



PUBLIC DISCLOSURE

December 05, 2016

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

Community West Bank, National Association
Charter Number 21699

445 Pine Avenue
Goleta, CA 93117

Office of the Comptroller of the Currency
Los Angeles Field Office
550 North Brand Boulevard, Suite 500
Glendale, CA 91203

NOTE: This document is an evaluation of this institution's record of meeting the credit needs of its entire community, including low- and moderate-income neighborhoods consistent with safe and sound operation of the institution. This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion, or opinion of the federal financial supervisory agency concerning the safety and soundness of this financial institution.

INSTITUTION'S CRA RATING: This institution is rated Satisfactory.

The Lending Test is rated: Satisfactory.

The Community Development Test is rated: Outstanding.

- Community West Bank, N.A.'s (CWB or the bank) loan-to-deposit ratio is more than reasonable, given the bank's size, financial condition and business strategy.
- The bank originated a majority of its loans within its delineated assessment areas (AAs).
- Overall, the bank's performance reflects a reasonable penetration of loans to borrowers of different incomes and businesses of different sizes in the Santa Barbara County AA and the Ventura County AA and meets the standard for satisfactory performance.
- Overall, the geographic distribution of the bank's loans meets the standard for satisfactory performance with reasonable dispersion in low- and moderate-income (LMI) census tracts in the Santa Barbara County AA and excellent dispersion in the Ventura County AA.
- CWB's community development (CD) performance demonstrates excellent responsiveness to CD needs in its AAs through qualified CD loans, investments, and services.

Scope of Examination

This performance evaluation (PE) assesses the Community Reinvestment Act (CRA) performance of CWB using Intermediate Small Bank CRA examination procedures. We performed a full-scope examination of the bank's two AAs – Santa Barbara County and Ventura County. For the lending test, we evaluated the bank's small business and Home Mortgage Disclosure Act (HMDA) lending activity from January 1, 2014 through December 31, 2015. Specifically, our analysis included commercial real estate, commercial business, home purchase and home refinance loans. In concluding on the bank's lending performance, we placed more weight on home mortgage loans since this is a significant need in the bank's AAs. For the CD test, we evaluated the bank's qualified CD activities from December 10, 2013 through December 5, 2016. This included CD loans, services and investments/donations.

Prior to this CRA evaluation, we tested the accuracy of the bank's publicly filed information on home mortgage loans and loans to small businesses. The data we reviewed was collected and reported by the bank over the evaluation period. The testing indicated no substantive inaccuracies in the data. Therefore, we concluded that the data could be relied upon for this examination.

In addition, CD loans, investments, and services made or rendered during the evaluation period were reviewed to determine their eligibility for consideration. In this review, we included all activities found to meet the definition of CD.

Description of Institution

CWB is an intrastate full-service community bank headquartered in Goleta, California. CWB was chartered in August 1989 as Goleta National Bank. Community West Bancshares, which is a one-bank holding company, acquired the bank in 1997 and has 100 percent ownership. In September 2004, Goleta National Bank's name was changed to Community West Bank, N.A.

CWB operates five full-service branches located in Santa Barbara and Ventura Counties. This includes the cities of Goleta, Westlake Village, Santa Barbara, Santa Maria and Ventura. The bank opened a new branch in San Luis Obispo in November 2016 that is located in what will be the bank's third assessment area. Another branch will be opened in Oxnard in January 2017, and will be located in Ventura County. The bank has automated teller machines (ATMs) at all branch locations. The bank also operates four California-based mortgage loan offices located in Goleta, Santa Barbara, Santa Maria, and Ventura. During the evaluation period, the bank did not close any branch locations. CWB serves customers through four business units: Community Banking, Residential Lending, Small Business Administration (SBA) Lending, and Agricultural Lending.

In August 2015, CWB made the decision to exit the residential mortgage lending line of business in order to concentrate lending efforts on financing manufactured homes in mobile home parks in the bank's AAs and other coastal cities in California. The bank offers loans on manufactured homes located in Santa Barbara County, Ventura County, San Luis Obispo, and communities located along the coast from San Diego to San Francisco. Management has determined that there are 280 mobile home parks in the coastal cities. Of these, 76 (or 27 percent) of the mobile home parks are in the bank's AAs.

