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COMMUNITY WEST BANCSHARES /  
Form 10-K  
March 26, 2007

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT UNDER SECTION 13 OR 15(D)  
OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006  
Commission File Number: 000-23575

COMMUNITY WEST BANCSHARES  
(Exact name of registrant as specified in its charter)

California 77-0446957  
(State or other jurisdiction of (I.R.S. Employer Identification No.)  
incorporation or organization)

445 Pine Avenue, Goleta, California 93117  
(Address of principal executive offices) (Zip code)

(805) 692-5821  
(Registrant's telephone number, including area code)

SECURITIES REGISTERED UNDER SECTION 12(B) OF THE EXCHANGE ACT: NONE

SECURITIES REGISTERED UNDER SECTION 12(G) OF THE EXCHANGE ACT:  
COMMON STOCK, NO PAR VALUE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act. Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer  Accelerated filer  Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes  No

The aggregate market value of common stock, held by non-affiliates of the

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registrant as of June 30, 2006, was \$59,309,102 based on a closing price of \$15.65 for the common stock, as reported on the Nasdaq Stock Market. For purposes of the foregoing computation, all executive officers, directors and 5 percent beneficial owners of the registrant are deemed to be affiliates. Such determination should not be deemed to be an admission that such executive officers, directors or 5 percent beneficial owners are, in fact, affiliates of the registrant.

As of March 23, 2007, 5,846,868 shares of the registrant's common stock were outstanding.

### DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement to be filed with the Securities and Exchange Commission pursuant to Regulation 14A in connection with the 2007 Annual Meeting are incorporated by reference into Part III of this Report. The proxy statement will be filed with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended December 31, 2006.

### COMMUNITY WEST BANCSHARES FORM 10-K

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## PART I

### ITEM 1. DESCRIPTION OF BUSINESS

Community West Bancshares ("CWBC") was incorporated in the State of California on November 26, 1996, for the purpose of forming a bank holding company. On December 31, 1997, CWBC acquired a 100% interest in Community West Bank, National Association ("CWB" or "Bank"). Effective that date, shareholders of CWB became shareholders of CWBC in a one-for-one exchange. The acquisition was accounted at historical cost in a manner similar to pooling-of-interests. CWBC and CWB are referred to herein as "Company".

Community West Bancshares is a bank holding company. During the fiscal year, CWB was the sole bank subsidiary of CWBC. CWBC provides management and shareholder services to CWB.

CWB offers a range of commercial and retail financial services to professionals, small to mid-sized businesses and individual households. These services include various loan and deposit products. CWB also offers other financial services.

Relationship Banking - Relationship banking is conducted at the community level through five full-service branch offices on the Central Coast of California stretching from Santa Maria to Westlake Village. The primary customers are small to mid-sized businesses in these communities and their owners and managers. CWB's goal is to provide the highest quality service and the most diverse products to meet the varying needs of this highly sought customer base.

CWB offers a range of commercial and retail financial services, including the acceptance of demand, savings and time deposits, and the origination of commercial, real estate, construction, home improvement, home equity lines of credit and other installment and term loans. Its customers are also provided with the choice of a range of cash management services, remittance banking, merchant credit card processing, courier service and online banking. In addition to the traditional financial services offered, CWB offers internet banking, automated clearinghouse origination, electronic data interchange and check imaging. CWB continues to investigate products and services that it believes address the growing needs of its customers and to analyze new markets for potential expansion opportunities.

One of CWB's key strengths and a fundamental difference that the Company believes enables it to stand apart from the competition is the depth of experience of personnel in commercial lending and business development. These individuals develop business, structure and underwrite the credit and manage the customer relationship. This provides a competitive advantage as CWB's competitors for the most part, have a centralized lending function where developing business, underwriting credit and managing the relationship is split between multiple individuals.

Small Business Administration Lending - CWB has been a preferred lender/servicer of loans guaranteed by the Small Business Administration ("SBA") since 1990.

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The Company originates SBA loans which are occasionally sold into the secondary market. The Company continues to service these loans after sale and is required under the SBA programs to retain specified amounts. The two primary SBA loan programs that CWB offers are the basic 7(a) Loan Guaranty and the Certified Development Company ("CDC"), a Section 504 ("504") program.

