



COMMUNITY WEST BANCSHARES



Strength, Stability & Security

ANNUAL REPORT 2014



WILLIAM PEEPLES
Chairman of the Board



MARTIN PLOURD
President and Chief Executive Officer

TO OUR SHAREHOLDERS

March, 2015

2014 was a year of continued growth and prosperity for Community West Bancshares.

We continued to achieve excellent operating results, producing the highest level of pretax profits in our history of \$12 million for 2014. We are successfully growing our franchise, expanding the balance sheet and improving the bottom line. We grew earnings to \$7.0 million for the full year, with diluted earnings per common share of \$0.75 for the year. Driving our solid results were ongoing improvements in credit quality, positive loan growth, accelerated deposit inflows, expense reduction and strong capital, all of which carried through into the new year.

The net loan portfolio increased 5.5% during the year, while total deposits increased 9.4% and core deposits remained strong at 79% of total deposits. We continue to improve our capital ratios, which exceeded regulatory requirements. Credit quality metrics continue to improve compared to the past three years, while our net interest margin remains above average. By focusing on our customers' needs and delivering the banking services that make them more productive, we look to sustain our loan and deposit growth momentum through 2015 and beyond.

Key financial indicators improved throughout the year, resulting in the following 2014 highlights:

- Profits were \$7.0 million for 2014.
- Net interest margin was 4.50%.
- Core deposits were 79% of total deposits.
- Loan loss reserves were 1.84% of loans held for investment at year end.
- Community West Bank's capital ratios continue to remain strong - Total risk-based capital ratio was 15.91% and Tier 1 leverage ratio was 11.64% at December 31, 2014.
- Book value per share was \$7.31 at December 31, 2014.

In 2014, we announced our Preferred Stock Prepayment Strategy which includes continuing partial redemptions of the 9%, Cumulative Perpetual Preferred Stock, Series A that were issued under the Troubled Asset Relief Program (TARP) Capital Purchase Program. As of March 20, 2015, Community West Bancshares had redeemed 61.57% of its Perpetual Preferred Stock, leaving a remaining balance of \$5,995,000.

We were also able to resume paying a quarterly cash dividend to our shareholders, who have been very loyal over the years. 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.

Looking into 2015, we will continue to increase our marketing outreach in the communities we serve, while focusing on increasing shareholder value. On behalf of the board and senior management team, we want to thank you, our shareholders, for your continued support of Community West Bancshares.

Sincerely,



WILLIAM R. PEEPLES
Chairman of the Board

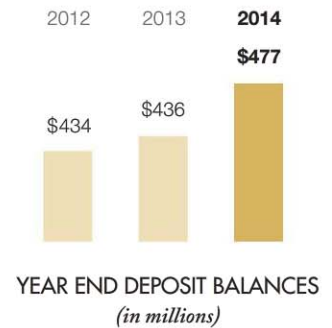


MARTIN E. PLOURD
President/Chief Executive Officer



COMMUNITY WEST BANK is committed to being the bank of choice in the communities we serve from five branch offices between Santa Maria and Westlake Village. Part of that commitment includes investing in the most experienced bankers in the marketplace. Our commercial loan officers, branch managers, and their staff provide knowledge and personalized service to assist with each customer's unique financial needs, consistently delivering on the Bank's mission of providing extraordinary customer service.

We channel most of our funds into loans that are put to work locally to develop and expand businesses, create jobs, and purchase and repair homes. And year after year, Community West Bank demonstrates the commitment to investing in highly valued banking products and services to help make customers' financial lives easier. **IT'S WHAT WE DO.**



RELATIONSHIP BANKING

Community West Bank is proud to be a local community bank with experienced bankers who ensure that our local communities grow and prosper. For consumers, Community West Bank offers a variety of deposit, loan, and financial services. Examples include online banking, mobile banking, electronic bill payment, direct deposits, night deposits and paperless statements.

