

GROWING INTELLIGENTLY



COMMUNITY WEST BANCSHARES
ANNUAL REPORT 2015



TO OUR SHAREHOLDERS

April 11, 2016

2015 was a year of significant accomplishments for Community West Bancshares.

We continued to achieve strong operating results, with total assets growing to \$621 million, up from \$557 million the previous year. Driving our solid results were ongoing improvements in credit quality, double digit loan growth, accelerated deposit inflows, expense reduction and strong capital, all of which carried through into the new year. We are successfully growing our franchise, expanding the balance sheet and improving the bottom line.

The net loan portfolio increased 10.1% during the year, while total deposits increased 14.1% and core deposits remained strong at 75.1% of total deposits. We continue to improve our capital ratios, which exceeded regulatory requirements. Credit quality metrics continue to improve compared to the past four years, while our net interest margin remains near the top of our peer group. By focusing on our customers' needs and delivering the banking services that make them more productive, we look to sustain our momentum into 2016.

In November 2015, we redeemed the remaining \$5,574,000 of our Cumulative Perpetual Preferred Stock, Series A that were issued under the Troubled Asset Relief Program (TARP) Capital Purchase Program. We finalized a \$10 million line of credit at a rate of one-month Libor plus 3.75% to assist in paying for this final redemption and use for other future corporate purposes.

We also raised in 2015 Q2 the quarterly cash dividend to our shareholders. The cash dividend reflects Community West's commitment to return value to its shareholders. It is also a testament to the strength of the core banking activities and financial performance of our franchise.

We are making solid progress in building our franchise, and we believe that we are well positioned in our market place to continue to grow. We are optimistic about the opportunities for growth in 2016, particularly expanding further into San Luis Obispo County. On behalf of the board and senior management team, we want to thank you, our loyal shareholders, for your continued support of Community West Bancshares.



Key financial indicators improved throughout the year, resulting in the following 2015 highlights:

- Profits were \$2.9 million for 2015.
- Excluding the \$7.1 million loan litigation settlement with Residential Funding Corporation, LLC, after tax net income for the year would have been \$7.0 million.
- Net interest margin was 4.80%.
- Core deposits were 75.10% of total deposits.
- Loan loss reserves were 1.44% of loans held for investment at year end.
- Community West Bank's capital ratios continue to be strong - Total risk-based capital ratio was 13.70% and Tier 1 leverage ratio was 10.38% at December 31, 2015.
- Book value per share was \$7.55 at December 31, 2015.

Sincerely,

A handwritten signature in black ink, appearing to read 'W. Peeples'.

WILLIAM R. PEEPLES
Chairman of the Board

A handwritten signature in black ink, appearing to read 'Martin Plourd'.

MARTIN E. PLOURD
President/Chief Executive Officer



COMMUNITY WEST BANCSHARES



Community West Bank

COMMUNITY WEST BANK is committed to being the bank of choice in the communities we serve, with five full-service branch offices between Westlake Village and Santa Maria and a loan production office in San Luis Obispo. Our experienced relationship managers, community banking managers and staff provide personal service and local knowledge to assist with each client's specific financial needs, consistently delivering on the bank's mission of providing memorable customer service.

Since first opening our doors in 1989, we have put deposits to work locally, providing financing to businesses, individuals and nonprofit organizations throughout California's south central coast, supporting job creation and vibrant local communities. Striving to be the bank of choice means that Community West Bank is committed to offering banking products and services which help make our clients' financial experience more convenient.

Community West Bank is large enough to accommodate sophisticated financing needs, while maintaining the flexibility of a responsive community bank. And our employees are committed to supporting the communities in which they live and work, donating their time and talents to numerous nonprofits and community organizations. It's what we do.

RELATIONSHIP BANKING

Community West Bank is proud to provide exceptional service to every part of our community – individuals, families, businesses, nonprofit organizations and public entities. Our outstanding team of professional bankers have the local knowledge and commitment to excellence to help our clients prosper.

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 banks. Community West Bank offers a variety of deposit accounts and loans, and the convenience of electronic banking services. It's the way our professionals deliver those services, day in and day out, with an uncommon level of care, that builds trust and deeper, fuller banking relationships with our clients.