The 7(a) serves as the SBA's primary business loan program to help qualified small businesses obtain financing when they might not be eligible for business loans through normal lending channels. Loan proceeds under this program can be used for most business purposes including working capital, machinery and equipment, furniture and fixtures, land and building (including purchase, renovation and new construction), leasehold improvements and debt refinancing. Loan maturity is generally up to 10 years for working capital and up to 25 years for fixed assets. The 7(a) loan is approved and funded by a qualified lender, guaranteed by the SBA and subject to applicable regulations. The SBA typically guarantees 75%, and up to 85%, of the loan amount, depending on the loan size. The Company is required by the SBA to retain a contractual minimum of 5% on all SBA 7(a) loans. The SBA 7(a) loans are almost always variable interest rate loans. The servicing spread is a minimum of 1% on the majority of loans. Income recognized by the Company on the sales of the guaranteed portion of these loans and the ongoing servicing income received have in the past been significant revenue sources for the Company.

The 504 program is an economic development-financing program providing long-term, low downpayment loans to expanding businesses. Typically, a 504 project includes a loan secured from a private-sector lender with a senior lien, a loan secured from a CDC (funded by a 100% SBA-guaranteed debenture) with a junior lien covering up to 40% of the total cost, and a contribution of at least 10% equity from the borrower. Debenture limits are \$1.5 million for regular 504 loans, \$2 million for those 504 loans that meet a public policy goal and \$4 million for manufacturing entities.

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CWB also offers Business & Industry ("B & I") loans. These loans are similar to the SBA product, except they are guaranteed by the U.S. Department of Agriculture. The guaranteed amount is generally 80%. B&I loans are made to businesses in designated rural areas and are generally larger loans to larger businesses than the 7(a) loans. Similar to the SBA 7(a) product, they can be sold into the secondary market.

CWB also originates conventional and investor loans which are funded by our secondary-market partners for which the Bank receives a premium.

CWB originates SBA loans in the states of California, Alabama, Colorado, Florida, Georgia, North Carolina, Oregon, South Carolina, Tennessee and Washington. The SBA has designated CWB as a "Preferred Lender", such status being awarded on a national basis. As a Preferred Lender, CWB has been delegated the loan approval, closing and most servicing and liquidation authority responsibility from the SBA.

Mortgage Lending - CWB has a Wholesale and Retail Mortgage Loan Center. The Mortgage Loan Division originates residential real estate loans primarily in the California counties of Santa Barbara, Ventura and San Luis Obispo. Some retail loans not fitting CWB's wholesale lending criteria are brokered to other lenders. After wholesale origination, the real estate loans are sold into the secondary market.

Manufactured Housing - CWB has a financing program for manufactured housing to provide affordable home ownership to low to moderate-income families that are purchasing or refinancing their manufactured house. Initially, these loans were

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offered in CWB's primary lending areas of Santa Barbara, Ventura and San Luis Obispo counties. Over the last two years, the Company has expanded this program into Los Angeles, Orange, San Diego and Sacramento counties. The manufactured homes are located in approved mobile home parks. The parks must meet specific criteria and have amenities such as clubhouses, pools, common areas and be maintained in good to excellent condition. The manufactured housing loans are retained in CWB's loan portfolio.

### COMPETITION AND SERVICE AREA

The financial services industry is highly competitive with respect to both loans and deposits. Overall, the industry is dominated by a relatively small number of major banks with many offices operating over a wide geographic area. In the markets where the Company's banking branches are present, several de novo banks have increased competition. Some of the major commercial banks operating in the Company's service areas offer types of services that are not offered directly by the Company. Some of these services include leasing, trust and investment services and international banking. The Company has taken several approaches to minimize the impact of competitor's numerous branch offices and varied products. First, the Company through CWB provides courier services to business clients, thus discounting the need for multiple branches in one market. Second, through strategic alliances and correspondents, the Company provides a full complement of competitive services. Finally, one of CWB's strategic initiatives is to establish full-service branches or loan production offices in areas where there is a high demand for its lending products. In addition to loans and deposit services offered by CWB's five branches located in Goleta, Ventura, Santa Maria, Santa Barbara and Westlake Village California, a loan production office currently exists in Roseville, California and an SBA loan production office in the San Francisco Bay area. The Company also maintains SBA loan production offices in the states of Colorado, Florida, Georgia, North Carolina, South Carolina, Tennessee, Oregon and Washington.

