

Community West Bancshares

FOR IMMEDIATE RELEASE

COMMUNITY WEST BANCSHARES REPORTS EARNINGS RESULTS FOR THE QUARTER ENDED MARCH 31, 2024, AND QUARTERLY DIVIDEND

FRESNO, CALIFORNIA... April 18, 2024... The Board of Directors of Community West Bancshares (“Company”) (NASDAQ: CWBC), the parent company of Community West Bank (“Bank”), reported today unaudited consolidated net income of \$3,676,000, and fully diluted earnings per common share of \$0.31 for the three months ended March 31, 2024, compared to \$6,970,000 and \$0.59 per fully diluted common share for the three months ended March 31, 2023. On April 1, 2024, the Company, formerly named Central Valley Community Bancorp, completed its acquisition of Community West Bancshares and its wholly owned subsidiary, Community West Bank. Effective with the acquisition, the Company assumed the names Community West Bancshares and Community West Bank to reflect its expanded Central California territory.

FIRST QUARTER FINANCIAL HIGHLIGHTS

- Net income for the first quarter of 2024 decreased to \$3,676,000 or \$0.31 per diluted common share, compared to \$5,893,000 and \$0.50, respectively, in the fourth quarter of 2023.
- Net loans decreased \$4.2 million or 0.33%, and total assets decreased \$17.8 million or 0.73% at March 31, 2024 compared to December 31, 2023.
- Total deposits decreased 0.51% to \$2.03 billion at March 31, 2024 compared to December 31, 2023.
- Total cost of deposits increased to 0.98% for the quarter ended March 31, 2024 compared to 0.87% for the quarter ended December 31, 2023.
- Average non-interest bearing demand deposit accounts as a percentage of total average deposits was 45.30% and 46.61% for the quarters ended March 31, 2024 and December 31, 2023, respectively.
- Net interest margin decreased to 3.42% for the quarter ended March 31, 2024, from 3.52% for the quarter ended December 31, 2023.
- There were no non-performing assets for the quarter ended March 31, 2024. Net loan charge-offs were \$525,000 and loans delinquent more than 30 days were \$2,028,000.
- Capital positions remain strong at March 31, 2024 with a 9.34% Tier 1 Leverage Ratio; a 12.94% Common Equity Tier 1 Ratio; a 13.24% Tier 1 Risk-Based Capital Ratio; and a 16.25% Total Risk-Based Capital Ratio.
- The Company declared a \$0.12 per common share cash dividend, payable on May 17, 2024 to shareholders of record as of May 3, 2024.

“The first quarter of 2024 represented a transformative period for our Company as the April 1 completion of our largest acquisition in 44 years was finalized,” said James J. Kim, President and CEO of the Bank and CEO of the Company. “Our merger with Community West Bancshares and Bank not only united two great companies with complementary cultures, but inspired the adoption of their name and ticker symbol (NASDAQ: CWBC) to better reflect our expanded Central California territory.”

“Our Board of Directors and Executive Management Team are excited by the enhanced opportunities ahead for our combined team of professional bankers, as well as our clients and communities,” said Kim. “We celebrate our new identity and fortified team, and look forward to maximizing our geographic, fiscal and relationship growth Company-wide.”

“The team has maintained a steadfast focus on our mission for client success as our Company has evolved. That client-driven focus has been the foundation of our success for over four decades, and I am deeply thankful for their unwavering performance, reflecting the very definition of community banking,” added Kim.

Results of Operations

| (In thousands, except share and per-share amounts) | Three months ended | | |
|--|---------------------------|------------------------------|---------------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| Net interest income before provision for credit losses | \$ 19,073 | \$ 20,115 | \$ 21,581 |
| Provision (credit) for credit losses | 575 | (168) | 633 |
| Net interest income after provision (credit) for credit losses | 18,498 | 20,283 | 20,948 |
| Total non-interest income | 1,636 | 2,267 | 1,575 |
| Total non-interest expenses | 15,333 | 14,854 | 13,205 |
| Income before provision for income taxes | 4,801 | 7,696 | 9,318 |
| Provision for income taxes | 1,125 | 1,803 | 2,348 |
| Net income | \$ 3,676 | \$ 5,893 | \$ 6,970 |

For the quarter ended March 31, 2024, the Company reported unaudited consolidated net income of \$3,676,000 and earnings per diluted common share of \$0.31, compared to consolidated net income of \$6,970,000 and \$0.59 per diluted share for the same period in 2023. Net income for the period was impacted by a decrease in net interest income after provision for credit losses of \$2,450,000, which was a direct result of the increase in cost of funds and an increase in total non-interest expenses of \$2,128,000, partially offset by an increase in non-interest income of \$61,000 and a decrease in the provision for income taxes of \$1,223,000. The effective tax rate decreased to 23.43% from 25.20% for the quarters ended March 31, 2024 and March 31, 2023, respectively. The increase in non-interest expense as compared to the prior year's quarter was primarily due to an increase in merger and acquisition expenses, increases in salaries and employee benefits, and increases to occupancy and equipment from capital asset additions related to new banking center openings and relocations. Net income for the immediately trailing quarter ended December 31, 2023 was \$5,893,000, or \$0.50 per diluted common share.