It's why our bank motto, "Let's Work Together", is central to the way Community West Bank does business.



Jason Bietz, Brian Schwabecker and Bryan Easterly are the Senior Vice Presidents and Regional Market Managers who are leading our Relationship Banking in San Luis Obispo, Santa Barbara and Ventura Counties.

COMMERCIAL LENDING

As a local business ourselves, we at Community West Bank have the perspective to understand the special needs of our business clients, and are better able to make responsive and 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.

Among the many business banking services we

provide are remote deposit capture, online banking and bill pay, ACH processing, positive pay, merchant card processing, domestic and international wire transfers and business credit cards. Our clients tell us that immediate access to decision makers, 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.

SBA LENDING

Our Small Business Administration (SBA) Division bankers provide financing programs which help local growing businesses realize their goals. Community West Bank has earned the designation of “Preferred Lender” by the U.S. Small Business Administration, which allows us to expedite the processing of SBA loan applications with in-house approvals and rapid loan closings.

For over two decades, we have offered SBA 7(a) and

SBA 504 loan programs, as well as the U.S. Department of Agriculture (USDA) Business & Industry loan program for businesses in rural areas. Since Community West Bank began its SBA Division, businesses have received over \$700 million in funding for commercial space, expansion and capital improvements.



MANUFACTURED HOME LENDING

In 2015, Community West Bank made the strategic decision to concentrate on expansion of our manufactured home lending programs, and exit mortgage lending on owner occupied residential real estate. Over the past 15 years, Community West Bank has become the premier manufactured home lender in Santa Barbara County and will now work to increase our market share in Ventura and San Luis Obispo Counties, as well as in coastal

California communities from San Diego to San Francisco. Manufactured home loans are retained in the bank's portfolio and currently have a delinquency rate of less than 1%. At the end of 2015, Community West Bank held more than 1,700 manufactured home loans on houses located in over 300 approved mobile home parks.

AGRICULTURAL LENDING

Community West Bank is ready to support the agribusiness needs of our 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 dedication and flexibility 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 for the past 3 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.



2015 FINANCIALS SNAPSHOT

Community West Bancshares

	Year Ended December 31,				
	2015	2014	2013	2012	2011
Results of Operations:	(in thousands, except per share data and ratios)				
Interest income	\$30,222	\$28,004	\$27,866	\$31,368	\$36,542
Interest expense	2,516	3,275	4,332	5,949	8,250
Net interest income	27,706	24,729	23,534	25,419	28,292
Provision (credit) for loan losses	(2,274)	(5,135)	(1,944)	4,281	14,591
Net interest income after provision for loan losses	29,980	29,864	25,478	21,138	13,701
Non-interest income	2,309	2,197	2,831	4,281	3,211
Non-interest expenses	27,281	20,081	22,135	22,246	23,320
Income (loss) before income taxes	5,008	11,980	6,174	3,173	(6,408)
Provision (benefit) for income taxes	2,138	4,934	(2,812)	-	4,077
Net income (loss)	2,870	7,046	8,986	3,173	(10,485)
Dividends and accretion on preferred stock	445	937	1,039	1,046	1,047
Discount on partial redemption of preferred stock	(129)	(159)	-	-	-
Net income (loss) available to common stockholders	<u>\$2,554</u>	<u>\$6,268</u>	<u>\$7,947</u>	<u>\$2,127</u>	<u>\$(11,532)</u>
Per Share Data:					
Income (loss) per common share - basic	\$0.31	\$0.77	\$1.13	\$0.36	\$(1.93)
Weighted average shares outstanding - basic	8,203	8,141	7,017	5,990	5,980
Income (loss) per common share - diluted	\$0.30	\$0.75	\$0.98	\$0.31	\$(1.93)
Weighted average shares outstanding - diluted	8,491	8,505	8,390	8,233	5,980
Book value per common share	\$7.55	\$7.31	\$6.60	\$6.29	\$5.94
Selected Balance Sheet Data:					
Net loans	536,546	487,256	462,005	449,201	532,716
Total assets	621,213	557,318	539,000	532,101	633,348
Total deposits	544,338	477,084	436,135	434,220	511,262
Total liabilities	559,269	490,311	471,444	479,052	582,722
Total stockholders' equity	61,944	67,007	67,556	53,049	50,626
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	4.34%	10.42%	15.15%	6.22%	-16.98%
Return on average assets	0.49%	1.25%	1.69%	0.55%	-1.60%
Equity to assets ratio	9.97%	12.02%	12.53%	9.97%	7.99%
Tier 1 leverage ratio	10.11%	11.86%	12.68%	9.72%	7.91%
Tier 1 risk-based capital ratio	12.12%	14.94%	15.65%	12.81%	10.08%
Total risk-based capital ratio	13.37%	16.19%	17.26%	15.98%	12.92%
Non-GAAP Performance Measures:					
Return on average common equity,					
excluding loan litigation settlement, net (1)	11.52%	N/A	N/A	N/A	N/A
Return on average assets,					
excluding loan litigation settlement, net (1)	1.20%	N/A	N/A	N/A	N/A
Efficiency ratio,					
excluding loan litigation settlement, net (2)	67.25%	N/A	N/A	N/A	N/A
Non-GAAP Earnings Per Share:					
Basic (3)	\$0.82	N/A	N/A	N/A	N/A
Diluted (3)	\$0.79	N/A	N/A	N/A	N/A