Competition may adversely affect the Company's performance. The financial services' business in the Company's markets is highly competitive and becoming increasingly more so due to changing regulations, technology and strategic consolidations amongst other financial service providers. Other banks, credit unions and specialty financial services companies may have more capital than the Company and can offer trust services, leasing and other financial products to the Company's customer base. When new competitors seek to enter one of the Company's markets, or when existing market participants seek to increase their market share, they sometimes undercut the pricing or credit terms prevalent in that market. Increasing levels of competition in the banking and financial services' businesses may reduce our market share or cause the prices to fall for which the Company can charge for products and services.

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### GOVERNMENT POLICIES

The Company's operations are affected by various state and federal legislative changes and by policies of various regulatory authorities, including those of the states in which it operates and the U.S. government. These policies include, for example, statutory maximum legal lending rates, domestic monetary policies by the Board of Governors of the Federal Reserve System, U.S. fiscal policy, U.S. Patriot Act and capital adequacy and liquidity constraints imposed by bank regulatory agencies. Changes in these laws, regulations and policies may greatly affect our operations. See "Item 1A Risk Factors - Curtailment of Government Guaranteed Loan Programs Could Affect a Segment of the Company's Business" and "Item 7 Management's Discussion and Analysis of Financial Condition and Results of Operations - Supervision and Regulation."

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### EMPLOYEES

As of December 31, 2006, the Company had 154 full-time and 9 part-time employees. The Company's employees are not represented by a union or covered by a collective bargaining agreement. Management of the Company believes that, in general, its employee relations are good.

### ITEM 1A. RISK FACTORS

Investing in our common stock involves various risks which are particular to our company, our industry and our market area. Several risk factors regarding investing in our common stock are discussed below. This listing should not be considered as all-inclusive. If any of the following risks were to occur, we may not be able to conduct our business as currently planned and our financial condition or operating results could be negatively impacted.

#### RISK DUE TO ECONOMIC CONDITIONS DUE TO CHANGES IN INTEREST RATES OR THE ECONOMY IN THE AREAS WE SERVE

The Federal Reserve Board ("FRB") has continued its efforts to prevent/slow inflation and to maintain a stable price environment as the economy enters the fifth year of economic expansion. During 2006, the FRB raised the target federal funds rate from 4.25% to 5.25%, an increase of 1.00%. This target rate has remained at 5.25% since June 2006. Typically, rate increases enhance net interest income for asset-sensitive financial institutions.

#### RISK DUE TO ECONOMIC CONDITIONS IN THE REGIONS THE COMPANY SERVES

The Company serves three primary regions. The Tri-Counties region which consists of San Luis Obispo, Santa Barbara and Ventura counties in the state of California, the SBA Western Region where CWB originates SBA loans (California, Colorado, Oregon and Washington) and the SBA Southeast Region (Alabama, Florida, Georgia, North and South Carolina and Tennessee). A downturn in the National economy or in any of the markets in the Company services may have a negative impact on the Company's future earnings or stock price.

#### FLUCTUATIONS IN INTEREST RATES MAY REDUCE PROFITABILITY

Changes in interest rates affect interest income, the primary component of the Company's gross revenue, as well as interest expense. The Company's earnings depend largely on the relationship between the cost of funds, primarily deposits and borrowings, and the yield on earning assets, primarily loans and investment securities. This relationship, known as the interest rate spread, is subject to fluctuation and is affected by the monetary policies of the Federal Reserve Board, the international interest rate environment, as well as by economic, regulatory and competitive factors which influence interest rates, the volume and mix of interest-earning assets and interest-bearing liabilities, and the level of nonperforming assets. Many of these factors are beyond the Company's control. Fluctuations in interest rates also affect the demand of customers for products and services. As interest rates change, the Company expects to periodically experience "gaps" in the interest rate sensitivities of its assets and liabilities. This means that either interest-bearing liabilities will be more sensitive to changes in market interest rates than interest-earning assets, or vice versa. In either event, changes in market interest rates may have a negative impact on the Company's earnings.

