



COMMUNITY WEST BANCSHARES

Let's work together

ANNUAL REPORT 2021

The year 2021 was filled with both challenges and victories, and was a great success for Community West Bank.

Throughout the year, our work at the bank was filled with ongoing challenges related to the COVID-19 pandemic and recession, resulting in remote work, cost cutting and employee shortages. It has been a difficult time for everyone. We thank our outstanding team of bankers for working together, undeterred, to provide the exceptional service clients expect from Community West Bank. Their efforts, day in and day out, paved the way to make 2021 our bank's most successful year ever.

Contributing to success was our continued participation in the SBA's Paycheck Protection Program (PPP). Our focus on delivering an exceptional client experience throughout the PPP process, from the initial loan origination to the forgiveness process, is helping to bring in new business clients. As of December 31, 2021, we had 93 PPP loans totaling \$21.3 million remaining on our balance sheet from both the first and second rounds of funding and have \$536,000 remaining in net unrecognized fees related to PPP loans that will be recognized as income through amortization or once the loans are paid off or forgiven by the SBA. As these loans are forgiven, we will use the liquidity to pursue new lending opportunities as well as focus on further reduction in funding costs.

We delivered excellent full year 2021 financial results, highlighted by strong organic loan growth, record loan production and solid revenue growth.

- **Net income was another record at \$13.1 million, or \$1.50 per share, an increase of 58% compared to \$8.2 million, or \$0.97 per share in 2020.**
- **Total loans, excluding PPP loans, increased \$82.7 million, or 10.5%, compared to December 31, 2020.**
- **Total assets ended the year at \$1.16 billion, up \$182 million from 2020.**
- **Deposits grew by \$184 million and non-interest deposits increased by \$29 million.**



Notable credit quality progress was made in 2021, with past-due and delinquent loans at all-time lows, and non-accrual loans fell to \$565,000, an 85% reduction from 2020, and another all-time low. Our performance ratios of return on assets and return on equity are at all-time highs, at 13.68% and 1.21% respectively – by far our bank’s best results to date.

In April 2021, Community West Bank was awarded a “Super Premier Performance” 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. Community West Bank is rated 5-star Superior by Bauer Financial. And Community West was named to Piper Sandler’s Bank and Thrift Sm-All Stars – Class of 2021. This award recognized Community West as one of the top 35 best performing small capitalization institutions from a list of publicly traded banks and thrifts in the U.S. with market capitalizations less than \$2.5 billion. It is an honor to be recognized so favorably.

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. As one of the last remaining community banks along California’s Central Coast, we believe we are operating from a position of strength and we will continue to work to create value for our shareholders, our clients and our communities.

We appreciate the support from you, our shareholders, as we 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
Chief Executive Officer

Community Involvement

Hundreds of hours are volunteered annually by Community West Bank employees to non-profit organizations in the communities in which they live and work. And our bank provides donations, sponsorships and grants to non-profits throughout the Central Coast, from Ventura County to Paso Robles. Please refer to the Community Involvement section of this annual report.

Community West Bank provides financing to businesses and families throughout California's Central Coast, supporting job creation, economic vitality and vibrant local communities.



The past two years have been challenging for our clients and communities – public health and safety has become a primary concern during the pandemic, lives have been disrupted, work and school adjusted to remote access, jobs were lost and many businesses have had difficulty remaining open.

Our bank is proud to step up in times of need to offer resources which support the communities we serve. *A number of local business clients which have been able to keep their doors open – and serving their clients – are featured in this publication.*

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. We focus on four core competencies:

- **Relationship Banking**
- **Manufactured Home Lending**
- **Agricultural Lending**
- **Government Guaranteed Lending**

Please check us out at www.CommunityWestBank.com.

Relationship Banking

“Let’s Work Together” is our bank slogan and is central to the way Community West Bank does business. Our experienced banking managers, loan officers and staff offer personal service and local knowledge to assist with each client’s specific financial needs. Community West Bank has developed an understanding for the special needs of our business clients, and we are better able to make well guided local lending decisions based on firsthand 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 banking services and deposit accounts are designed to contribute to the smooth and efficient operation of our clients’ businesses. 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.