Annualized return on average equity (ROAE) for the quarter ended March 31, 2024 was 7.08%, compared to 15.30% for the same period of 2023. The decrease in ROAE reflects a decrease in net income and an increase in average total shareholders' equity compared to the prior year. The increase in average shareholders' equity compared to the prior year's quarter was driven by the retention of earnings and a decrease in the average accumulated other comprehensive losses, partially offset by dividends paid. Annualized return on average assets (ROAA) was 0.61% for the quarter ended March 31, 2024 compared to 1.15% for the same period in 2023.

The effective yield on average investment securities, including interest earning deposits in other banks and Federal funds sold, was 3.07% for the quarter ended March 31, 2024, compared to 2.95% for the quarter ended March 31, 2023 and 3.18% for the quarter ended December 31, 2023.

Total average loans increased by \$22,890,000 to \$1,283,068,000 for the quarter ended March 31, 2024, from \$1,260,178,000 for the quarter ended March 31, 2023 and increased by \$14,746,000 from \$1,268,322,000 for the quarter ended December 31, 2023. The effective yield on average loans was 5.74% for the quarter ended March 31, 2024, compared to 5.40% and 5.62% for the quarters ended March 31, 2023 and December 31, 2023, respectively.

The Company's net interest margin (fully tax equivalent basis) was 3.42% for the quarter ended March 31, 2024, compared to 3.86% for the quarter ended March 31, 2023 and 3.52% for the quarter ended December 31, 2023. Net interest income, before provision for credit losses, decreased \$2,508,000, or 11.62%, to \$19,073,000 for the first quarter of 2024, compared to \$21,581,000 for the same period in 2023. The net interest margin period-to-period comparisons were impacted by the increase in the cost of funds. Over the last year, the Company's yield on interest earning assets has increased from 4.31% for the quarter ended March 31, 2023 to 4.58% for the quarter ended March 31, 2024. Additionally, the Company has been impacted by higher costs on interest-bearing liabilities, in which the cost of total deposits increased to 0.98% from 0.20% when comparing the quarters ended March 31, 2024 and 2023. The increase in the cost of deposits is primarily attributed to volume and rate increases in the money market and time deposit portfolios.

Non-Interest Income - The following tables present the key components of non-interest income for the periods indicated:

| (Dollars in thousands) | Three months ended March 31, | | \$ Change | % Change |
|---|---|-----------------|------------------|-----------------|
| | 2024 | 2023 | | |
| Service charges | \$ 384 | \$ 387 | \$ (3) | (0.8)% |
| Appreciation in cash surrender value of bank owned life insurance | 275 | 249 | 26 | 10.4 % |
| Interchange fees | 405 | 446 | (41) | (9.2)% |
| Loan placement fees | 166 | 124 | 42 | 33.9 % |
| Net realized losses on sales and calls of investment securities | (373) | (219) | (154) | 70.3 % |
| Federal Home Loan Bank dividends | 157 | 109 | 48 | 44.0 % |
| Other income | 622 | 479 | 143 | 29.9 % |
| Total non-interest income | <u>\$ 1,636</u> | <u>\$ 1,575</u> | <u>\$ 61</u> | <u>3.9 %</u> |

The increase in other income for the quarter ended March 31, 2024 was primarily due to the change in equity investment gain (loss), and an increase in credit card merchant fees.

Non-Interest Expense - The following table presents the key components of non-interest expense for the periods indicated:

| (Dollars in thousands) | Three months ended March 31, | | | |
|--------------------------------|---------------------------------|------------------|-----------------|---------------|
| | 2024 | 2023 | \$ Change | % Change |
| Salaries and employee benefits | \$ 8,638 | \$ 8,034 | \$ 604 | 7.5 % |
| Occupancy and equipment | 1,543 | 1,258 | 285 | 22.7 % |
| Information technology | 1,021 | 847 | 174 | 20.5 % |
| Regulatory assessments | 322 | 210 | 112 | 53.3 % |
| Data processing expense | 685 | 650 | 35 | 5.4 % |
| Professional services | 625 | 353 | 272 | 77.1 % |
| ATM/Debit card expenses | 214 | 184 | 30 | 16.3 % |
| Advertising | 151 | 125 | 26 | 20.8 % |
| Directors' expenses | 169 | 163 | 6 | 3.7 % |
| Merger and acquisition expense | 383 | — | 383 | — % |
| Loan related expenses | 92 | 147 | (55) | (37.4)% |
| Personnel other | 131 | 259 | (128) | (49.4)% |
| Other expense | 1,359 | 975 | 384 | 39.4 % |
| Total non-interest expenses | <u>\$ 15,333</u> | <u>\$ 13,205</u> | <u>\$ 2,128</u> | <u>16.1 %</u> |

The increase in occupancy and equipment is the result of banking center relocations and a banking center opening. The increase in regulatory assessments was the result of an FDIC adjustment to their rate and assessment multiplier. The increase in professional services was the result of non-recurring legal fees and increased audit fees.