Changes in the level of interest rates also may negatively affect the Company's ability to originate loans, the value of these loans and the ability to realize gains from the sale of loans, all of which ultimately affect earnings. A decline in the market value of the Company's assets may limit its ability to borrow additional funds. As a result, the Company could be required to sell some of

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its loans and investments under adverse market conditions, under terms that are not favorable, in order to maintain liquidity. If those sales are made at prices lower than the amortized costs of the investments, losses may be incurred. See additional discussion on interest rate risk in "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity Management - Interest Rate Risk."

### COMPETITION WITH OTHER BANKING INSTITUTIONS COULD ADVERSELY AFFECT PROFITABILITY

The banking industry is highly competitive. The Company faces increased competition not only from other financial institutions within the markets it serves, but deregulation has resulted in competition from companies not

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typically associated with financial services as well as companies accessed through the internet. As a community bank, the Company attempts to combat this increased competition by developing and offering new products and increased quality of services. Ultimately, competition can drive down the Company's interest margins and reduce profitability and make it more difficult to increase the size of the loan portfolio and deposit base.

### CHANGES IN THE REGULATORY ENVIRONMENT

The financial services industry is heavily regulated. The Company is subject to federal and state regulation designed to protect the deposits of consumers, not to benefit shareholders. These regulations include the following:

- the amount of capital the Company must maintain
- the types of activities in which it can engage
- the types and amounts of investments it can make
- the locations of its offices
- insurance of the Company's deposits and the premiums paid for this insurance
- how much cash the Company must set aside as reserves for deposits

The regulations impose limitations on operations and may be changed at any time, possibly causing future results to vary significantly from past results. Government policy and regulation, particularly as implemented through the Federal Reserve System, significantly affects credit conditions. See "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Supervision and Regulation."

### BANK REGULATIONS COULD DISCOURAGE CHANGES IN THE COMPANY'S OWNERSHIP

Bank regulations could delay or discourage a potential acquirer who might have been willing to pay a premium price to acquire a large block of common stock. That possibility might decrease the value of the Company's common stock and the price that a stockholder will receive if shares are sold in the future. Before anyone can buy enough voting stock to exercise control over a bank holding company like CWBC, bank regulators must approve the acquisition. A stockholder must apply for regulatory approval to own 10 percent or more of the Company's common stock, unless the stockholder can show that they will not actually exert control over the Company. No single stockholder can own more than 25 percent of the Company's common stock without applying for regulatory approval.

### THE PRICE OF THE COMPANY'S COMMON STOCK MAY CHANGE RAPIDLY AND SIGNIFICANTLY

The market price of the Company's common stock could change rapidly and significantly at any time. The market price of the Company's common stock has fluctuated in recent years. Fluctuations may occur, among other reasons, in

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response to:

- short-term or long-term operating results
- perceived strength of the banking industry in general
- the Company's relatively low public float and thinly-traded stock
- perceived value of the Company's loan portfolio
- trends in the Company's nonperforming assets
- legislative/regulatory action or adverse publicity
- announcements by competitors
- economic changes and general market conditions

The trading price of the Company's common stock may continue to be subject to wide fluctuations in response to the factors set forth above and other factors, many of which are beyond the Company's control. The stock market can experience extreme price and trading volume fluctuations that often are unrelated or disproportionate to the operating performance of individual companies. The Company believes that investors should consider the likelihood of these market fluctuations before investing in the Company's common stock.

### DEPENDENCE ON REAL ESTATE CONCENTRATED IN THE STATE OF CALIFORNIA

Approximately \$174 million, or 38.2%, of the loan portfolio of the Company is secured by various forms of real estate, including residential and commercial real estate. A decline in current economic conditions or rising interest rates could have an adverse effect on the demand for new loans, the ability of borrowers to repay outstanding loans and the value of real estate and other collateral securing loans. The real estate securing the Company's loan portfolio is concentrated in California. If real estate values decline significantly, especially in California, the change could harm the financial condition of the Company's borrowers, the collateral for its loans will provide less security and the Company would be more likely to suffer losses on defaulted loans.

