



COMMUNITY WEST BANCSHARES

West is
Best



2022

ANNUAL REPORT

Dedicated to the West Coast

COMMUNITY WEST BANK DELIVERED RECORD EARNINGS IN 2022, AS WELL AS GROWTH IN TOTAL LOANS, NON-INTEREST DEMAND DEPOSITS AND NET INTEREST MARGIN.

Throughout 2022, the lingering challenges of the COVID-19 pandemic and global forces led to rising interest rates and persistent anticipation of a looming recession. Community West started the year focused on deploying excess liquidity through increased lending activity, which resulted in solid organic loan growth. Our net interest margin improved and we benefitted from higher loan yields and interest rate increases enacted by the Federal Reserve, as new loans with higher interest rates replaced lower rate SBA Paycheck Protection Program (PPP) loans, and existing variable rate loans were repriced.

Non-interest expense rose in 2022 over the prior year due to an increase in salaries and benefits, brought about by wage competition. Additionally, a \$1.3 million increase in professional services was due to costs related to enhancing our internal control structure and procedures for financial reporting as required for institutions over \$1 billion in total assets, and to support strategic and technology initiatives.

Credit quality metrics remained strong, with a decrease in net-nonaccrual loans compared to the previous year. Total classified loans and net non-accrual loans decreased year-over-year due to improvements in the loan portfolio and payoffs in these categories. All loans

rated "Watch" or worse were monitored monthly and proactive measures were taken when any signs of deterioration to the credit were discovered.

In May 2022, Community West Bank was ranked #125 on the American Banker Magazine's list of Top 200 Publicly Traded Community Banks and Thrifts based on three-year average return on equity as of December 31, 2021. Community West Bank was awarded a "Super Premier Performance" rating by The Findley Reports. For 52 years, The Findley Reports has been recognizing the financial performance of banking institutions in California and the Western United States. Community West Bank is rated 5-star Superior by Bauer Financial.

It is an honor to be recognized so favorably.

Our bank is well situated to serve the families, businesses and non-profit organizations which make up the communities along the Central Coast of California. 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,

- **Community West delivered excellent full year 2022 financial results. Highlights include:**
- **Net income was another record at \$13.4 million, or \$1.51 per diluted share, compared to \$13.1 million, or \$1.50 per diluted share in 2021.**
- **Total loans increased \$63.3 million, or 7.1%, compared to December 31, 2021.**
- **Non-interest-bearing demand deposits grew by \$6.6 million to \$216.5 million.**
- **Stockholders' equity increased \$11.3 million to \$112.7 million.**
- **Book value per common share rose to \$12.80 at December 31, 2022, compared to \$11.72 at December 31, 2021.**

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.

Sincerely,



William R. Peoples
William R. Peoples
Chairman of the Board



Martin E. Plourd
Martin E. Plourd
Chief Executive Officer



MONARCHS IN GOLETA VALLEY



ATASCADERO

A Clear Vision

The Founders of our bank had a clear vision: To serve our community and customers like no other bank; to be a positive, reliable and consistent financial resource. Community West Bank remains committed to that powerful vision – *being the bank of choice in the communities we serve* – and we believe that local deposits should be put to work locally.

Community West Bank provides financing, deposit services and convenient treasury management to local businesses, families and non-profit organizations throughout California's central and south coast, supporting economic vitality, job growth and healthy communities.

We first opened our doors as Goleta National Bank in 1989, with an office at 5827 Hollister Avenue – which remains open today – and Community West Bank has grown to seven full-service banking offices throughout Ventura, Santa Barbara and San Luis Obispo counties.

We focus on four core competencies:

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

Relationship Banking

Our business clients count on Community West Bank to provide the responsive community banking service, tailored financing, cash management, deposit services and trusted advice to help them thrive. What sets us apart from larger financial institutions is the level of personal service our bankers provide. That is the foundation upon which Community West Bank has been built and is the key to our continued success.

"Let's Work Together" is our bank's slogan and embodies the approach of Community West Bank: experienced banking managers, loan officers and staff offer personal service, assisting each client with their specific financial needs. We provide 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 financing solutions for local 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.

Manufactured Home Lending

The high cost of housing in California coastal communities has given rise to many mobile home parks as a way for communities to provide affordable housing alternatives. Community West Bank's manufactured housing financing program has helped to facilitate home ownership for many who would not otherwise have the opportunity, as well as for seniors downsizing from traditional 'stick built' homes. Our manufactured home lending strategy has contributed to the bank's earnings and a strong net interest margin.