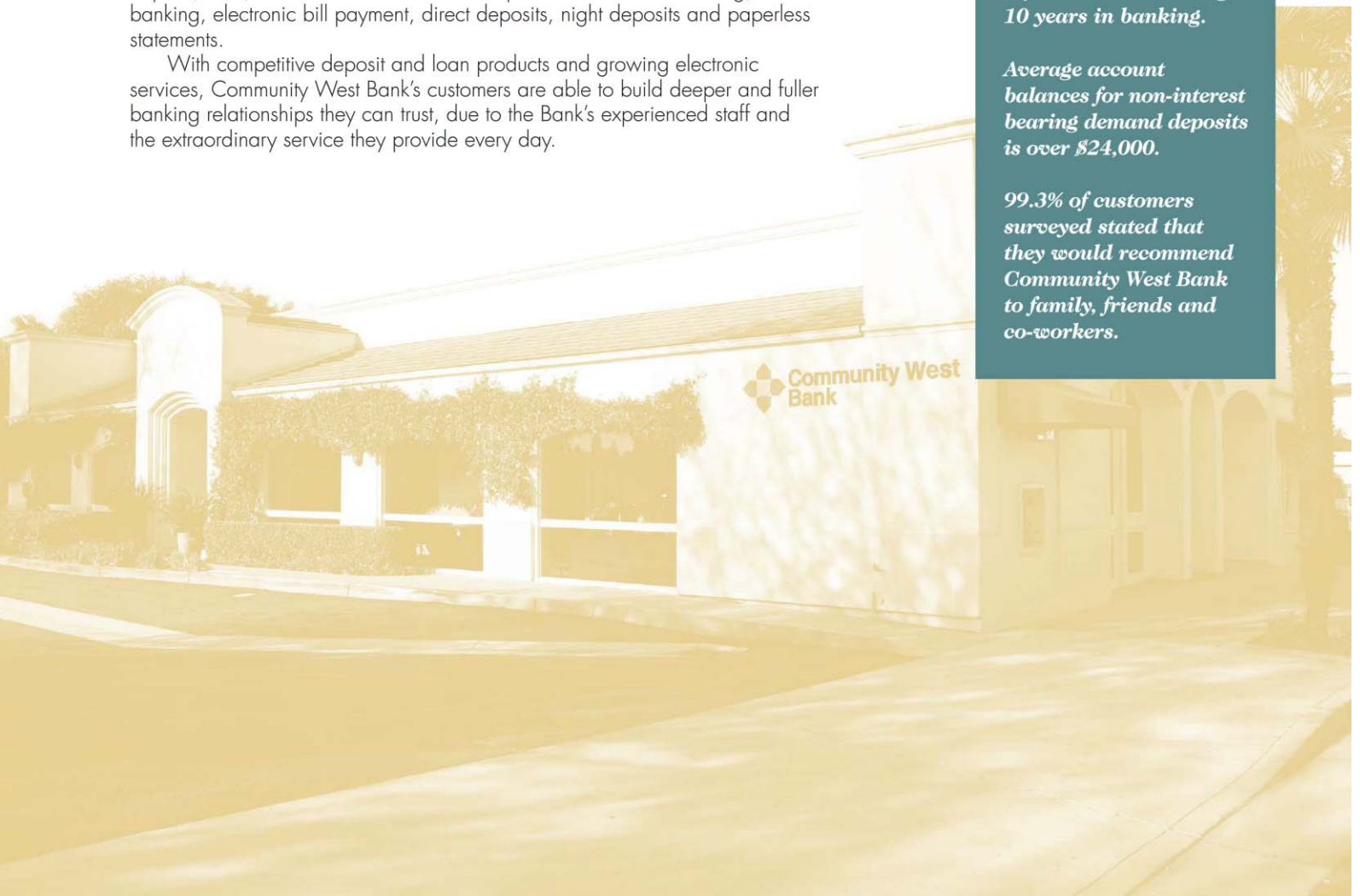
With competitive deposit and loan products and growing electronic services, Community West Bank's customers are able to build deeper and fuller banking relationships they can trust, due to the Bank's experienced staff and the extraordinary service they provide every day.

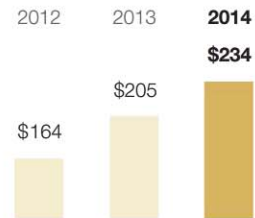
SIGNS OF STRENGTH

Commercial lenders and branch managers average over 25 years of banking experience and tellers and new accounts representatives average 10 years in banking.

Average account balances for non-interest bearing demand deposits is over \$24,000.

99.3% of customers surveyed stated that they would recommend Community West Bank to family, friends and co-workers.