What sets us apart is the level of personal service, flexibility and attention to detail our bankers provide to clients. 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 throughout Santa Barbara, Ventura and San Luis Obispo counties and in coastal California communities from San Diego to San Francisco. For those who are purchasing a manufactured home, we offer financing 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 to better serve the new home market. Manufactured home loans are retained in the bank’s portfolio and Community West Bank holds more than 2,000 manufactured home loans—a portfolio of over \$295 million—in more than 330 well-maintained California mobile home parks.

Agricultural Lending

Community West Bank supports farm, ranch and agribusiness clients with Farmer Mac mortgage loans, offering long-term fixed rates for land acquisition, loans to refinance existing debt and financing for capital improvements. We understand that the challenges faced by agricultural clients are different from our other business clients, and require expertise, dedication and experience from their bankers. Community West Bank has dedicated staff and resources focused on serving agricultural clients throughout California.

Our goal is to encourage growth throughout the agricultural sector – on California’s Central Coast and statewide. A commitment to responsive personal service makes 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. In 2022, we will enhance our focus on providing SBA 7(a) financing to local businesses.

Since 1989, Community West Bank has provided growing 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.





We work together.

A defining characteristic of a community bank is being a reliable resource, supporting the financial needs of clients – in challenging times as well as in good times. Local businesses of all sizes and types have struggled throughout the COVID pandemic. In 2021, Community West Bank highlighted in television ads clients who successfully kept their businesses open, serving their own customers. We salute their commitment to serving our communities, and are proud to work with our business clients when they need us most.





Community Involvement

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

805 AgKids
Affordable Housing Paso Robles
Alpha Resource Center of Santa Barbara
American Cancer Society
American Heart Association
BioMedley
Boys & Girls Clubs
Boy Scouts, Los Padres Council
Cal Lutheran University
Care for Paws
Central Coast Alliance United for Sustainable Economy
Central Coast Economic Forecast
Child Development Resources of Ventura County
Children's Creative Project
City of Oxnard – Cinco de Mayo Committee
City of Oxnard – Fiesta Patrias Committee
Clinicas del Camino Real
COLAB Ventura County
Commemorative Air Force
Community Health Centers of the Central Coast
Cottage Hospital Foundation
Court Appointed Special Advocates of SLO County (CASA)
Dos Pueblos Little League
El Camino Homeless Organization (ECHO)
Elite Pup Training
Fairview Gardens
Food Bank Coalition of San Luis Obispo County
Food From the Heart
Food Share Inc.
French Hospital Foundation
Gala Pride & Diversity Center
Goleta Lions Club
Goleta Rotary Club
Goleta Valley Community Center
Goleta Valley Cottage Hospital Foundation
Grower Shipper Association
Habitat for Humanity
Housing Trust Fund of Santa Barbara County
Interface Children's Program
Legal Aid of Santa Barbara
Lobero Theater
Los Alamos Valley Men's Club
Make A Wish Ventura County
Marian Regional Medical Center Foundation
Meals That Connect
Museum of Ventura County
National Association of Women Business Owners (NAWBO)
North County Rape Crisis and Child Protection Center
North San Luis Obispo County Concert Association
Old Spanish Days Fiesta
One805.org
Paso Robles Chamber of Commerce
Paso Robles Housing Authority
Paso Robles Pioneer Day
Paso Robles Rotary Club Foundation
Rotary Club San Luis Obispo Daybreak
Salvation Army
San Luis Obispo Chamber of Commerce
San Luis Obispo Museum of Art
San Luis Obispo Safe Ride
Santa Barbara Carriage and Western Art Museum
Santa Barbara Community Animal Services
Santa Barbara County Animal Services
Santa Barbara Courthouse Legacy Foundation
Santa Barbara Family YMCA
Santa Barbara Foresters
Santa Barbara Historical Museum
Santa Barbara Police Foundation
Santa Barbara South Coast Chamber of Commerce
Santa Barbara Zoological Gardens
Scholarship Foundation of Santa Barbara
Science and Engineering Council of Santa Barbara
Solvang Senior Center
South Coast Railroad Museum
St. Vincent's
Success Charities
Teacher's Fund
Temple Beth Torah
Toy Bank of Greater Paso Robles
Transitions Mental Health Association
UCSB Advisory Board
UCSB Economic Forecast Project
United Boys & Girls Clubs of Santa Barbara County
United Way Santa Barbara
Unity Shoppe
Ventura County Arts Events
Ventura County Contractors Association
Ventura County Medical Resource Foundation
Vitalant Blood Services
Westmont College Foundation
Young Professionals Networking Group