CWB is both a SBA and Farmer Mac and Farm Services Agency (FSA) approved lender. In 1995, the SBA designated the bank as a "Preferred Lender." The bank offers 7(a) Loan Guaranty and 504 Certified Development Company SBA loan products. In 2015, the bank also saw a need for small farm lending since small farms are largely unbanked. The FSA's guaranteed loans provide lenders with a guarantee of up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. CWB is the number one FSA lender in California. However, we did not analyze farm lending in this review, since the bank is in the process of expanding this portfolio and the volume during 2014 and 2015 was insufficient to perform a meaningful analysis.

As of June 30, 2016, the bank had total assets of \$664 million, total loans of \$602 million, total deposits of \$592 million and tier one capital of \$68 million. Total loans represented 91 percent of total assets. The bank's primary lending products are manufactured housing and commercial real estate, including SBA and construction loans. The table below provides details on the composition of the loan portfolio.

Loan Portfolio Summary	
Loan Category	% of Outstanding Dollars
Commercial Real Estate	33.97
Real Estate Construction & Land Development	4.09
All Other Real Estate Loans including Farmland and Multifamily	12.06
1-4 Family Residential (includes manufactured home loans with RE)	8.14
Consumer Loans (includes manufactured home loans without RE)	32.69
Commercial & Industrial	8.58
Agricultural	0.47

The bank has no financial impediments that would affect its ability to meet the credit needs of its AAs.

The bank received a "Satisfactory" rating at the prior Intermediate Small Bank CRA examination performed December 9, 2013.

Description of Assessment Areas

The bank has two AAs, consisting of two contiguous California Metropolitan Statistical Areas (MSAs). These are the Santa Barbara-Santa Maria-Goleta MSA (Santa Barbara County AA) and the Oxnard-Thousand Oaks-Ventura MSA (Ventura County AA). Both of the designated AAs meet regulatory requirements and do not arbitrarily exclude LMI geographies or individuals.

CWB operates in a highly competitive banking environment in both AAs. The most recent Deposit Market Share Report dated June 30, 2015, shows 21 institutions operating 105 branches within the Santa Barbara County AA and 26 institutions operating 178 branches in the Ventura County AA. CWB operates three branches in Santa Barbara County and two branches in Ventura County. The bank's deposit market share was 3.21 percent for Santa Barbara County and 0.58 percent for Ventura County. The four largest banks in the AA hold a combined deposit market shares of 64 percent in Santa Barbara County and 69 percent in Ventura County. The major competing institutions in the AAs include Union Bank, N.A.; Wells Fargo Bank, N.A.; Bank of America, N.A.; JP Morgan Chase Bank, N.A.; and Rabobank, N.A.

We contacted a community contact in each of the AAs and reviewed four other community contacts performed in 2015. These contacts indicated there are significant credit and CD needs in both AAs. These needs include the following:

- Affordable housing, including loans for housing stock and loans to LMI families;
- Basic goods for survival, such as food, clothing, and other supplies;

- Services for LMI families, including child-safe places, crisis hotlines, youth intervention programs, access to healthcare, job training, and preparation for job interviews;
- Loans for start-up businesses; and
- Seminars for small businesses, including how to monitor inventory, how to train employees, and how to expand globally.

Santa Barbara County Assessment Area

The bank has designated the entire Santa Barbara-Santa Maria-Goleta MSA (Santa Barbara County) as one of its AAs. The AA consists of 89 census tracts; of these census tracts, nine percent are low-income and 25 percent are moderate-income. The following chart provides demographic information for the Santa Barbara County AA:

Demographic Information for Santa Barbara County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	89	8.99	24.72	28.09	35.96	2.25
Population by Geography	423,895	10.48	25.09	31.38	33.04	0.00
Owner-Occupied Housing by Geography	76,757	2.85	15.09	34.95	47.11	0.00
Business by Geography	31,375	13.10	21.62	26.44	38.27	0.57
Farms by Geography	1,260	6.43	16.35	24.68	52.30	0.24
Family Distribution by Income Level	91,108	21.72	17.79	18.61	41.88	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	35,996	16.25	32.75	29.57	21.43	0.00
Median Family Income		\$69,190	Median Housing Value			\$603,239
FFIEC Adjusted Median Family Income for 2015		\$75,400	Unemployment Rate (Dec. 2015 Bureau of Labor and Statistics)			5.6%
Households Below Poverty Level		12%				