Balance Sheet Summary

Total assets for the period ended March 31, 2024 decreased \$17,802,000 or 0.73% compared to the period ended December 31, 2023. Total average assets for the quarter ended March 31, 2024 were \$2,420,810,000 compared to \$2,419,506,000 for the quarter ended March 31, 2023 and \$2,416,974,000 for the quarter ended December 31, 2023, a increase of \$1,304,000 or 0.05% and a increase of \$3,836,000 or 0.16%, respectively.

For the quarter ended March 31, 2024, the Company's average investment securities decreased by \$73,122,000, or 7.02%, compared to the quarter ended March 31, 2023, and decreased by \$22,945,000, or 2.31%, compared to the quarter ended December 31, 2023. This decrease was the result of sales, maturities, and the change in the unrealized loss position on available for sale securities.

In comparing the quarter ended March 31, 2024 to the quarters ended December 31, 2023 and March 31, 2023, total average gross loans increased by \$14,746,000 or 1.16% and increased \$22,890,000 or 1.82%, respectively.

The following table shows the Company's outstanding loan portfolio composition as of March 31, 2024 and December 31, 2023:

| Loan Type (dollars in thousands) | March 31, 2024 | | December 31, 2023 | |
|---|--------------------|------------|--------------------|------------|
| | Amount | % of Total | Amount | % of Total |
| Commercial: | | | | |
| Commercial and industrial | \$ 86,918 | 6.8 % | \$ 105,466 | 8.2 % |
| Agricultural production | 24,982 | 1.9 % | 33,556 | 2.6 % |
| Total commercial | 111,900 | 8.7 % | 139,022 | 10.8 % |
| Real estate: | | | | |
| Construction & other land loans | 28,350 | 2.2 % | 33,472 | 2.6 % |
| Commercial real estate - owner occupied | 209,777 | 16.3 % | 215,146 | 16.7 % |
| Commercial real estate - non-owner occupied | 560,492 | 43.6 % | 539,522 | 41.9 % |
| Farmland | 117,015 | 9.1 % | 120,674 | 9.3 % |
| Multi-family residential | 61,993 | 4.8 % | 61,307 | 4.7 % |
| 1-4 family - close-ended | 95,575 | 7.4 % | 96,558 | 7.5 % |
| 1-4 family - revolving | 29,442 | 2.3 % | 27,648 | 2.1 % |
| Total real estate | 1,102,644 | 85.7 % | 1,094,327 | 84.8 % |
| Consumer | 69,886 | 5.4 % | 55,606 | 4.3 % |
| Net deferred origination costs | 2,179 | 0.2 % | 1,842 | 0.1 % |
| Total gross loans | 1,286,609 | 100.0 % | 1,290,797 | 100.0 % |
| Allowance for credit losses | (14,658) | | (14,653) | |
| Total loans | <u>\$1,271,951</u> | | <u>\$1,276,144</u> | |

Total average deposits decreased \$26,117,000, or 1.25%, to \$2,055,141,000 for the quarter ended March 31, 2024, compared to \$2,081,258,000 for the quarter ended March 31, 2023, and decreased \$59,901,000, or 2.83%, compared to \$2,115,042,000 for the quarter ended December 31, 2023. The Company's ratio of average non-interest bearing deposits to total deposits was 45.30% for the quarter ended March 31, 2024, compared to 48.92% and 46.61% for the quarters ended March 31, 2023 and December 31, 2023, respectively.

The composition of deposits at March 31, 2024 and December 31, 2023 is summarized in the table below:

| (Dollars in thousands) | March 31, 2024 | | December 31, 2023 | |
|------------------------|---------------------|------------|---------------------|------------|
| | Amount | % of Total | Amount | % of Total |
| NOW accounts | \$ 234,179 | 11.5 % | \$ 251,334 | 12.3 % |
| MMA accounts | 537,248 | 26.4 % | 497,043 | 24.4 % |
| Time deposits | 174,127 | 8.6 % | 162,085 | 7.9 % |
| Savings deposits | 174,519 | 8.6 % | 179,609 | 8.8 % |
| Total interest-bearing | 1,120,073 | 55.1 % | 1,090,071 | 53.4 % |
| Non-interest bearing | 911,176 | 44.9 % | 951,541 | 46.6 % |
| Total deposits | <u>\$ 2,031,249</u> | 100.0 % | <u>\$ 2,041,612</u> | 100.0 % |

The Company has significant liquidity, both on and off-balance sheet, to meet customer demand. During the year-to-date period, the Company's cash and cash equivalents increased \$7,231,000 to \$60,959,000 compared to \$53,728,000 at December 31, 2023. The Company had \$67,000,000 in short-term borrowings at March 31, 2024 compared to \$80,000,000 at December 31, 2023.