COMMERCIAL REAL ESTATE
& COMMERCIAL LOANS
(in millions)

COMMERCIAL LENDING

Because Community West Bank is a local business, we understand the special needs of our customers, and are better able to make responsible local lending decisions based on firsthand knowledge of the economies in which we serve.

Some of the services business banking customers enjoy include the Bank's door-to-door courier service, on-line banking and bill pay, remote deposit capture, merchant credit card

processing, payroll direct deposit and lines of credit.

Whether it's equipment financing or investor and/or owner-occupied commercial real estate, Community West Bank's experienced commercial lending and branch officers structure and underwrite credit and handle their customers' on-going business banking needs in our local branches, creating a close and continually growing banking relationship.

"Community West Bank has been very helpful in meeting our banking needs. The staff at Community West Bank are knowledgeable, friendly, and always very professional."

CHRISTINA M. VELASCO
Chief Financial Officer
Clinicas del Camino Real, Inc.





SBA LENDING

Community West Bank's Small Business Administration (SBA) Division is a strategic component of the Bank's goal to service communities by helping small businesses be successful. Community West Bank and its experienced SBA Division are committed to helping communities across the state with a variety of SBA services.

Whether a business owner is looking to expand the business or purchase a commercial property, Community West Bank continues to support the economic vitality of the business communities it serves.

The Bank's SBA Division offers 7A, 504, and conventional loan programs.

The SBA Division also offers the United States Department of Agriculture (USDA) Business and Industry (B & I) loan program for businesses in rural areas. Community West Bank has been offering these loan products for well over a decade.

The SBA Division maintains balance in its portfolio by selling some of the guaranteed portions of the loans into the secondary market; continuing its plan of strength and stability, the Bank reduced these sales. Since Community West Bank began its SBA Division, businesses have received over \$700 million in funding for commercial space, expansion, and capital improvements.

SIGNS OF STRENGTH

Growing loan portfolio to address long-term strategy of building assets.

The Bank's business development officers average over 15 years of industry experience.

Experienced staff dedicated to processing and servicing SBA customers.

Diverse product offerings provide the ability to offer products and services that are suited to client needs.





"Community West Bank provided great service in getting our loan completed in a timely manner. We are very happy we came to them, as they got the job done with flying colors!"

*— JOHN LANE
Owner, Lane Farms*

AGRICULTURAL LENDING

Whether it's an agricultural mortgage loan for land acquisition, refinancing existing debt or financing capital improvements, Community West Bank is ready to support your Ag business needs. The bank understands that the challenges you face are different from other businesses, and require dedication and flexibility from your lender. Community West Bank is locally owned and committed to your success.

Community West Bank is an approved lender for Farmer Mac and was the predominant USDA Farm Service Agency (FSA) lender in 2013 and 2014. The Bank provides both production and land financing, and has dedicated resources that focus on the opportunities afforded by these programs to serve the agricultural sector of Santa Barbara and Ventura counties, as well as the rest of California.

SIGNS OF STRENGTH

The #1 Farm Services Agency lender in California in 2013 & 2014

Agriculture remains a staple of Santa Barbara and Ventura County business.

Community West Bank enjoys dedicated partnerships with the agricultural leaders in the counties we serve.





“Community West Bank helped us purchase our first home.”

– THE HOLMES FAMILY

MORTGAGE LENDING

The story for 2014 was that, contrary to the experts’ predictions of slightly higher interest rates by the end of 2014, rates actually fell. The rate for a 30 year Freddie Mac loan in January 2014 was 4.60%, but by October had fallen to 3.96%. The rate at year end was 3.88%. This rate drop created a mini refinance surge which has continued past year end.

Home prices on a National level increased 7.4% for 2014, down from 11.1% in 2013 according to Core Logic’s Home Price Index report for December 2014. Home prices in California increased 7% for the year. This level of increase on a National and State level is a moderation from the double digit increases experienced during the first part of 2014 in California, and is a much more sustainable level. It is anticipated that on a National level, prices will increase 4.8% in 2015.

While it is impossible to accurately predict the timing of interest rate changes, there is a high level of confidence that rates will ultimately increase. This, combined with

the rising price of homes, will lead to an increasing cost of home ownership in the future.

In 2014, Community West Bank financed a total of 230 loans for real estate and manufactured homes for \$50,734,000. It is anticipated that loan production will increase by 10% in 2015 as the combination of lower rates and increasing values will generate more refinance and purchase transactions.

