Community West Bancshares

2007 Annual Report

Investing in our Future

COMMUNITY
WEST
BANCSHARES

is committed
to enhancing shareholder
value by consistently
serving a diverse
customer base
with extraordinary
customer service
and competitive
banking products
throughout the
communities we serve.

Dear Fellow Shareholders,

Without question, 2007 was a challenging year in the banking industry, with an unpredictable interest rate environment, a deteriorating economy, and turmoil in the credit markets.

Despite these pressures, Community West Bank was able to produce the following results as of 12/31/07:

- An increase in assets of $93.2 million to $609.9 million
- An increase in net loans of $87.6 million to $539.2 million
- An increase in deposits of $65.0 million to $433.7 million
- An increase in shareholder equity to $50.2 million
- An increase in book value per share to $8.51
- Net income of $3,789,000

Throughout 2007, we remained focused on our core competencies of Relationship Banking, Mortgage Lending and SBA Lending. Specifically, on the Relationship Banking front, we signed a lease and began tenant improvements in order to relocate our downtown Santa Barbara office to a larger and more accessible location. This new site, opened in late first quarter 2008, will enhance our ability to be successful in Santa Barbara. In Mortgage Lending, the department was reorganized to gain efficiencies, while in SBA, new territories were added which are already increasing production.

Other 2007 undertakings included a brand research project that is resulting in a refreshed marketing image, a more robust training program, and improved customer service initiatives. New products developed during the year were our Great Rate Checking Account, Remote Deposit Capture, and Equity West. These initiatives and others have created a platform for investing in our future.

While we acknowledge challenges are ahead in 2008, we are being proactive in readying ourselves for them. Credit quality is key to earnings and accordingly, we re-evaluate underwriting standards to make necessary adjustments warranted by economic conditions. Likewise, we manage non-interest expenses, periodically making necessary realignments.

Like many of our peers, our stock price has declined this past year. It is our hope that the work we have done in 2007 and continue to focus on in 2008 will help improve our earnings performance and the value of our franchise.

All of us at Community West Bank would like to express our gratitude for your loyalty and we will work diligently to earn your confidence as we move into 2008.

WILLIAM PEEPLES
Chairman of the Board

LYNDA NAHRA
President & Chief Executive Officer

Relationship Banking

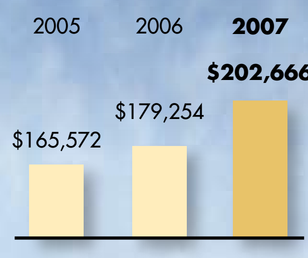
INVESTING IN FULL AND MEANINGFUL RELATIONSHIPS

Community West Bank is committed to being the bank of choice for its customers, serving them from five branch offices between Santa Maria and Westlake Village. Part of that commitment includes investing in the most experienced bankers in the marketplace. These 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.

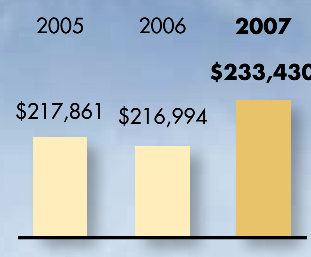
Community West Bank is proud to have experienced local loan officers who ensure that our communities grow and prosper. The Bank's experienced commercial lending and business development officers structure and underwrite credit and handle their customers' ongoing business banking needs in our local branches, creating a close and continually growing banking relationship. Some of the services business banking customers enjoy include the Bank's door-to-door courier service, on-line banking and bill pay, merchant credit card processing,

SIGNS OF STRENGTH

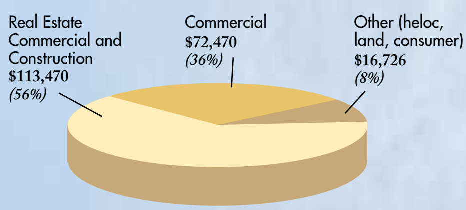
- COMMERCIAL LENDERS AND BRANCH MANAGERS AVERAGE 25 YEARS OF BANKING EXPERIENCE AND TELLERS AND NEW ACCOUNTS REPRESENTATIVES AVERAGE 10 YEARS IN BANKING.
- RELOCATION AND EXPANSION OF SANTA BARBARA BRANCH TO BETTER SERVE DOWNTOWN BUSINESS CORE
- AVERAGE ACCOUNT BALANCES FOR NON-INTEREST BEARING DEMAND DEPOSITS IS $34,172
- 46% OF CUSTOMERS HAVE REFERRED COMMUNITY WEST BANK TO A FRIEND
- 25% OF CUSTOMERS HAVE BANKED WITH COMMUNITY WEST BANK FOR OVER 10 YEARS



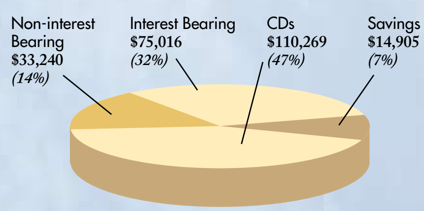
RELATIONSHIP BANKING
YEAR END LOAN BALANCES
(in thousands)



RELATIONSHIP BANKING
YEAR END DEPOSIT BALANCES
(in thousands)



2007 RELATIONSHIP BANKING LOAN BALANCES
(in thousands)
TOTAL $202,666 *(100%)*



2007 RELATIONSHIP BANKING DEPOSIT BALANCES
(in thousands)
TOTAL $233,430 *(100%)*

payroll direct deposit and lines of credit. In 2007, Community West Bank launched ExpressWest℠, its remote deposit capture service that has opened the door to new banking relationships without geographical constraint.

For consumers, Community West Bank began offering a new, high-interest checking account in mid-2007 and instantly differentiated itself in the marketplace. Great Rate Checking℠ has quickly become a popular choice for individuals who enjoy conveniences such as using their debit card and on-line banking services.

Year after year, Community West Bank demonstrates its commitment to investing in highly valued banking products and services that help to make its customers' financial lives easier.

From its EquityWest℠ home equity line of credit to health savings accounts to certificates of deposit insured by the FDIC up to $30 million, to its latest Great Rate Checking℠, Community West Bank's customers are able to build deeper and fuller banking relationships they can trust due in part to the Bank's experienced staff and the extraordinary service they deliver every day.

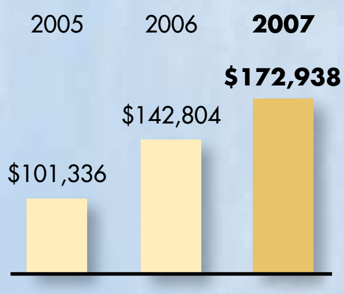
Mortgage Lending

INVESTING IN THE COMFORTS OF HOME

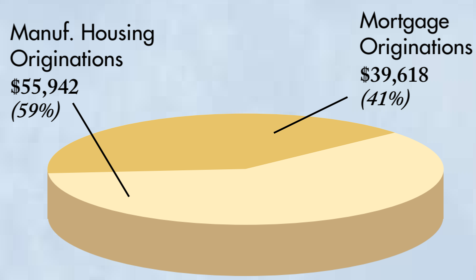
2007 was a year of almost unprecedented turmoil in the national home financing market due to the sudden credit tightening of all real estate financing that resulted from problems in sub-prime lending. However, Community West Bank's role as a traditional residential property lender for the last 12 years has served it and its customers well especially during these unstable times in the residential housing market. While many other lenders have closed their doors or severely curtailed their home lending programs, Community West Bank continues to offer affordable home financing to its customers through both its successful manufactured housing finance program and traditional loans on residential real estate. In 2007, Community West Bank financed $55.9 million in manufactured housing loans for 462 borrowers, in many cases helping to get families in their very first home. In addition, the Bank

SIGNS OF STRENGTH

- NO INVOLVEMENT IN SUB PRIME LENDING
- MANUFACTURED HOUSING LOAN PORTFOLIO GREW BY $30.1 MILLION
- CONFORMING AND JUMBO LOAN PROGRAMS AVAILABLE
- PORTFOLIO LOAN PROGRAMS OFFERED
- CONTINUED COMMITMENT TO RESIDENTIAL LENDING IN OUR SERVICE AREAS



MANUFACTURED HOUSING BALANCES
(in millions)



MORTGAGE LOAN ORIGINATIONS
(in thousands)
TOTAL $95,560 *(100%)*

funded or arranged traditional real estate financing of $39.6 million for 119 borrowers.

As interest rates and credit markets continue to fluctuate, the Bank is well positioned to continue to provide mortgage financing in communities across Santa Barbara, San Luis Obispo and Ventura counties as well as in parts of Northern California and within the Southern California counties of Los Angeles, Orange, and San Diego. Its 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. This combination of retail and wholesale mortgage programs has provided Community West Bank with a stable source of origination and fee income as well as income through the sale of closed loans.

SBA Lending

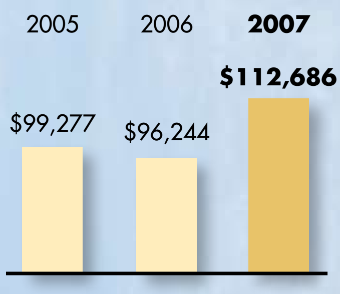
INVESTING IN THE ENTREPRENEURIAL SPIRIT

Community West Bank's Small Business Administration (SBA) department had a record setting year in 2007, achieving 17% growth in loan originations over 2006 and contributing an additional $2 million in interest income for the Bank. This is quite a feat considering the tough economic times and is attributed, in part, to the wealth of experienced business development officers that Community West Bank has been able to attract and retain.

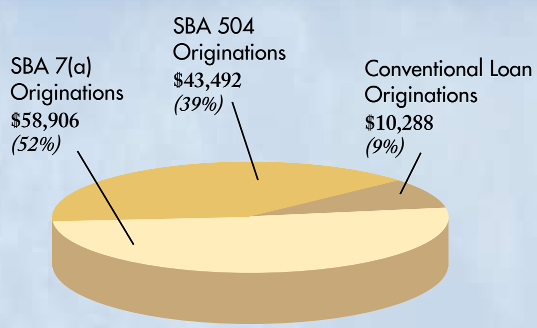
Community West Bank and its 17 experienced business development officers are successfully helping communities thrive across the country with 13 SBA lending offices located in Alabama, Arizona, California, Colorado, Florida, Georgia, Maryland, North Carolina, Ohio, Oregon, South Carolina, Tennessee and Washington. Whether a developer is looking to purchase commercial property, an entrepreneur is preparing to start a business, or a business

SIGNS OF STRENGTH

- **HIGHEST LOAN ORIGINATIONS IN BANK HISTORY AT $112,686,000**
- **GROWING LOAN PORTFOLIO TO ADDRESS LONG-TERM STRATEGY OF BUILDING ASSETS**
- **THE BANK'S BUSINESS DEVELOPMENT OFFICERS AVERAGE 15 YEARS OF INDUSTRY EXPERIENCE**
- **EXPERIENCED OPERATIONAL AND UNDERWRITING STAFF EXCLUSIVELY DEDICATED TO PROCESSING AND SERVICING SBA CUSTOMERS**
- **DIVERSE PRODUCT OFFERINGS DUE IN PART TO WORKING WITH PARTNER LENDERS WHO PROVIDE THE ABILITY TO OFFER A VARIETY OF PRODUCTS**



SBA LOAN ORIGINATIONS
(in thousands)



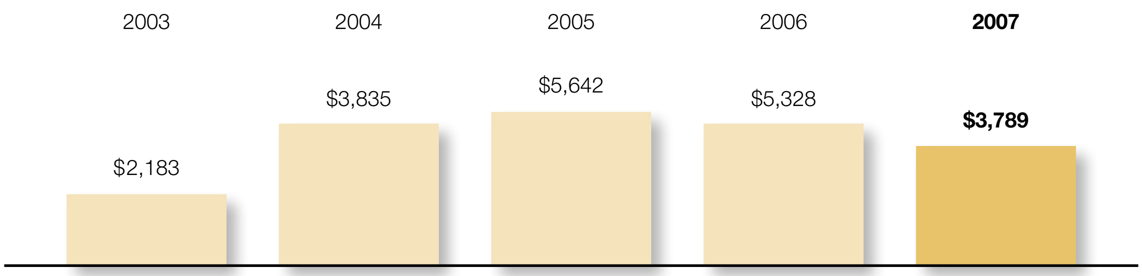
SBA LOAN ORIGINATIONS
(in thousands)
TOTAL $112,686 *(100%)*

owner is ready to expand, Community West Bank continues to support the economic vitality of business communities throughout the country.

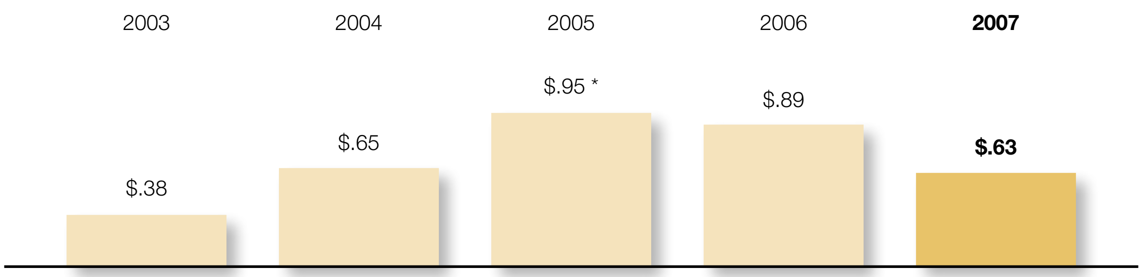
The Bank's SBA division primarily offers 7(a), 504, and conventional loan programs, all of which have been provided for well over a decade. The SBA lending team also offers the United States Department of Agriculture (USDA) Business and Industry (B&I) loan program for businesses in rural areas and provides funding for conventional and investor commercial real estate.

The Bank periodically sells some of the guaranteed and unguaranteed portions of the loans into the secondary market, but in recent years has trended toward selling fewer SBA loans. This strategic shift to grow its SBA loan portfolio has impacted gains from loan sales and loan servicing fees.