At March 31, 2024 and December 31, 2023, the Company had the following sources of primary and secondary liquidity:

| Liquidity Sources (in thousands) | March 31, 2024 | December 31, 2023 |
|---|---------------------|---------------------|
| Cash and cash equivalents | \$ 60,959 | \$ 53,728 |
| Unpledged investment securities | 558,391 | 574,633 |
| Excess pledged securities | 120,109 | 116,740 |
| FHLB borrowing availability | 342,668 | 307,483 |
| FRB Bank Term Funding Program (BTFP) availability (1) | — | 1,174 |
| Unsecured lines of credit availability | 110,000 | 110,000 |
| Funds available through FRB discount window | 4,069 | 4,448 |
| Total | <u>\$ 1,196,196</u> | <u>\$ 1,168,206</u> |

(1) The BTFP was discontinued by the FRB as of March 2024. No further advances are available under this program.

Credit Quality

During the first quarter of 2024, the Company recorded net loan charge-offs of \$525,000 compared to \$19,000 in net charge-offs for the same period in 2023. The net charge-off ratio, which reflects annualized net charge-offs to average loans, was 0.16% for the quarter ended March 31, 2024 compared to 0.01% for the quarter ended March 31, 2023. During the quarter ended March 31, 2024, the Company recorded a provision of \$530,000 for credit losses on loans, compared to a \$518,000 provision for the quarter ended March 31, 2023. In addition to the provision of credit losses on loans, for the quarter ended March 31, 2024, the Company recorded a credit to the provision for credit losses

on held-to-maturity securities and a provision for unfunded loan commitments totaling \$45,000 as of the quarter ended March 31, 2024. The credit to the provision for credit losses on held-to-maturity securities was due to changes in the economic scenarios as they relate to specific corporate bonds.

The following table shows the Company's loan portfolio allocated by management's internal risk ratings:

| Loan Risk Rating (In thousands) | March 31, 2024 | December 31, 2023 |
|--|-----------------------|--------------------------|
| Pass | \$ 1,262,046 | \$ 1,261,496 |
| Special mention | 5,595 | 9,000 |
| Substandard | 18,968 | 20,301 |
| Doubtful | — | — |
| Total | \$ 1,286,609 | \$ 1,290,797 |

At March 31, 2024, the allowance for credit losses for loans was \$14,658,000, compared to \$14,653,000 at December 31, 2023, a net increase of \$5,000 reflecting a provision of \$530,000 and net charge-offs during the period. The allowance for credit losses as a percentage of total loans was 1.14% and 1.14% as of March 31, 2024 and December 31, 2023, respectively. The Company believes the allowance for credit losses is adequate to provide for expected credit losses within the loan portfolio at March 31, 2024.

Cash Dividend Declared

On April 17, 2024, the Board of Directors of the Company declared a regular quarterly cash dividend of \$0.12 per share on the Company's common stock. The dividend is payable on May 17, 2024 to shareholders of record as of May 3, 2024. The Company continues to be well capitalized and expects to maintain adequate capital levels.

Company Overview

Effective on April 1, 2024, Central Valley Community Bancorp ("Central Valley") completed its merger transaction with Community West Bancshares ("Community West"). Shortly thereafter Community West Bank ("CWB"), a wholly owned subsidiary of Community West, merged with and into Central Valley Community Bank ("CVCB"), a wholly-owned subsidiary of Central Valley, with CVCB being the surviving banking institution. Effective with these mergers, the corporate name of Central Valley and CVCB were changed to Community West Bancshares and Community West Bank, respectively. Pursuant to the terms of the merger, holders of Community West common stock was converted into the right to receive 0.79 of a share of common stock of Central Valley for each share of Community West common stock held immediately prior to the effective time of the mergers, with cash to be paid in lieu of any fractional shares of common stock of Central Valley. As a result of the mergers, Central Valley issued

approximately 7,038,220 shares of Central Valley common stock. The financial condition and results of operation of the combined companies will begin to be reported in the 2024 second quarter results.

Community West Bancshares trades on the NASDAQ stock exchange under the symbol CWBC. Community West Bank, headquartered in Fresno, California, was founded in 1979 and is the sole subsidiary of Community West Bancshares. CWB operates full-service Banking Centers throughout California's San Joaquin Valley, the Greater Sacramento region, and California's Central Coast. Additionally, CWB maintains Commercial, Real Estate, and Agribusiness Lending, as well as Private Business Banking and Cash Management Departments.