(1) The Company believes these non-GAAP ratios provide a useful metric with which to analyze and evaluate the financial condition of the Company

(2) The Company believes this non-GAAP ratio provides a useful metric to measure the operating efficiency of the Company

(3) The Company believes these non-GAAP measurements are a key indicator of the ongoing earnings power of the Company

COMMUNITY INVOLVEMENT

Community West Bank, and our employees, proudly support nonprofit and community organizations throughout Ventura, Santa Barbara and San Luis Obispo Counties.

Alex's Lemonade Stand Foundation for Childhood Cancer
Alpha Resource Center of Santa Barbara
Altrusa International Foundation of Golden Valley
American Cancer Society
American Heart Association
Arroyo Grande Harvest Festival
ASAP Cat Shelter
Arthritis Foundation
California Agricultural Leadership Foundation
California Cut Flower Commission
California Society of CPAs
California Women for Agriculture
Cancer Center of Santa Barbara
Channel Islands YMCA
Child Abuse Listening Mediation
Children's Creative Project
Clinicas del Camino Real
Community Film Studio of Santa Barbara
Court Appointed Special Advocates
Dog Adoption and Welfare Group
Dos Pueblos High School
Economic Alliance Foundation
Economic Vitality Corporation of SLO County
Foodbank of Santa Barbara County
Food Bank Coalition of SLO County
Food From The Heart
Food Share, Inc.
Gen Span Foundation
Girls Rock Santa Barbara
Goleta Lemon Festival
Goleta Lions Charities Foundation

Goleta Valley Community Center
Goleta Valley Cottage Hospital Foundation
Good Samaritan Shelter
Greater Conejo Valley Chamber of Commerce
Grower-Shipper Association of Central California
Habitat for Humanity
Jack's Helping Hand
Kellogg Elementary School
Legal Aid Foundation of SB County
Lompoc Food Bank
Long Term Care Services of Ventura County
Meals on Wheels
Mexican Ladies Social Club
Montessori Center School
National Association of Women Business Owners
National Association of Women in Construction
Neal Taylor Nature Center
Nightingale School
Old Spanish Days
Page Youth Center
Peoples' Self-Help Housing
Real Estate Professionals for a Cause
Return to Freedom Wild Horse Sanctuary