2007 FINANCIAL HIGHLIGHTS

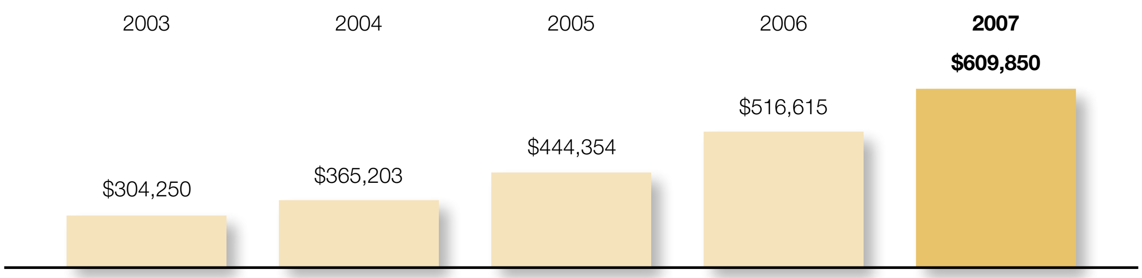


NET INCOME
(in thousands)



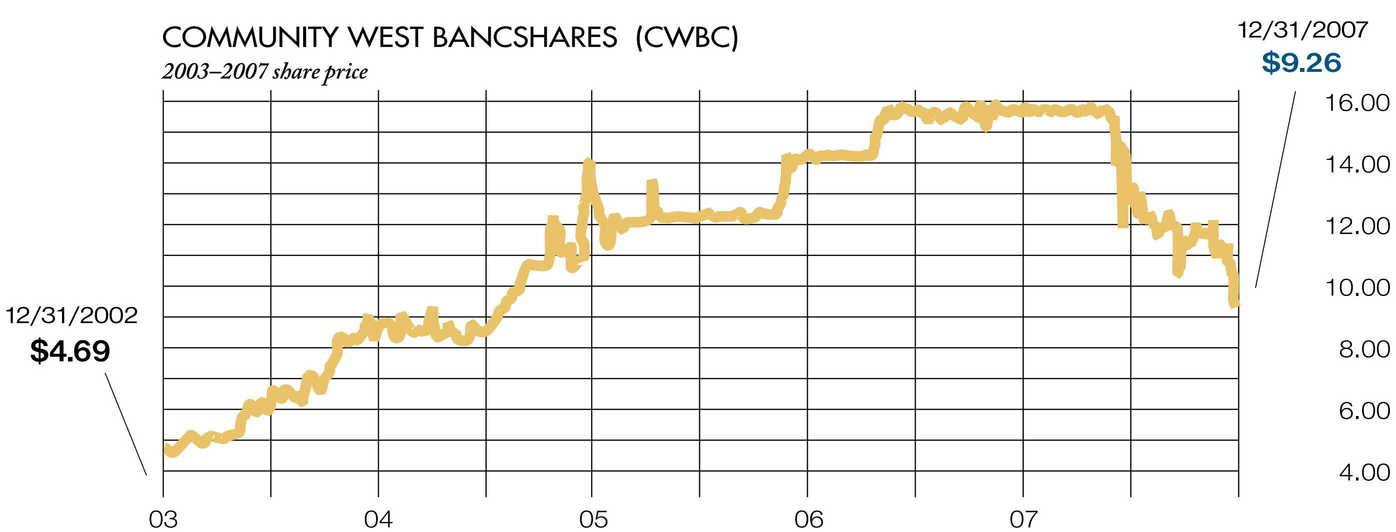
EARNINGS PER SHARE
(diluted)

** includes $.15 per share tax credit*



TOTAL ASSETS
(in thousands)

COMMUNITY WEST BANCSHARES (CWBC)
2003–2007 share price



INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

MARKET INFORMATION, HOLDERS AND DIVIDENDS

The Company's common stock is traded on the Nasdaq Global Market ("Nasdaq") under the symbol CWBC. The following table sets forth the high and low sales prices on a per share basis for the Company's common stock as reported by Nasdaq for the period indicated:

	2007 Quarters				2006 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Stock Price Range:								
High	$ 12.24	$ 13.75	$ 15.85	$ 16.00	$ 15.99	$ 16.00	$ 16.00	$ 14.44
Low	9.26	10.26	11.75	15.50	15.00	15.17	14.05	13.85
Cash Dividends Declared	$ .06	$ .06	$ .06	$ .06	$ .06	$ .06	$ .06	$ .05

As of March 24, 2008 the year to date high and low stock sales prices were $10.25 and $7.05, respectively. As of March 24, 2008, the last reported sale price per share for the Company's common stock was $8.69.

As of March 24, 2008, the Company had 345 stockholders of record of its common stock.

It is the Company's intention to declare and pay dividends quarterly. The sources of funds for dividends paid to shareholders are the Company's capital and dividends received from the subsidiary bank, CWB. CWB's ability to pay dividends to the Company is limited by California law and federal banking law. See "Management's Discussion and Analysis of Financial Condition and Results of Operations."

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table summarizes the securities authorized for issuance as of December 31, 2007:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)
	(a)	(b)	(c)
Plans approved by shareholders	462,320	$8.63	418,350
Plans not approved by shareholders	-	-	-
TOTAL	462,320	$8.63	418,350

SELECTED FINANCIAL DATA

The following selected financial data have been derived from the Company's consolidated financial condition and results of operations, as of and for the years ended December 31, 2007, 2006, 2005, 2004 and 2003, and should be read in conjunction with the consolidated financial statements and the related notes included elsewhere in this report.

	Year Ended December 31,				
	2007	2006	2005	2004	2003
INCOME STATEMENT:	(in thousands, except per share data)				
Interest income	$ 46,841	$ 39,303	$ 29,778	$ 21,845	$ 20,383
Interest expense	22,834	16,804	10,347	7,845	9,342
Net interest income	24,007	22,499	19,431	14,000	11,041
Provision for loan losses	1,297	489	566	418	1,669
Net interest income after provision for loan losses	22,710	22,010	18,865	13,582	9,372
Non-interest income	4,845	5,972	7,310	10,462	10,675
Non-interest expenses	21,000	18,832	18,160	17,521	16,736
Income before income taxes	6,555	9,150	8,015	6,523	3,311
Provision for income taxes	2,766	3,822	2,373	2,688	1,128
NET INCOME	$ 3,789	**$ 5,328**	**$ 5,642**	**$ 3,835**	**$ 2,183**
PER SHARE DATA:					
Income per common share – Basic	$ 0.65	$ 0.92	$ 0.98	$ 0.67	$ 0.38
Weighted average shares used in income per share calculation – Basic	5,862	5,785	5,744	5,718	5,694
Income per common share – Diluted	$ 0.63	$ .89	$ 0.95	$ 0.65	$ 0.38
Weighted average shares used in income per share calculation – Diluted	6,022	6,001	5,931	5,867	5,758
Book value per share	$ 8.51	$ 8.05	$ 7.34	$ 6.56	$ 6.02
BALANCE SHEET:					
Net loans	$ 539,165	$ 451,572	$ 381,517	$ 290,506	$ 244,274
Total assets	609,850	516,615	444,354	365,203	304,250
Total deposits	433,739	368,747	334,238	284,568	224,855
Total liabilities	559,691	469,795	402,119	327,634	269,919
Total stockholders' equity	50,159	46,820	42,235	37,569	34,331
OPERATING AND CAPITAL RATIOS:					
Return on average equity	7.72%	11.88%	14.16%	10.60%	6.65%
Return on average assets	0.67%	1.12%	1.43%	1.15%	0.73%
Dividend payout ratio	36.92%	24.97%	19.39%	17.91%	-
Equity to assets ratio	8.22%	9.06%	9.50%	10.29%	11.28%
Tier 1 leverage ratio	8.39%	9.21%	9.80%	10.41%	11.15%
Tier 1 risk-based capital ratio	9.87%	10.57%	11.21%	12.51%	14.05%
Total risk-based capital ratio	10.74%	11.45%	12.26%	13.76%	15.31%

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is designed to provide insight into management's assessment of significant trends related to the consolidated financial condition, results of operations, liquidity, capital resources and interest rate risk for Community West Bancshares ("CWBC") and its wholly-owned subsidiary, Community West Bank ("CWB" or "Bank"). Unless otherwise stated, "Company" refers to CWBC and CWB as a consolidated entity. The following discussion should be read in conjunction with the Company's Consolidated Financial Statements and Notes thereto and the other financial information appearing elsewhere in this 2007 Annual Report on Form 10-K.

FORWARD-LOOKING STATEMENTS

This 2007 Annual Report on Form 10-K contains statements that constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include statements regarding the intent, belief or current expectations of the Company and its management. Any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those projected in the forward-looking statements.

OVERVIEW OF EARNINGS PERFORMANCE

Net income of the Company was $3.8 million, or $0.65 per basic share, and $0.63 per diluted share, for 2007 compared to $5.3 million, or $0.92 per basic share, and $0.89 per diluted share, for 2006. The Company's earnings performance was impacted in 2007 by:

- despite relatively stable yields on loans, net margin declined from 4.89% in 2006 to 4.38% in 2007 due to higher deposit and borrowing costs
- increase in non-performing assets, which contributed to an increase in the provision for loan losses and a decrease in interest income, reflecting an economy that has recently experienced setbacks in the real estate and credit markets
- net loan portfolio growth of $87.6 million, or 19.4%, primarily in manufactured housing, commercial real estate, commercial, and SBA loans which contributed to increased net interest income over the comparative periods. Net interest income grew to $24.0 million for the year ended December 31, 2007 compared to $22.5 million and $19.4 million for the years ended December 31, 2006 and 2005, respectively
- decline in non-interest income primarily due to selling fewer SBA loans and an increase in non-interest expenses

The impact to the Company from these items, and others of both a positive and negative nature, will be discussed in more detail as they pertain to the Company's overall comparative performance for the year ended December 31, 2007 throughout the analysis sections of this Annual Report.

CHANGES IN INTEREST INCOME AND INTEREST EXPENSE

The Company primarily earns income from the management of its financial assets and liabilities and from charging fees for services it provides. The Company's income from managing assets consists of the difference between the interest income received from its loan portfolio and investments and the interest expense paid on its funding sources, primarily interest paid on deposits. This difference or spread is net interest income. The amount by which interest income will exceed interest expense depends on the volume or balance of interest-earning assets compared to the volume or balance of interest-bearing deposits and liabilities and the interest rate earned on those interest-earning assets compared to the interest rate paid on those interest-bearing liabilities.

Net interest income, when expressed as a percentage of average total interest-earning assets, is referred to as net interest margin on interest-earning assets. The Company's net interest income is affected by the change in the level and the mix of interest-earning assets and interest-bearing liabilities, referred to as volume changes. The Company's net yield on interest-earning assets is also affected by changes in the yields earned on assets and rates paid on liabilities, referred to as rate changes. Interest rates charged on the Company's loans are affected principally by the demand for such loans, the supply of money available for lending purposes, competitive factors and general economic conditions such as federal economic policies, legislative tax policies and governmental budgetary matters. To maintain its net interest margin, the Company must manage the relationship between interest earned and paid.

The following table sets forth, for the period indicated, the increase or decrease in dollars and percentages of certain items in the consolidated income statements as compared to the prior periods:

	Year Ended December 31,			
	2007 vs. 2006		2006 vs. 2005	
	Amount of Increase (decrease)	Percent of Increase (decrease)	Amount of Increase (decrease)	Percent of Increase (decrease)
INTEREST INCOME	(dollars in thousands)			
Loans	$ 6,994	18.8%	$ 8,910	31.5%
Investment securities	376	23.9%	302	23.7%
Other	168	31.1%	313	137.3%
Total interest income	7,538	19.2%	9,525	32.0%
INTEREST EXPENSE				
Deposits	4,583	34.7%	5,524	71.7%
Bonds payable and other borrowings	1,447	40.4%	933	35.3%
Total interest expense	6,030	35.9%	6,457	62.4%
NET INTEREST INCOME	1,508	6.7%	3,068	15.8%
Provision for loan losses	808	165.2%	(77)	(13.6)%
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	700	3.2%	3,145	16.7%
NON-INTEREST INCOME				
Other loan fees	(92)	(3.3)%	(76)	(2.6)%
Gains from loan sales, net	(697)	(46.5)%	(1,000)	(40.0)%
Document processing fees, net	(66)	(8.1)%	(7)	(0.9)%
Loan servicing fees, net	(255)	(98.5)%	(316)	(55.0)%
Service charges	78	21.4%	46	14.5%
Other	(95)	(46.6)%	15	7.9%
Total non-interest income	(1,127)	(18.9)%	(1,338)	(18.3)%
NON-INTEREST EXPENSES				
Salaries and employee benefits	1,001	7.7%	1,018	8.5%
Occupancy and equipment expenses	234	12.6%	15	0.8%
Professional services	(57)	(6.0)%	(69)	(6.8)%
Advertising and marketing	149	24.8%	71	13.4%
Depreciation	17	3.4%	(44)	(8.1)%
Other	824	43.1%	(319)	(14.3)%
Total non-interest expenses	2,168	11.5%	672	3.7%
Income before provision for income taxes	(2,595)		1,135	
Provision for income taxes	(1,056)		1,449	
NET INCOME	$ (1,539)		$ (314)	

Comparison of 2007 to 2006

Net interest income increased by $1.5 million, or 6.7%, for 2007 compared to 2006. Total interest income increased by $7.5 million, or 19.2%, from $39.3 million in 2006 to $46.8 million in 2007. Of this increase, $7.4 million was due to interest-earning asset growth, primarily loans, and $134,000 resulted from rate increases. Total interest expense increased by $6.0 million, or 35.9%, in 2007 compared to 2006. Interest expense on deposits increased $4.6 million while the interest expense on other borrowings increased $1.4 million. Of the increase in interest expense on deposits, $2.8 million was due to deposit growth, including broker deposits, and $1.8 million resulted from higher rates. The increase in interest expense is primarily due to increased competition for core deposits which resulted in higher deposit rates and increased use of wholesale funding sources to fund loan growth.

Interest income from loans increased primarily due to overall net growth in the loan portfolio. The manufactured housing, commercial real estate, commercial and SBA loan portfolios increased by $30.1 million, $5.7 million, $18.7 million and $32.3 million, respectively, during 2007. This loan growth contributed to increased interest income from manufactured housing of $2.9 million, or 26.2%, commercial real estate of $1.3 million, or 12.3%, commercial of $1.1 million, or 22.1%, and SBA of $2.1 million, or 29.5%, for 2007 compared to 2006. These increases to loan interest income were partially offset by a decrease in interest income from the securitized loan portfolio of $398,000, or 25.6%, for 2007 compared to 2006. Interest income from investments and federal funds sold increased by $376,000 and $150,000, respectively for 2007 compared to 2006.

The increase in interest income resulted almost entirely from growth in interest earning assets with yields remaining flat at 8.55% from 2006 to 2007. Margins continued to be compressed as deposit and borrowing rates increased from 4.31% to 4.81%. The upward pressure on interest rates paid on deposits began to ease as the FOMC reduced the target level for the federal funds rate in September 2007. Responding to concerns about a weakening economic outlook, the rate was reduced from 5.25% to 4.25% by December 31, 2007. In 2008, the rate has been adjusted three times and as of March 18, 2008 was 2.25%.

Comparison of 2006 to 2005

Total interest income increased by $9.5 million, or 32.0%, from $29.7 million in 2005 to $39.3 million in 2006. Of this increase, $6.8 million was due to interest-earning asset growth, primarily loans, and $2.7 million resulted from rate increases. Total interest expense increased by $6.5 million, or 62.4%, from $10.3 million in 2005 to $16.8 million in 2006. Interest expense on deposits increased $5.5 million, primarily due to an increase in volume of time certificates of deposit, while the interest expense on other borrowings increased $933,000.

The following table sets forth the changes in interest income and expense attributable to changes in rate and volume:

	Year Ended December 31,					
	2007 versus 2006			2006 versus 2005		
	Total change	Change due to Rate	Change due to Volume	Total change	Change due to Rate	Change due to Volume
	(in thousands)					
Interest earning deposits in other financial institutions (including time deposits)	$ 18	$ 1	$ 17	$ (8)	$ 13	$ (21)
Federal funds sold	150	33	117	321	91	230
Investment securities	376	155	221	302	183	119
Loans, net	6,994	(55)	7,049	8,910	2,451	6,459
Total interest-earning assets	7,538	134	7,404	9,525	2,738	6,787
Interest-bearing demand	582	324	258	(447)	443	(890)
Savings	105	89	16	110	149	(39)
Time certificates of deposit	3,896	1,367	2,529	5,861	1,786	4,075
Other borrowings	1,447	91	1,356	933	664	269
Total interest-bearing liabilities	6,030	1,871	4,159	6,457	3,042	3,415
NET INTEREST INCOME	$ 1,508	$ (1,737)	$ 3,245	**$ 3,068**	**$ (304)**	**$ 3,372**

The following table presents the net interest income and net interest margin for the three years indicated:

	Year Ended December 31,		
	2007	2006	2005
	(dollars in thousands)		
Interest income	$ 46,841	$ 39,303	$ 29,778
Interest expense	22,834	16,804	10,347
NET INTEREST INCOME	$ 24,007	**$ 22,499**	**$ 19,431**
NET INTEREST MARGIN	4.38%	**4.89%**	**5.14%**

PROVISION FOR LOAN LOSSES

The provision for loan losses increased $808,000 to $1.3 million for 2007 compared to $489,000 in 2006. The increase was driven primarily by net charge-offs in the SBA loan portfolio of $618,000 as well as loan growth.

The economy as a whole has recently experienced setbacks in the real estate and credit markets that have lead to a growth in non-performing assets for many financial institutions. The Bank has experienced an increase in impaired loans and has provided specific reserves believed to be adequate to cover potential losses. Nonetheless, increasing provisions for loan losses remain possible in the current economic environment.