Members of Community West Bancshares and CWB's Board of Directors are: Daniel J. Doyle (Chairman), Robert H. Bartlein (Vice Chairman), James J. Kim, Martin E. Plourd, Suzanne M. Chadwick, Daniel N. Cunningham, Tom L. Dobyons, F. T. "Tommy" Elliott, IV, Robert J. Flautt, James W. Lokey, Andriana D. Majarian, Steven D. McDonald, Dorothea D. Silva, William S. Smittcamp, and Kirk B. Stovesand.

More information about Community West Bancorp and Community West Bank can be found at www.cvcb.com. Also, visit Community West Bank on Twitter, Facebook and LinkedIn.

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Forward-looking Statements- Certain matters discussed in this press release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are forward-looking in nature and involve a number of risks and uncertainties. Such risks and uncertainties include, but are not limited to (1) significant increases in competitive pressure in the banking industry; (2) the impact of changes in interest rates; (3) a decline in economic conditions in the Central Valley and the Greater Sacramento Region, including the impact of inflation; (4) the Company's ability to continue its internal growth at historical rates; (5) the Company's ability to maintain its net interest margin; (6) the decline in quality of the Company's earning assets; (7) a decline in credit quality; (8) changes in the regulatory environment; (9) fluctuations in the real estate market; (10) changes in general economic and business conditions, including inflation; (11) changes and trends in the securities markets (12) risks associated with acquisitions, relating to difficulty in integrating combined operations and related negative impact on earnings, and incurrence of substantial expenses; (13) political developments, uncertainties or instability, acts of war or terrorism, or hostilities; (14) natural disasters, such as earthquakes, drought, pandemic diseases or extreme weather events, any of which may affect services we use or affect our customers, employees or third parties with which we conduct business; (15) risks related to the completed merger with Community West, including, the expected business expansion may be less successful as projected; the integration of each party's management, personnel and operations may not be successfully achieved or may be materially delayed or may be more costly or difficult than expected, deposit attrition, customer or employee loss and/or revenue loss as a result of the merger, and expenses related to the proposed merger may be greater than expected, (16) the other risks set forth in the Company's reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2023. Therefore, the information set forth in such forward-looking statements should be carefully considered when evaluating the business prospects of the Company.

**COMMUNITY WEST BANCSHARES
CONSOLIDATED BALANCE SHEETS
(Unaudited)**

| (In thousands, except share amounts) | March 31, 2024 | December 31, 2023 |
|---|---------------------|----------------------|
| ASSETS | | |
| Cash and due from banks | \$ 25,068 | \$ 30,017 |
| Interest-earning deposits in other banks | 35,891 | 23,711 |
| Total cash and cash equivalents | 60,959 | 53,728 |
| Available-for-sale debt securities | 573,534 | 597,196 |
| Held-to-maturity debt securities | 302,512 | 302,442 |
| Equity securities | 6,579 | 6,649 |
| Loans, less allowance for credit losses of \$14,658 and \$14,653 at March 31, 2024 and December 31, 2023, respectively | 1,271,951 | 1,276,144 |
| Bank premises and equipment, net | 14,102 | 14,042 |
| Bank owned life insurance | 41,848 | 41,572 |
| Federal Home Loan Bank stock | 7,136 | 7,136 |
| Goodwill | 53,777 | 53,777 |
| Accrued interest receivable and other assets | 83,226 | 80,740 |
| Total assets | <u>\$ 2,415,624</u> | <u>\$ 2,433,426</u> |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Deposits: | | |
| Non-interest bearing | \$ 911,176 | \$ 951,541 |
| Interest bearing | 1,120,073 | 1,090,071 |
| Total deposits | 2,031,249 | 2,041,612 |
| Short-term borrowings | 67,000 | 80,000 |
| Senior debt and subordinated debentures | 69,780 | 69,744 |
| Accrued interest payable and other liabilities | 35,878 | 35,006 |
| Total liabilities | 2,203,907 | 2,226,362 |
| Shareholders' equity: | | |
| Preferred stock, no par value; 10,000,000 shares authorized, none issued and outstanding | — | — |
| Common stock, no par value; 80,000,000 shares authorized; issued and outstanding: 11,831,994 and 11,818,039 at March 31, 2024 and December 31, 2023, respectively | 62,801 | 62,550 |
| Retained earnings | 212,805 | 210,548 |
| Accumulated other comprehensive loss, net of tax | (63,889) | (66,034) |
| Total shareholders' equity | 211,717 | 207,064 |
| Total liabilities and shareholders' equity | <u>\$ 2,415,624</u> | <u>\$ 2,433,426</u> |