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2010 US Census and 2015 FFIEC updated MF1

The Santa Barbara economy is in recovery. The mild climate, scenic coastline, and mountains make the county a popular tourist and recreational area. The leading industries in Santa Barbara County are state and federal government, restaurants, farm, and fishing and hunting. The largest employers are University of California, Santa Barbara; Vandenberg Air Force Base; County of Santa Barbara; Santa Barbara Cottage Hospital; and Santa Barbara City College. Unemployment is seasonal, due to the large share of employment in farming. Unemployment in December 2015 was 5.6 percent, but ranged during the year between 4.5 percent and 6.6 percent.

Housing affordability remains an ongoing problem in the AA. Santa Barbara home values have continued their steady rise since early 2012. Based on 2010 census data, the median housing value was \$603,239. The California Association of Realtors data notes the 2015 median sales price of housing was \$696,725. The FFIEC adjusted median family income for 2015 was \$75,400. Among the total population of 423,895 in the AA, 12 percent of households are living below the poverty level.

Ventura County Assessment Area

The bank has designated the entire Oxnard-Thousand Oaks-Ventura MSA (Ventura County) as a separate AA. The AA consists of 174 census tracts; of which five percent are low-income census tracts and 26 percent are moderate-income census tracts. The following chart provides demographic information for the Ventura County AA.

Demographic Information Ventura County						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	174	5.17	26.44	39.66	27.59	1.15
Population by Geography	823,318	5.38	26.09	40.80	27.72	0.01
Owner-Occupied Housing by Geography	175,452	1.92	17.13	43.17	37.79	0.00
Business by Geography	63,813	3.41	18.72	44.63	33.24	0.00
Farms by Geography	1,796	5.68	25.50	44.38	24.44	0.00
Family Distribution by Income Level	195,579	21.43	17.35	20.51	40.71	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	75,845	8.90	35.83	38.52	16.76	0.00
Median Family Income		\$84,364	Median Housing Value			\$558,324
FFIEC Adjusted Median Family Income for 2015		\$85,300	Unemployment Rate (Dec. 2015 Bureau of Labor Statistics)			5.5%
Households Below Poverty Level		8%				

(*) The NA category consists of geographies that have not been assigned an income classification.
 Source: 2010 US Census and 2015 FFIEC updated MFI

Ventura County is one of 58 counties in the State of California. The county includes 42 miles of coastline and the Los Padres National Forest. The unincorporated areas, along with the ten incorporated cities of Camarillo, Fillmore, Moorpark, Ojai, Oxnard, Port Hueneme, Santa Paula, Simi Valley, Thousand Oaks, and San Buenaventura (Ventura), ranks Ventura County as the 11th most populous county in the state.

Ventura County has an economic base that includes major industries such as biotechnology, agriculture, advanced technologies, oil production, military testing and development, and tourism. Port Hueneme is California’s smallest but only deep-water port between Los Angeles and San Francisco and plays a major role in the local economy. The United States military is the largest employer in the county. The County of Ventura is the next largest employer. The unemployment rate as of December 2015 was 5.5 percent.

Housing affordability continues to be an issue in Ventura County. The economy in Ventura has been slow to recover over the past several years. Current data indicates the sectors that are growing tend to be lower-paying jobs. Few homes are being built due to the county’s SOAR (Save Open-Space and Agricultural Resources) ordinance which makes the approval process difficult for new home construction. With population growth slowing, migration near zero, high housing costs, and few new housing units, economists predict continued slow economic growth. The median housing value based on 2010 Census data was \$558,324. The median sales price in 2015 averaged \$606,000 based on data from the California Association of Realtors.

The FFIEC 2015 adjusted median family income for the area is \$85,300. Among the total population of 823,318 in the AA, eight percent of households are living below the poverty line.

Conclusions with Respect to Performance Tests

LENDING TEST

The bank’s performance under the lending test is satisfactory. Overall, CWB’s lending activity reasonably meets the credit needs of its delineated AAs. The bank exceeds the standard on one test and meets the standards for satisfactory performance on three tests.

