



COMMUNITY WEST BANCSHARES

A person stands on a rocky peak, looking out over a vast landscape under a dramatic, cloudy sky at sunset or sunrise. The sun is low on the horizon, casting a warm glow over the scene. The clouds are thick and layered, with some light breaking through. The overall mood is one of stability and resilience.

STABILITY

in Uncertain Times

ANNUAL REPORT 2020

Community West Bancshares remained stable and weathered the uncertainty of 2020.

Community West produced strong earnings in 2020, with solid top and bottom line results, core deposit growth and an expanded net interest margin.

The effect of the pandemic on our employees, clients and communities remained our primary concern throughout the year. Since the start of the pandemic, we worked together as a team to maintain all branch activity, taking conservative measures to keep our employees and clients safe, without compromising the level of service our clients expect and deserve.

We focused on assessing the risks in our loan portfolio and working with our clients affected by the pandemic, granting appropriate loan modifications.

We are very proud of Community West's financial performance, closing out 2020 with a net income of \$8.2 million, up from 2019's record of \$8.0 million. Our total assets ended the year at \$975 million – up \$62 million over 2019 – and total loans grew \$82 million, year over year.

All production areas posted very solid numbers in 2020. Our total deposits for the year ended at \$766 million, up \$15 million over 2019, and here's the good news: our bank was able to reduce and replace a significant portion of our high-cost CDs, including brokered deposits, by a total of \$132 million – primarily with low-cost core deposits which grew by \$155 million. To say we had a good year is an understatement; we had another record year!



Throughout 2020, Community West Bank generated 517 Paycheck Protection Program (PPP) loans, which are 100% guaranteed by the Small Business Administration (SBA), totaling \$75.7 million to our clients. We expect to see the first round of PPP funding forgiven by the end of the second quarter of 2021. As these loans are forgiven, we expect to use the liquidity to pursue new opportunities in our market, including strategies to improve loan growth, fund the second round of PPP loans and further reduce high-cost wholesale funding.

In April 2020, Community West Bank was again awarded a “Premier” rating by The Findley Reports. For over 50 years, Findley has recognized the financial performance of banking institutions in California and the western United States, focusing 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. Community West Bank is also rated 5-star Superior by Bauer Financial. It is an honor to be recognized so favorably.

Our bank is well positioned to serve the families and businesses which make up the communities along California’s Central Coast. With seven branch offices - from Oxnard in the south to Paso Robles in the

north - Community West Bank is the largest publicly traded and only community bank headquartered and serving all of Ventura, Santa Barbara and San Luis Obispo counties.

We appreciate the support from you, our shareholders, as we continue to expand Community West Bank’s capabilities in providing personal service and trusted advice to our clients.

William R. Peeples
Chairman of the Board

Martin E. Plourd
President/Chief Executive Officer



What makes Community West Bank different is not what we do, but why we do it.

Community West Bank first opened its doors in 1989 as Goleta National Bank, with a single office at 5827 Hollister Avenue, and has grown to seven full-service banking offices throughout Ventura, Santa Barbara and San Luis Obispo counties.

What makes Community West Bank different is not so much what we do, but why we do it. The Founders of our bank had a simple and enduring vision: To serve our community and customers like no other bank. We remain committed to that vision - being the bank of choice in the communities we serve - and firmly believe that local deposits should be put to work locally.

Community West Bank provides financing to businesses, families and nonprofit organizations throughout California's Central Coast, supporting job creation, economic vitality and vibrant local communities. Please check us out at www.CommunityWestBank.com.



RELATIONSHIP BANKING

Community West Bank provides a full range of convenient and secure treasury management services, including mobile banking apps for businesses and personal customers, payment processing services, payroll services, positive pay, lockbox services, remote deposit capture, ACH processing, business credit cards and online banking with bill pay. Our banking services and deposit accounts are designed to contribute to the smooth and efficient operation of our clients' businesses.

And clients count on Community West Bankers to provide the responsive financing and trusted advice local businesses need to nurture and sustain their growth. What sets us apart is the level of personal service, flexibility and attention to detail our bankers provide to customers. It was true when Goleta National Bank first opened its doors over 30 years ago, and remains true at Community West Bank today. That is the foundation for our continued success.

MANUFACTURED HOME LENDING

For over 20 years, Community West Bank has been a premier manufactured home loans lender in coastal California communities from San Diego to San Francisco. For those who are looking to purchase or refinance a manufactured home, we have loans to fit their needs and a staff who focuses exclusively on manufactured home financing. We have developed strong relationships with California's manufactured home dealers in order to serve the new home market. Community West Bank holds more than 2,000 manufactured home loans in over 300 California mobile home parks.