COMMUNITY WEST BANCSHARES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

| (In thousands, except share and per-share amounts) | For the Three Months Ended | | |
|---|----------------------------|----------------------|-------------------|
| | March 31, 2024 | December 31, 2023 | March 31, 2023 |
| INTEREST INCOME: | | | |
| Interest and fees on loans | \$ 18,299 | \$ 17,952 | \$ 16,777 |
| Interest on deposits in other banks | 432 | 646 | 75 |
| Interest and dividends on investment securities: | | | |
| Taxable | 5,500 | 5,825 | 5,886 |
| Exempt from Federal income taxes | 1,396 | 1,398 | 1,405 |
| Total interest income | <u>25,627</u> | <u>25,821</u> | <u>24,143</u> |
| INTEREST EXPENSE: | | | |
| Interest on deposits | 5,018 | 4,636 | 1,004 |
| Interest on short-term borrowings | 621 | 149 | 661 |
| Interest on senior debt and subordinated debentures | 915 | 921 | 897 |
| Total interest expense | <u>6,554</u> | <u>5,706</u> | <u>2,562</u> |
| Net interest income before provision (credit) for credit losses | 19,073 | 20,115 | 21,581 |
| PROVISION (CREDIT) FOR CREDIT LOSSES | <u>575</u> | <u>(168)</u> | <u>633</u> |
| Net interest income after provision (credit) for credit losses | <u>18,498</u> | <u>20,283</u> | <u>20,948</u> |
| NON-INTEREST INCOME: | | | |
| Service charges | 384 | 372 | 387 |
| Net realized gain on sale of assets | — | 372 | — |
| Net realized losses on sales and calls of investment securities | (373) | (424) | (219) |
| Other income | 1,625 | 1,947 | 1,407 |
| Total non-interest income | <u>1,636</u> | <u>2,267</u> | <u>1,575</u> |
| NON-INTEREST EXPENSES: | | | |
| Salaries and employee benefits | 8,638 | 7,885 | 8,034 |
| Occupancy and equipment | 1,543 | 1,715 | 1,258 |
| Other expense | 5,152 | 5,254 | 3,913 |
| Total non-interest expenses | <u>15,333</u> | <u>14,854</u> | <u>13,205</u> |
| Income before provision for income taxes | 4,801 | 7,696 | 9,318 |
| PROVISION FOR INCOME TAXES | <u>1,125</u> | <u>1,803</u> | <u>2,348</u> |
| Net income | <u>\$ 3,676</u> | <u>\$ 5,893</u> | <u>\$ 6,970</u> |
| Net income per common share: | | | |
| Basic earnings per common share | <u>\$ 0.31</u> | <u>\$ 0.50</u> | <u>\$ 0.60</u> |
| Weighted average common shares used in basic computation | <u>11,750,528</u> | <u>11,745,548</u> | <u>11,703,813</u> |
| Diluted earnings per common share | <u>\$ 0.31</u> | <u>\$ 0.50</u> | <u>\$ 0.59</u> |
| Weighted average common shares used in diluted computation | <u>11,790,231</u> | <u>11,774,085</u> | <u>11,731,135</u> |
| Cash dividends per common share | <u>\$ 0.12</u> | <u>\$ 0.12</u> | <u>\$ 0.12</u> |

COMMUNITY WEST BANCSHARES
CONDENSED CONSOLIDATED INCOME STATEMENTS
(Unaudited)

| For the three months ended | Mar. 31, 2024 | Dec. 31, 2023 | Sep. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| (In thousands, except share and per share amounts) | | | | | |
| Net interest income | \$ 19,073 | \$ 20,115 | \$ 20,527 | \$ 20,205 | \$ 21,581 |
| Provision (credit) for credit losses | 575 | (168) | 186 | (343) | 633 |
| Net interest income after provision (credit) for credit losses | 18,498 | 20,283 | 20,341 | 20,548 | 20,948 |
| Total non-interest income | 1,636 | 2,267 | 1,583 | 1,594 | 1,575 |
| Total non-interest expense | 15,333 | 14,854 | 13,436 | 13,805 | 13,205 |
| Provision for income taxes | 1,125 | 1,803 | 2,098 | 2,055 | 2,348 |
| Net income | <u>\$ 3,676</u> | <u>\$ 5,893</u> | <u>\$ 6,390</u> | <u>\$ 6,282</u> | <u>\$ 6,970</u> |
| Basic earnings per common share | <u>\$ 0.31</u> | <u>\$ 0.50</u> | <u>\$ 0.54</u> | <u>\$ 0.54</u> | <u>\$ 0.60</u> |
| Weighted average common shares used in basic computation | <u>11,750,528</u> | <u>11,745,548</u> | <u>11,742,334</u> | <u>11,723,127</u> | <u>11,703,813</u> |
| Diluted earnings per common share | <u>\$ 0.31</u> | <u>\$ 0.50</u> | <u>\$ 0.54</u> | <u>\$ 0.54</u> | <u>\$ 0.59</u> |
| Weighted average common shares used in diluted computation | <u>11,790,231</u> | <u>11,774,085</u> | <u>11,755,758</u> | <u>11,740,390</u> | <u>11,731,135</u> |