Righetti High School
Rotary Club of Goleta
Rotary Club of Santa Maria
Rotary Club of Ventura
Rotary Club of Westlake Village
San Luis Obispo Chamber of Commerce
Santa Barbara Chamber of Commerce
Santa Barbara Community Housing Corporation
Santa Barbara County Fair
Santa Barbara County Farm Bureau
Santa Barbara County Flower & Nursery Growers Association
Santa Barbara Elks Lodge
Santa Barbara Family YMCA
Santa Barbara Police Foundation
Santa Barbara Rape Crisis Center
Santa Maria Police Council
Santa Maria Police Officers Association
Santa Maria Valley Boys & Girls Club
Santa Maria Valley Chamber of Commerce
Santa Maria Valley Contractors Association
Scholarship Foundation of Santa Barbara

Science & Engineering Council
Spirit of Entrepreneurship Foundation
Sunrise Rotary Foundation
United Way of Santa Barbara
Unity Shoppe, Inc.
Vandenberg Village Lions
Ventura County Contractors Association
Ventura County Fair
Ventura County Medical Resource Foundation
Ventura Downtown Lions Club



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



John D. Illgen
Vice President and Director,
Simulation Technologies/
Northrop Grumman



James W. Lokey
Retired Bank
Chairman and CEO



Shereef Moharram
Partner, Price, Postel
& Parma LLP



Eric Onnen
Owner, Santa Barbara Airbus



James R. Sims Jr.
Real Estate Broker



Kirk B. Stovesand
Partner, Walpole & Co.

EXECUTIVE MANAGEMENT TEAM

Martin E. Plourd
President and CEO

Charles G. Baltuskonis
Executive Vice President
Chief Financial Officer

William F. Filippin
Executive Vice President
Chief Banking Officer

Charles E. Kohl
Executive Vice President
Chief Operating Officer

Kristine D. Price
Executive Vice President
Chief Credit Officer

SENIOR MANAGEMENT TEAM

Jason Bietz
Senior Vice President
Regional Market Manager

Clay Dickens
Senior Vice President
Manufactured Home Lending

Bryan Easterly
Senior Vice President
Regional Market Manager

Luis Garcia-Moreira
Senior Vice President
Cash Management Manager

James D. Gray
Senior Vice President
Manufactured Home Lending

Seth Harvey
Senior Vice President
Commercial Underwriting Manager

Cynthia M. Hooper
Senior Vice President
Loan Servicing

Chris Lem
Senior Vice President
Compliance Manager

Laura Maffei
Senior Vice President
Regional Agriculture Loan Manager

Kevin W. Moon
Senior Vice President
Director of Marketing

Brian Schwabecher
Senior Vice President
Regional Market Manager

Deborah L. Scott
Senior Vice President
Director of Information Technology

Janice Stewart
Senior Vice President
Director of Human Resources

Susan C. Thompson
Senior Vice President
Controller

Thomas Wetzel
Senior Vice President
Chief Risk Officer



COMMUNITY WEST BANCSHARES



Community West Bank

LOCATIONS



San Luis Obispo

Loan Production Office
(Full-service branch to
open in Fall of 2016)
1977 Santa Barbara St.
Suite 101
San Luis Obispo, CA
93401



Santa Maria

2615 South Miller St.
Santa Maria, CA 93455



Goleta

5827 Hollister Ave.
Goleta, CA 93117



Santa Barbara

1501 State St.
Santa Barbara, CA 93101



Ventura

1463 S. Victoria Ave.
Ventura, CA 93003



Corporate Headquarters

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



Westlake Village

951 South Westlake Blvd.
Westlake Village, CA 91361



CORPORATE INFORMATION

Corporate Headquarters

445 Pine Avenue
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(805) 692-5821
(805) 692-5835 Fax
www.communitywest.com

Investor Relations Contact

Charles G. Baltuskonis

Annual Meeting

The Annual Meeting of
Shareholders of Community West
Bancshares will be held on
May 26, 2016 at 6:30 pm PDT
at the La Cumbre Country Club,
4015 Via Laguna,
Santa Barbara, CA 93110

Transfer Agent & Registrar

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

Independent Auditors

RSM US LLP
515 South Flower Street
Los Angeles, CA 90071

Corporate Counsel

Horgan, Rosen, Beckham
& Coren LLP
23975 Park Sorrento, Ste 200
Calabasas, CA 92302



COMMUNITY WEST
BANCSHARES



CORPORATE HEADQUARTERS

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