Loan-to-Deposit Ratio

CWB’s loan-to-deposit (LTD) ratio exceeds the standard for satisfactory performance. The bank’s LTD ratio is more than reasonable given the bank’s size and financial condition, as well as the credit needs of the AAs. The quarterly average LTD ratio for the previous 13 quarters ending June 30, 2016, was 102 percent.

The bank’s average LTD ratio compares favorably to other financial institutions of similar size, AA demographics and/or lending products. For the purpose of this evaluation, we compared eight similarly situated banks. The LTD ratios ranged from 76 percent to 105 percent.

Lending in Assessment Areas

CWB’s lending in the AAs is reasonable and meets the standard for satisfactory performance. The majority of the bank’s loans were made inside the bank’s delineated AAs, both by number and dollar volume. CWB originated or purchased 66 percent of the number of loans and 69 percent of the dollar volume of loans in its AAs. See Table 1 for details.

Table 1 - Lending in Santa Barbara and Ventura Assessment Areas										
Loan Type	Number of Loans					Dollars of Loans				
	Inside		Outside		Total	Inside		Outside		Total
	#	%	#	%		\$	%	\$	%	
Home Purchase	191	54%	163	46%	354	40,889	57%	30,542	43%	71,431
Home Refinance	105	68%	49	32%	154	30,381	79%	8,286	21%	38,667
Small Business	217	81%	50	19%	267	64,290	74%	22,996	26%	87,286
Total	513	66%	262	34%	775	135,560	69%	61,824	31%	197,384

Source: Bank Loan Data

Lending to Borrowers of Different Incomes and to Businesses of Different Sizes

Overall, the bank's lending to borrowers of different incomes and businesses of different sizes reflects reasonable penetration of loans to LMI individuals and meets the standards for satisfactory performance. CWB's lending performance reflects reasonable penetration when compared to area demographics for both AAs, as well as taking into consideration the following performance context factors.

Data indicates the percentage of home mortgage loans to low-income borrowers is well below the demographic comparator. Factors that contribute to this include the competitive environment in which the bank operates. CWB holds a small percentage of the deposit share in each AA, where larger nationwide institutions hold the majority of deposits. The larger banks that compete for deposits also compete for home mortgage loans to qualified low-income borrowers. In addition, the income gap between what low-income families earn and the cost of housing, coupled with the lack of affordable housing stock, present a significant challenge in both of the bank's AAs.

Data also indicates the percentage of loans to businesses that are small is well below the demographics for both AAs. Factors that contributed to this include the fact that the bank did not have a commercial lender at all times during the review period. Management stated that it has been difficult to hire and retain qualified commercial lenders due to the high cost of living in the AAs. The difficult commute for individuals who live outside the AAs, further impedes recruitment of qualified lenders. As a result, during the review period, there were times when the bank did not have a commercial lender in a particular branch. In addition, Dun and Bradstreet available data includes a segment of start-up high tech businesses which have been growing steadily in the Goleta area. Start-up businesses are typically funded by venture capital and not bank financing.

Performance in the Santa Barbara County AA

Residential Home Loans

Overall, the bank's distribution of residential home loans in the Santa Barbara AA reflects a reasonable penetration of loans to LMI borrowers. The data reflects the distribution of both home purchase and home refinance loans to low-income families in the Santa Barbara County AA is well below the demographic comparator. However, this is mitigated by the high cost of housing which makes it difficult for a low-income family earning less than \$38,000 to purchase and own a home in Santa Barbara County, where the average sales price is \$696,725. In addition, affordable housing stock is limited due to the housing crunch, which is prevalent in almost every major city in California. CWB has made an effort to meet the affordable housing needs of the AA by providing loans for manufactured housing. During the review period, the bank originated 22 manufactured housing loans for home purchase and home refinance to low-income families in the Santa Barbara AA (these loans are reflected in the HMDA data). Furthermore, the data reflects excellent distribution of home purchase loans and adequate distribution of home refinance loans to moderate-income families.