COMMUNITY WEST BANCSHARES
SELECTED RATIOS
(Unaudited)

| As of and for the three months ended | Mar. 31, 2024 | Dec. 31, 2023 | Sep. 30, 2023 | Jun. 30, 2023 | Mar. 31, 2023 |
|--|------------------|------------------|------------------|------------------|------------------|
| (Dollars in thousands, except per share amounts) | | | | | |
| Allowance for credit losses to total loans | 1.14 % | 1.14 % | 1.22 % | 1.23 % | 1.19 % |
| Non-performing assets to total assets | — % | — % | — % | — % | — % |
| Total non-performing assets | \$ — | \$ — | \$ — | \$ — | \$ — |
| Total nonaccrual loans | \$ — | \$ — | \$ — | \$ — | \$ — |
| Total substandard loans | \$ 19,455 | \$ 20,301 | \$ 24,740 | \$ 25,435 | \$ 30,580 |
| Total special mention loans | \$ 5,773 | \$ 9,000 | \$ 16,966 | \$ 18,094 | \$ 29,061 |
| Net loan charge-offs (recoveries) | \$ 525 | \$ (170) | \$ 194 | \$ (22) | \$ 19 |
| Net charge-offs (recoveries) to average loans (annualized) | 0.16 % | (0.05)% | 0.06 % | (0.01)% | 0.01 % |
| Book value per share | \$ 17.89 | \$ 17.52 | \$ 15.37 | \$ 15.86 | \$ 15.49 |
| Tangible book value per share (1) | \$ 13.35 | \$ 12.97 | \$ 10.82 | \$ 11.31 | \$ 10.91 |
| Total equity | \$ 211,717 | \$ 207,064 | \$ 187,360 | \$ 182,052 | \$ 174,660 |
| Tangible common equity (1) | \$ 157,935 | \$ 153,287 | \$ 127,872 | \$ 133,583 | \$ 128,240 |
| Cost of total deposits | 0.98 % | 0.87 % | 0.90 % | 0.88 % | 0.20 % |
| Interest and dividends on investment securities exempt from Federal income taxes | \$ 1,396 | \$ 1,398 | \$ 1,393 | \$ 1,405 | \$ 1,405 |
| Net interest margin (calculated on a fully tax equivalent basis) (2) | 3.42 % | 3.52 % | 3.47 % | 3.46 % | 3.81 % |
| Return on average assets (3) | 0.61 % | 0.98 % | 1.02 % | 1.00 % | 1.15 % |
| Return on average equity (3) | 7.08 % | 12.78 % | 13.60 % | 13.60 % | 15.64 % |
| Loan to deposit ratio | 63.34 % | 63.22 % | 59.35 % | 57.07 % | 59.09 % |
| Efficiency ratio | 70.07 % | 64.98 % | 59.66 % | 62.00 % | 55.46 % |
| Tier 1 leverage - Bancorp | 9.34 % | 9.18 % | 8.70 % | 8.51 % | 8.58 % |
| Tier 1 leverage - Bank | 11.95 % | 11.75 % | 11.21 % | 11.04 % | 11.19 % |
| Common equity tier 1 - Bancorp | 12.94 % | 12.78 % | 12.51 % | 12.41 % | 11.80 % |
| Common equity tier 1 - Bank | 16.94 % | 16.76 % | 16.50 % | 16.49 % | 15.77 % |
| Tier 1 risk-based capital - Bancorp | 13.24 % | 13.07 % | 12.81 % | 12.71 % | 12.09 % |
| Tier 1 risk-based capital - Bank | 16.94 % | 16.76 % | 16.50 % | 16.49 % | 15.77 % |
| Total risk-based capital - Bancorp | 16.25 % | 16.08 % | 15.81 % | 15.76 % | 15.08 % |
| Total risk based capital - Bank | 17.92 % | 17.74 % | 17.47 % | 17.48 % | 16.75 % |

(1) Non-GAAP measure. Tangible common equity equals total shareholder's equity (\$211,717) minus goodwill and core deposit intangible (\$53,777). Tangible common equity per share equals tangible common equity total (\$157,935) divided by shares outstanding (11,818,039).

(2) Net Interest Margin is computed by dividing annualized quarterly net interest income by quarterly average interest-bearing assets.

(3) Computed by annualizing quarterly net income.