As interest rates and credit markets continue to fluctuate, the Bank is well positioned to continue to provide conventional residential mortgage financing in communities across Santa Barbara and Ventura counties, as well as manufactured home financing in California coastal communities. Our experienced mortgage professionals are able to offer competitively priced loan programs to their customers due to the Bank’s established relationships with national secondary market lenders as well as its ability to offer loans that are held by the Bank in portfolio.

SIGNS OF STRENGTH

Strong Manufactured Housing Loan Portfolio.

Conforming and Jumbo loan programs available.

Portfolio loan programs offered.

Continued commitment to residential lending in our service areas.





YOUR COMMUNITY, YOUR BANK

Community West Bank proudly supports non-profit and community organizations in the markets we serve.

Allan Hancock College
Alzheimer's Association
American Cancer Society
American Heart Association
American Red Cross
Arts For Humanity
Big Brothers and Big Sisters of Santa Barbara
Bishop Garcia Diego High School
Boys & Girls Club of Santa Maria
Boys & Girls Club of Santa Barbara
Boys & Girls Clubs of Conejo Valley
Cachuma Lake Nature Center
Camp Whittier
Casa Serena
Channel Islands YMCA
Children's Creative Project
City of Ventura, Music Under the Stars
Community Access Partners of San Buenaventura
Computers For Families
Courthouse Legacy Foundation
Crew Sacramento
Direct Relief International
Domestic Violence Solutions
Don's Net Café
Dos Pueblos High School Baseball
Dos Pueblos High School
Dos Pueblos Little League
Dream Foundation
Ellwood School PTA
Ernest Righetti High School
Family Service Agency
Food From The Heart
Foodbank of Santa Barbara
Foothill Technology
Friends of Santa Barbara Public Library
Future Leaders of America
Genspan Foundation
Girls Inc. of Santa Barbara
Goleta Education Foundation
Goleta Lions Club
Goleta Teen of the Year
Goleta Valley Beautiful
Goleta Valley Chamber of Commerce
Goleta Valley Cottage Hospital Foundation
Goleta Valley Economic Forecast
Goleta Valley South Little League
GVCH Foundation, Dr. Joe Pro-Am Golf Tournament
Habitat For Humanity

I Madonnari Children's Creative Project
KCLU Radio
Kids and Bikes Foundation
Kiwanis for Kids
Lompoc Valley Chamber Foundation
CCIM Annual Sponsorship
Meadowlark Service League
Montecito Family YMCA
Nature Corps
NAWBO Santa Barbara
Old Spanish Days
Orcutt United Soccer League
Page Youth Center
Partners In Education
People's Self-Help Housing
Recording For The Blind
Rotary Club of Goleta
Rotary Club of Montecito
Rotary Club of Santa Maria
Rotary Club of SBCC
Rubicon Theatre Company
Saint Barbara Greek Orthodox Festival
San Marcos High School
San Marcos PTSA Sponsor
Sansum Diabetes Research Institute
Santa Barbara Association of Realtors
Santa Barbara Athletic Round Table
Santa Barbara Beautiful
Santa Barbara Christian School
Santa Barbara City College
Santa Barbara County Animal Care Foundation
Santa Barbara County Education
Santa Barbara Family
Santa Barbara Foresters
Santa Barbara Foundation
Santa Barbara High School
Santa Barbara Kids Triathlon
Santa Barbara Mental Health Association
Santa Barbara Middle School
Santa Barbara Neighborhood Clinics
Santa Barbara Outrigger Canoe
Santa Barbara Partners In Education
Santa Barbara Rescue Mission
Santa Barbara Soccer Club