AGRICULTURAL LENDING

Community West Bank fulfills the financing needs of our farm, ranch and agribusiness clients with Farmer Mac mortgage loans with long-term fixed rates for land acquisition, loans to refinance existing debt and financing for capital improvements. Our goal is to encourage growth throughout the agricultural sector – on California's Central Coast and statewide. A commitment to responsive personal service make us stand out from other banks. We take pride in the portfolio of very satisfied clients who have managed to make their Ag businesses thrive with the funding they received from us.

GOVERNMENT GUARANTEED LENDING

Community West Bank offers U.S. Small Business Administration (SBA) loan programs, as well as the U.S. Department of Agriculture (USDA) Business & Industry loan program for businesses in rural areas. Since 1989, we have provided local businesses with over \$700 million in funding for commercial space, expansion and capital improvements through government guaranteed lending programs, earning the "Preferred Lender" designation by the SBA. This special status allows us to expedite the processing of loan applications for rapid closing with in-house approvals.

COMMUNITY INVOLVEMENT

Community West Bank employees volunteer hundreds of hours annually to local non-profits in the communities in which they live and work, and our bank provides consistent financial support in the form of donations, sponsorships and grants to organizations throughout the Central Coast, from Ventura County to Paso Robles. Please refer to the Community Involvement section of this annual report.



THE POINT MARKET

“The Point Market has had a great relationship with Community West Bank for 25 years. They make banking easy so we can focus on growing our business.”

Jeremy Jewell
Vice President, Operations

Jordan Price
Marketing Director
The Point Markets

THE COMMUNITY COUNTS ON US



“We love the open space and rolling hills that make Paso Robles special. Thanks to our partnership with Community West Bank, we can see our dreams for our ranch realized.”

Dennis and Teresa Harrah
Owners, Harrah Ranch

“At Draughtsmen Aleworks we count on Community West Bank to serve our banking needs and help to build a stronger community.”

Tami Snow, Co-owner,
Draughtsmen Aleworks

“At Primary Medical we count on Community West Bank to support our business growth and to share our values in community stewardship.”

Dr. Maria Barrell & Dr. Edward Banman, Primary Medical

COMMUNITY INVOLVEMENT

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

Achievement House
Alpha Resource Center of Santa Barbara
American Cancer Society
American Heart Association
Arroyo Grande Community Hospital Foundation
Atascadero Kiwanis
Bishop Diego Garcia High School
California LULAC Foundation
Central Coast Alliance United for Sustainable Economy
Central Coast Economic Forecast
Child Development Resources of Ventura County
Children's Creative Project
Clinicas del Camino Real
COLAB Ventura County
Community Health Centers of the Central Coast
Cottage Children's Medical Center
Court Appointed Special Advocates of SLO County (CASA)
Dos Pueblos High School Athletics
Dos Pueblos Little League
El Camino Elementary School
El Camino Homeless Organization (ECHO)
Economic Vitality Corporation of SLO County
Fairview Gardens
Food Bank Coalition of San Luis Obispo County
Food From the Heart
French Hospital Foundation
Girsh Park
Goleta Valley Chamber of Commerce
Good Samaritan Shelter
Habitat for Humanity, San Luis Obispo County
Housing Trust Fund of Ventura County
Jack's Helping Hand
kidSTREAM Children's Museum
Marian Regional Medical Center Foundation
Meals That Connect
Mid-State Fair
Montessori Center School
National Association of Women Business Owners (NAWBO)
Old Spanish Days Fiesta
Old Yeller Ranch Rescue
One805.org
Oxnard College Foundation
Page Youth Center
Paso Robles Chamber of Commerce
Paso Robles Housing Authority
Paso Robles Rotary Club Foundation
Paso Robles Youth Arts Foundation
Rotary Club San Luis Obispo Daybreak
San Luis Obispo Chamber of Commerce
San Luis Obispo Symphony
San Marcos High School
Santa Barbara Athletic Roundtable
Santa Barbara Courthouse Legacy Foundation
Santa Barbara Family YMCA
Santa Barbara Police Foundation
Santa Barbara Zoological Gardens
Scholarship Foundation of Santa Barbara
Science and Engineering Council of Santa Barbara
Solvang Senior Center
St. John's Healthcare Foundation
Studios on the Park
Teddy Bear Cancer Foundation
Temple Beth Torah
UCSB Economic Forecast Project
United Boys & Girls Clubs of Santa Barbara County
Unity Shoppe
Ventura County Contractors Association
Ventura County Medical Resource Foundation
Westmont College Foundation
Young Professionals Networking Group