COMMUNITY WEST BANCSHARES
SCHEDULE OF AVERAGE BALANCES AND AVERAGE YIELDS AND RATES
(Unaudited)

| (Dollars in thousands) | For the Three Months Ended March 31, 2024 | | | For the Three Months Ended December 31, 2023 | | | For the Three Months Ended March 31, 2023 | | |
|--|--|--------------------------------|-----------------------------|---|--------------------------------|-----------------------------|--|--------------------------------|-----------------------------|
| | Average Balance | Interest Income/ Expense | Average Interest Rate | Average Balance | Interest Income/ Expense | Average Interest Rate | Average Balance | Interest Income/ Expense | Average Interest Rate |
| ASSETS | | | | | | | | | |
| Interest-earning deposits in other banks | \$ 34,200 | \$ 432 | 5.05 % | \$ 46,886 | \$ 646 | 5.51 % | \$ 6,882 | \$ 75 | 4.36 % |
| Securities | | | | | | | | | |
| Taxable securities | 714,160 | 5,500 | 3.08 % | 736,259 | 5,825 | 3.16 % | 783,938 | 5,886 | 3.00 % |
| Non-taxable securities (1) | 254,108 | 1,768 | 2.78 % | 254,954 | 1,770 | 2.78 % | 257,452 | 1,778 | 2.76 % |
| Total investment securities | 968,268 | 7,268 | 3.00 % | 991,213 | 7,595 | 3.06 % | 1,041,390 | 7,664 | 2.94 % |
| Total securities and interest-earning deposits | 1,002,468 | 7,700 | 3.07 % | 1,038,099 | 8,241 | 3.18 % | 1,048,272 | 7,739 | 2.95 % |
| Loans (2) (3) | 1,283,068 | 18,299 | 5.74 % | 1,268,322 | 17,952 | 5.62 % | 1,260,178 | 16,777 | 5.40 % |
| Total interest-earning assets | 2,285,536 | \$ 25,999 | 4.58 % | 2,306,421 | \$ 26,193 | 4.51 % | 2,308,450 | \$ 24,516 | 4.31 % |
| Allowance for credit losses | (14,348) | | | (15,677) | | | (10,893) | | |
| Non-accrual loans | — | | | — | | | — | | |
| Cash and due from banks | 26,772 | | | 27,949 | | | 27,574 | | |
| Bank premises and equipment | 14,177 | | | 12,873 | | | 8,072 | | |
| Other assets | 108,673 | | | 85,408 | | | 86,303 | | |
| Total average assets | <u>\$2,420,810</u> | | | <u>\$2,416,974</u> | | | <u>\$2,419,506</u> | | |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | | | | | | |
| Interest-bearing liabilities: | | | | | | | | | |
| Savings and NOW accounts | \$ 421,412 | \$ 255 | 0.24 % | \$ 436,817 | \$ 189 | 0.17 % | \$ 526,232 | \$ 93 | 0.07 % |
| Money market accounts | 514,909 | 2,843 | 2.22 % | 530,379 | 2,805 | 2.10 % | 468,166 | 837 | 0.73 % |
| Time certificates of deposit | 187,775 | 1,920 | 4.11 % | 162,058 | 1,642 | 4.02 % | 68,650 | 74 | 0.44 % |
| Total interest-bearing deposits | 1,124,096 | 5,018 | 1.80 % | 1,129,254 | 4,636 | 1.63 % | 1,063,048 | 1,004 | 0.38 % |
| Other borrowed funds | 122,419 | 1,536 | 5.02 % | 81,826 | 1,070 | 5.23 % | 124,480 | 1,558 | 5.01 % |
| Total interest-bearing liabilities | 1,246,515 | \$ 6,554 | 2.11 % | 1,211,080 | \$ 5,706 | 1.87 % | 1,187,528 | \$ 2,562 | 0.87 % |
| Non-interest bearing demand deposits | 931,045 | | | 985,788 | | | 1,018,210 | | |
| Other liabilities | 35,583 | | | 35,597 | | | 31,591 | | |
| Shareholders' equity | 207,667 | | | 184,509 | | | 182,177 | | |
| Total average liabilities and shareholders' equity | <u>\$2,420,810</u> | | | <u>\$2,416,974</u> | | | <u>\$2,419,506</u> | | |
| Interest income and rate earned on average earning assets | | \$ 25,999 | 4.58 % | | \$ 26,193 | 4.51 % | | \$ 24,516 | 4.31 % |
| Interest expense and interest cost related to average interest-bearing liabilities | | 6,554 | 2.11 % | | 5,706 | 1.87 % | | 2,562 | 0.87 % |
| Net interest income and net interest margin (4) | | <u>\$ 19,445</u> | <u>3.42 %</u> | | <u>\$ 20,487</u> | <u>3.52 %</u> | | <u>\$ 21,954</u> | <u>3.86 %</u> |

- (1) Calculated on a fully tax equivalent basis, which includes Federal tax benefits relating to income earned on municipal bonds totaling \$371, \$371, and \$373 at March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
- (2) Loan interest income includes loan (costs) fees of \$(139), \$(8), and \$9 at March 31, 2024, December 31, 2023, and March 31, 2023, respectively.
- (3) Average loans do not include non-accrual loans but do include interest income recovered from previously charged off loans.
- (4) Net interest margin is computed by dividing net interest income by total average interest-earning assets.

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