NON-INTEREST INCOME

The following table summarizes the Company's non-interest income for the three years indicated:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Other loan fees	$ 2,738	$ 2,830	$ 2,906
Gains from loan sales, net	802	1,499	2,499
Document processing fees, net	750	816	823
Loan servicing fees, net	4	259	575
Service charges	442	364	318
Other	109	204	189
TOTAL NON-INTEREST INCOME	**$ 4,845**	**$ 5,972**	**$ 7,310**

Comparison of 2007 to 2006

Total non-interest income for the Company declined by $1.1 million, or 18.9%, in 2007 compared to 2006. The decline is primarily due to the Company's continued plan to grow the Bank's SBA loan portfolio and sell fewer SBA loans which impacted gains from loan sales and loan servicing fees.

The following table summarizes this change:

	Year Ended December 31,		
	2007	2006	Change
Gains from loan sales, net		(in thousands)	
SBA	$ 713	$ 1,361	$ (648)
Mortgage	89	138	(49)
TOTAL	**$ 802**	**$ 1,499**	**$ (697)**

Management's strategic shift gradually to sell fewer SBA loans and grow the portfolio contributed to the comparative decrease in net gains from SBA loans sales of $648,000, or 47.6%, for 2007 compared to 2006. The Company sold $8.8 million in SBA 7(a) loans in 2007 compared to $15.8 million in 2006. The reduction in loan sales, along with higher prepayments, also impacted net loan servicing fees which decreased by $255,000 in 2007 compared to 2006. Net gains from mortgage loan sales decreased by $49,000, or 35.3% in 2007 compared to 2006, primarily related to a decline in mortgage loan originations from $43.4 million in 2006 to $39.6 million in 2007. Total other non-interest income, including document processing fees and service charges declined by $83,000 in 2007 compared to 2006.

Comparison of 2006 to 2005

Total non-interest income for the Company declined by $1.3 million, or 18.3%, in 2006 compared to 2005. The decline is primarily due to the Company's continued plan to grow the Bank's SBA loan portfolio and sell fewer SBA loans which impacted gains from loan sales and loan servicing fees. Management's strategic shift gradually to sell fewer SBA loans and grow the portfolio, combined with market declines in loan sale pricing during 2006, contributed to the comparative decrease in net gains from SBA loan sales of $829,000, or 37.8%, for 2006 compared to 2005. Also impacted were net loan servicing fees which decreased by $316,000, or 55.0%, in 2006 compared to 2005.

NON-INTEREST EXPENSES

The following table summarizes the Company's non-interest expenses for the three years indicated:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Salaries and employee benefits	$ 14,012	$ 13,011	$ 11,993
Occupancy and equipment expenses	2,089	1,855	1,840
Professional services	896	953	1,022
Advertising and marketing	751	602	531
Depreciation	516	499	543
Other	2,736	1,912	2,231
TOTAL NON-INTEREST EXPENSES	**$ 21,000**	**$ 18,832**	**$ 18,160**

Comparison of 2007 to 2006

Total non-interest expenses increased $2.2 million, or 11.5%, in 2007 compared to 2006. This increase was primarily due to an increase in salaries and employee benefits of $1.0 million, or 7.7%, in 2007 compared to 2006. Contributing to the increase in salaries and employee benefits was the full year of operation of the new Westlake Village Branch which opened in 2006, higher costs for health insurance and increased stock option expense. The Company also incurred increased occupancy costs of $234,000 and advertising and marketing of $149,000. Other non-interest expenses were impacted by sublease costs of $220,000 related to a former loan, and increases in the FDIC assessment, loan servicing and data processing of $188,000, $128,000 and $119,000, respectively.

Comparison of 2006 to 2005

Total non-interest expenses increased $672,000, or 3.7%, in 2006 compared to 2005. This increase was primarily due to an increase in salaries and employee benefits of $1.0 million, or 8.5%, in 2006 compared to 2005. Also contributing to the increase were the additional months of expense for the two full-service-branches added in May and October 2005 and the recognition of $163,000 in stock option expense as a result of the 2006 adoption of FAS 123R. This increase was partially offset by decreases in other non-interest expenses, professional services and depreciation expense, which declined by $248,000, $69,000 and $44,000, respectively.

The following table compares the various elements of non-interest expenses as a percentage of average assets:

Year Ended December 31,	Average Assets	Total Non-Interest Expenses	Salaries and Employee Benefits	Occupancy and Depreciation Expenses
		(dollars in thousands)		
2007	**$ 563,493**	**3.73%**	**2.49%**	**0.46%**
2006	$ 474,465	3.97%	2.74%	0.50%
2005	$ 393,210	4.62%	3.05%	0.61%

INCOME TAXES

Income tax expense was $2.8 million in 2007, $3.8 million in 2006 and $2.4 million in 2005. The effective income tax rate was 42.2%, 41.8% and 29.6% for 2007, 2006 and 2005, respectively. The effective income tax rate for 2005 was generally less than the effective income tax rate in other periods presented as a tax reserve of $914,000, or $.16 per share (basic), related to the resolution of tax issues. See Note 10, "Income Taxes", in the notes to the Consolidated Financial Statements.

SCHEDULE OF AVERAGE ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY

As of the dates indicated below, the following schedule shows the average balances of the Company's assets, liabilities and stockholders' equity accounts and, for each balance, the percentage of average total assets:

	December 31,					
	2007		2006		2005	
	Amount	%	Amount	%	Amount	%
ASSETS			(dollars in thousands)			
Cash and due from banks	$ 4,374	0.8%	$ 5,264	1.1%	$ 5,428	1.4%
Time and interest-earning deposits in other financial institutions	935	0.2%	567	0.1%	1,057	0.3%
Federal funds sold	12,938	2.3%	10,661	2.3%	5,923	1.5%
Investment securities available-for-sale	19,929	3.5%	22,655	4.8%	22,474	5.7%
Investment securities held-to-maturity	14,741	2.6%	8,759	1.9%	7,703	2.0%
Federal Reserve Bank & Federal Home Loan Bank stock	5,657	1.0%	4,342	0.9%	2,882	0.7%
Loans held for sale, net	92,867	16.5%	64,785	13.6%	50,106	12.7%
Loans held for investment, net	388,419	68.9%	332,315	70.0%	265,799	67.6%
Securitized loans, net	8,444	1.5%	11,913	2.5%	18,241	4.6%
Servicing rights	1,580	0.3%	2,410	0.5%	3,118	0.8%
Other assets acquired through foreclosure, net	499	0.1%	52	-	43	-
Premises and equipment, net	3,007	0.5%	2,287	0.5%	2,011	0.5%
Other assets	10,103	1.8%	8,455	1.8%	8,425	2.2%
TOTAL ASSETS	$563,493	100.0%	$474,465	100.0%	$393,210	100.0%
LIABILITIES						
Deposits:						
Non-interest-bearing demand	$ 34,172	6.0%	$ 34,555	7.3%	$ 34,758	8.8%
Interest-bearing demand	65,687	11.7%	58,569	12.3%	87,587	22.3%
Savings	15,642	2.8%	15,184	3.2%	16,479	4.2%
Time certificates of $100,000 or more	155,156	27.5%	138,897	29.2%	62,545	15.9%
Other time certificates	135,831	24.1%	102,604	21.7%	89,304	22.7%
Total deposits	406,488	72.1%	349,809	73.7%	290,673	73.9%
Other borrowings	102,167	18.2%	74,597	15.8%	46,285	11.8%
Bonds payable in connection with securitized loans	-	-	-	-	10,469	2.7%
Other liabilities	5,785	1.0%	5,210	1.1%	5,948	1.5%
Total liabilities	514,440	91.3%	429,616	90.6%	353,375	89.9%
STOCKHOLDERS' EQUITY						
Common stock	31,210	5.5%	30,517	6.4%	30,127	7.6%
Retained earnings	17,953	3.2%	14,523	3.0%	9,783	2.5%
Accumulated other comprehensive (loss)	(110)	-	(191)	-	(75)	-
Total stockholders' equity	49,053	8.7%	44,849	9.4%	39,835	10.1%
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$563,493	100.0%	$474,465	100.0%	$393,210	100.0%

INTEREST RATES AND DIFFERENTIALS

The following table illustrates average yields on interest-earning assets and average rates paid on interest-bearing liabilities for the years indicated. These average yields and rates are derived by dividing interest income by the average balances of interest-earning assets and by dividing interest expense by the average balances of interest-bearing liabilities for the years indicated. Amounts outstanding are averages of daily balances during the period.

	Year Ended December 31,		
INTEREST-EARNING ASSETS:	**2007**	**2006**	**2005**
		(dollars in thousands)	
Time and interest earning deposits in other financial institutions:			
Average outstanding	$ 935	$ 567	$ 1,057
Interest income	43	25	32
Average yield	4.57%	4.31%	3.03%
Federal funds sold:			
Average outstanding	$ 12,938	$ 10,661	$ 5,923
Interest income	666	516	196
Average yield	5.15%	4.84%	3.31%
Investment securities:			
Average outstanding	$ 40,326	$ 35,756	$ 33,059
Interest income	1,952	1,576	1,274
Average yield	4.84%	4.41%	3.85%
Gross loans, excluding securitized:			
Average outstanding	$ 485,114	$ 400,540	$ 319,008
Interest income	43,022	35,631	25,804
Average yield	8.87%	8.90%	8.09%
Securitized loans:			
Average outstanding	$ 8,789	$ 12,407	$ 19,147
Interest income	1,158	1,555	2,472
Average yield	13.18%	12.54%	12.91%
Total interest-earning assets:			
Average outstanding	$ 548,102	$ 459,931	$ 378,194
Interest income	46,841	39,303	29,778
Average yield	8.55%	8.55%	7.87%

INTEREST-BEARING LIABILITIES:	Year Ended December 31, 2007	2006	2005
		(dollars in thousands)	
Interest-bearing demand deposits:			
Average outstanding	$ 65,687	$ 58,569	$ 87,587
Interest expense	2,378	1,796	2,242
Average effective rate	3.62%	3.07%	2.56%
Savings deposits:			
Average outstanding	$ 15,642	$ 15,184	$ 16,479
Interest expense	560	455	344
Average effective rate	3.58%	2.99%	2.09%
Time certificates of deposit:			
Average outstanding	$ 290,987	$ 241,502	$ 151,849
Interest expense	14,870	10,974	5,115
Average effective rate	5.11%	4.54%	3.37%
Other borrowings:			
Average outstanding	$ 102,167	$ 74,602	$ 56,754
Interest expense	5,026	3,579	2,646
Average effective rate	4.92%	4.80%	4.66%
Total interest-bearing liabilities:			
Average outstanding	$ 474,483	$ 389,857	$ 312,669
Interest expense	22,834	16,804	10,347
Average effective rate	4.81%	4.31%	3.31%
NET INTEREST INCOME	$ 24,007	**$ 22,499**	**$ 19,431**
NET INTEREST SPREAD	3.74%	**4.24%**	**4.56%**
AVERAGE NET MARGIN	4.38%	**4.89%**	**5.14%**

Nonaccrual loans are included in the average balance of loans outstanding.

LOAN PORTFOLIO

The Company's largest categories of loans held in the portfolio are commercial, commercial real estate and construction, SBA and manufactured housing loans. Loans are carried at face amount, net of payments collected, the allowance for loan loss and deferred loan fees/costs. Interest on all loans is accrued daily, primarily on a simple interest basis. It is the Company's policy to place a loan on nonaccrual status when the loan is 90 days past due. Thereafter, previously recorded interest is reversed and interest income is typically recognized on a cash basis.

The rates charged on variable rate loans are set at specific increments. These increments vary in relation to the Company's published prime lending rate or other appropriate indices. At December 31, 2007 and 2006, approximately 59% and 60%, respectively, of the Company's loan portfolio was comprised of variable interest rate loans. Management monitors the maturity of loans and the sensitivity of loans to changes in interest rates.

The following table sets forth, as of the dates indicated, the amount of gross loans outstanding based on the remaining scheduled repayments of principal, which could either be repriced or remain fixed until maturity, classified by scheduled principal payments:

	December 31,									
	2007		2006		2005		2004		2003	
In Years	(in thousands)									
	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable	Fixed	Variable
Less than One	$ 16,445	$ 83,356	$ 16,442	$ 76,509	$ 19,797	$ 49,796	$ 3,877	$ 44,896	$ 2,382	$ 34,108
One to Five	79,549	67,549	65,083	50,931	39,081	50,708	12,922	29,567	4,128	13,645
Over Five	129,335	167,878	103,242	144,136	88,086	139,570	94,568	110,215	85,390	110,914
TOTAL	$ 225,329	$ 318,783	**$ 184,767**	**$ 271,576**	**$ 146,964**	**$ 240,074**	**$ 111,367**	**$ 184,678**	**$ 91,900**	**$ 158,667**
	41.4%	58.6%	40.5%	59.5%	38.0%	62.0%	37.6%	62.4%	36.7%	63.3%

DISTRIBUTION OF LOANS

The distribution of total loans by type of loan, as of the dates indicated, is shown in the following table:

	December 31,				
	2007	2006	2005	2003	2002
	(dollars in thousands)				
	Loan Balance	Loan Balance	Loan Balance	Loan Balance	Loan Balance
Commercial	$ 72,470	$ 53,725	$ 44,957	$ 30,893	$ 24,592
Real estate	136,734	135,902	116,938	85,357	71,010
SBA	142,874	103,361	95,217	78,878	67,663
Manufactured housing	172,938	142,804	101,336	66,423	39,073
Other installment	10,027	8,301	11,355	8,645	5,770
Securitized	7,507	10,104	14,858	23,474	37,386
Mortgage loans held for sale	1,562	2,146	2,377	2,375	5,073
Gross Loans	544,112	456,343	387,038	296,045	250,567
Less:					
Allowance for loan losses	4,412	3,926	3,954	3,894	4,675
Deferred fees/costs	(48)	43	181	(103)	69
Discount on SBA loans	583	802	1,386	1,748	1,549
NET LOANS	$539,165	**$451,572**	**$381,517**	**$290,506**	**$244,274**
Percentage to Gross Loans:					
Commercial	13.3%	11.8%	11.6%	10.5%	9.8%
Real estate	25.1%	29.8%	30.2%	28.8%	28.3%
SBA	26.3%	22.7%	24.6%	26.6%	27.0%
Manufactured housing	31.8%	31.3%	26.2%	22.5%	15.6%
Other installment	1.8%	1.8%	2.9%	2.9%	2.3%
Securitized	1.4%	2.2%	3.9%	7.9%	14.9%
Mortgage loans held for sale	.3%	.4%	.6%	.8%	2.1%
	100.0%	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Commercial Loans

In addition to traditional term commercial loans made to business customers, CWB grants revolving business lines of credit. Under the terms of the revolving lines of credit, CWB grants a maximum loan amount, which remains available to the business during the loan term. Generally, as part of the loan requirements, the business agrees to maintain its primary banking relationship with CWB. CWB does not extend material loans of this type in excess of two years.

Commercial Real Estate and Construction Loans

Commercial real estate and construction loans are primarily made for the purpose of purchasing, improving or constructing single-family residences, commercial or industrial properties.

A substantial portion of CWB's real estate construction loans are first and second trust deeds on the construction of owner-occupied single family dwellings. CWB also makes real estate construction loans on commercial properties. These consist of first and second trust deeds collateralized by the related real property. Construction loans are generally written with terms of six to eighteen months and usually do not exceed a loan to appraised value of 80%.

Commercial and industrial real estate loans are secured by nonresidential property. Office buildings or other commercial property primarily secure these loans. Loan to appraised value ratios on nonresidential real estate loans are generally restricted to 80% of appraised value of the underlying real property if occupied by the owner or owner's business; otherwise, these loans are generally restricted to 75% of appraised value of the underlying real property.