### CURTAILMENT OF GOVERNMENT GUARANTEED LOAN PROGRAMS COULD AFFECT A SEGMENT OF THE COMPANY'S BUSINESS

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A major segment of the Company's business consists of originating and periodically selling government guaranteed loans, in particular those guaranteed by the SBA. From time to time, the government agencies that guarantee these loans reach their internal limits and cease to guarantee loans. In addition, these agencies may change their rules for loans or Congress may adopt legislation that would have the effect of discontinuing or changing the programs. Non-governmental programs could replace government programs for some borrowers, but the terms might not be equally acceptable. Therefore, if these changes occur, the volume of loans to small business, industrial and agricultural borrowers of the types that now qualify for government guaranteed loans could decline. Also, the profitability of these loans could decline. As the funding of the guaranteed portion of 7(a) loans is a major portion of the Company's business, the long-term resolution to the funding for the 7(a) loan program may have an unfavorable impact on the Company's future performance and results of operations.

### RESERVE FOR CREDIT LOSSES MAY NOT BE ADEQUATE TO COVER ACTUAL LOAN LOSSES

The risk of nonpayment of loans is inherent in all lending activities, and nonpayment, if it occurs, may have an adverse effect on the Company's financial condition or results of operation. The Company maintains a reserve for credit losses to absorb estimated probable credit losses inherent in the loan and commitment portfolios as of the balance sheet date. In determining the level of



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the reserve for credit losses, management makes various assumptions and judgments about the loan portfolio. If management's assumptions are incorrect, the reserve for credit losses may not be sufficient to cover losses, which could adversely affect the Company's financial condition or results of operations.

### ENVIRONMENTAL LAWS COULD FORCE THE COMPANY TO PAY FOR ENVIRONMENTAL PROBLEMS

When a borrower defaults on a loan secured by real property, the Company generally purchases the property in foreclosure or accepts a deed to the property surrendered by the borrower. The Company may also take over the management of commercial properties when owners have defaulted on loans. While CWB has guidelines intended to exclude properties with an unreasonable risk of contamination, hazardous substances may exist on some of the properties that it owns, manages or occupies. The Company faces the risk that environmental laws could force it to clean up the properties at the Company's expense. It may cost much more to clean a property than the property is worth. The Company could also be liable for pollution generated by a borrower's operations if the Company took a role in managing those operations after default. Resale of contaminated properties may also be difficult.

### OPERATIONAL RISK

Operational risk represents the risk of loss resulting from the Company's operations, including but not limited to, the risk of fraud by employees or persons outside the Company, the execution of unauthorized transactions by employees, transaction processing errors and breaches of internal control system and compliance requirements. This risk of loss also includes the potential legal actions that could arise as a result of an operational deficiency or as a result of noncompliance with applicable regulatory standards, adverse business decisions or their implementation and customer attrition due to potential negative publicity.

Operational risk is inherent in all business activities and the management of this risk is important to the achievement of the Company's objectives. In the event of a breakdown in the internal control system, improper operation of systems or improper employee actions, the Company could suffer financial loss, face regulatory action and suffer damage to its reputation. The Company manages operational risk through a risk management framework and its internal control processes. While the Company believes that it has designed effective methods to minimize operational risks, there is no absolute assurance that business disruption or operational losses would not occur in the event of disaster.

### AN INFORMATION SYSTEMS INTERRUPTION OR BREACH IN SECURITY MIGHT RESULT IN LOSS OF CUSTOMERS

The Company relies heavily on communications and information systems to conduct business. In addition, it relies on third parties to provide key components of information system infrastructure, including loan, deposit and general ledger processing, internet connections, and network access. Any disruption in service of these key components could adversely affect the Company's ability to deliver products and services to customers and otherwise to conduct operations. Furthermore, any security breach of information systems or data, whether managed by the Company or by third parties, could harm its reputation or cause a decrease in the number of its customers.

