



COMMUNITY WEST BANCSHARES

*30 Years*

AND COUNTING

**2019**  
ANNUAL REPORT



# 30 Years and Counting...



## In 2019, Community West Bancshares celebrated its 30th Anniversary with increased net income and asset growth.

Compared to 10 years ago, there are far fewer community banks serving families, businesses and non-profit organizations on California's Central Coast. The fact that Community West Bancshares has been consistently serving local customers, and the communities in which they live, for 30 years is an accomplishment of great pride to our employees, directors and shareholders. We continue to fulfill the original mission of our founders, when we first opened our doors as Goleta National Bank in 1989: ***To serve our communities like no other financial institution.***

We ended 2019 producing solid earnings for the year, highlighted by top-line revenue growth, steady year-over-year loan and deposit growth, and above industry-average net interest margin. Return on average assets, return on average common equity and our efficiency ratio all improved as we continue to deepen our presence throughout Ventura, Santa Barbara and San Luis Obispo counties.

Related to our 30<sup>th</sup> anniversary, Community West Bank celebrated by awarding \$30,000 in Anniversary Grants to six local non-profit organizations. Our employees voted to select these non-profits, which made the awards even more meaningful. The non-profits primarily serve low to moderate income families and individuals, with each organization receiving \$5,000.

Additionally, directors Robert Bartlein, Jean Blois and John Illgen—all of whom have been Community West Bancshares founding Board members since the bank opened in 1989—were joined by several bank employees in New York City to ring the Nasdaq Stock Market closing bell in Times Square.

We are very proud to note that in April, Community West was *again* awarded a "Premier" rating by The Findley Reports. For more than 50 years, The Findley Reports has been recognizing the financial performance of banking institutions in California and the Western United States. In making their selections, The Findley Reports focuses on these 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.

The future continues to shine brightly for Community West. While many community banks have been acquired by larger institutions, headquartered far from the Central Coast, we are focused on remaining independent, making local decisions in the best interests of our customers and the communities we serve.

We truly appreciate the support from you, our shareholders, as we expand Community West Bank's ability to provide high-touch, personal service and trusted advice to our customers.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Peoples".

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

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

**Martin E. Plourd**  
President and Chief Executive Officer



*At StonePark Capital,  
we count on  
Community West Bank  
to see the potential  
in us and our projects,  
even when times  
get tough.*

– Andrew Firestone  
Principal/Founder





# Community West Bank

*Let's work together™*

## **Community West Bank provides financing to businesses, families and nonprofit organizations throughout California's central and south coast, supporting job creation and vibrant local communities.**

We opened our doors 30 years ago, as Goleta National Bank, with a single office at 5827 Hollister Avenue, and have grown to eight full-service banking offices throughout Ventura, Santa Barbara and San Luis Obispo counties.

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

Please check us out at [www.CommunityWestBank.com](http://www.CommunityWestBank.com).

### **Relationship Banking**

Count on Community West Bankers to provide the responsive and tailored financing, convenient treasury management and deposit services, 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 in 1989, and remains true at Community West Bank today. That's what builds trust, and is the foundation for our continued success.

We provide a full range of 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. Safe, secure and accurate, our banking services are designed to contribute to the smooth and efficient operation of our clients' businesses.

### **Agricultural Lending**

Community West Bank fulfills the financing needs of agricultural and agribusiness clients with mortgage loans for land acquisition, loans to refinance existing debt and financing for capital improvements. Our bank is an approved lender for Farmer Mac, offering long term fixed rates, and our experienced and dedicated agricultural bankers are well positioned to provide the expertise and responsive financing needed to serve Ag businesses on the Central Coast and throughout California.

### **Government Guaranteed Lending**

Over the years, we have provided our business clients 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 U.S. Small Business Administration (SBA). This special status allows us to expedite the processing of loan applications for rapid closing with in-house approvals. Community West Bank has offered SBA loan programs, as well as the U.S. Department of Agriculture (USDA) Business & Industry loan program for businesses in rural areas, for almost 30 years.

### **Manufactured Home Lending**

With a staff who focuses exclusively on manufactured home financing, Community West Bank lends in coastal California communities from San Diego to San Francisco, and 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.