SBA Loans

The SBA loans consist of 7(a), 504, conventional, investor and Business and Industry loans ("B&I"). The 7(a) loan proceeds are used for working capital, machinery and equipment purchases, land and building purposes, leasehold improvements and debt refinancing. The SBA guarantees up to 85% of the loan amount depending on loan size. Under the SBA 7(a) loan program, the Company is required to retain a minimum of 5% of the principal balance of each loan it sells into the secondary market

The 504 loans are made in conjunction with Certified Development Companies. These loans are granted to purchase or construct real estate or acquire machinery and equipment. The loan is structured with a conventional first trust deed provided by a private lender and a second trust deed which is funded through the sale of debentures. The predominant structure is terms of 10% down payment, 50% conventional first loan and 40% debenture. Conventional and investor loans are funded by our secondary-market partners and CWB receives a premium for these transactions.

B&I loans are guaranteed by the U.S. Department of Agriculture. The guaranteed amount is generally 80%. B&I loans are similar to the 7(a) loans but are made to businesses in designated rural areas. These loans can also be sold into the secondary market.

Real Estate Loans

The mortgage loans consist of first and second mortgage loans secured by trust deeds on one to four family homes. These loans are made to borrowers for purposes such as purchasing a home, refinancing an existing home, interest rate reduction, home improvement, or debt consolidation. These loans are underwritten to specific investor guidelines and are committed for sale to that investor. A majority of these loans are sold servicing released into the secondary market.

Manufactured Housing Loans

The mortgage loan division originates loans secured by manufactured homes located in mobile home parks along the California coast and in the Sacramento area. The loans are serviced internally and are generally fixed rate written for terms of 5 to 30 years with balloon payments ranging from 5 to 15 years.

Other Installment Loans

Installment loans consist of automobile, small home equity lines of credit and general-purpose loans made to individuals. These loans are primarily fixed rate.

OFF-BALANCE SHEET ARRANGEMENTS

The Bank has various "off-balance sheet" arrangements that might have an impact on its financial condition, liquidity, or result of operations. The Bank's primary source of funds for its lending is its deposits. If necessary to meet the demand of deposit withdrawals or loan fundings, the Bank could obtain funding through federal funds lines of credit, advances from the FHLB or issuance of deposits through brokers. The Bank has continuous lines of credit with correspondent banks providing for federal funds lines of credit up to a maximum of $23.5 million and availability under agreements with the FHLB in the approximate amount of $5.1 million. There were no borrowings outstanding on the federal funds facilities at December 31, 2007, and advances from the FHLB in the amount of $121 million.

At December 31, 2007, the Bank had outstanding commitments to fund existing loans of approximately $50.7 million pursuant to credit availability terms in the loan agreements, including standby letters of credit of $518,000. Because these commitments generally have fixed expiration dates and many will expire without being drawn upon, the total commitment level does not necessarily represent future cash requirements. If needed to fund these outstanding commitments, the Bank has the ability to liquidate federal funds sold or securities available-for-sale or, on a short-term basis, to borrow and purchase federal funds from other financial institutions, to obtain advances from the FHLB or to issue new certificates of deposit through brokers.

Loan Commitments Outstanding

Total loan commitments outstanding at the dates indicated are summarized below:

	December 31,				
	2007	2006	2005	2004	2003
			(in thousands)		
Commercial	$21,612	$24,431	$22,327	$19,010	$13,867
Real estate	8,649	18,839	19,323	7,618	11,676
SBA	9,453	5,508	3,408	6,107	9,531
Installment loans	10,503	9,662	9,330	8,966	5,112
Standby letters of credit	518	847	1,499	403	522
TOTAL COMMITMENTS	**$50,735**	**$59,287**	**$55,887**	**$42,104**	**$40,708**

LOAN CONCENTRATIONS

The Company makes loans to borrowers in a number of different industries. Other than Manufactured Housing, no single concentration comprises 10% or more of the Company's loan portfolio. Commercial, commercial real estate, construction and SBA loans each comprised over 10% of the Company's loan portfolio as of December 31, 2007 and 2006, but consisted of diverse borrowers.

ALLOWANCE FOR LOAN LOSSES

The following table summarizes the activity in the allowance for loan losses for the periods indicated:

	Year Ended December 31,				
	2007	2006	2005	2004	2003
			(in thousands)		
Average gross loans, held for investment,	$401,036	$348,161	$288,049	$230,533	$202,563
Gross loans at end of year, held for investment	433,162	379,703	324,965	248,412	206,912
Allowance for loan losses, beginning of year	$ 3,926	$ 3,954	$ 3,894	$ 4,676	$ 5,950
Loans charged off:					
Commercial (including SBA)	775	459	228	185	445
Real estate	-	-	8	274	471
Installment	-	-	-	-	3
Short-term consumer	-	-	-	-	902
Securitized	142	341	831	1,356	2,512
Total	917	800	1,067	1,815	4,333
Recoveries of loans previously charged off					
Commercial (including SBA)	45	93	20	31	88
Real estate	-	-	89	44	42
Short-term consumer	-	-	-	-	672
Securitized	61	190	452	540	588
Total	106	283	561	615	1,390
Net loans charged off	811	517	506	1,200	2,943
Provision for loan losses	1,297	489	566	418	1,669
ALLOWANCE FOR LOAN LOSSES, END OF YEAR	$ 4,412	**$ 3,926**	**$ 3,954**	**$ 3,894**	**$ 4,676**
Ratios:					
Net loan charge-offs to average loans	0.2%	0.1%	0.2%	0.5%	1.5%
Net loan charge-offs to loans at end of period	0.2%	0.1%	0.2%	0.5%	1.4%
Allowance for loan losses to loans held for investment at end of period	1.0%	1.0%	1.2%	1.6%	2.3%
Net loan charge-offs to allowance for loan losses at beginning of period	20.7%	13.1%	13.0%	25.7%	49.5%
Net loan charge-offs to provision for loan losses	62.5%	105.7%	89.4%	287.1%	176.3%

The following table summarizes the allowance for loan losses:

Balance at end of period applicable to:	2007 Amount	2007 Percent of loans in each category to total loans	2006 Amount	2006 Percent of loans in each category to total loans	2005 Amount	2005 Percent of loans in each category to total loans	2004 Amount	2004 Percent of loans in each category to total loans	2003 Amount	2003 Percent of loans in each category to total loans
	December 31, (dollars in thousands)									
SBA	$ 1,810	26.3%	$ 1,365	22.6%	$ 1,409	24.6%	$ 1,388	24.6%	$ 1,550	27.0%
Manufactured housing	610	31.8%	786	31.3%	563	26.2%	465	22.5%	372	15.6%
Securitized	322	1.4%	351	2.2%	628	3.9%	1,109	7.9%	2,024	14.9%
All other loans	1,670	40.5%	1,424	43.9%	1,354	45.3%	932	45.0%	730	42.5%
TOTAL	**$ 4,412**	**100%**	**$ 3,926**	**100%**	**$ 3,954**	**100%**	**$ 3,894**	**100%**	**$ 4,676**	**100%**

Total allowance for loan losses ("ALL") increased by $486,000 from December 31, 2006 to December 31, 2007. The increase was primarily due to loan growth and the impact of charge-offs on the migration analysis. Net loans charged-offs were $811,000 in 2007, $517,000 in 2006 and $506,000 in 2005.

In management's opinion, the balance of the allowance for loan losses was sufficient to absorb known and inherent probable losses in the loan portfolio as of December 31, 2007.

Nonaccrual, Past Due and Restructured Loans

A loan is considered impaired when, based on current information and events, it is probable that the Company will be unable to collect the scheduled payments of principal or interest under the contractual terms of the loan agreement. Factors considered by management in determining impairment include payment status, collateral value and the probability of collecting scheduled principal and interest payments. Loans that experience insignificant payment delays or payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis. When determining the possibility of impairment, management considers the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record and the amount of the shortfall in relation to the principal and interest owed. For collateral-dependent loans, the Company uses the fair value of collateral method to measure impairment. All other loans, except for securitized, are measured for impairment based on the present value of future cash flows. Impairment is measured on a loan-by-loan basis for all loans in the portfolio except for the securitized loans, which are evaluated for impairment on a collective basis.

The recorded investment in loans that are considered to be impaired is as follows:

	2007	2006	2005	2004	2003
	Year Ended December 31, (in thousands)				
Impaired loans without specific valuation allowances	$ 33	$ 63	$ 77	$ 49	$ 235
Impaired loans with specific valuation allowances	16,468	5,145	3,406	3,926	6,843
Specific valuation allowance related to impaired loans	(966)	(641)	(473)	(425)	(640)
IMPAIRED LOANS, NET	**$ 15,535**	**$ 4,567**	**$ 3,010**	**$ 3,550**	**$ 6,438**
AVERAGE INVESTMENT IN IMPAIRED LOANS	**$ 9,386**	**$ 4,074**	**$ 3,716**	**$ 5,137**	**$ 6,584**

The following schedule reflects recorded investment at the dates indicated in certain types of loans:

	Year Ended December 31,				
	2007	2006	2005	2004	2003
			(in thousands)		
Nonaccrual loans	$ 15,341	$ 7,417	$ 6,797	$ 8,350	$ 7,174
SBA guaranteed portion of loans included above	(5,695)	(4,256)	(4,332)	(5,287)	(4,106)
NONACCRUAL LOANS, NET	**$ 9,646**	**$ 3,161**	**$ 2,465**	**$ 3,063**	**$ 3,068**
Troubled debt restructured loans	$ 7,255	$ 68	$ 75	$ 124	$ 193
Loans 30 through 90 days past due with interest accruing	$ 18,898	2,463	1,792	1,804	3,907
Interest income recognized on impaired loans	$ 691	$ 242	$ 141	$ 103	$ 277
Interest foregone on nonaccrual loans and troubled debt restructured loans outstanding	$ 904	488	253	208	216
GROSS INTEREST INCOME ON IMPAIRED LOANS	**$ 1,595**	**$ 730**	**$ 394**	**$ 311**	**$ 493**

The accrual of interest is discontinued when substantial doubt exists as to collectibility of the loan; generally at the time the loan is 90 days delinquent. Any unpaid but accrued interest is reversed at that time. Thereafter, interest income is no longer recognized on the loan. Interest income may be recognized on impaired loans to the extent they are not past due by 90 days. Interest on nonaccrual loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all of the principal and interest amounts contractually due are brought current and future payments are reasonably assured. All of the nonaccrual loans are impaired. Total net nonaccrual loans increased by $6.5 million from 2006 to 2007. The increase in net non-accrual loans was primarily due to one construction loan of $5.3 million for which the collateral appears to adequately secure principal recovery.

Total net impaired loans increased by $11.0 million as of December 31, 2007 compared to December 31, 2006. Three loans of $5.3 million, $4.0 million and $1.0 million constituted most of the increase. In consideration of the collateral, specific reserves for these three loans total $122,000.

Financial difficulties encountered by certain borrowers may cause the Company to restructure the terms of their loan to facilitate loan repayment. A troubled debt restructured loan ("TDR") would generally be considered impaired. The balance of impaired loans disclosed above includes all TDRs that, as of December 31, 2007, 2006 and 2005, are considered impaired.

INVESTMENT PORTFOLIO

The following table summarizes the carrying values of the Company's investment securities for the years indicated:

	Year Ended December 31,		
	2007	2006	2005
Available-for-sale securities		(in thousands)	
U.S. Government agency notes	$ 5,993	$ 13,184	$ 15,148
U.S. Government agency: MBS	5,004	7,005	5,148
U.S. Government agency: CMO	1,667	1,908	2,323
TOTAL AVAILABLE-FOR-SALE SECURITIES	**$ 12,664**	**$ 22,097**	**$ 22,619**

	Year Ended December 31,		
	2007	2006	2005
Held-to-maturity securities		(in thousands)	
U.S. Government agency notes	$ 200	$ 200	$ 200
U.S. Government agency: MBS	25,417	10,335	8,477
TOTAL HELD-TO-MATURITY SECURITIES	**$ 25,617**	**$ 10,535**	**$ 8,677**

At December 31, 2007, $200,000 at carrying value of held-to-maturity securities were pledged as collateral to the U.S. Treasury for CWB's treasury, tax and loan account and $38.1 million at carrying value were pledged to the Federal Home Loan Bank, San Francisco, as collateral for current and future advances.

The maturity periods and weighted average yields of investment securities at December 31, 2007 are as follows:

	Total Amount		Less than One Year		One to Five Years		Five to Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
				(dollars in thousands)				
Available-for-sale securities								
U. S. Government Agency notes	$ 5,993	4.7%	$ 5,993	4.7%	$ -	-	$ -	-
Agency: MBS	5,004	4.3%			5,004	4.3%		
Agency: CMO	1,667	4.8%	-	-	603	4.5%	1,064	5.0%
TOTAL	$ 12,664	4.1%	$ 5,993	4.7%	$ 5,607	4.3%	$ 1,064	5.0%
Held-to-maturity securities								
U.S. Government Agency notes	$ 200	3.6%	$ 200	3.6%	$ -	-	$ -	-
Agency: MBS	25,417	5.1%	-	-	19,012	4.9%	6,405	5.5%
TOTAL	$ 25,617	5.1%	$ 200	3.6%	$ 19,012	4.9%	$ 6,405	5.5%

LIQUIDITY MANAGEMENT

The Company has established policies as well as analytical tools to manage liquidity. Proper liquidity management ensures that sufficient funds are available to meet normal operating demands in addition to unexpected customer demand for funds, such as high levels of deposit withdrawals or increased loan demand, in a timely and cost effective manner. The most important factor in the preservation of liquidity is maintaining public confidence that facilitates the retention and growth of core deposits. Ultimately, public confidence is gained through profitable operations, sound credit quality and a strong capital position. The Company's liquidity management is viewed from a long-term and short-term perspective, as well as from an asset and liability perspective. Management monitors liquidity through regular reviews of maturity profiles, funding sources and loan and deposit forecasts to minimize funding risk. The Company has asset/liability committees ("ALCO") at the Board and Bank management level to review asset/liability management and liquidity issues. The Company maintains strategic liquidity and contingency plans. Periodically, the Company has used short-term time certificates from other financial institutions to meet projected liquidity needs.

CWB has a credit line with the Federal Home Loan Bank ("FHLB"). Advances are collateralized in the aggregate by CWB's eligible mortgage loans, securities of the U.S Government and its agencies and certain other loans. The outstanding advances at December 31, 2007 include $17.5 million borrowed at variable rates which adjust to the current LIBOR rate either monthly or quarterly and $103.5 million borrowed at fixed rates. At December 31, 2007, CWB had pledged to FHLB, securities of $38.1 million at carrying value and loans of $150 million, and had $5.1 million available for additional borrowing. At December 31, 2006, CWB had $160.2 million of loans and $32.4 million of securities pledged as collateral and outstanding advances of $95 million.

CWB also maintains four federal funds purchased lines for a total borrowing capacity of $23.5 million.

The Company, through the Bank, also has the ability as a member of the Federal Reserve System, to borrow at the discount window up to 50% of what is pledged at the Federal Reserve Bank.

The Company has not experienced disintermediation and does not believe this is a potentially probable occurrence. The liquidity ratio of the Company was 22% at December 31, 2007 compared to 21% at December 31, 2006. The Company's liquidity ratio fluctuates in conjunction with loan funding demands. The liquidity ratio consists of cash and due from banks, deposits in other financial institutions, available for sale investments, federal funds sold and loans held for sale, divided by total assets.

CWBC's routine funding requirements primarily consist of certain operating expenses. Normally, CWBC obtains funding to meet its obligations from dividends collected from its subsidiary and has the capability to issue debt securities. Federal banking laws regulate the amount of dividends that may be paid by banking subsidiaries without prior approval.

INTEREST RATE RISK

The Company is exposed to different types of interest rate risks. These risks include: lag, repricing, basis and prepayment risk.

- *Lag Risk* – lag risk results from the inherent timing difference between the repricing of the Company's adjustable rate assets and liabilities. For instance, certain loans tied to the prime rate index may only reprice on a quarterly basis. However, at a community bank such as CWB, when rates are rising, funding sources tend to reprice more slowly than the loans. Therefore, for CWB, the effect of this timing difference is generally favorable during a period of rising interest rates and unfavorable during a period of declining interest rates. This lag can produce some short-term volatility, particularly in times of numerous prime rate changes.

