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

FORM 10-K

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

For the fiscal year ended December 31, 2025

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: 000-31977

COMMUNITY WEST BANCSHARES

(Exact name of registrant as specified in its charter)

California	**77-0539125**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
7100 N. Financial Dr., Suite 101, Fresno, CA	**93720**
(Address of principal executive offices)	(Zip Code)

559-298-1775
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Trading Symbol**	**Name of Each Exchange on which Registered**
Common Stock, no par value	CWBC	**NASDAQ** Capital Market

Securities registered pursuant to Section 12(g) of the Act: None

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 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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit). Yes ☐ No ☐

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

Large accelerated filer	☐	Accelerated filer	☐	Emerging growth company	☐
Non-accelerated filer	☐	Smaller reporting company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

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

As of **June 30, 2025**, the aggregate market value of the registrant's common stock held by non-affiliates of the registrant was $336,710,000 based on the price at which the stock was last sold on **June 30, 2025**.

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

Common Stock, No Par Value	**Outstanding at March 11, 2026**
	19,169,415 shares

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 2025 Annual Meeting of Shareholders to be held on May 27, 2026 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, 2025.

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Cautionary Note Regarding Forward-Looking Statements

Certain matters set forth herein (including any exhibits hereto) constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including forward-looking statements relating to the Company's current business plans and expectations regarding future operating results. Forward-looking statements may include, but are not limited to, the use of forward-looking language, such as "likely result in," "expects," "anticipates," "estimates," "forecasts," "projects," "intends to," or may include other similar words or phrases, such as "believes," "plans," "trend," "objective," "continues," "remains," or similar expressions, or future or conditional verbs, such as "will," "would," "should," "could," "may," "might," "can," or similar verbs. These forward-looking statements are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those projected. These risks and uncertainties, some of which are beyond our control, include, but are not limited to:

- current and future business, economic and market conditions in the United States generally or in the communities we serve, including the effects of declines in property values and overall slowdowns in economic growth should these events occur;
- inflationary pressures and changes in the interest rate environment that reduce our margins and yields, the fair value of financial instruments or our level of loan originations, or increase the level of defaults, losses and prepayments on loans we have made and make, whether held in the portfolio or in the secondary market;
- effects of and changes in trade, monetary and fiscal policies and laws, including the interest rate policies of the Federal Open Market Committee of the Federal Reserve Board;
- geopolitical and domestic political developments such as wars that can increase levels of political and economic unpredictability, contribute to rising energy and commodity prices, and increase the volatility of financial markets;
- changes in the level of nonperforming assets and charge offs and other credit quality measures, and their impact on the adequacy of our allowance for credit losses and our provision for credit losses;
- factors that can impact the performance of our loan portfolio, including real estate values and liquidity in our primary market areas, the financial health of our commercial borrowers, and the success of construction projects that we finance;
- the concentration of our loan portfolio in loans collateralized by residential and commercial real estate;
- our ability to achieve loan growth and attract deposits in our market area, the impact of the cost of deposits and our ability to retain deposits;
- liquidity issues, including fluctuations in the fair value and liquidity of the securities we hold for sale and our ability to raise additional capital, if necessary;
- continued or increasing competition from other financial institutions, credit unions, and non-bank financial services companies, many of which are subject to different or fewer regulations than we are;
- challenges arising from unsuccessful attempts to expand into new geographic markets, products, or services;
- restraints on the ability of Community West Bank to pay dividends to us, which could limit our liquidity;
- increased capital requirements imposed by banking regulators, which may require us to raise capital at a time when capital is not available on favorable terms or at all;
- inaccuracies in our assumptions about future events, which could result in material differences between our financial projections and actual financial performance;
- changes in our management personnel or our inability to retain, motivate and hire qualified management personnel;
- disruptions, security breaches, or other adverse events, failures or interruptions in, or attacks on, our information technology systems or the systems of third-party vendors who perform several of our critical processing functions;
- disruptions, security breaches, or other adverse events affecting the third-party vendors who perform several of our critical processing functions;
- an inability to keep pace with the rate of technological advances due to a lack of resources to invest in new technologies;
- risks related to the merger with United Security Bancshares, including, among others, 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, and deposit attrition;
- natural disasters, such as earthquakes, fires, drought, pandemic diseases (such as the coronavirus) 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;
- compliance with governmental and regulatory requirements, relating to banking, consumer protection, securities and tax matters; and
- our ability to the manage the foregoing.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this report. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by the forward looking statements in this report. In addition, our past results of operations are not necessarily indicative of our future results. You should not rely on any forward looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as