2020 Financials Snapshot

	YEAR ENDED DECEMBER 31,				
	2020	2019	2018	2017	2016
	(in thousands, except per share amounts)				
Results of Operations:					
Interest income	\$43,854	\$45,739	\$42,631	\$37,391	\$32,216
Interest expense	7,265	11,382	8,988	4,729	3,127
Net interest income	36,589	34,357	33,643	32,662	29,089
Provision (credit) for loan losses	1,223	(165)	14	411	(48)
Net interest income after provision for loan losses	35,366	34,522	33,629	32,251	29,137
Non-interest income	3,912	3,607	2,628	2,757	2,253
Non-interest expenses	27,523	26,755	26,039	24,545	22,548
Income before income taxes	11,755	11,374	10,218	10,463	8,842
Provision (benefit) for income taxes	3,510	3,411	2,809	5,548	3,613
Net income	\$8,245	7,963	7,409	4,915	5,229
Per Share Data:					
Income per common share - basic	\$0.97	\$0.94	\$0.89	\$0.60	\$0.64
Weighted average shares outstanding - basic	8,473	8,472	8,288	8,146	8,114
Income per common share - diluted	\$0.97	\$0.93	\$0.88	\$0.57	\$0.62
Weighted average shares outstanding - diluted	8,543	8,579	8,451	8,589	8,444
Book value per common share	\$10.50	\$9.68	\$8.92	\$8.55	\$8.07
Selected Balance Sheet Data:					
Net loans	847,383	766,846	759,552	726,189	623,355
Total assets	975,435	913,870	877,291	833,315	710,572
Total deposits	766,185	750,934	716,006	699,684	612,236
Total liabilities	886,428	831,892	801,140	763,245	645,236
Total stockholders' equity	89,007	81,978	76,151	70,070	65,336
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	9.70%	10.15%	10.02%	7.16%	8.19%
Return on average assets	0.85%	0.91%	0.88%	0.64%	0.81%
Equity to assets ratio	9.12%	8.97%	8.68%	8.41%	9.19%
Community Banking Leverage Ratio	9.29%	—	—	—	—
Tier 1 leverage ratio	9.57%	9.33%	8.96%	8.72%	9.64%
Common Equity Tier 1 ratio	11.40%	10.60%	10.10%	9.96%	10.57%
Tier 1 risk-based capital ratio	11.40%	10.60%	10.10%	9.96%	10.57%
Total risk-based capital ratio	12.65%	11.73%	11.26%	11.17%	11.80%



Corporate Headquarters



Goleta Branch



Oxnard Branch



Paso Robles Branch



San Luis Obispo Branch



Santa Barbara Branch



Santa Maria Branch



Ventura Branch

LOCATIONS

CORPORATE HEADQUARTERS

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

BRANCHES

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

CORPORATE INFORMATION

Investor Relations Contact

Martin E. Plourd

Annual Meeting

The Annual Meeting of Shareholders of Community West Bancshares will be held remotely on May 27, 2021 at 6:30 pm PDT

Transfer Agent & Registrar

Computershare Trust Company
462 South 4th Street, Suite 1600
Louisville KY 40202

Independent Auditors

RSM US LLP
10845 Griffith Peak Drive, Suite 450
Las Vegas, NV 89135

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



Suzanne Chadwick
Retired Bank Executive



Tom L. Dobyns
Retired Bank CEO



John D. Ilgen
Modeling and Simulation
Consultant



James W. Lokey
Retired Bank
Chairman and CEO



Shereef Moharram
Attorney
Partner, Price, Postel
& Parma LLP



Christopher R. Raffo
Farmer and Former
Community Bank Equity Broker



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

EXECUTIVE MANAGEMENT TEAM

Martin E. Plourd
President and CEO

William F. Filippin
Executive Vice President
Chief Credit Officer and Chief Administrative Officer

T. Joseph Stronks
Executive Vice President
Chief Operating Officer
Interim Chief Risk Officer

Susan C. Thompson
Executive Vice President
Chief Financial Officer

SENIOR MANAGEMENT TEAM

Jonathan Apilado
Senior Vice President
Controller

Jason Bietz
Senior Vice President
Deputy Chief Credit Officer

Clay Dickens
Senior Vice President
Senior Loan Consultant

Luis Garcia-Moreira
Senior Vice President
Treasury Management Manager

James Gray
Senior Vice President
Manufactured Housing
Division Manager

Cynthia Hooper
Senior Vice President
Risk and CRA Officer

Laura Maffei
Senior Vice President
Regional Agriculture Loan Manager

Janie Marlborough
Senior Vice President
Director of Credit Risk Management

Kevin Moon
Senior Vice President
Director of Marketing and Product Development

Jennifer Ofner
Senior Vice President
Director of Human Resources

Brian Schwabecher
Senior Vice President
Chief Banking Officer

Michael Will
Senior Vice President
Director of Credit Operations and Legal Review

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Corporate Headquarters

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