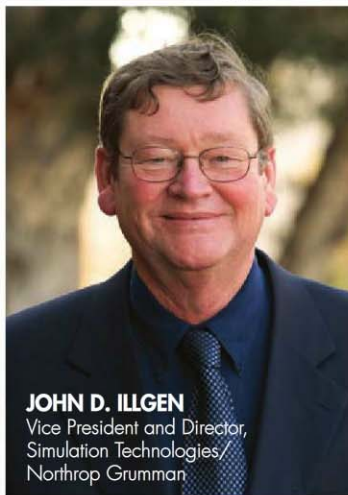
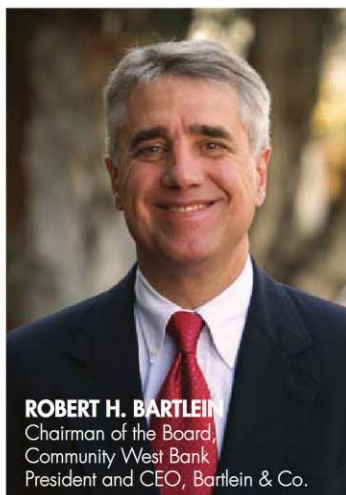
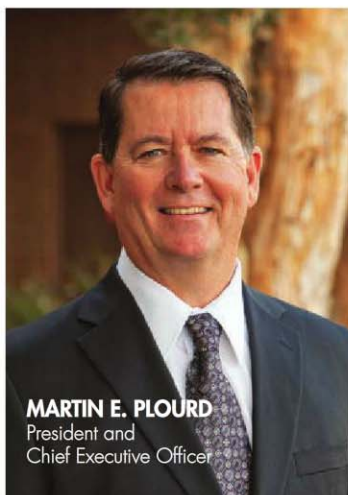
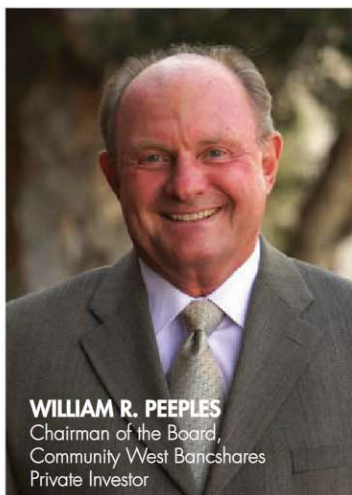
Santa Barbara Swim Club
Santa Barbara Youth Symphony
Santa Barbara's Junior Miss
Santa Maria CHP
Santa Maria High School
Santa Maria Kiwanis For Kids
Santa Maria Rotary Club
Santa Maria Valley Chamber of Commerce
SB Museum of Natural History
SB Region Chamber of Commerce
Science & Engineering Council
SMV Bike & Run
South Coast Business & Technology Awards
Special Olympics Santa Barbara
St. Demetrios Greek Orthodox Church
St. Joseph High School
St. Raphael School Development Fund
Steps Toward Mobility
Teddy Bear Cancer Foundation
The Foundation For Girsh Park
The Kings Page
The Leukemia & Lymphoma Society
Thousand Oaks Philharmonic
Traffic Solutions
Turning Point Foundation
UC Regents
UCSB Cycling
UCSB Economic Forecast
United Way of Santa Barbara
United Way of Santa Maria
Unity Shoppe, Inc.
Ventura County Medical Resource Foundation
Ventura High School
Visiting Nurse & Hospice Care
Westmont College
Westlake High School
Women's Economic Ventures

2014 FINANCIALS SNAPSHOT

Community West Bancshares

	Year Ended December 31,				
	2014	2013	2012	2011	2010
Results of Operations:		(in thousands, except per share data and ratios)			
Interest income	\$28,004	\$27,866	\$31,368	\$36,542	\$39,234
Interest expense	3,275	4,332	5,949	8,250	9,957
Net interest income	24,729	23,534	25,419	28,292	29,277
Provision for loan losses	(5,135)	(1,944)	4,281	14,591	8,743
Net interest income after provision for loan losses	29,864	25,478	21,138	13,701	20,534
Non-interest income	2,197	2,831	4,281	3,211	4,015
Non-interest expenses	20,081	22,135	22,246	23,320	20,991
Income (loss) before income taxes	11,980	6,174	3,173	(6,408)	3,558
Provision (benefit) for income taxes	4,934	(2,812)	-	4,077	1,467
Net income (loss)	7,046	8,986	3,173	(10,485)	2,091
Dividends and accretion on preferred stock	937	1,039	1,046	1,047	1,047
Discount on partial redemption of preferred stock	(159)	-	-	-	-
Net income (loss) available to common stockholders	<u>\$6,268</u>	<u>\$7,947</u>	<u>\$2,127</u>	<u>\$(11,532)</u>	<u>\$1,044</u>
Per Share Data:					
Income (loss) per common share - basic	\$0.77	\$1.13	\$0.36	\$(1.93)	\$0.18
Weighted average shares outstanding - basic	8,141	7,017	5,990	5,980	5,915
Income (loss) per common share - diluted	\$0.75	\$0.98	\$0.31	\$(1.93)	\$0.18
Weighted average shares outstanding - diluted	8,505	8,390	8,233	5,980	6,833
Book value per common share	\$7.31	\$6.60	\$6.29	\$5.94	\$7.92
Selected Balance Sheet Data:					
Net loans	487,256	462,005	449,201	532,716	580,632
Total assets	557,318	539,000	532,101	633,348	667,604
Total deposits	477,084	436,135	434,220	511,262	529,893
Total liabilities	490,311	471,444	479,052	582,722	605,962
Total stockholders' equity	67,007	67,556	53,049	50,626	61,642
Selected Financial and Liquidity Ratios:					
Return on average stockholders' equity	10.42%	15.15%	6.22%	-16.98%	3.42%
Return on average assets	1.25%	1.69%	0.55%	-1.60%	0.31%
Equity to assets ratio	12.02%	12.53%	9.97%	7.99%	9.23%
Tier 1 leverage ratio	11.86%	12.68%	9.72%	7.91%	9.08%
Tier 1 risk-based capital ratio	14.94%	15.65%	12.81%	10.08%	11.40%
Total risk-based capital ratio	16.19%	17.26%	15.98%	12.92%	14.16%