- *Repricing Risk* – repricing risk is caused by the mismatch in the maturities / repricing periods between interest-earning assets and interest-bearing liabilities. If CWB was perfectly matched, the net interest margin would expand during rising rate periods and contract during falling rate periods. This is so since loans tend to reprice more quickly than do funding sources. Typically, since CWB is somewhat asset sensitive, this would also tend to expand the net interest margin during times of interest rate increases. However, the margin relationship is somewhat dependent on the shape of the yield curve.

- *Basis Risk* – item pricing tied to different indices may tend to react differently, however, all CWB's variable products are priced off the prime rate.

- *Prepayment Risk* – prepayment risk results from borrowers paying down / off their loans prior to maturity. Prepayments on fixed-rate products increase in falling interest rate environments and decrease in rising interest rate environments. Since a majority of CWB's loan originations are adjustable rate and set based on prime, and there is little lag time on the reset, CWB does not experience significant prepayments. However, CWB does have more prepayment risk on its securitized and manufactured housing loans and its mortgage-backed investment securities.

Management of Interest Rate Risk

To mitigate the impact of changes in market interest rates on the Company's interest-earning assets and interest-bearing liabilities, the amounts and maturities are actively managed. Short-term, adjustable-rate assets are generally retained as they have similar repricing characteristics as our funding sources. CWB sells mortgage products and a portion of its SBA loan originations. While the Company has some interest rate exposure in excess of five years, it has internal policy limits designed to minimize risk should interest rates rise. Currently, the Company does not use derivative instruments to help manage risk, but will consider such instruments in the future if the perceived need should arise.

Loan sales

The Company's ability to originate, purchase and sell loans is also significantly impacted by changes in interest rates. Increases in interest rates may also reduce the amount of loan and commitment fees received by CWB. A significant decline in interest rates could also decrease the size of CWB's servicing portfolio and the related servicing income by increasing the level of prepayments.

DEPOSITS

The following table shows the Company's average deposits for each of the periods indicated below:

	Year Ended December 31,					
	2007		2006		2005	
	Average Balance	Percent of Total	Average Balance	Percent of Total	Average Balance	Percent of Total
	(dollars in thousands)					
Noninterest-bearing demand	$ 34,172	8.4%	$ 34,555	9.9%	$ 34,758	12.0%
Interest-bearing demand	65,687	16.1%	58,569	16.7%	87,587	30.1%
Savings	15,642	3.9%	15,184	4.3%	16,479	5.7%
TCD's of $100,000 or more	155,156	38.2%	138,897	39.7%	62,545	21.5%
Other TCD's	135,831	33.4%	102,604	29.4%	89,304	30.7%
TOTAL DEPOSITS	**$ 406,488**	**100.0%**	**$ 349,809**	**100.0%**	**$ 290,673**	**100.0%**

The maturities of time certificates of deposit ("TCD's") were as follows:

	December 31,			
	2007		2006	
	TCD's over $100,000	Other TCD's	TCD's over $100,000	Other TCD's
	(in thousands)			
Less than three months	$ 28,045	$ 48,014	$ 46,037	$ 31,347
Over three months through six months	12,273	36,642	35,161	21,497
Over six months through twelve months	11,500	101,522	44,666	28,516
Over twelve months through five years	8,964	63,618	48,802	15,191
TOTAL	**$ 60,782**	**$ 249,796**	**$ 174,666**	**$ 96,551**

The deposits of the Company may fluctuate up and down with local and national economic conditions. However, management does not believe that deposit levels are significantly influenced by seasonal factors.

The Company manages its money desk and obtains brokered deposits in accordance with its liquidity and strategic planning. Such deposits increased by $48.5 million during 2007 as the Company's general funding needs increased due to the growth in the loan portfolio. The Company can use the money desk or obtain broker deposits when necessary in a short time frame; however, these funds are more expensive as there is substantial competition for these deposits.

CONTRACTUAL OBLIGATIONS

The Company has contractual obligations that include long-term debt, deposits, operating leases and purchase obligations for service providers.

The following table is a summary of those obligations at December 31, 2007:

	Total	< 1 Year	1-3 Years	3-5 Years	Over 5 Years
			(in thousands)		
FHLB Borrowing	$ 121,000	$ 39,000	$ 82,000	$ -	$ -
Time certificates of deposits	310,578	237,995	68,708	3,875	-
Operating lease obligations	4,514	1,095	1,827	985	607
Purchase obligations for service providers	1,267	550	624	93	-
TOTAL	$ 437,359	$278,640	$ 153,159	$ 4,953	$ 607

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company's primary market risk is interest rate risk ("IRR"). To minimize the volatility of net interest income at risk ("NII") and the impact on economic value of equity ("EVE"), the Company manages its exposure to changes in interest rates through asset and liability management activities within guidelines established by the Board's Asset Liability Committee ("ALCO"). ALCO has the responsibility for approving and ensuring compliance with asset/liability management policies, including IRR exposure.

To mitigate the impact of changes in interest rates on the Company's interest-earning assets and interest-bearing liabilities, the Company actively manages the amounts and maturities. The Company sells substantially all of its mortgage products and a portion of its SBA loan originations. While the Company has some assets and liabilities in excess of five years, it has internal policy limits designed to minimize risk should interest rates rise. Currently, the Company does not use derivative instruments to help manage risk, but will consider such instruments in the future if the perceived need should arise.

The Company uses software, combined with download detailed information from various application programs, and assumptions regarding interest rates, lending and deposit trends and other key factors to forecast/simulate the effects of both higher and lower interest rates. The results detailed below indicate the impact, in dollars and percentages, on NII and EVE of an increase in interest rates of 200 basis points and a decline of 200 basis points compared to a flat interest rate scenario. The model assumes that the rate change shock occurs immediately.

INTEREST RATE SENSITIVITY	**200 bp increase**		**200 bp decrease**	
	2007	**2006**	**2007**	**2006**
	(dollars in thousands)			
Anticipated impact over the next twelve months:				
NET INTEREST INCOME (NII)	$ 1,872	$ 1,495	$ (1,911)	$ (1,542)
	7.6%	6.5%	(7.8%)	(6.7%)
ECONOMIC VALUE OF EQUITY (EVE)	$ (7,523)	$ (6,573)	$ 5,981	$ 5,656
	(14.0%)	(13.3%)	11.2%	11.4%

For further discussion of interest rate risk, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity Management - Interest Rate Risk."

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders of Community West Bancshares

We have audited the accompanying consolidated balance sheets of Community West Bancshares and subsidiary (the Company) as of December 31, 2007 and 2006, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 2007. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Company's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Community West Bancshares and subsidiary at December 31, 2007 and 2006, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 2007, in conformity with U.S. generally accepted accounting principles.

Ernst + Young LLP

Los Angeles, CA
March 21, 2008

CONSOLIDATED BALANCE SHEETS

	December 31,	
	2007	2006
	(dollars in thousands)	
ASSETS		
Cash and due from banks	$ 6,855	$ 4,190
Federal funds sold	2,434	7,153
Cash and cash equivalents	9,289	11,343
Time deposits in other financial institutions	778	536
Investment securities available-for-sale, at fair value; amortized cost of $12,711 December 31, 2007 and $22,340 December 31, 2006	12,664	22,097
Investment securities held-to-maturity, at amortized cost; fair value of $25,733 at December 31, 2007 and $10,437 at December 31, 2006	25,617	10,535
Federal Home Loan Bank stock, at cost	5,734	4,465
Federal Reserve Bank stock, at cost	812	812
Loans:		
Held for sale, at lower of cost or fair value	110,415	75,795
Held for investment, net of allowance for loan losses of $4,412 at December 31, 2007 and $3,926 at December 31, 2006	428,750	375,777
Total loans	539,165	451,572
Servicing rights	1,206	1,968
Other assets acquired through foreclosure, net	150	582
Premises and equipment, net	3,284	2,802
Other assets	11,151	9,903
TOTAL ASSETS	$ 609,850	$ 516,615
LIABILITIES		
Deposits:		
Non-interest-bearing demand	$ 33,240	$ 33,033
Interest-bearing demand	75,016	49,975
Savings	14,905	14,522
Time certificates	310,578	271,217
Total deposits	433,739	368,747
Federal Home Loan Bank advances	121,000	95,000
Other liabilities	4,952	6,048
Total liabilities	559,691	469,795
Commitments and contingencies-See Note 15		
STOCKHOLDERS' EQUITY		
Common stock, no par value; 10,000,000 shares authorized; 5,894,585 shares issued and outstanding at December 31, 2007 and 5,814,568 at December 31, 2006	31,636	30,794
Retained earnings	18,551	16,169
Accumulated other comprehensive loss	(28)	(143)
Total stockholders' equity	50,159	46,820
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 609,850	$ 516,615

See accompanying notes.

CONSOLIDATED INCOME STATEMENTS

	Year Ended December 31,		
	2007	2006	2005
	(in thousands, except per share data)		
INTEREST INCOME			
Loans	$ 44,180	$ 37,186	$ 28,276
Investment securities	1,952	1,576	1,274
Other	709	541	228
Total interest income	46,841	39,303	29,778
INTEREST EXPENSE			
Deposits	17,808	13,225	7,701
Other borrowings	5,026	3,579	2,646
Total interest expense	22,834	16,804	10,347
NET INTEREST INCOME	24,007	22,499	19,431
Provision for loan losses	1,297	489	566
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	22,710	22,010	18,865
NON-INTEREST INCOME			
Other loan fees	2,738	2,830	2,906
Gains from loan sales, net	802	1,499	2,499
Document processing fees, net	750	816	823
Service charges	442	364	318
Loan servicing fees, net	4	259	575
Other	109	204	189
Total non-interest income	4,845	5,972	7,310
NON-INTEREST EXPENSES			
Salaries and employee benefits	14,012	13,011	11,993
Occupancy and equipment expenses	2,089	1,855	1,840
Professional services	896	953	1,022
Advertising and marketing	751	602	531
Depreciation	516	499	543
Other	2,736	1,912	2,231
Total non-interest expenses	21,000	18,832	18,160
Income before provision for income taxes	6,555	9,150	8,015
Provision for income taxes	2,766	3,822	2,373
NET INCOME	$ 3,789	**$ 5,328**	**$ 5,642**
INCOME PER SHARE – BASIC	$ 0.65	**$ 0.92**	**$ 0.98**
INCOME PER SHARE – DILUTED	$ 0.63	**$ 0.89**	**$ 0.95**
Basic weighted average number of common shares outstanding	5,862	5,785	5,744
Diluted weighted average number of common shares outstanding	6,022	6,001	5,931

See accompanying notes.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total Stockholders' Equity
			(in thousands)		
BALANCES AT DECEMBER 31, 2004	5,730	$ 30,020	$ 7,621	$ (72)	$ 37,569
Exercise of stock options	21	119			119
Tax benefit from stock options		40			40
Comprehensive income:					
Net income			5,642		5,642
Change in unrealized loss on securities available-for-sale, net				(54)	(54)
Comprehensive income					5,588
Cash dividends paid ($0.19 per share)			(1,092)		(1,092)
Other		11			11
BALANCES AT DECEMBER 31, 2005	5,751	30,190	12,171	(126)	42,235
Exercise of stock options	64	387			387
Stock option expense, recognized in earnings		163			163
Tax benefit from stock options		54			54
Comprehensive income:					
Net income			5,328		5,328
Change in unrealized loss on securities available-for-sale, net				(17)	(17)
Comprehensive income					5,311
Cash dividends paid ($0.23 per share)			(1,330)		(1,330)
BALANCES AT DECEMBER 31, 2006	5,815	30,794	16,169	(143)	46,820
Exercise of stock options	80	499			499
Stock option expense, recognized in earnings		283			283
Tax benefit from stock options		60			60
Comprehensive income:					
Net income			3,789		3,789
Change in unrealized loss on securities available-for-sale, net				115	115
Comprehensive income					3,904
Cash dividends paid ($0.24 per share)			(1,407)		(1,407)
BALANCES AT DECEMBER 31, 2007	5,895	$ 31,636	$ 18,551	$ (28)	$ 50,159

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 3,789	$ 5,328	$ 5,642
Adjustments to reconcile net income to net cash provided by operating activities:			
Provision for loan losses	1,297	489	566
Write-down of other assets acquired through foreclosure	54	-	-
Depreciation and amortization	516	499	746
Deferred income taxes	(576)	(177)	(220)
Stock-based compensation	283	163	-
Net amortization of discounts and premiums for investment securities	(19)	(5)	12
Loss (gain) on:			
Sale of other assets acquired through foreclosure	29	19	49
Sale of loans held for sale	(802)	(1,499)	(2,499)
Loan originated for sale and principal collections, net	673	369	306
Changes in:			
Servicing rights, net of amortization	762	877	413
Other assets	(1,444)	(1,619)	(35)
Other liabilities	(345)	1,881	(360)
Net cash provided by operating activities	4,217	6,325	4,620
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of held-to-maturity securities	(17,782)	(3,953)	(4,545)
Purchase of available-for-sale securities	-	(3,976)	(2,113)
Purchase of Federal Home Loan Bank stock	(1,029)	(1,319)	(1,712)
Federal Home Loan Bank stock dividend	(240)	(161)	(73)
Principal pay downs and maturities of available-for-sale securities	9,634	4,474	1,763
Principal pay downs and maturities of held-to-maturity securities	2,714	2,096	1,939
Loan originations and principal collections, net	(88,863)	(69,886)	(89,647)
Proceeds from sale of other assets acquired through foreclosure	451	104	194
Net (increase) decrease in time deposits in other financial institutions	(242)	(4)	115
Purchase of premises and equipment, net	(998)	(1,155)	(926)
Net cash used in investing activities	(96,355)	(73,780)	(95,005)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Exercise of stock options	499	387	119
Cash dividends paid on common stock	(1,407)	(1,330)	(1,092)
Net (decrease) increase in demand deposits and savings accounts	25,631	(23,633)	(30,986)
Net increase in time certificates of deposit	39,361	58,142	80,656
Repayments of securities sold under agreements to repurchase	-	-	(13,672)
Proceeds from Federal Home Loan Bank advances	64,000	41,500	56,500
Repayment of Federal Home Loan Bank advances	(38,000)	(10,000)	(3,500)
Repayments of bonds payable in connection with securitized loans	-	-	(14,113)
Net cash provided by financing activities	90,084	65,066	73,912
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,054)	(2,389)	(16,473)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	11,343	13,732	30,205
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 9,289	$ 11,343	$ 13,732

See accompanying notes.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of Community West Bancshares, a California corporation ("Company or CWBC"), and its wholly-owned subsidiary, Community West Bank National Association ("CWB") are in accordance with accounting principles generally accepted in the United States ("GAAP") and general practices within the financial services industry. All material intercompany transactions and accounts have been eliminated. The following are descriptions of the most significant of those policies:

Nature of Operations – The Company's primary operations are related to commercial banking and financial services through CWB which include the acceptance of deposits and the lending and investing of money. The Company also engages in electronic banking services. The Company's customers consist of small to mid-sized businesses, including Small Business Administration borrowers, as well as individuals.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amount of assets and liabilities as well as disclosures of contingent assets and liabilities at the date of the financial statements. These estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Although management believes these estimates to be reasonably accurate, actual results may differ.

Certain amounts in the 2005 and 2006 financial statements have been reclassified to be comparable with classifications in 2007.

Business Segments – Reportable business segments are determined using the "management approach" and are intended to present reportable segments consistent with how the chief operating decision maker organizes segments within the company for making operating decisions and assessing performance. As of December 31, 2007 and 2006, the Company had only one reportable business segment.

Reserve Requirements – All depository institutions are required by law to maintain reserves on transaction accounts and non-personal time deposits in the form of cash balances at the Federal Reserve Bank ("FRB"). These reserve requirements can be offset by cash balances held at CWB. At December 31, 2007 and 2006, CWB's cash balance was sufficient to offset the FRB requirement.

