion on preferred stock	-	-	-	445	937
Discount on partial redemption of preferred stock	-	-	-	(129)	(159)
Net income available to common stockholders	\$7,409	\$4,915	\$5,229	\$2,554	\$6,268
Per Share Data:					
Income per common share - basic	\$0.89	\$0.60	\$0.64	\$0.31	\$0.77
Weighted average shares outstanding - basic	8,288	8,146	8,114	8,203	8,141
Income per common share - diluted	\$0.88	\$0.57	\$0.62	\$0.30	\$0.75
Weighted average shares outstanding - diluted	8,451	8,589	8,444	8,491	8,505
Book value per common share	\$8.92	\$8.55	\$8.07	\$7.55	\$7.31
Selected Balance Sheet Data:					
Net loans	759,552	726,189	623,355	536,546	487,256
Total assets	877,291	833,315	710,572	621,213	557,318
Total deposits	716,006	699,684	612,236	544,338	477,084
Total liabilities	801,140	763,245	645,236	559,269	490,311
Total stockholders' equity	76,151	70,070	65,336	61,944	67,007
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	10.02%	7.16%	8.19%	4.34%	10.42%
Return on average assets	0.88%	0.64%	0.81%	0.49%	1.25%
Equity to assets ratio	8.77%	8.96%	9.91%	11.23%	12.02%
Tier 1 leverage ratio	8.96%	8.72%	9.64%	10.11%	11.86%
Common Equity Tier 1 ratio	10.10%	9.96%	10.57%	12.12%	-
Tier 1 risk-based capital ratio	10.10%	9.96%	10.57%	12.12%	14.94%
Total risk-based capital ratio	11.26%	11.17%	11.80%	13.37%	16.19%

CORPORATE & BRANCH LOCATIONS



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

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

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 & 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.

CORPORATE INFORMATION

Investor Relations Contact
Martin E. Plourd

Annual Meeting
The Annual Meeting of Shareholders of Community West Bancshares will be held on May 23, 2019 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

EXECUTIVE MANAGEMENT TEAM

Martin E. Plourd
President and CEO

William F. Filippin
Executive Vice President
Chief Banking Officer

T. Joseph Stronks
Executive Vice President
Chief Operating Officer

Susan C. Thompson
Executive Vice President
Chief Financial Officer

Paul S. Ulrich
Executive Vice President
Chief Credit 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
Senior Credit Officer

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 Policy and Risk Officer

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

Michael Will
Senior Vice President
Staff Attorney





CORPORATE HEADQUARTERS

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