### **Community Involvement**

Our employees volunteer hundreds of hours annually to local non-profits in the communities in which they live and work, and Community West Bank provides significant financial support in the form of donations, sponsorships and grants to organizations throughout the Central Coast. *Please refer to the Community Involvement section of this annual report.*



***At the Goleta Sanitary District, we count on Community West Bank to keep the public's money safe and local.***

**–Steve Wagner,  
General Manager/District Engineer**



**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  
Arthritis Foundation  
Atascadero Kiwanis  
Bishop Diego Garcia High School  
Boys & Girls Club of Central Coast  
Boys & Girls Club of North SLO County  
Cal Poly Athletics  
California Farm Bureau  
California Women for Agriculture  
Central Coast Alliance United for Sustainable Economy  
Central Coast Economic Forecast  
Central Coast Veterans Helping Veterans  
Center for Urban Agriculture  
Child Abuse Listening Mediation (CALM)  
Child Development Resources of Ventura County  
Chumash Reservation  
Clinicas del Camino Real  
Coastal Christian School  
Coastal Housing Partnership  
Cottage Hospital Foundation  
Community Action Commission of Santa Barbara County  
Coastal Housing Partnership

Court Appointed Special Advocates of SLO County  
Devereux  
Dos Pueblos High School Athletics  
El Camino Elementary School  
Economic Vitality Corporation of SLO County  
Fairview Gardens  
Fiestas Patrias  
Food Bank Coalition of San Luis Obispo County  
Food From the Heart  
French Hospital Foundation  
Goleta Education Foundation  
Goleta Lemon Festival  
Goleta Old Town Association  
Goleta Sanitary District  
Goleta Valley Chamber of Commerce  
Goleta Valley Cottage Hospital  
Goleta Valley Girls Softball  
Goleta Valley Historical Society  
Grower-Shipper Association of Central California  
Greater Conejo Valley Chamber of Commerce  
Housing Authority of San Luis Obispo  
IBEW Local 952  
Kellogg Elementary School  
Legal Aid Foundation of SB County  
Lifewater International  
Meals That Connect  
Mid-State Fair Youth Legacy Project  
Montessori Center School

National Association of Women Business Owners  
Neal Taylor Nature Center  
Nipomo Rotary Club Charitable Foundation  
North County Rape Crisis and Child Protection Center  
Oakheart Country Music Festival  
Old Spanish Days Fiesta  
Old Town Goleta  
Oxnard Ambassadors  
Oxnard College Foundation  
Oxnard Fire Explorers  
Page Youth Center  
Paso Robles Chamber of Commerce  
Paso Robles Downtown Main Street Association  
Paso Robles Housing Authority  
Paso Robles Rotary Club Foundation  
Rebozo Festival  
Rona Barrett Foundation  
Rotary Club of Goleta  
Rotary Club of Montecito  
Rotary Club of Paso Robles  
Rotary Club of Westlake Village  
Royal Family Kids  
Safe Passages Youth Program  
San Marcos High School  
Santa Barbara Athletic Roundtable  
Santa Barbara Bucket Brigade  
Santa Barbara Elks Lodge  
Santa Barbara Family YMCA  
Santa Barbara Foresters

Santa Barbara Historical Museum  
Santa Barbara Police Foundation  
Santa Maria Elks Club Rodeo  
Santa Maria Police Council  
Scholarship Foundation of Santa Barbara  
Science and Engineering Council of Santa Barbara  
Shelter Box USA  
Simi Valley Girls Softball  
St. Vincent's Santa Barbara  
Studios on the Park  
Temple Beth Torah  
Toy Bank of Greater Paso Robles  
Transitions Mental Health Association  
UCSB Economic Forecast Project  
United Boys & Girls Clubs of Santa Barbara County  
United Blood Services  
United Way  
Unity Shoppe  
Ventura County Arts Events  
Ventura County Coalition of Labor, Agriculture and Business  
Ventura County Contractors Association  
Ventura County Medical Resource Foundation  
Vitalant  
Westmont College Foundation



# Community Involvement



**Central Coast Veterans Helping Veterans** is organized to assist veterans who have encountered a variety of problems in transitioning from military service to fully productive lives as civilians.



**Safe Passage Youth Foundation** is a Thousand Oaks Police Department and Conejo Recreation and Park District partnership committed to eliminating gang-related crime by stopping gang recruitment.



**Royal Family Kids** positively impacts the lives of children ages 7-12, who have been victims of abuse, neglect and abandonment by providing life-changing experiences through camp, club, and mentoring programs.



**Child Development Resources of Ventura County** enriches and strengthens the lives of children and their families through a variety of high-quality children's programs, including child care assistance, Head Start and Early Head Start.



**Food From The Heart** prepares and delivers healthy nutritious food to those who are dealing with major illnesses, surgeries or failing health.



**Transitions-Mental Health Association** is dedicated to eliminating stigma and promoting recovery and wellness for people with mental illness through work, housing, community and family support services.

## 30<sup>th</sup> Anniversary Grants

Community West Bank presented \$30,000 in Anniversary Grants to six local non-profit organizations on August 21, 2019 to commemorate the bank's 30th anniversary. The non-profits primarily serve low to moderate income families and individuals throughout Ventura, Santa Barbara and San Luis Obispo counties, and were selected by employees, with each organization receiving a \$5,000 award.