Investment Securities – The Company currently holds securities classified as both available-for-sale ("AFS") and held-to-maturity ("HTM"). Securities classified as HTM are accounted for at amortized cost as the Company has the positive intent and ability to hold them to maturity. Securities not classified as HTM are considered AFS and are carried at fair value with unrealized gains or losses reported as a separate component of accumulated other comprehensive income (loss), net of any applicable income taxes. Realized gains or losses on the sale of AFS securities, if any, are determined on a specific identification basis. Purchase premiums and discounts are recognized in interest income using the effective interest method over the terms of the related securities, or to earlier call dates, if appropriate. Declines in the fair value of AFS or HTM securities below their cost that are deemed to be other than temporary, if any, are reflected in earnings as realized losses. There is no recognition of unrealized gains or losses for HTM securities.

Servicing Rights – The guaranteed portion of certain SBA loans can be sold into the secondary market. Servicing rights are recognized as separate assets when loans are sold with servicing retained. Servicing rights are amortized in proportion to, and over the period of, estimated future net servicing income. The Company uses industry prepayment statistics and its own prepayment experience in estimating the expected life of the loans. Management periodically evaluates servicing rights for impairment. Servicing rights are evaluated for impairment based upon the fair value of the rights as compared to amortized cost on a loan-by-loan basis. Fair value is determined using discounted future cash flows calculated on a loan-by-loan basis and aggregated to the total asset level. The initial servicing rights and resulting gain on sale are calculated based on the difference between the best actual par and premium bids on an individual loan basis.

Loans Held for Sale – Loans which are originated and intended for sale in the secondary market are carried at the lower of cost or estimated fair value determined on an aggregate basis. Valuation adjustments, if any, are recognized through a valuation allowance by charges to lower of cost or market provision. Loans held for sale are primarily comprised of SBA loans and residential first and second mortgage loans. The Company did not incur a lower of cost or market valuation provision in the years ended December 31, 2007, 2006 and 2005.

Loans Held for Investment – Loans are recognized at the principal amount outstanding, net of unearned income, loan participations and amounts charged off. Unearned income includes deferred loan origination fees reduced by loan origination costs. Unearned income on loans is amortized to interest income over the life of the related loan using the level yield method.

Interest Income on Loans – Interest on loans is accrued daily on a simple-interest basis. The accrual of interest is discontinued when substantial doubt exists as to collectibility of the loan, generally at the time the loan is 90 days delinquent, unless the credit is well secured and in process of collection. Any unpaid but accrued interest is reversed at that time. Thereafter, interest income is no longer recognized on the loan. Interest on non-accrual loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual. Loans are returned to accrual status when all of the principal and interest amounts contractually due are brought current and future payments are reasonably assured. Impaired loans are identified as impaired when it is probable that interest and principal will not be collected according to the contractual terms of the loan agreement. All of the Company's nonaccrual loans were also classified as impaired at December 31, 2007 and 2006.

Provision and Allowance for Loan Losses – The Company maintains a detailed, systematic analysis and procedural discipline to determine the amount of the allowance for loan losses ("ALL"). The ALL is based on estimates and is intended to be adequate to provide for probable losses inherent in the loan portfolio. This process involves deriving probable loss estimates that are based on individual loan loss estimation, migration analysis/historical loss rates and management's judgment.

The Company employs several methodologies for estimating probable losses. Methodologies are determined based on a number of factors, including type of asset, risk rating, concentrations, collateral value and the input of the Special Assets group, functioning as a workout unit.

The ALL calculation for the different major loan types is as follows:

- SBA – All loans are reviewed and classified loans are assigned a specific allowance. Those not classified are assigned a pass rating. A migration analysis and various portfolio specific factors are used to calculate the required allowance on those pass loans.

■ Relationship Banking – Includes commercial, commercial real estate and other installment loans. Classified loans are assigned a specific allowance. A migration analysis and various portfolio specific factors are used to calculate the required allowance on the remaining pass loans.

■ Manufactured Housing – An allowance is calculated on the basis of risk rating, which is a combination of delinquency, value of collateral on classified loans and perceived risk in the product line.

■ Securitized Loans – The Company considers this a homogeneous portfolio and calculates the allowance based on statistical information provided by the servicer. Charge-off history is calculated based on two methodologies; a 12-month historical trend analysis and by delinquency information. The highest requirement of the two methods is used.

The Company calculates the required ALL on a monthly basis. Any difference between estimated and actual observed losses from the prior month are reflected in the current period required ALL calculation and adjusted as deemed necessary. The review of the adequacy of the allowance takes into consideration such factors as concentrations of credit, changes in the growth, size and composition of the loan portfolio, overall and individual portfolio quality, review of specific problem loans, collateral, guarantees and economic conditions that may affect the borrowers' ability to pay and/or the value of the underlying collateral. Additional factors considered include: geographic location of borrowers, changes in the Company's product-specific credit policy and lending staff experience. These estimates depend on the outcome of future events and, therefore, contain inherent uncertainties.

The Company's ALL is maintained at a level believed adequate by management to absorb known and inherent probable losses on existing loans. A provision for loan losses is charged to expense. The allowance is charged for losses when management believes that full recovery on the loan is unlikely. Generally, the Company charges off any loan classified as a "loss"; portions of loans which are deemed to be uncollectible; overdrafts which have been outstanding for more than 90 days; and, all other unsecured loans past due 120 or more days. Subsequent recoveries, if any, are credited to the ALL.

Other Assets Acquired through Foreclosure – Other assets acquired through foreclosure includes real estate and other assets acquired through foreclosure on the collateral property and is recorded at lesser of the appraised value at the time of foreclosure less estimated costs to sell or the loan balance. Any excess of loan balance over the net realizable value of the other assets is charged-off against the allowance for loan losses. Subsequent to foreclosure, management periodically performs a new valuation and the asset is carried at the lower of carrying amount or fair value. Operating expenses or income, and gains or losses on disposition of such properties, are recorded in current operations.

Premises and Equipment – Premises and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized over the terms of the leases or the estimated useful lives of the improvements, whichever is shorter. Generally, the estimated useful lives of other items of premises and equipment are as follows:

■ Building and improvements	31.5 years
■ Furniture and equipment	5 – 10 years
■ Electronic equipment and software	3 – 5 years

Income Taxes – The Company uses the accrual method of accounting for financial reporting purposes as well as for tax reporting. Due to tax regulations, certain items of income and expense are recognized in different periods for tax return purposes than for financial statement reporting. These items represent "temporary differences." Deferred income taxes are recognized for the tax effect of temporary differences between the tax basis of assets and liabilities and their financial reporting amounts at each period end based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. A valuation allowance is established for deferred tax assets if, based on weight of available evidence, it is more likely than not that some portion or all of the deferred tax assets may not be realized.

Income Per Share – Basic income per share is computed based on the weighted average number of shares outstanding during each year divided into net income. Diluted income per share is computed based on the weighted average number of shares outstanding during each year plus the dilutive effect of outstanding options divided into net income.

Statement of Cash Flows – For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks, interest-earning deposits in other financial institutions and federal funds sold. Federal funds sold are one-day transactions with CWB's funds being returned the following business day.

Stock-Based Compensation – On January 1, 2006, the Company changed its accounting policy related to stock-based compensation in connection with the adoption of Statement of Financial Accounting Standards No. 123, "Share-Based Payment ("SFAS 123(R)"). See Note 8 – Stock-Based Compensation for additional information.

Recent Accounting Pronouncements – In September 2006, the FASB issued Statement No. 157, "Fair Value Measurements" ("SFAS 157"). SFAS 157 addresses how companies should measure fair value when they are required to use a fair value measure for recognition or disclosure purposes under U.S. GAAP. SFAS 157 defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 is effective prospectively for fiscal years beginning after November 15, 2007. The Company adopted SFAS 157 on January 1, 2008. The adoption did not have a material impact on the Company's financial condition, results of operations or liquidity.

In February 2007, the FASB issued Statement No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities" ("SFAS 159"). SFAS 159 would allow the Company an irrevocable election to measure certain financial assets and liabilities at fair value, with unrealized gains and losses on the elected items recognized in earnings at each reporting period. The fair value option may only be elected at the time of initial recognition of a financial asset or financial liability or upon the occurrence of certain specified events. The election is applied on an instrument by instrument basis, with a few exceptions, and is applied only to entire instruments and not to portions of instruments. SFAS 159 also provides expanded disclosure requirements regarding the effects of electing the fair value option on the financial statements. SFAS 159 is effective prospectively for fiscal years beginning after November 15, 2007. The Company adopted SFAS 159 on January 1, 2008. The adoption did not have a material impact on the Company's financial condition, results of operations or liquidity.

In July 2006, the FASB issued FIN 48, "Accounting For Uncertainty In Income Taxes—an Interpretation of FASB Statement No. 109," to create a single model to address accounting for uncertainty in tax positions. FIN 48 clarifies that a tax position must be more likely than not of being sustained before being recognized in the financial statements. As required, the Company adopted the provisions of FIN 48 as of January 1, 2007. The adoption of FIN 48 did not have a material impact on the Company's financial position, operating results or cash flows.

2. INVESTMENT SECURITIES

The amortized cost and estimated fair value of investment securities is as follows:

December 31, 2007 (in thousands)

Available-for-sale securities	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government agency notes	$ 6,000	$ -	$ (7)	$ 5,993
U.S. Government agency: MBS	4,994	14	(4)	5,004
U.S. Government agency: CMO	1,717	-	(50)	1,667
TOTAL AVAILABLE-FOR-SALE SECURITIES	$ 12,711	$ 14	$ (61)	$ 12,664
Held-to-maturity securities				
U.S. Government agency notes	$ 200	$ -	$ (1)	$ 199
U.S. Government agency: MBS	25,417	137	(20)	25,534
TOTAL HELD-TO-MATURITY SECURITIES	$ 25,617	$ 137	$ (21)	$ 25,733

December 31, 2006 (in thousands)

Available-for-sale securities	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
U.S. Government agency notes	$ 13,320	$ -	$ (136)	$ 13,184
U.S. Government agency: MBS	7,047	10	(53)	7,004
U.S. Government agency: CMO	1,973	-	(64)	1,909
TOTAL AVAILABLE-FOR-SALE SECURITIES	**$ 22,340**	**$ 10**	**$ (253)**	**$ 22,097**
Held-to-maturity securities				
U.S. Government agency notes	$ 200	$ -	$ (4)	$ 196
U.S. Government agency: MBS	10,335	19	(113)	10,241
TOTAL HELD-TO-MATURITY SECURITIES	**$ 10,535**	**$ 19**	**$ (117)**	**$ 10,437**

At December 31, 2007, $200,000 at carrying value of the above securities was pledged as collateral to the United States Treasury for CWB's treasury, tax and loan account and $38,081,000 at carrying value was pledged to the Federal Home Loan Bank, San Francisco, as collateral for current and future advances.

The maturity periods and weighted average yields of investment securities at December 31, 2007 are as follows:

(dollars in thousands)

	Total Amount		Less than One Year		One to Five Years		Five to Ten Years	
	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Available-for-sale securities								
U. S. Government Agency notes	$ 5,993	4.7%	$ 5,993	4.7%	$ -	-	$ -	-
Agency: MBS	5,004	4.3%			5,004	4.3%		
Agency: CMO	1,667	4.8%	-	-	603	4.5%	1,064	5.0%
TOTAL AFS	$ 12,664	4.1%	$ 5,993	4.7%	$ 5,607	4.3%	$ 1,064	5.0%
Held-to-maturity securities								
U.S. Government Agency notes	$ 200	3.6%	$ 200	3.6%	$ -	-	$ -	-
Agency: MBS	25,417	5.1%	-	-	19,012	4.9%	6,405	5.5%
TOTAL HTM	$ 25,617	5.1%	$ 200	3.6%	$ 19,012	4.9%	$ 6,405	5.5%

The following tables show all securities that are in an unrealized loss position and temporarily impaired as of:

December 31, 2007	Less than 12 months		More than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(in thousands)			
Available-for-sale securities						
U.S. Government agency notes	$ -	$ -	$ 3,993	$ 7	$ 3,993	$ 7
U.S. Government agency: MBS			1,067	4	1,067	4
U.S. Government agency: CMO	-	-	1,667	50	1,667	50
TOTAL AFS	**$ -**	**$ -**	**$ 6,727**	**$ 61**	**$ 6,727**	**$ 61**
Held-to-maturity securities						
U.S. Government and agency	$ -	$ -	$ 199	$ 1	$ 199	$ 1
U.S. Government agency: MBS	-	-	2,711	20	2,711	20
TOTAL HTM	**$ -**	**$ -**	**$ 2,910**	**$ 21**	**$ 2,910**	**$ 21**

December 31, 2006	Less than 12 months		More than 12 months		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
			(in thousands)			
Available-for-sale securities						
U.S. Government and agency	$ -	$ -	$ 13,184	$ 136	$ 13,184	$ 136
U.S. Government agency: MBS	1,203	15	2,584	38	3,787	53
U.S. Government agency: CMO	-	-	1,909	64	1,909	64
TOTAL AFS	**$ 1,203**	**$ 15**	**$ 17,677**	**$ 238**	**$ 18,880**	**$ 253**
Held-to-maturity securities						
U.S. Government and agency	$ -	$ -	$ 196	$ 4	$ 196	$ 4
U.S. Government agency: MBS	2,602	25	5,357	88	7,959	113
TOTAL HTM	**$ 2,602**	**$ 25**	**$ 5,553**	**$ 92**	**$ 8,155**	**$ 117**

Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers, among other things (i) the length of time and the extent to which the fair value has been less than cost (ii) the financial condition and near-term prospects of the issuer and (iii) the intent and ability of the Company to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

Management has the ability and intent to hold the securities classified as held-to-maturity until they mature, at which time the Company will receive full value for the securities. Furthermore, as of December 31, 2007, management also has the ability and intent to hold the securities classified as available-for-sale for a period of time sufficient for a recovery of cost. The unrealized losses are largely due to increases in market interest rates over the yields available at the time the underlying securities were purchased. The fair value is expected to recover as the bonds approach their maturity date or repricing date or if market yields for such investments decline. Management does not believe any of the securities are impaired due to reasons of credit quality. Accordingly, as of December 31, 2007 and 2006, management believes the impairments detailed in the table above are temporary and no other-than-temporary impairment loss has been realized in the Company's consolidated statements of income.

3. LOAN SALES AND SERVICING

SBA Loan Sales

The Company occasionally sells the guaranteed portion of selected SBA loans into the secondary market, on a servicing-retained basis. The Company retains the unguaranteed portion of these loans and services the loans as required under the SBA programs to retain specified yield amounts. The SBA program stipulates that the Company retain a minimum of 5% of the loan balance, which is unguaranteed. The percentage of each unguaranteed loan in excess of 5% may be periodically sold to a third party, typically for a cash premium. The Company records servicing liabilities for the unguaranteed loans sold calculated based on the present value of the estimated future servicing costs associated with each loan. The balance of all servicing rights and obligations is subsequently amortized over the estimated life of the loans using an estimated prepayment rate of 5-25%. The servicing asset is analyzed for impairment quarterly.

The Company also periodically sells certain SBA loans into the secondary market, on a servicing-released basis, typically for a cash premium.

As of December 31, 2007 and December 31, 2006, the Company had approximately $108.9 million and $73.6 million, respectively, in SBA loans held for sale.

The following is a summary of activity in Servicing Rights:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Balance, beginning of year	$ 1,968	$ 2,845	$ 3,258
Additions through loan sales	83	158	524
Amortization	(845)	(1,035)	(937)
BALANCE, END OF YEAR	**$ 1,206**	**$ 1,968**	**$ 2,845**

Mortgage Loan Sales – From time to time, the Company enters into mortgage loan rate lock commitments (normally for 30 days) with potential borrowers. In conjunction therewith, the Company enters into a forward sale commitment to sell the locked loan to a third party investor. This forward sale agreement requires delivery of the loan on a "best efforts" basis but does not obligate the Company to deliver if the mortgage loan does not fund.