Community West Bank originates loans on existing and new manufactured homes in approved mobile home parks in our primary lending areas of Santa Barbara, San Luis Obispo, and Ventura Counties, as well as in coastal communities from San Francisco to San Diego. 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 in over 300 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. Our goal is to encourage growth in the agricultural sector throughout California. We understand that the challenges faced by agricultural clients are different from our other business clients. Community West Bank has dedicated staff and resources focused specifically on serving agricultural clients, and we take pride in our portfolio of loans to satisfied clients who have thriving Ag businesses.

Government Guaranteed Lending

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. 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.

Please check us out at
www.CommunityWestBank.com.



The Strength of the West

A true community-based bank is a reliable resource, helping to facilitate the dreams and serving the financial needs of its clients. In 2022, Community West Bank featured local businesses in our advertising which can count on us to support them. Sunstone Winery knows that Community West Bank sees beyond numbers to the true value local businesses bring—seeing what really counts in our community.

A&M Flower Growers counts on responsive agribusiness financing with competitive rates; Community West Bank is an approved lender for Farmer Mac loans. What counts most to Best Western Plus South Coast Inn is the people: the employees and relationships that make it memorable. Solarponics counts on providing a solution that is going to benefit the entire community.



GOLETA



MORRO BAY



CAMARILLO

The City of Santa Barbara at dusk.



Djamila Cabugos of Sunstone Winery



Albert Castaneda, Jr. of A&M Flower Growers



Kristian Emrich of Solarponics



Nicole Weland of Best Western Plus South Coast Inn with Dave Hall of Community West Bank.

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
American Cancer Society
American Heart Association
Bishop Diego Garcia High School
Boys & Girls Clubs
Boy Scouts, Los Padres Council
Cal Lutheran University
Cal Lutheran Center for Nonprofit Leadership
Central Coast Alliance United for Sustainable Economy
Central Coast Economic Forecast
Central Coast Junior Golf
Ceylon International Film Festival
Children's Creative Project
City of Oxnard – Cinco de Mayo Committee
City of Oxnard – Fiesta Patrias Committee
City of Goleta Clean Up
COLAB Ventura County
Commemorative Air Force
Cottage Children's Medical Center
Cottage Hospital Foundation
Court Appointed Special Advocates of SLO County (CASA)
Dos Pueblos High School Foundation
El Camino Homeless Organization (ECHO)
Elings Park Foundation
Estrella Warbirds Museum

Farm Bureau
Fiestas Patrias
First Tee
Food Bank Coalition of San Luis Obispo County
Food From the Heart
French Hospital Foundation
Gala Pride & Diversity Center
Goleta Lions Club
Goleta Rotary Club
Goleta Valley Cottage Hospital Foundation
Goleta Valley Historical Museum
Grower Shipper Association
Habitat for Humanity
Housing Trust Fund of Santa Barbara County
Housing Trust Fund of Ventura County
Interface Children and Family Services
Kellogg School PTA
Lemon Festival
Lobero Theater
Los Alamos Valley Men's Club
Lumina Alliance
Make A Wish Ventura County
Meals That Connect
Museum of Ventura County
National Association of Women Business Owners (NAWBO)
North San Luis Obispo County Concert Association
Ojai Rotary Club
Old Spanish Days Fiesta
One805.org
Paso Robles Chamber of Commerce
Paso Robles Main Street Association
Paso Robles Pioneer Day
Paso Robles Rotary Club Foundation
Paso Robles Youth Arts Center
Planned Parenthood
Rebozo Festival
Rio Mesa Girls Volleyball

Rotary Club San Luis Obispo Daybreak
Salvation Army
San Luis Obispo Chamber of Commerce
San Luis Obispo Museum of Art
San Marcos High School Alumni Foundation
Santa Barbara Carriage and Western Art Museum
Santa Barbara Community Animal Services
Santa Barbara County Food Bank
Santa Barbara Courthouse Legacy Foundation
Santa Barbara Family YMCA
Santa Barbara Foresters
Santa Barbara Historical Museum
Santa Barbara International Film Festival
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
Shelter Box USA
Solvang Senior Center
South Coast Railroad Museum
Students for Eco-Education and Agriculture
St. Vincent's
Success Charities
Temple Beth Torah
Transitions Mental Health Association
UCSB Advisory Board
UCSB Economic Forecast Project
United Boys & Girls Clubs of Santa Barbara County
Unity Shoppe
Ventura County Arts Events
Ventura Art & Street Painting Festival
Ventura County Child Development Resources
Ventura County Contractors Association
Ventura County Fair
Ventura County Medical Resource Foundation
Vitalant Blood Services
Walk with Sally
Warrior Angels Rescue
Women's Economic Ventures
Women's Fund of Santa Barbara
Westmont College Foundation
Young Professionals Networking Group