predictions of future events. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. Further information on other factors that could affect the financial results of the Company are included in Item 1A of this Annual Report on Form 10-K and in the Company's other filings with the Securities and Exchange Commission ("SEC"). These documents are available free of charge at the SEC website at *http://www.sec.gov*.

PART I

ITEM 1 - DESCRIPTION OF BUSINESS

General

Effective April 1, 2024, Central Valley Community Bancorp, completed its merger transaction with Community West Bancshares. Shortly thereafter, Community West Bank, a wholly owned subsidiary of Community West Bancshares, merged with and into Central Valley Community Bank, a wholly owned subsidiary of Central Valley Community Bancorp, with Central Valley Community Bank being the surviving banking institution. Effective with these mergers, the names of Central Valley Community Bancorp and Central Valley Community Bank were changed to Community West Bancshares and Community West Bank, respectively.

Community West Bancshares is a bank holding company registered under the Bank Holding Company Act of 1956, as amended (the "Company"). The Company was incorporated on February 7, 2000 as a California corporation, for the purpose of becoming the holding company for Community West Bank (the "Bank"), formerly known as Central Valley Community Bank, a California state chartered bank.

At December 31, 2025, the Bank was the only banking subsidiary of the Company. Today, the Bank operates full-service Banking Centers in California from Greater Sacramento in the north, throughout the San Joaquin Valley and west to the Central Coast. The Bank also maintains Commercial, Real Estate and Agribusiness Lending, as well as Private Banking and Cash Management Departments. The Company does not currently conduct any operations other than through the Bank. Unless the context otherwise requires, references to "us," "we," or "our" refer to the Company and the Bank on a consolidated basis. At December 31, 2025, we had consolidated total assets of approximately $3,690,317,000. See Items 7 and 8, Management's Discussion and Analysis of Financial Condition and Results of Operations, and Financial Statements.

The Company is regulated by the Board of Governors of the Federal Reserve System ("Federal Reserve"). The Bank is regulated by the California Department of Financial Protection and Innovation ("DFPI") and its primary Federal regulator is the Federal Deposit Insurance Corporation ("FDIC").

As of March 2, 2026, we had a total of 341 employees and 327 full time equivalent employees, including the employees of the Bank.

The Bank

The Bank was organized in 1979 and commenced business as a California state chartered bank in 1980. The deposits of the Bank are insured by the FDIC up to applicable limits. The Bank is not a member of the Federal Reserve System.

The Bank operates 26 full-service banking offices in Bakersfield, Clovis, Exeter, Folsom, Fresno, Goleta, Kerman, Lodi, Madera, Merced, Modesto, Oakhurst, Oxnard, Paso Robles, Prather, Roseville, Sacramento, San Luis Obispo, Santa Barbara, Santa Maria, Stockton, Ventura, and Visalia. The Bank conducts a commercial banking business, which includes accepting demand, savings and time deposits and making commercial, real estate and consumer loans. It also provides domestic and international wire transfer services and other customary banking services. The Bank also offers Internet Banking that consists of inquiry, account status, bill paying, account transfers, and cash management. The Bank does not offer trust services or international banking services and does not currently plan to do so in the near future. The Bank has a Real Estate Division, an Agribusiness Center, and an SBA Lending Division. The Real Estate Division processes or assists in processing the majority of the Bank's real estate related transactions, including interim construction loans for single family residences and commercial buildings. We offer permanent single family residential loans through our mortgage broker services. Our total market share of deposits in Fresno, Madera, San Joaquin, and Tulare counties was 4.41% in 2025 compared to 4.10% in 2024 based on FDIC deposit market share information published as of June 30, 2025. Our total market share in San Luis Obispo, Santa Barbara, and Ventura counties was 1.21%. Our total market share in the other counties we operate in (Placer, Sacramento, and Stanislaus), was less than 1.00% as of June 30, 2025 and 2024.