The mortgage rate lock agreement and the forward sale agreement qualify as derivatives under SFAS No. 133, as amended. The value of these derivatives is generally equal to the fee, if any, charged to the borrower at inception but may fluctuate in the event of changes in interest rates. These derivative financial instruments are recorded at fair value if material. Although the Company does not attempt to qualify these transactions for the special hedge accounting afforded by SFAS No. 133, management believes that changes in the fair value of the two commitments generally offset and create an economic hedge. At December 31, 2007 and December 31, 2006, the Company had $7.6 million and $4.7 million, respectively, in outstanding mortgage loan rate lock and forward sale commitments, the impact of which were not material to the Company's financial position or results of operations.

4. LOANS HELD FOR INVESTMENT

The composition of the Company's loans held for investment portfolio is as follows:

	December 31,	
	2007	2006
	(in thousands)	
Commercial	$ 72,470	$ 53,725
Real estate	136,734	135,902
SBA	34,021	29,712
Manufactured housing	172,938	142,804
Securitized	7,507	9,950
Other installment	10,027	8,301
	433,697	**380,394**
Less:		
Allowance for loan losses	4,412	3,926
Deferred fees, net of costs	25	17
Purchased premiums	(73)	(128)
Discount on unguaranteed portion of SBA loans	583	802
LOANS HELD FOR INVESTMENT, NET	**$ 428,750**	**$ 375,777**

An analysis of the allowance for credit losses on loans held for investment is as follows:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Balance, beginning of year	$ 3,926	$ 3,954	$ 3,894
Loans charged off	(917)	(800)	(1,068)
Recoveries on loans previously charged off	106	283	562
Net charge-offs	(811)	(517)	(506)
Provision for loan losses	1,297	489	566
BALANCE, END OF YEAR	**$ 4,412**	**$ 3,926**	**$ 3,954**

As of December 31, 2007 and 2006, the Company also had reserves for credit losses on undisbursed loans of $73,000 and 117,000, respectively.

The recorded investment in loans that are considered to be impaired is as follows:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Impaired loans without specific valuation allowances	$ 33	$ 63	$ 77
Impaired loans with specific valuation allowances	16,468	5,145	3,406
Specific valuation allowance related to impaired loans	(966)	(641)	(473)
IMPAIRED LOANS, NET	$15,535	$ 4,567	$ 3,010
Average investment in impaired loans	$ 9,386	**$ 4,074**	**$ 3,716**

The following schedule reflects recorded investment at the dates indicated in certain types of loans:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Nonaccrual loans	$ 15,341	$ 7,417	$ 6,797
SBA guaranteed portion of loans included above	(5,695)	(4,256)	(4,332)
NONACCRUAL LOANS, NET	$ 9,646	**$ 3,161**	**$ 2,465**
Troubled debt restructured loans	$ 7,255	$ 68	$ 75
Loans 30 through 90 days past due with interest accruing	$ 18,898	$ 2,463	$ 1,792
Interest income recognized on impaired loans	$ 691	$ 242	$ 141
Interest foregone on nonaccrual loans and troubled debt restructured loans outstanding	$ 904	488	253
GROSS INTEREST INCOME ON IMPAIRED LOANS	$ 1,595	**$ 730**	**$ 394**

The Company makes loans to borrowers in a number of different industries. Other than Manufactured Housing, no single concentration comprises 10% or more of the Company's loan portfolio. Commercial, commercial real estate, construction and SBA loans comprised over 10% of the Company's loan portfolio as of December 31, 2007 and 2006, but consisted of diverse borrowers.

5. PREMISES AND EQUIPMENT

	December 31, 2007	December 31, 2006
	(in thousands)	
Furniture, fixtures and equipment	$ 7,989	$ 7,864
Building and land	1,407	993
Leasehold improvements	1,440	1,424
Construction in progress	351	51
	11,187	10,332
Less: accumulated depreciation and amortization	(7,903)	(7,530)
PREMISES AND EQUIPMENT, NET	**$ 3,284**	**$ 2,802**

The Company leases office facilities under various operating lease agreements with terms that expire at various dates between March 2008 and May 2017, plus options to extend certain lease terms for periods of up to ten years.

The minimum lease commitments as of December 31, 2007 under all operating lease agreements are as follows:

(in thousands)

2008	2009	2010	2011	2012	Thereafter	TOTAL
$ 1,095	934	893	732	253	607	$ 4,514

Rent expense for the years ended December 31, 2007, 2006 and 2005, included in occupancy expense was $1,118,000, $928,000 and $820,000, respectively.

6. DEPOSITS

At December 31, 2007, the maturities of time certificates of deposits are as follows:

(in thousands)

2008	2009	2010	2011	2012	TOTAL
$ 237,995	60,286	8,422	2,131	1,744	$ 310,578

7. BORROWINGS

Federal Home Loan Bank Advances

The Company has a blanket lien credit line with the Federal Home Loan Bank ("FHLB"). Advances are collateralized in the aggregate by CWB's eligible mortgage loans, securities of the U.S Government and its agencies and certain other loans. The outstanding advances at December 31, 2007 include $17.5 million borrowed at variable rates which adjust to the current LIBOR rate either monthly or quarterly. At December 31, 2007, CWB had pledged to FHLB, securities of $38.1 million at carrying value and loans of $150 million, and had $5.1 million available for additional borrowing. At December 31, 2006, the CWB had $160.2 million of loans and $32.4 million of securities pledged as collateral and outstanding advances of $95 million.

Information related to advances from FHLB:

	December 31, 2007				
		Fixed		Variable	
	Total	Amount	Interest Rates	Amount	Interest Rates
	(dollars in thousands)				
Due within one year	$ 39,000	$ 25,500	3.75%–4.99%	$ 13,000	4.75%–5.19%
After one year but within three years	82,000	78,000	3.91%–5.32%	4,000	5.24%
After three years but within five years	-	-	-	-	-
TOTAL ADVANCES FROM FHLB	**$ 121,000**	**$ 103,500**		**$ 17,500**	

	December 31, 2006				
		Fixed		Variable	
	Total	Amount	Interest Rates	Amount	Interest Rates
			(dollars in thousands)		
Due within one year	$ 34,000	$ 3,000	3.28%	$ 31,000	5.30%–5.32%
After one year but within three years	53,000	39,500	4.02%–5.32%	13,500	5.30%–5.34%
After three years but within five years	8,000	8,000	4.28%–4.85%	-	
TOTAL ADVANCES FROM FHLB	**$ 95,000**	**$ 50,500**		**$ 44,500**	

Financial information pertaining to advances from FHLB:

	2007	2006
	(dollars in thousands)	
Weighted average interest rate, end of the year	**4.80%**	4.98%
Weighted average interest rate during the year	**4.92%**	4.80%
Average balance of advances from FHLB	**$ 102,167**	$ 74,603
Maximum amount outstanding at any month end	**$ 121,000**	$ 95,000

The total interest expense on advances from FHLB was $5,026,000 for 2007 and $3,579,000 for 2006.

Federal Funds Purchased

The Company maintains four federal funds purchased lines with a total borrowing capacity of $23.5 million. There was no amount outstanding as of December 31, 2007 and 2006.

8. STOCK-BASED COMPENSATION

Prior to January 1, 2006, employee compensation expense under stock option plans was reported only if options were granted below market price at grant date in accordance with the intrinsic value method of accounting. Because the exercise price of the Company's employee stock options always equaled the market price of the underlying stock on the date of grant, no compensation expense was recognized on options granted. As stated in Note 1 – Summary of Significant Accounting Policies, the Company adopted the provisions of SFAS No. 123R ("123R") on January 1, 2006. 123R eliminated the ability to account for stock-based compensation using the intrinsic value method and requires that such transactions be recognized as compensation cost in the income statement based on their fair values on the measurement date, which is generally the date of the grant. The Company transitioned to the fair-value based accounting for stock-based compensation using a modified version of prospective application (MPA). Under MPA, as it is applicable to the Company, 123R applies to new awards modified, repurchased or cancelled after January 1, 2006. Additionally, compensation cost for the portion of awards for which the requisite service has not been rendered (generally referring to non-vested awards) that were outstanding as of January 1, 2006 is recognized as the remaining requisite service is rendered during the period of and/or the periods after the adoption of 123R. The attribution of compensation cost for those earlier awards is based on the same method and on the same grant-date fair values previously determined for the pro forma disclosures required for companies that did not previously adopt the fair value accounting method for stock-based employee compensation.

The fair value of the Company's employee stock options granted is estimated at the date of grant using the Black-Scholes option-pricing model. This model requires the input of highly subjective assumptions, changes to which can materially affect the fair value estimate. One such assumption, expected volatility, can have a significant impact on stock option valuation. In developing this assumption, the Company relied on historical volatility using both company specific and industry information. Additionally, there may be other factors that would otherwise have a significant effect on the value of employee stock options granted but are not considered by the model. Accordingly, management believes that the Black-Scholes option-pricing model provides a reasonable estimate of fair value.

As a result of applying the provisions of 123R for the years ended December 31, 2007and 2006, the Company recognized stock-based compensation expense of $283,000 and $163,000, respectively.

For the year ended December 31, 2007, 71,750 stock options were granted at a weighted-average fair value of $4.06 per share. Stock-based compensation, net of forfeitures, is recognized ratably over the requisite service period for all awards. As of December 31, 2007, estimated future stock-based compensation expense related to unvested stock options totaled $343,000. The weighted-average period over which this unrecognized expense is expected to be recognized is 1.7 years.

The following pro forma information presents the net income and earnings per share for the year ended December 31, 2005 as if the fair value method of 123R had been used to measure compensation cost for stock-based compensation plans. For purposes of these pro forma disclosures, the estimated fair value of stock options and non-vested stock awards is amortized to expense over the related vesting periods.

	Year Ended December 31, 2005
	(dollars in thousands, except per share amounts)
Income:	
As reported	$ 5,642
Pro forma	5,537
Income per share - basic	
As reported	.98
Pro forma	.96
Income per share - diluted	
As reported	.95
Pro forma	.93

The fair value of each stock option grant under the Company's stock option plan during 2007, 2006 and 2005 was estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	Year Ended December 31,		
	2007	2006	2005
Annual dividend yield	1.9%	1.6%	1.6%
Expected volatility	31.7%	31.7%	33.8%
Risk free interest rate	4.2%	4.7%	4.2%
Expected life (in years)	6.7	6.8	6.8

9. STOCKHOLDERS' EQUITY

Common Stock

Earnings per share-Calculation of Weighted Average Shares Outstanding

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Basic weighted average shares outstanding	5,862	5,785	5,744
Dilutive effect of stock options	160	216	187
Diluted weighted average shares outstanding	6,022	6,001	5,931

Stock Option Plans

The Company has one stock option plan, the Community West Bancshares 2006 Stock Option Plan. As of December 31, 2007, 418,350 options were available for future grant and 462,320 options were outstanding at prices ranging from $4.00 to $15.75 per share with 326,350 options fully vested. As of December 31, 2006, options were outstanding at prices ranging from $3.63 to $15.99 per share with 317,787 options vested and 833,851 options available for future grant. Of the options available for future grant at December 31, 2006, 349,351 were associated with Community West Bancshares 1997 Stock Option Plan which expired on January 23, 2007. The average life of the outstanding options was approximately 6.7 years as of December 31, 2007.

Stock option activity is as follows:

	Year Ended December 31,					
	2007 Option Shares	2007 Weighted Average Exercise Price	2006 Option Shares	2006 Weighted Average Exercise Price	2005 Option Shares	2005 Weighted Average Exercise Price
			(in thousands, except per share data)			
Total options as of January 1,	501	$ 7.87	547	$ 7.28	551	$ 6.77
Granted	72	12.18	30	15.58	38	13.30
Canceled	(31)	10.74	(13)	9.41	(21)	6.64
Exercised	(80)	6.24	(63)	6.11	(21)	5.55
Total options at December 31,	462	8.63	501	$ 7.87	547	$ 7.28
Total vested options as of December 31,	326	$ 7.61	317	$ 6.92	317	$ 6.61

Additional information of stock option activity is presented in the following table:

	Year Ended December 31,		
	2007	2006	2005
	(in thousands, except per share data)		
Intrinsic value of options exercised	$ 651	$ 559	$ 153
Cash received from the exercise of options	499	387	119
Weighted-average grant-date fair value of options	4.06	5.53	4.60

A summary of the change in unvested stock option shares during the year is as follows:

Unvested Stock Option Shares	Number of Option Shares	Weighted-Average Grant-Date Fair Value
	(in thousands, except per share data)	
Unvested stock options at January 1, 2007	184	$ 3.58
Granted	72	4.06
Vested	(101)	3.25
Forfeited	(19)	3.80
TOTAL UNVESTED STOCK OPTIONS AT DECEMBER 31, 2007	136	$ 4.05

10. INCOME TAXES

The provision for income taxes consists of the following:

	Year Ended December 31,		
	2007	2006	2005
Current:		(in thousands)	
Federal	$ 2,432	$ 3,021	$ 1,815
State	910	978	778
	3,342	3,999	2,593
Deferred:			
Federal	(395)	(214)	(308)
State	(181)	37	88
	(576)	(177)	(220)
TOTAL PROVISION FOR INCOME TAXES	$ 2,766	**$ 3,822**	**$ 2,373**

The federal income tax provision differs from the applicable statutory rate as follows:

	Year Ended December 31,		
	2007	2006	2005
Federal income tax at statutory rate	34.0%	34.0%	34.0%
State franchise tax, net of federal benefit	7.2%	7.2%	7.2%
Other	1.1%	0.6%	(0.2)%
Reserve change	-	-	(11.4)%
	42.2%	**41.8%**	**29.6%**

Significant components of the Company's net deferred taxes as of December 31 are as follows:

	2007	2006
Deferred tax assets:	(in thousands)	
Depreciation	$ 325	$ 363
Other	596	660
	921	1,023
Deferred tax liabilities:		
Deferred loan fees	(318)	(635)
Allowance for loan losses	(195)	(651)
Deferred loan costs	(30)	(53)
Other	(407)	(288)
	(950)	(1,627)
NET DEFERRED TAXES	$ (29)	**$ (604)**

The effective income tax rate for 2005 is less than the effective income tax rate in other periods presented due to a tax benefit of $914,000, or $.16 per share (basic), related to the resolution of tax issues.

11. SUPPLEMENTAL DISCLOSURE TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Statement of Cash Flows

Listed below are the supplemental disclosures to the Consolidated Statement of Cash Flows:

	Year Ended December 31,		
	2007	2006	2005
		(in thousands)	
Supplemental Disclosure of Cash Flow Information:			
Cash paid for interest	$ 21,012	$ 15,485	$ 9,373
Cash paid for income taxes	3,855	4,260	3,512
Supplemental Disclosure of Noncash Investing Activity:			
Transfers to other assets acquired through foreclosure	102	472	263

12. EMPLOYEE BENEFIT PLAN

The Company has established a 401(k) plan for the benefit of its employees. Employees are eligible to participate in the plan after three months of consecutive service. Employees may make contributions to the plan and the Company may make discretionary profit sharing contributions, subject to certain limitations. The Company's contributions were determined by the Board of Directors and amounted to $255,000, $169,000 and $147,000 in 2007, 2006 and 2005, respectively.

13. FAIR VALUES OF FINANCIAL INSTRUMENTS

The estimated fair values of financial instruments have been determined by the Company using available market information and appropriate valuation methodologies. However, considerable judgment is required to interpret market data to develop estimates of fair value. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize in a current market exchange. The use of different market assumptions and/or estimation methodologies may have a material effect on the estimated fair value amounts.