2022 Financials Snapshot

	Year Ended December 31,				
	2022	2021	2020	2019	2018
	(in thousands, except per share amounts)				
Results of Operations:					
Interest income	\$49,138	\$46,078	\$43,854	\$45,739	\$42,631
Interest expense	3,328	3,704	7,265	11,382	8,988
Net interest income	45,810	42,374	36,589	34,357	33,643
Provision (credit) for loan losses	(195)	(181)	1,223	(165)	14
Net interest income after provision for loan losses	46,005	42,555	35,366	34,522	33,629
Non-interest income	3,978	3,753	3,912	3,607	2,628
Non-interest expenses	31,272	27,995	27,523	26,755	26,039
Income before income taxes	18,711	18,313	11,755	11,374	10,218
Provision (benefit) for income taxes	5,262	5,212	3,510	3,411	2,809
Net income	\$13,449	\$13,101	\$8,245	7,963	7,409
Per Share Data:					
Income per common share - basic	\$1.54	\$1.53	\$0.97	\$0.94	\$0.89
Weighted average shares outstanding - basic	8,722	8,568	8,473	8,472	8,288
Income per common share - diluted	\$1.51	\$1.50	\$0.97	\$0.93	\$0.88
Weighted average shares outstanding - diluted	8,892	8,723	8,543	8,579	8,451
Book value per common share	\$12.80	\$11.72	\$10.50	\$9.68	\$8.92
Selected Balance Sheet Data:					
Net loans	944,577	881,679	847,383	766,846	759,552
Total assets	1,091,502	1,157,052	975,435	913,870	877,291
Total deposits	875,084	950,131	766,185	750,934	716,006
Total liabilities	978,852	1,055,677	886,428	831,892	801,140
Total stockholders' equity	112,650	101,375	89,007	81,978	76,151
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	12.48%	13.68%	9.70%	10.15%	10.02%
Return on average assets	1.20%	1.21%	0.85%	0.91%	0.88%
Equity to assets ratio	10.32%	8.76%	9.12%	8.97%	8.68%
Community Banking Leverage Ratio	N/A	N/A	9.29%	—	—
Tier 1 leverage ratio	10.34%	8.56%	9.57%	9.33%	8.96%
Common Equity Tier 1 ratio	11.44%	11.02%	11.40%	10.60%	10.10%
Tier 1 risk-based capital ratio	11.44%	11.02%	11.40%	10.60%	10.10%
Total risk-based capital ratio	12.56%	12.19%	12.65%	11.73%	11.26%

Board of Directors



William R. Peeples
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.



William F. Filippin
President,
Community West Bank



Martin Alwin
Senior Analyst,
PL Capital Advisors, LLC



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

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

Senior Management Team

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

Nicole Keefe
Senior Vice President,
Deputy Chief Risk Officer

Laura Maffei
Senior Vice President
Regional Agriculture Loan
Manager

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
Senior Legal Counsel

Director Emeritus

Jean Blois
Former Mayor City of Goleta

Corporate Information

Investor Relations Contact
Martin E. Plourd

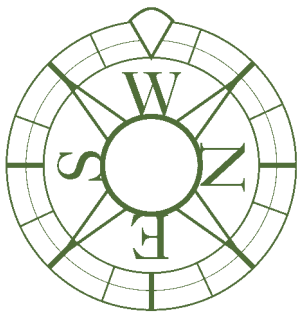
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Independent Auditors
RSM US LLP
44 Montgomery Street,
Suite 3900
San Francisco, CA 94104

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 25, 2023 at 6:30pm PDT
at La Cumbre Country Club,
4015 Via Laguna, Santa Barbara, CA.



Corporate Headquarters
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www.communitywest.com

Goleta
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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



Executive Management Team

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Chief Risk Officer

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