We have a diversified loan portfolio. At December 31, 2025, we had total loans, net of deferred fees of $2,540,570,000. Total commercial and industrial loans outstanding were $156,744,000, total agricultural land and production loans outstanding were $34,152,000, total real estate loans outstanding were $1,934,324,000, and total consumer loans outstanding were $415,350,000. Our secured loans are collateralized by one or more of the following: real estate, listed securities, savings and time deposits, automobiles, inventory, accounts receivable, manufactured housing, and machinery and equipment.

In addition to acquisitions, we have experienced organic growth by expanding our branch network. Management of the Bank analyzes its branch network on an ongoing basis to determine whether to open new branches, consolidate, or potentially eliminate existing branches in the future.

No individual or single group of related accounts is considered material in relation to the Bank's assets or deposits, or in relation to our overall business. We attract deposits from individual and commercial customers. No single customer or group of related customers' accounts for a material portion of our deposits such that the loss of any one or more would have a material adverse effect on our business. At December 31, 2025 approximately 76.1% of our loan portfolio held for investment consisted of loans secured by real estate, including construction loans, equity loans and lines of credit, and commercial loans secured by real estate. See Item 7 — Management's Discussion and Analysis of Financial Condition and Results of Operations. Currently, our business activities are primarily concentrated in Fresno, Kern, Madera, Merced, Placer, Sacramento, San Joaquin, San Luis Obispo, Santa Barbara, Stanislaus, Tulare, and Ventura Counties in California. Consequently, our results of operations and financial condition are dependent upon the general economic trends in our market area and, in particular, the residential and commercial real estate markets. Further, our concentration of operations in these markets exposes us to greater risk than other banking companies with a wider geographic base.

Competition

The banking business in California generally, and our primary service area specifically, is highly competitive with respect to both loans and deposits, and is dominated by a relatively small number of major banks with many offices operating over a wide geographic area. Among the advantages such major banks have over us is their ability to finance wide-ranging advertising campaigns and to allocate their investment assets, including loans, to regions of higher yield and demand. Major banks offer certain services such as international banking and trust services which we do not offer directly but which we usually can offer indirectly through correspondent institutions. To compete effectively, we rely substantially on local promotional activity, personal contacts by our officers, directors and employees, referrals by our shareholders, personalized service and our reputation in the communities we serve.

Our total market share of deposits in Fresno, Madera, San Joaquin, and Tulare counties was 4.41% in 2025 compared to 4.10% in 2024 based on FDIC deposit market share information published each year as of June. In Fresno and Madera Counties, in addition to our ten full-service branch locations serving the Bank's primary service areas, as of June 30, 2025 there were 116 operating banking offices in our primary service area, which consists of the cities of Clovis, Fresno, Kerman, Oakhurst, Madera, and Prather, California. Prather does not contain any banking offices other than our branch location. In San Joaquin County, in addition to our two full service branch locations, as of June 30, 2025 there were 87 operating banking offices. In Tulare County, in addition to our two branches there were 45 operating banking offices in our primary service area. Our total market share of deposits in San Luis Obispo, Santa Barbara, and Ventura counties was 1.21% in 2024 based on FDIC deposit market share information published each year as of June. In San Luis Obispo County, in addition to our two full-service branch locations, there were 53 operating banking centers in our primary service area. In Santa Barbara County, in addition to our three branches, there were 81 operating banking centers in our primary service area. In Ventura County, in addition to our two branches, there were 117 operating banking centers in our primary service area. Our combined total market share in the other counties we operate in (Kern, Merced, Placer, Sacramento, and Stanislaus), was less than 1.00% as of 2025 and 2024. In Kern County, in addition to our one branch, as of June 30, 2025, there were 71 operating banking offices in our primary service area. In Merced County, in addition to our one branch, as of June 30, 2025 there were 24 operating banking offices in our primary service area. In Sacramento County, in addition to our two branches, as of June 30, 2025 there were 175 operating banking offices in our primary service area. In Stanislaus County, in addition to our one branch, there were 76 operating banking offices in our primary service area. In Placer County, in addition to our one branch, there were 68 operating banking offices in our primary service area. Business activity in our primary service area is oriented toward light industry, small business and agriculture.