Table 2 - Borrower Distribution of Residential Home Loans in the Santa Barbara AA										
Borrower Income Level	Low		Moderate		Middle		Upper		Below Poverty Level	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	22%	4%	18%	19%	19%	37%	42%	39%	9%	1%
Home Refinance	22%	4%	18%	12%	18%	22%	42%	57%	9%	5%

Sources: 2010 U.S. Census and Bank Reported 2014-2015 HMDA-LAR information

Small Business Loans

The bank’s distribution of loans to businesses of different sizes reflects reasonable penetration of loans to businesses that are small (businesses with revenues less than or equal to \$1 million), given the bank’s performance context and consistent with safe and sound banking operations. Table 2A below shows the percentage of loans to these businesses both by number and dollar volume is well below the demographic comparator. However, as noted in the summary above, there were factors which hampered the bank’s ability to originate a significant number of small business loans. Data indicates the bank only made 67 small business loans during the entire review period and just under half were to businesses that were small.

Table 2A - Borrower Distribution of Loans to Businesses in Santa Barbara AA				
Business Revenues (or Sales)	□\$1,000,000	>\$1,000,000	Unavailable/ Unknown	Total
% of AA Businesses	78%	5%	17%	100%
% of Bank Loans in AA by #	46%	52%	2%	100%
% of Bank Loans in AA by \$	38%	62%	0%	100%

Source: D&B as of June 2015 and bank reported data.

Performance in the Ventura County AA

Residential Home Loans

Overall, the distribution of home mortgage loans to LMI families in the Ventura County AA reflects reasonable penetration to low-income families and excellent penetration to moderate-income families. The data reflects penetration of both home purchase and home refinance loans to low-income families in this AA is well below the demographic comparator. However, this is mitigated by the high cost of housing which makes it difficult for a low-income family earning less than \$43,000 to purchase and own a home in this AA where the median home price is \$606,000. CWB made an effort to meet the affordable housing needs of the AA by offering loans for manufactured housing. During this review period, the bank made 23 manufactured housing loans for home purchase and home refinance to low-income families in the Ventura County AA (these loans are reflected in the HMDA data). In addition, the percentage of the bank’s loans for both home purchase and home refinance loans significantly exceeds the demographic comparators, reflecting excellent distribution of home mortgage loans to moderate-income families.

Table 2B - Borrower Distribution of Residential Home Loans in the Ventura County AA										
Borrower Income Level	Low		Moderate		Middle		Upper		Below Poverty Level	
Loan Type	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans	% of AA Families	% of Number of Loans
Home Purchase	21%	7%	17%	37%	21%	30%	41%	22%	7%	3%
Home Refinance	21%	6%	17%	39%	21%	22%	41%	23%	7%	10%

Sources: 2010 U.S. Census and Bank Reported 2014-2015 HMDA-LAR information.

Small Business Loans

The bank’s distribution of loans to businesses of different sizes reflects reasonable penetration of loans to businesses that are small, given the bank’s performance context and consistent with safe and sound banking operations. As noted below, the percentage of loans both by number and dollar volume is well below the demographic comparator. However, as noted in the summary above, there were factors which hampered the bank’s ability to originate a significant number of small business loans. Data indicates the bank only made 150 small business loans during the entire review period and just under half were to businesses that were small. See Table 2C for details.

Table 2C - Borrower Distribution of Loans to Businesses in Ventura AA				
Business Revenues (or Sales)	≤\$1,000,000	>\$1,000,000	Unavailable/Unknown	Total
% of AA Businesses	81%	5%	14%	100%
% of Bank Loans in AA by #	49%	51%	0%	100%
% of Bank Loans in AA by \$	52%	48%	0%	100%

Source: D&B as of June 2015 and data collected by the bank.

Geographic Distribution of Loans

The overall performance for geographic distribution of loans reflects reasonable dispersion of loans in LMI census tracts with no unexplainable gaps, and meets the standards for satisfactory performance. Data reflects poor dispersion of residential loans and reasonable dispersion of loans to businesses in LMI census tracts in the Santa Barbara AA. However, in the Ventura County AA, geographic distribution of both residential and loans to businesses in LMI census tracts exceeds the demographic comparators reflecting excellent dispersion throughout that AA.

