

COMMUNITY WEST BANCSHARES /
Form 10-Q
August 01, 2016

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

FORM 10-Q
(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2016 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

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 incorporation or organization) (I.R.S. Employer Identification No.)

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

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 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 whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). YES NO

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

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock of the registrant issued and outstanding of 8,097,975 as of July 29, 2016.

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<p>The financial statements included in this Form 10-Q should be read in conjunction with Community West Bancshares’ Annual Report on Form 10-K for the fiscal year ended December 31, 2015.</p>	
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PART I – FINANCIAL INFORMATION

Item 1. Financial Statements

COMMUNITY WEST BANCSHARES
CONSOLIDATED BALANCE SHEETS

	June 30, 2016 (unaudited) (in thousands, except share amounts)	December 31, 2015
Assets:		
Cash and due from banks	\$ 2,646	\$ 2,768
Federal funds sold	19	21
Interest-earning demand in other financial institutions	24,504	32,730
Cash and cash equivalents	27,169	35,519
Money market investments	100	99
Investment securities - available-for-sale, at fair value; amortized cost of \$23,952 at June 30, 2016 and \$23,558 at December 31, 2015	24,008	23,441
Investment securities - held-to-maturity, at amortized cost; fair value of \$7,171 at June 30, 2016 and \$7,399 at December 31, 2015	6,774	7,025
Federal Home Loan Bank stock, at cost	2,070	1,886
Federal Reserve Bank stock, at cost	1,373	1,373
Loans:		
Held for sale, at lower of cost or fair value	60,086	64,488
Held for investment, net of allowance for loan losses of \$7,028 at June 30, 2016 and \$6,916 at December 31, 2015	504,740	472,058
Total loans	564,826	536,546
Other assets acquired through foreclosure, net	129	198
Premises and equipment, net	2,888	2,993
Other assets	13,287	12,133
Total assets	\$ 642,624	\$ 621,213
Liabilities:		
Deposits:		
Non-interest-bearing demand	\$ 83,524	\$ 76,469
Interest-bearing demand	250,036	250,509
Savings	14,173	13,690
Certificates of deposit (\$250 or more)	74,622	66,722
Other certificates of deposit	142,829	136,948
Total deposits	565,184	544,338
Other borrowings	10,500	10,500
Other liabilities	3,702	4,431
Total liabilities	579,386	559,269
Stockholders' equity:		
Common stock — no par value, 20,000,000 shares authorized; 8,097,975 shares issued and outstanding at June 30, 2016 and 8,205,858 at December 31, 2015	41,670	42,355
Retained earnings	21,535	19,657
Accumulated other comprehensive income (loss)	33	(68)
Total stockholders' equity	63,238	61,944

Total liabilities and stockholders' equity	\$ 642,624	\$ 621,213
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See the accompanying notes.

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COMMUNITY WEST BANCSHARES

CONSOLIDATED INCOME STATEMENTS (unaudited)

	Three Months		Six Months Ended	
	Ended June 30, 2016	2015	June 30, 2016	2015
	(in thousands, except per share amounts)			
Interest income:				
Loans, including fees	\$ 7,414	\$ 7,410	\$ 14,589	\$ 14,122
Investment securities and other	260	285	529	590
Total interest income	7,674	7,695	15,118	14,712
Interest expense:				
Deposits	704	569	1,355	1,174
Other borrowings	73	15	145	76
Total interest expense	777	584	1,500	1,250
Net interest income	6,897	7,111	13,618	13,462
Provision (credit) for loan losses	61	(584)	(186)	(1,552)
Net interest income after provision for loan losses	6,836	7,695	13,804	15,014
Non-interest income:				
Other loan fees	282	370	557	545
Document processing fees	136	131	251	223
Service charges	102	87	192	160
Other				