### DEPENDENCE ON TECHNOLOGY AND TECHNOLOGICAL IMPROVEMENTS

The financial services' industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. In addition, to better serve customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Many of our competitors have substantially greater resources to invest in technological

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improvements. The Company faces the risk of having to keep up with the rapid changes.

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ITEM 1B. UNRESOLVED STAFF COMMENTS  
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Not applicable.

ITEM 2. DESCRIPTION OF PROPERTY  
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The Company owns the property on which the CWB full-service branch office is located in Goleta, California.

All other property is leased by the Company, including the principal executive office in Goleta. This facility houses the Company's corporate offices, comprised of various departments, including executive management, electronic business services, finance, human resources, information technology, loan operations, marketing, the mortgage loan division, SBA administration, risk management and special assets.

The Company continually evaluates the suitability and adequacy of the Company's offices and has a program of relocating or remodeling them as necessary to maintain efficient and attractive facilities. Management believes that its existing facilities are adequate for its present purposes.

ITEM 3. LEGAL PROCEEDINGS  
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The Company is involved in various litigation of a routine nature that is being 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 litigation matters will not have a material impact on the Company's financial position or results of operations.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.  
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None.

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### PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY, RELATED SHAREHOLDER  
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MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES  
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#### 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:

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	2006 Quarters				2005 Quarters			
	Fourth	Third	Second	First	Fourth	Third	Second	First
Stock Price Range:								
High	\$ 15.99	\$16.00	\$ 16.00	\$14.44	\$ 14.40	\$12.57	\$ 13.50	\$15.30
Low	15.00	15.17	14.05	13.85	12.25	12.20	12.00	11.00
Cash Dividends								
Declared	\$ .06	\$ .06	\$ .06	\$ .05	\$ .05	\$ .05	\$ .05	\$ .04

As of March 22, 2007, the year to date high and low stock sales prices were \$16.00 and \$15.50, respectively. As of March 22, 2007, the last reported sale price per share for the Company's common stock was \$15.75.

As of March 22, 2007, the Company had 363 stockholders of record of its common stock.

It is the Company's intention to declare and pay dividends quarterly. The primary source of funds for dividends paid to shareholders is 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 "Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations - Supervision and Regulation -CWBC - Limitations on Dividend Payments."

Securities Authorized for Issuance Under Equity Compensation Plans

The following table summarizes the securities authorized for issuance as of December 31, 2006:

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 issuance under compensation plans (excluding securities reflected in column (a))
	(a)	(b)	(c)
Plans approved by shareholders	497,207	\$7.86	833,851
Plans not approved by shareholders	-	N/A	-
Total	497,207	7.86	833,851

As of January 23, 2007, Community West Bancshares 1997 Stock Option Plan expired. Of the 833,851 options, 349,351 were associated with the 1997 expired plan leaving 484,500 options available for future grants under the Community West Bancshares 2006 Stock Option Plan.

STOCK PERFORMANCE GRAPH

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The following graph presents the cumulative, five-year total return for the Company's Common Stock compared with the Nasdaq Total Return Index, a broad market index of stocks traded on the Nasdaq Composite Index and the SNL Securities Index of banks having under \$500 million in total assets, which the Company believes is representative of peer issuers. The graph assumes an initial investment of \$100 in each of the Company's Common Stock, the securities underlying the Nasdaq Total Return Index and the securities underlying the SNL Index for Banks on December 31, 2001, and that all dividends were reinvested. This graph shall not be deemed incorporated

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by reference by any general statement incorporating by reference this report into any filing under the Securities Act or under the Exchange Act, except to the extent that the Company specifically incorporates this information by reference, and shall not otherwise be deemed filed under such Acts.

[GRAPHIC OMITTED]

INDEX	12/31/01	12/31/02	12/31/03	12/31/04	12/31/05	12/31/06
Community West Bancshares	100.00	78.17	150.00	227.32	241.65	272.30
NASDAQ Composite	100.00	68.76	103.67	113.16	115.57	127.58
SNL						