Performance in the Santa Barbara County AA

Residential Home Loans

The geographic distribution of residential home loans reflects poor dispersion of both home purchase and home refinance loans in LMI census tracts. Management has determined that this is due to the bank’s focus on manufactured housing. Since most of the mobile home parks in this AA are located in middle-income census tracts, this affects the geographic distribution of the HMDA reported loans. See Table 3 for additional details.

Table 3 - Geographic Distribution of Residential Home Loans in the Santa Barbara AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	3%	0%	15%	11%	35%	64%	47%	25%
Home Refinance	3%	1%	15%	8%	35%	41%	47%	50%

Sources: 2010 U.S. Census and Bank Reported 2014-2015 HMDA-LAR information

Small Business Loans

The geographic distribution of loans to businesses in LMI census tracts reflects reasonable dispersion throughout the Santa Barbara AA. The dispersion of loans to businesses is below the demographic comparator for loans in low-income census tracts. However, the dispersion of small business loans in moderate-income census tracts is significantly above the demographic comparator.

Table 3A - Geographic Distribution of Loans to Businesses in the Santa Barbara AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	13%	6%	22%	30%	27%	28%	38%	36%

Source: D&B as of June 2015 and data collected by the bank.

Performance in the Ventura County AA

Residential Home Loans

The geographic distribution of residential home loans in the Ventura County AA reflects excellent dispersion of both home purchase and home refinance loans in LMI census tracts. The distribution of home purchase loans significantly exceeds the demographic comparator for low-income census tracts and is near the demographic comparator for moderate-income census tracts. The distribution of home refinance loans significantly exceeds the demographic comparators in both LMI census tracts. See Table 3B for details.

Table 3B - Geographic Distribution of Residential Home Loans in the Ventura County AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans	% of AA Owner Occupied Housing	% of Number of Loans
Home Purchase	2%	3%	17%	16%	43%	63%	38%	18%
Home Refinance	2%	3%	17%	23%	43%	58%	38%	16%

Sources: 2010 U.S. Census and 2014-2015 Bank Reported HMDA-LAR information

Small Business Loans

The geographic distribution for small business loans reflects excellent dispersion of loans to businesses in LMI census tracts in Ventura County. CWB’s lending to businesses in both low- and moderate-income census tracts exceeds the demographic comparators. See Table 3C for details.

Table 3C - Geographic Distribution of Loans to Businesses in the Ventura AA								
Census Tract Income Level	Low		Moderate		Middle		Upper	
Loan Type	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans	% of AA Businesses	% of Number of Loans
Business Loans	3%	6%	19%	25%	45%	66%	33%	3%

Source: D&B as of June 2015 and data collected by the bank.

Responses to Complaints

The bank did not receive any CRA related complaints during the evaluation period.

COMMUNITY DEVELOPMENT TEST

CWB’s CD performance demonstrates excellent responsiveness to CD needs in its AAs through qualified CD loans, investments, and services, considering the bank’s capacity and the need and availability of such opportunities for CD in the bank’s AAs. The bank’s qualified CD activities directly responded to some of the most significant CD needs, which include affordable housing for LMI, food and basic necessities for LMI, and services for LMI, including healthcare, child-safe places, job counseling, and crisis hotlines. Overall, the bank provided over \$14 million in qualified CD loans, over \$6 million in qualified investments, and 217 hours of qualified community service.

Number and Amount of Community Development Loans

CWB’s qualified CD loans represent an excellent level of loans and reflect excellent responsiveness to the needs within both AAs. During the evaluation period, the bank made 11 loans totaling \$14.104 million to qualified CD service organizations in the Santa Barbara County and Ventura County AAs. These loans helped provide affordable housing for low-income families; extend community services to homeless individuals and welfare recipients; and support health care needs of low-income families.

Santa Barbara County AA

The bank made three loans totaling \$2.526 million to qualified organizations that provide CD services to LMI individuals. This represents a good level of CD loans in this AA. Specifically, these loans addressed the identified needs for affordable housing and basic necessities, including food, clothing, and other supplies for LMI individuals. The CD loans include the following:

- A loan totaling \$300 thousand to an organization that provides affordable housing for LMI individuals.
- Two loans totaling \$2.226 million to an organization that provides food, clothing and other commodities to approximately 17,000 people annually in the AA.