2021 Financials Snapshot

	Year Ended December 31,				
	2021	2020	2019	2018	2017
	(in thousands, except per share amounts)				
Results of Operations:					
Interest income	\$46,078	\$43,854	\$45,739	\$42,631	\$37,391
Interest expense	3,704	7,265	11,382	8,988	4,729
Net interest income	42,374	36,589	34,357	33,643	32,662
Provision (credit) for loan losses	(181)	1,223	(165)	14	411
Net interest income after provision for loan losses	42,555	35,366	34,522	33,629	32,251
Non-interest income	3,753	3,912	3,607	2,628	2,757
Non-interest expenses	27,995	27,523	26,755	26,039	24,545
Income before income taxes	18,313	11,755	11,374	10,218	10,463
Provision (benefit) for income taxes	5,212	3,510	3,411	2,809	5,548
Net income	\$13,101	\$8,245	7,963	7,409	4,915
Per Share Data:					
Income per common share - basic	\$1.53	\$0.97	\$0.94	\$0.89	\$0.60
Weighted average shares outstanding - basic	8,568	8,473	8,472	8,288	8,146
Income per common share - diluted	\$1.50	\$0.97	\$0.93	\$0.88	\$0.57
Weighted average shares outstanding - diluted	8,723	8,543	8,579	8,451	8,589
Book value per common share	\$11.72	\$10.50	\$9.68	\$8.92	\$8.55
Selected Balance Sheet Data:					
Net loans	881,679	847,383	766,846	759,552	726,189
Total assets	1,157,052	975,435	913,870	877,291	833,315
Total deposits	950,131	766,185	750,934	716,006	699,684
Total liabilities	1,055,677	886,428	831,892	801,140	763,245
Total stockholders' equity	101,375	89,007	81,978	76,151	70,070
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	13.68%	9.70%	10.15%	10.02%	7.16%
Return on average assets	1.21%	0.85%	0.91%	0.88%	0.64%
Equity to assets ratio	8.76%	9.12%	8.97%	8.68%	8.41%
Community Banking Leverage Ratio	N/A	9.29%	—	—	—
Tier 1 leverage ratio	8.56%	9.57%	9.33%	8.96%	8.72%
Common Equity Tier 1 ratio	11.02%	11.40%	10.60%	10.10%	9.96%
Tier 1 risk-based capital ratio	11.02%	11.40%	10.60%	10.10%	9.96%
Total risk-based capital ratio	12.19%	12.65%	11.73%	11.26%	11.17%

