



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Community West Bancshares

Person to be contacted regarding this report:	Lynda Nahra	RSSD: (For Bank Holding Companies)	1412712
CPP Funds Received:	\$15,600,000	Holding Company Docket Number: (For Thrift Holding Companies)	
CPP Funds Repaid to Date:	\$0	FDIC Certificate Number: (For Depository Institutions)	27572
Date Funded (first funding):	12/19/2008	City:	Goleta
Date Repaid ¹ :		State:	California

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Without the capital from the CPP the bank would have had to reduce its portfolio by 17% or \$104,920,000. This would have been accomplished by curtailing lending completely and selling a portion of the existing loan portfolio.
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<input checked="" type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	With the assistance of the CPP funds the bank has remained active in SBA lending, commercial/industrial lending, retail mortgage and commercial mortgage lending. We also continued to fund manufactured housing loans which supports affordable housing in our high cost markets.
<input type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	
<input type="checkbox"/> Make other investments	
<input type="checkbox"/> Increase reserves for non-performing assets	

<input type="checkbox"/> Reduce borrowings	
<input type="checkbox"/> Increase charge-offs	
<input type="checkbox"/> Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/> Held as non-leveraged increase to total capital	

What actions were you able to avoid because of the capital infusion of CPP funds?

At 12/31/09 the bank had total assets of \$684,216,000 with Tier 1 capital of \$59,210,000 . Of this capital \$14,000,000 was related to CCP. If this capital was removed from the bank and the bank was required to maintain an 8.0% tier one capital ratio the asset size of the bank would need to be reduced to \$565,238,000. This would have been accomplished through the sale of loans and reduced lending activity. At 12/31/09 the bank had total loans of \$617,173,000. If capital were restrained as described in this paragraph loans would have needed to total \$512,253,000. This translates into a reduction in lending activity of \$104,920,000 or 17% of the bank's 12/31/09 loan portfolio.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

We were able to continue to lend to small businesses and consumers in our markets as described above.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

No other actions were taken.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.