Ventura County AA

The bank originated eight qualified CD loans totaling \$11.6 million. This represents an excellent level of CD loans in this AA. The loans were made primarily to organizations that provide health services to LMI individuals and housing for LMI families. These loans include the following:

- Six loans totaling over \$10.8 million to an organization that provides health services to uninsured and underinsured LMI individuals.
- A loan totaling \$75 thousand to an organization that provides community services, including job training for low-income immigrant women and access to low-cost health services for underinsured LMI children.
- A loan totaling over \$677 thousand for a construction project that included affordable housing units for LMI individuals within the Ventura County AA.

Number and Amount of Qualified Investments

CWB's qualified CD investments represent an excellent level of investments and reflect excellent responsiveness to the CD needs within the AAs during the evaluation period. The bank made 30 qualified investments and donations totaling over \$6 million in the AAs, including prior period investments of \$2.884 million and new investments of \$3.233 million. This total includes donations of \$36 thousand during the review period to qualified CD organizations. These organizations provide affordable housing options or alternative housing for LMI individuals, food bank services for low-income or homeless individuals, and other CD services targeted to LMI individuals.

Santa Barbara County AA

During the review period, the bank provided 19 investments/donations totaling \$1.762 million in the Santa Barbara County AA. This represents a good level of CD investments in this AA. The majority of the investments helped provide affordable housing for LMI individuals. One investment, totaling \$500 thousand, provides down payment assistance to LMI borrowers who are purchasing a home. Donations to qualified community development organizations totaled \$24 thousand. The donations primarily helped provide services to LMI individuals and affordable housing for LMI families.

Ventura County AA

The bank provided 11 qualified investments/donations totaling \$4.336 million in the Ventura County AA. This represents an excellent level of CD investments in this AA. The majority of the investments, \$4.323 million, helped provide affordable housing for LMI. Nearly \$1.9 million was invested during the current review period.

The bank also donated \$12 thousand to qualified CD organizations that help provide medical services to LMI individuals.

Extent to Which the Bank Provides Community Development Services

Overall, CWB's qualified CD services demonstrate an adequate level of responsiveness to the needs within the AAs. We evaluated both the bank's retail banking services and CD services. Bank employees provided 217 hours of qualified CD services. Employees provided financial expertise by serving as board members for several CD organizations, provided financial and tax services to LMI individuals, and provided financial literacy education programs to LMI individuals.

Retail Banking Services

The distribution of the bank's branches and service delivery systems provides reasonable accessibility to individuals of different income levels in the bank's AAs. In the Santa Barbara County AA, the majority or 66 percent of the bank's branches are in LMI census tracts. This significantly exceeds the demographics, which indicates that 34 percent of the census tracts are LMI. None of the bank's branches in Ventura County are located in LMI census tracts. However, some are near LMI census tracts. In addition, the bank offers 24-hour banking services through on-site ATMs at all branch locations. Bank customers are also provided 24-hour access to their accounts via the bank's internet banking services.

Community Development Services

The bank's provision of CD services reflects an adequate level of responsiveness to the CD needs within the Santa Barbara County AA. Bank employees provided a total of 217 hours to four CD organizations. None of the hours were provided in the Ventura County AA. However, employees in Ventura County represent only 19 percent of total employees so there were significantly fewer human resources to provide CD services in this AA.

Santa Barbara County AA

During the review period, employees contributed 217 qualified hours to qualified CD organizations in Santa Barbara. This represents adequate responsiveness to the CD service needs in this AA. The services provided financial expertise through board membership for a housing corporation, a legal aid foundation, and a food bank. Bank employees also dedicated time to prepare tax returns for LMI individuals.

Ventura County AA

The bank did not provide any qualified CD service hours in the Ventura County AA during the review period.

Responsiveness to Community Development Needs

Overall, CWB demonstrated an excellent responsiveness to the CD needs in the AAs through qualified CD lending, investments, and services. The bank's CD loans and investments focused primarily on affordable housing and services to LMI individuals, which is a stated need in all of the bank's AAs. In addition, bank employees provided their financial expertise as board members. Employees also provided financial literacy training to LMI individuals which is another CD need identified through community contacts.

Fair Lending or Other Illegal Credit Practices Review

We found no evidence of discriminatory or other illegal credit practices inconsistent with helping to meet community credit needs.