"We decided to celebrate our bank's anniversary by awarding significant grants to local non-profit organizations which do so much to enrich and support the communities where we live and work," said Martin E. Plourd, President and Chief Executive Officer. "The fact that our employees voted to select these non-profits makes the awards all the more meaningful."

Community West Bank proudly presented the checks to the Anniversary Grants recipients.



*At Santa Barbara  
Airbus, we count  
on Community West  
Bank because they  
are there for us  
when we need them.*

–Eric Onnen,  
CEO/Managing Director





# 2019 Financials Snapshot

## YEAR ENDED DECEMBER 31,

	2019	2018	2017	2016	2015
	(in thousands, except per share amounts)				
<b>Results of Operations:</b>					
Interest income	\$45,739	\$42,631	\$37,391	\$32,216	\$30,222
Interest expense	11,382	8,988	4,729	3,127	2,516
Net interest income	34,357	33,643	32,662	29,089	27,706
Provision (credit) for loan losses	(165)	14	411	(48)	(2,274)
Net interest income after provision for loan losses	34,522	33,629	32,251	29,137	29,980
Non-interest income	3,607	2,628	2,757	2,253	2,309
Non-interest expenses	26,755	26,039	24,545	22,548	27,281
Income before income taxes	11,374	10,218	10,463	8,842	5,008
Provision (benefit) for income taxes	3,411	2,809	5,548	3,613	2,138
Net income	7,963	7,409	4,915	5,229	2,870
Dividends and accretion on preferred stock	-	-	-	-	445
Discount on partial redemption of preferred stock	-	-	-	-	(129)
Net income available to common stockholders	\$7,963	\$7,409	\$4,915	\$5,229	\$2,554
<b>Per Share Data:</b>					
Income per common share - basic	\$0.94	\$0.89	\$0.60	\$0.64	\$0.31
Weighted average shares outstanding - basic	8,472	8,288	8,146	8,114	8,203
Income per common share - diluted	\$0.93	\$0.88	\$0.57	\$0.62	\$0.30
Weighted average shares outstanding - diluted	8,579	8,451	8,589	8,444	8,491
Book value per common share	\$9.68	\$8.92	\$8.55	\$8.07	\$7.55
<b>Selected Balance Sheet Data:</b>					
Net loans	766,846	759,552	726,189	623,355	536,546
Total assets	913,870	877,291	833,315	710,572	621,213
Total deposits	750,934	716,006	699,684	612,236	544,338
Total liabilities	831,892	801,140	763,245	645,236	559,269
Total stockholders' equity	81,978	76,151	70,070	65,336	61,944
<b>Selected Financial and Liquidity Ratios:</b>					
Return on average stockholders' equity	10.15%	10.02%	7.16%	8.19%	4.34%
Return on average assets	0.91%	0.88%	0.64%	0.81%	0.49%
Equity to assets ratio	8.99%	8.77%	8.96%	9.91%	11.23%
Tier 1 leverage ratio	9.33%	8.96%	8.72%	9.64%	10.11%
Common Equity Tier 1 ratio	10.60%	10.10%	9.96%	10.57%	12.12%
Tier 1 risk-based capital ratio	10.60%	10.10%	9.96%	10.57%	12.12%
Total risk-based capital ratio	11.73%	11.26%	11.17%	11.80%	13.37%

# Corporate & Branch Locations



**CORPORATE HEADQUARTERS**  
445 Pine Avenue, Goleta, CA 93117  
(805) 692-5821  
[www.communitywest.com](http://www.communitywest.com)



**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



**WESTLAKE VILLAGE**  
951 S. Westlake Boulevard  
Westlake Village, CA 91361  
(805) 494-5172



# Board of Directors



**William R. Peebles**  
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



**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



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

## CORPORATE INFORMATION

**Investor Relations Contact**  
Martin E. Plourd

**Annual Meeting**  
The Annual Meeting of Shareholders of Community West Bancshares will be held on May 28, 2020 at 6:30 pm PDT at the La Cumbre Country Club, 4015 Via Laguna, Santa Barbara, CA

**Transfer Agent & Registrar**  
Computershare Trust Co., NA  
150 Royall Street  
Canton, MA 02021

**Independent Auditors**  
RSM US LLP  
300 South Fourth Street, Suite 600  
Las Vegas, NV 89101

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

## EXECUTIVE MANAGEMENT TEAM

**Martin E. Plourd**  
President  
and Chief Executive Officer

**William F. Filippin**  
Executive Vice President  
Chief Banking Officer

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

**Susan C. Thompson**  
Executive Vice President  
Chief Financial Officer

**Paul S. Ulrich**  
Executive Vice President  
Chief Credit Officer

## SENIOR MANAGEMENT TEAM

**Jonathan Apilado**  
Senior Vice President  
Controller

**Jason Bietz**  
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

**Cynthia M. Hooper**  
Senior Vice President  
Risk 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**  
Regional President

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





**Corporate Headquarters**

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