By virtue of their greater total capitalization, larger banks have substantially higher lending limits than we do. Legal lending limits to an individual customer are limited to a percentage of our total capital. For borrowers desiring loans in excess of the Bank's lending limits, the Bank seeks to make such loans on a participation basis with other financial institutions. Banks also compete with money market funds and other money market instruments, which are not subject to interest rate ceilings. In recent years, increased competition has also developed from specialized finance and non-finance companies that offer wholesale

finance, credit card, and other consumer finance services, including online banking services and personal finance software. Competition for deposit and loan products remains strong, from both banking and non-banking firms, and affects the rates of those products as well as the terms on which they are offered to customers.

Technological innovation continues to contribute to greater competition in domestic and international financial services markets. Technological innovation has, for example, made it possible for non-depository institutions to offer customers automated transfer payment services that previously have been traditional banking products. In addition, customers now expect a choice of several delivery systems and channels, including telephone, mail, home computer, ATMs, remote deposit, mobile banking applications, self-service branches, and in-store branches.

In addition, competition has intensified due to federal and state interstate banking laws and foreign banking laws, which permit banking organizations to expand geographically with fewer restrictions than in the past. Such laws allow banks to merge with other banks across state lines, thereby enabling banks to establish or expand banking operations in our market. The competitive environment also is significantly impacted by federal and state legislation, which may make it easier for non-bank financial institutions to compete with us.

Human Capital Resources

Our success as a financial institution in our market areas is dependent on a workforce that embraces and is dedicated to our mission and culture. Our culture is grounded in a set of core values - teamwork, respect, accountability, integrity and leadership. In order to continue to deliver on our mission and maintain our culture, it is crucial that we attract and retain talent who desire and have the experience to provide creative and innovative financial solutions and options for the diverse communities we serve. Through our hiring and retention programs we aim to create an inclusive workforce with diversified backgrounds and experiences. We strive to maintain an inclusive, safe and healthy workplace, with opportunities for our employees to grow and develop in their careers, supported by advantageous compensation, medical, dental, and vision benefits, health and welfare programs, pre-tax savings programs, 401k and 401k matching, and profit-sharing.

As of December 31, 2025, we had approximately 338 total employees, which included 327 full-time employees, 10 part-time employees and one on-call employee. As a financial institution, approximately 67% of our employees are employed at our banking center and loan production offices, and another 33% are employed at our headquarters. We believe our relationship with our employees to be generally good. None of these employees are represented by a collective bargaining agreement.

As of December 31, 2025, approximately 69% of our current workforce is female, 31% male, and our average tenure is 5.77 years, as compared to 4.58 years as of December 31, 2024.

As part of our compensation philosophy, we offer market competitive total rewards programs for our employees in order to attract and retain superior talent. These programs, include annual bonus opportunities, an Employee Stock Ownership Plan, a matched 401(k) Plan, healthcare and insurance benefits, health savings and flexible spending accounts, paid time off, family leave, family care resources, flexible work schedules, adoption assistance, education reimbursement program, and employee assistance programs.

We encourage and support the growth and development of our associates through training and education and, wherever possible, seek to fill positions by promotion and transfer from within the organization. Additionally, all our employees are expected to display and encourage honest, ethical, and respectful conduct in the workplace. Our employees must adhere to our Code of Business Conduct and Ethics that sets standards for appropriate behavior and includes periodic training on preventing, identifying, reporting, and stopping discrimination of any kind. The success of our business is fundamentally connected to the well-being of our people. Accordingly, we are committed to the health, safety and wellness of our employees and encourage our employees with regular wellness challenges.