The following table represents the estimated fair values:

	December 31,			
	2007		2006	
	Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
ASSETS:		(in thousands)		
Cash and cash equivalents	$ 9,289	$ 9,289	$ 11,343	$ 11,343
Time deposits in other financial institutions	778	778	536	536
Federal Reserve and Federal Home Loan Bank stock	6,546	6,546	5,277	5,277
Investment securities	38,281	38,397	32,632	32,534
Net loans	539,165	543,069	451,572	451,265
Servicing rights	1,206	1,206	1,968	1,968
LIABILITIES:				
Deposits (other than time deposits)	123,161	123,161	97,530	97,530
Time deposits	310,578	311,488	271,217	270,571
Federal Home Loan Bank advances	121,000	122,596	95,000	94,748

The methods and assumptions used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value are explained below:

Cash and cash equivalents - The carrying amounts approximate fair value because of the short-term nature of these instruments.

Time deposits in other financial institutions - The carrying amounts approximate fair value because of the relative short-term nature of these instruments.

Federal Reserve Stock - The carrying value approximates the fair value because the stock can be sold back to the Federal Reserve at any time.

Federal Home Loan Bank Stock - The carrying value approximates the fair value because the stock can be sold back to the Federal Home Loan Bank at any time.

Investment securities - The fair value is based on quoted market prices from security brokers or dealers.

Loans – For most loan categories, the fair value is estimated using discounted cash flows utilizing a discount rate approximating that which the Company is currently offering for each type of loan and taking into consideration historical prepayment speeds. Certain adjustable loans that reprice on a frequent basis are valued at book value.

Servicing rights – Fair value is determined using discounted future cash flows calculated on a loan-by-loan basis, using market discount and prepayment rates and aggregated to the total asset level.

Deposits – The amount payable at demand at report date is used to estimate the fair value of demand and savings deposits. The estimated fair values of fixed-rate time deposits are determined by discounting the cash flows of segments of deposits that have similar maturities and rates, utilizing a discount rate that approximates the prevailing rates offered to depositors as of the measurement date.

FHLB Advances – The fair value is estimated using discounted cash flow analysis based on rates for similar types of borrowing arrangements.

Commitments to Extend Credit, Commercial and Standby Letters of Credit – Due to the proximity of the pricing of these commitments to the period end, the fair values of commitments are immaterial to the financial statements.

The fair value estimates presented herein are based on pertinent information available to management as of December 31, 2007 and 2006. Although management is not aware of any factors that would significantly affect the estimated fair value amounts, such amounts have not been comprehensively revalued for purposes of these financial statements since those dates and, therefore, current estimates of fair value may differ significantly from the amounts presented herein.

14. REGULATORY MATTERS

The Company (on a consolidated basis) and CWB are subject to various regulatory capital requirements administered by the Federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on the Company's and CWB's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and CWB must meet specific capital guidelines that involve quantitative measures of the Company's and CWB's assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's and CWB's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors. Prompt corrective action provisions are not applicable to bank holding companies.

The Federal Deposit Insurance Corporation Improvement Act ("FDICIA") contains rules as to the legal and regulatory environment for insured depository institutions, including increased supervision by the federal regulatory agencies, increased reporting requirements for insured institutions and new regulations concerning internal controls, accounting and operations. The prompt corrective action regulations of FDICIA define specific capital categories based on the institutions' capital ratios. The capital categories, in declining order, are "well capitalized", "adequately capitalized", "undercapitalized", "significantly undercapitalized" and "critically undercapitalized". To be considered "well capitalized", an institution must have a core or leverage capital ratio of at least 5%, a Tier I risk-based capital ratio of at least 6%, and a total risk-based capital ratio of at least 10%. Tier I risk-based capital is, primarily, common stock and retained earnings, net of goodwill and other intangible assets.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the Bank to maintain minimum amounts and ratios (set forth in the following table) of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and of Tier 1 leverage capital (as defined) to adjusted average assets (as defined).

The Company's and CWB's actual capital amounts and ratios as of December 31, 2007 and 2006 are also presented in the table below:

	Total Capital	Tier 1 Capital	Risk-Weighted Assets	Adjusted Average Assets	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	Tier 1 Leverage Ratio
December 31, 2007			(dollars in thousands)				
CWBC (Consolidated)	$ 54,479	$ 50,067	$ 507,228	$ 596,631	10.74%	9.87%	8.39%
CWB	51,520	47,108	507,017	591,755	10.16%	9.29%	7.96%
December 31, 2006							
CWBC (Consolidated)	$ 50,692	$ 46,766	$ 442,571	$ 507,718	11.45%	10.57%	9.21%
CWB	46,842	42,916	442,624	503,800	10.58%	9.70%	8.52%
Well capitalized ratios					10.00%	6.00%	5.00%
Minimum capital ratios					8.00%	4.00%	4.00%

As of December 31, 2007 and 2006, management believed that the Company and CWB met all applicable capital adequacy requirements and is correctly categorized as "well capitalized" under the regulatory framework for prompt corrective action.

15. COMMITMENTS AND CONTINGENCIES

Commitments

In the normal course of business, the Company is a party to financial instruments with off-balance-sheet risk to meet the financing needs of its customers. These financial instruments include commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the balance sheet. The Company's exposure to credit loss in the event of nonperformance by the other party to commitments to extend credit and standby letters of credit is represented by the contractual notional amount of those instruments. As of December 31, 2007 and 2006, the Company had commitments to extend credit of approximately $50.7 million and $59.3 million, respectively, including obligations to extend standby letters of credit of approximately $518,000 and $847,000, respectively.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements.

Standby letters of credit are conditional commitments issued by the Company to guarantee the performance of a customer to a third party. Those guarantees are primarily issued to support private borrowing arrangements. All guarantees are short-term and expire within one year.

The Company uses the same credit policies in making commitments and conditional obligations as it does for extending loan facilities to customers. The Company evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by the Company upon extension of credit, is based on management's credit evaluation of the counterparty. Collateral held varies but may include accounts receivable, inventory, property, plant and equipment and income-producing commercial properties.

Loans Sold

The Company has sold loans that are guaranteed or insured by government agencies for which the Company retains all servicing rights and responsibilities. The Company is required to perform certain monitoring functions in connection with these loans to preserve the guarantee by the government agency and prevent loss to the Company in the event of nonperformance by the borrower. Management believes that the Company is in compliance with these requirements. The outstanding balance of the sold portion of such loans was approximately $86.4 million and $112.8 million at December 31, 2007 and 2006, respectively.

The Company retains a certain level of risk relating to the servicing activities and retained interest in sold SBA loans. In addition, during the period of time that the loans are held for sale, the Company is subject to various business risks associated with the lending business, including borrower default, foreclosure and the risk that a rapid increase in interest rates would result in a decline of the value of loans held for sale to potential purchasers. In connection with its loan sales, the Company enters agreements which generally require the Company to repurchase or substitute loans in the event of a breach of a representation or warranty made by the Company to the loan purchaser, any misrepresentation during the mortgage loan origination process or, in some cases, upon any fraud or early default on such mortgage loans.

Executive Salary Continuation

The Company has an agreement with a former officer/director, which provides for a monthly cash payment to the officer or beneficiaries in the event of death, disability or retirement, beginning in December 2003 and extending for a period of fifteen years. In connection with the agreement, the Company purchased a life insurance policy as an investment. The cash surrender value of the policy was $792,000 and $771,000 at December 31, 2007 and 2006, respectively, and is included in other assets. The present value of the Company's liability under the agreement was calculated using a discount rate of 6% and is included in accrued interest payable and other liabilities in the accompanying consolidated balance sheets. In 2007 and 2006, the Company paid $50,000 to the former officer/director under the terms of this agreement. The accrued executive salary continuation liability was $402,000 and $427,000 at December 31, 2007 and 2006, respectively.

The Company also has certain Key Man life insurance policies related to a former officer/director. The combined cash surrender value of the policies was $201,000 and $196,000 at December 31, 2007 and 2006, respectively.

Litigation

The Company is involved in litigation of a routine nature that is handled and defended in the ordinary course of the Company's business. In the opinion of management, based in part on consultation with legal counsel, the resolution of these other litigation matters will not have a material impact on the Company's financial position or results of operations. There are no pending legal proceedings to which the Company or any of its directors, officers, employees or affiliates, or any principal security holder of the Company or any associate of any of the foregoing, is a party or has an interest adverse to the Company, or of which any of the Company's properties are subject.

16. COMMUNITY WEST BANCSHARES FINANCIAL STATEMENTS (PARENT COMPANY ONLY)

BALANCE SHEETS	December 31, 2007	December 31, 2006
	(in thousands)	
Assets		
Cash and equivalents	$ 2,874	$ 3,599
Investment in subsidiary	47,229	43,112
Other assets	211	384
TOTAL ASSETS	$ 50,314	$ 47,095
LIABILITIES AND STOCKHOLDERS' EQUITY		
Other liabilities	$ 127	$ 132
Common stock	31,636	30,794
Retained earnings	18,551	16,169
TOTAL STOCKHOLDERS EQUITY	50,187	46,963
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 50,314	$ 47,095

INCOME STATEMENTS	Year Ended December 31, 2007	2006	2005
		(in thousands)	
Total income	$ -	$ 10	$ 82
Total expense	532	346	220
Equity in undistributed subsidiaries: Net income from subsidiaries	4,170	5,581	4,809
Income before income tax provision	3,638	5,245	4,671
Income tax (benefit)	(151)	(83)	(971)
NET INCOME	$ 3,789	$ 5,328	$ 5,642

STATEMENTS OF CASH FLOWS	Year Ended December 31, 2007	2006	2005
Cash flows from operating activities:		(in thousands)	
Net income	$ 3,789	$ 5,328	$ 5,642
Adjustments to reconcile net income to cash used in operating activities:			
Equity in undistributed (income) from subsidiaries	(4,170)	(5,581)	(4,809)
Stock-based compensation	283	163	-
Net change in other liabilities	(5)	123	(818)
Net change in other assets	233	(376)	198
Net cash provided by (used in) operating activities	130	(343)	213
Cash flows from investing activities:			
Net decrease in time deposits in other financial institutions	-	-	99
Net dividends from and investments in subsidiaries	53	1,330	1,092
Net cash provided by investing activities	53	1,330	1,191
Cash flows from financing activities:			
Proceeds from issuance of common stock	499	387	170
Cash dividend payments to shareholders	(1,407)	(1,330)	(1,092)
Net cash (used in) provided by financing activities	(908)	(943)	(922)
Net increase in cash and cash equivalents	(725)	44	482
Cash and cash equivalents at beginning of year	3,599	3,555	3,073
CASH AND CASH EQUIVALENTS, AT END OF YEAR	$ 2,874	$ 3,599	$ 3,555

17. QUARTERLY FINANCIAL DATA (unaudited)

Income statement results on a quarterly basis were as follows:

	Year Ended December 31, 2007				
	Q4	Q3	Q2	Q1	Totals
	(in thousands, except share data)				
Interest income	$ 12,139	$ 12,030	$ 11,624	$ 11,048	$ 46,841
Interest expense	6,024	5,877	5,630	5,303	22,834
Net interest income	6,115	6,153	5,994	5,745	24,007
Provision for loan losses	528	547	(63)	285	1,297
Net interest income after provision for loan losses	5,587	5,606	6,057	5,460	22,710
Non-interest income	1,056	1,212	1,402	1,175	4,845
Non-interest expenses	5,344	5,154	5,303	5,199	21,000
Income before income taxes	1,299	1,664	2,156	1,436	6,555
Provision for income taxes	551	701	904	610	2,766
NET INCOME	$ 748	$ 963	$ 1,252	$ 826	$ 3,789
Earnings per share – basic	$ 0.13	$ 0.16	$ 0.21	$ 0.14	$ 0.65
Earnings per share – diluted	0.12	0.16	0.21	0.14	0.63
Cash dividends per common share	$ 0.06	$ 0.06	$ 0.06	$ 0.06	$ 0.24
Weighted average shares:					
Basic	5,891	5,877	5,856	5,824	5,862
Diluted	6,005	6,009	6,038	6,030	6,022

	Year Ended December 31, 2006				
	Q4	Q3	Q2	Q1	Totals
	(in thousands, except per share data)				
Interest income	$ 10,601	$ 10,276	$ 9,377	$ 9,049	$ 39,303
Interest expense	4,891	4,489	3,908	3,516	16,804
Net interest income	5,710	5,787	5,469	5,533	22,499
Provision for loan losses	152	12	144	181	489
Net interest income after provision for loan losses	5,558	5,775	5,325	5,352	22,010
Non-interest income	1,613	1,453	1,579	1,327	5,972
Non-interest expenses	4,941	4,694	4,687	4,510	18,832
Income before income taxes	2,230	2,534	2,217	2,169	9,150
Provision (benefit) for income taxes	941	1,043	928	910	3,822
NET INCOME	$ 1,289	$ 1,491	$ 1,289	$ 1,259	$ 5,328
Earnings per share – basic	$ 0.22	$ 0.26	$ 0.22	$ 0.22	$ 0.92
Earnings per share – diluted	0.21	0.25	0.21	0.21	0.89
Cash dividends per common share	$ 0.06	$ 0.06	$ 0.06	$ 0.05	$ 0.23
Weighted average shares:					
Basic	5,805	5,787	5,781	5,767	5,785
Diluted	6,018	6,008	6,000	5,976	6,001

SENIOR MANAGEMENT TEAM

LYNDA J. NAHRA
President and CEO

CHARLES G. BALTUSKONIS
Executive Vice President
and Chief Financial Officer

RICHARD M. FAVOR
Executive Vice President
and Chief Credit Officer

JAMES K. BATTAGLIA
Senior Vice President Sales Manager
SBA Western Region

SHARON K. BROWN
Senior Vice President
Human Resources

DAVID A. DICKINSON
Senior Vice President Commercial
Real Estate Lending

JAMES D. GRAY
Senior Vice President
Mortgage Division

CYNTHIA M. HOOPER
Senior Vice President
SBA Lending

DAVID B. HOPPENWORTH
Senior Vice President Sales Manager
SBA Eastern Region

CHRIS LEM
Senior Vice President
Compliance/Risk Management

DON W. MACAULAY
Senior Vice President
Regional Business Banking Manager

GREGORY S. MORRISEY
Senior Vice President
Controller

DEBORAH L. SCOTT
Senior Vice President
Information Technology

CARLYN SMITH
Senior Vice President
Operations

CORPORATE INFORMATION

INVESTOR RELATIONS CONTACT
Charles G. Baltuskonis

ANNUAL MEETING
The Annual Meeting of Shareholders of Community West Bancshares will be held on May 22, 2008 at 6:00pm, PDT, at the La Cumbre Country Club, 4015 Via Laguna, Santa Barbara, CA 93110

TRANSFER AGENT & REGISTRAR
Computershare Trust Co., NA
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Canton, MA 02021

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Los Angeles, CA 90017

CORPORATE COUNSEL
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& Coren LLP
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Fax (805) 692-5835
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Goleta, CA 93117

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Santa Barbara, CA 93101

Santa Maria
2615 South Miller Street
Santa Maria, CA 93455

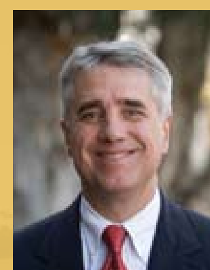
Ventura
1463 S. Victoria Avenue
Ventura, CA 93003

Westlake Village
951 Westlake Blvd
Westlake Village, CA 91361

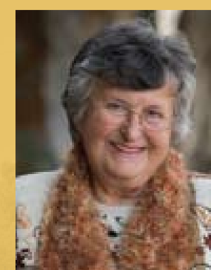
BOARD OF DIRECTORS

WILLIAM R. PEEPLES
Chairman of the Board,
Community West Bancshares
Private Investor

LYNDA J. NAHRA
President and
Chief Executive Officer



ROBERT H. BARTLEIN
Chairman of the Board,
Community West Bank
President and CEO,
Bartlein & Company



JEAN W. BLOIS
Independent Consultant
Mayor, City of Goleta

JOHN D. ILLGEN
Vice President and Director,
Simulation Technologies/
Northrop Grumman

JAMES R. SIMS JR.
Real Estate Broker

KIRK B. STOVESAND
Partner, Walpole & Co.

C. RICHARD WHISTON
Attorney (retired)/
Business Consultant

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