BOARD OF DIRECTORS



EXECUTIVE MANAGEMENT TEAM

Martin E. Plourd
President and CEO

Charles G. Baltuskonis
Executive Vice President
and Chief Financial Officer

Charles E. Kohl
Executive Vice President
and Chief Operating Officer

Kristine D. Price
Executive Vice President
and Chief Credit Officer

SENIOR MANAGEMENT TEAM

Steven Caroulis
Senior Vice President
Credit Administrator

Brian Easterly
Senior Vice President
Regional Loan Manager

James D. Gray
Senior Vice President
Mortgage Division

Cynthia M. Hooper
Senior Vice President
Notes/SBA Loan Servicing

Chris Lem
Senior Vice President
Compliance Manager

Laura Maffei
Senior Vice President
Regional Loan Manager

Sean McCulloch
Senior Vice President
Community Banking Manager

Deborah L. Scott
Senior Vice President
Director of Information Technology

Carlyn Smith
Senior Vice President
Director of Operations

Janice Stewart
Senior Vice President
Director of Human Resources

Susan C. Thompson
Senior Vice President
Controller

Thomas Wetzel
Senior Vice President
Chief Risk Officer



CORPORATE & BRANCH LOCATIONS



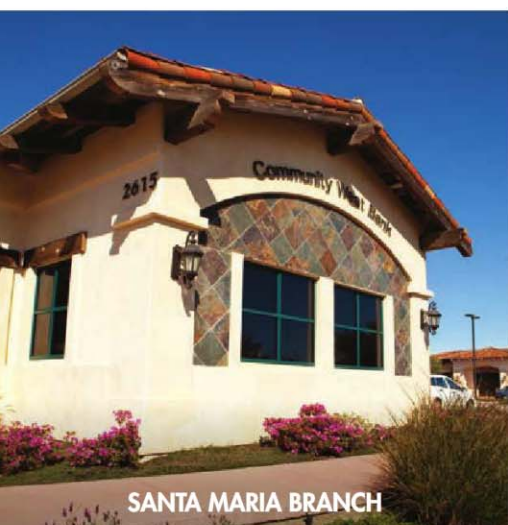
CORPORATE HEADQUARTERS



GOLETA BRANCH



SANTA BARBARA BRANCH



SANTA MARIA BRANCH



VENTURA BRANCH



WESTLAKE VILLAGE BRANCH

BRANCH LOCATIONS

GOLETA

5827 Hollister Ave.
Goleta, CA 93117

SANTA BARBARA

1501 State Street
Santa Barbara, CA 93101

SANTA MARIA

2615 South Miller St.
Santa Maria, CA 93455

VENTURA

1463 S. Victoria Ave.
Ventura, CA 93003

WESTLAKE VILLAGE

951 Westlake Blvd
Westlake Village, CA 91361

CORPORATE INFORMATION

Corporate Headquarters

445 Pine Avenue
Goleta, CA 93117
(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 28, 2015 at 6:00 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

Ernst & Young LLP
725 South Figueroa Street
Los Angeles, CA 90017

Corporate Counsel

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







CORPORATE HEADQUARTERS

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