Board of Directors



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



Martin E. Plourd
Chief Executive Officer



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



Dana L. Boutain
Certified Public Accountant
Managing Director, CBIZ



Suzanne Chadwick
Retired Bank Executive



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



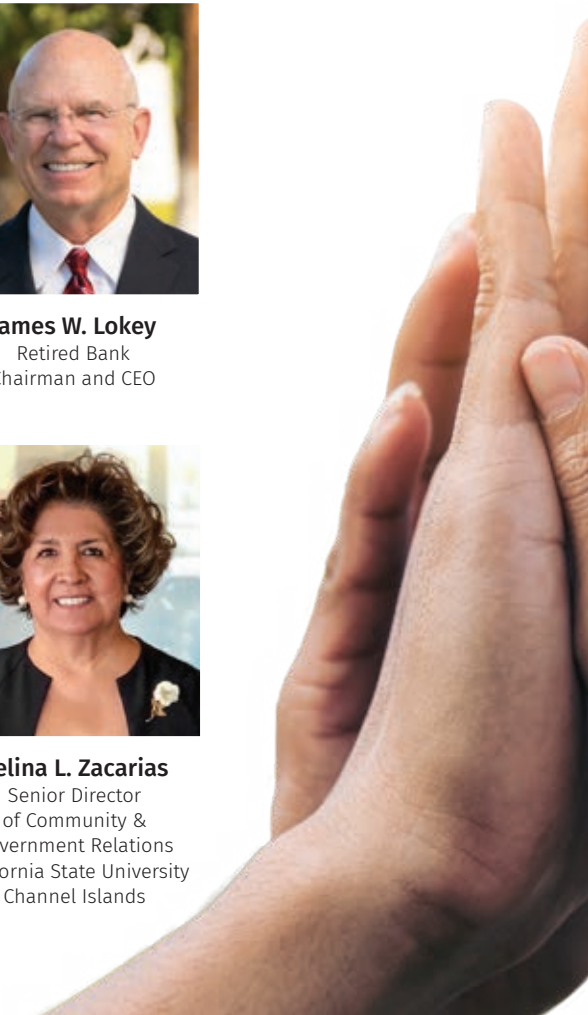
Christopher R. Raffo
Farmer and Former
Community Bank
Equity Broker



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



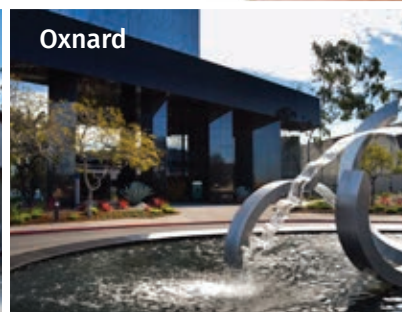
Celina L. Zacarias
Senior Director
of Community &
Government Relations
California State University
Channel Islands



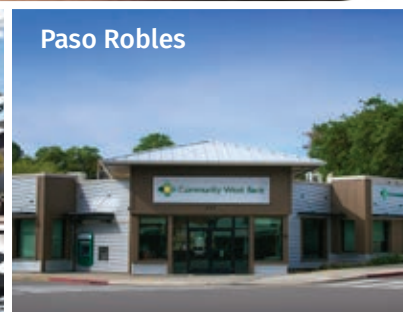
Corporate Headquarters



Goleta



Oxnard



Paso Robles

Management Team

Executive Management Team

Martin E. Plourd
Chief Executive Officer

William F. Filippin
President
Chief Credit Officer

Richard Pimentel
Executive Vice President
Chief Financial Officer

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

Jean Blois
Director Emeritus,
Former Mayor City of Goleta

Senior Management Team

Jason Bietz
Senior Vice President
Regional President

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

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 & 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 Legal and Asset Resolution

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

Transfer Agent & Registrar
Computershare Trust Company
462 South 4th Street, Suite 1600
Louisville KY 40202

Independent Auditors
RSM US LLP
44 Montgomery Street, Suite 3900
San Francisco, CA 94104

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

Annual Meeting
The Annual Meeting of Shareholders of Community West Bancshares will be held on May 26, 2022 at 6:30pm PDT at La Cumbre Country Club, 4015 Via Laguna, Santa Barbara, CA.

San Luis Obispo



Santa Barbara



Santa Maria



Ventura





Executive Management Team

Martin E. Plourd
Chief Executive Officer

William F. Filippin
President
Chief Credit Officer

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

Richard Pimentel
Executive Vice President
Chief Financial Officer



Corporate Headquarters

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www.communitywest.com



Member
FDIC