Supervision and Regulation

GENERAL

Banking is a complex, highly regulated industry. Regulation and supervision by federal and state banking agencies are intended to maintain a safe and sound banking system, protect depositors and the FDIC's insurance fund, and facilitate the conduct of sound monetary policy. In furtherance of these goals, Congress and the states have created several largely autonomous regulatory agencies and enacted numerous laws that govern banks, bank holding companies and the financial services industry. Consequently, the growth and earnings performance of the Company can be affected not only by management decisions and general economic conditions, but also by the requirements of applicable state and federal statutes, regulations and the policies of various governmental regulatory authorities, including the Federal Reserve, the FDIC, the DFPI, the Consumer Financial

Protection Bureau ("CFPB"), and the California Privacy Protection Agency. Furthermore, tax laws administered by the Internal Revenue Service and state taxing authorities, accounting rules developed by the FASB, securities laws administered by the SEC and state securities authorities, anti-money laundering laws enforced by the U.S. Department of the Treasury, or Treasury, and mortgage related rules, including with respect to loan securitization and servicing by the U.S. Department of Housing and Urban Development and agencies such as Fannie Mae and Freddie Mac, also impact our business. The statutes, regulations, regulatory policies and rules significantly impact our financial condition and results of operations. Further, the nature and extent of future legislative, regulatory or other changes affecting financial institutions are impossible to predict with any certainty.

Federal and state banking laws impose a comprehensive system of supervision, regulation and enforcement on the operations of banks, their holding companies and their affiliates. These laws are intended primarily for the protection of the FDIC's Deposit Insurance Fund and bank customers rather than shareholders. Federal and state laws, and the related regulations of the bank regulatory agencies, affect, among other things, the scope of business, the kinds and amounts of investments banks may make, reserve requirements, capital levels relative to operations, the nature and amount of collateral for loans, the establishment of branches, the ability to merge, consolidate and acquire other financial institutions, dealings with insiders and affiliates, and the payment of dividends.

This supervisory and regulatory framework subjects banks and bank holding companies to regular examination by their respective regulatory agencies, which results in examination reports and ratings that, while not publicly available, can affect the conduct and growth of their businesses. These examinations consider not only compliance with applicable laws and regulations, but also capital levels, asset quality and risk, management ability and performance, earnings, liquidity, and various other factors. The regulatory agencies have broad discretion to impose restrictions and limitations on the operations of a regulated entity where the agencies determine, among other things, that such operations are unsafe or unsound, fail to comply with applicable law or are otherwise inconsistent with laws and regulations administered by these agencies.

The following is a summary of the material elements of the supervisory and regulatory framework applicable to the Company and its bank subsidiary. It does not describe all of the statutes, regulations and regulatory policies that apply, nor does it restate all of the requirements of those that are described. The descriptions are qualified in their entirety by reference to the particular statutory or regulatory provision.

BANK HOLDING COMPANY REGULATION

The Company, as a bank holding company, is subject to regulation under the Bank Holding Company Act of 1956, as amended ("BHC Act"), and the supervision and examination by the Federal Reserve. Pursuant to the BHC Act, we are required to obtain the prior approval of the Federal Reserve before we may acquire all or substantially all of the assets of any bank, or ownership or control of voting shares of any bank if, after giving effect to such acquisition, we would own or control, directly or indirectly, 5% or more of the voting shares of such bank.

Under the BHC Act, we may not engage in any business other than managing or controlling banks or furnishing services to our subsidiaries that the Federal Reserve deems to be so closely related to banking as to be a proper incident to banking. Bank holding companies that qualify and elect to be treated as "financial holding companies" may engage in a broad range of additional activities that are (i) financial in nature or incidental to such financial activities or (ii) complementary to a financial activity and do not pose a substantial risk to the safety and soundness of depository institutions or the financial system generally. These activities include securities underwriting and dealing, insurance underwriting and making merchant banking investments. We have not elected to be treated as a financial holding company and currently have no plans to make a financial holding company election.

We are also prohibited, with certain exceptions, from acquiring direct or indirect ownership or control of 5% or more of the voting shares of any company unless the company is engaged in banking activities or the Federal Reserve determines that the activity is so closely related to banking to be a proper incident to banking. The Federal Reserve's approval must be obtained before the shares of any such company can be acquired and, in certain cases, before any approved company can open new offices.

The BHC Act, the Federal Reserve regulations, and general corporate law also impose certain constraints on the payment of dividends and the redemption or purchase by a bank holding company of its own shares of stock.

Pursuant to Dodd-Frank, bank holding companies are required to act as a source of financial and managerial strength to their subsidiary banks. As such, the Company is expected to commit resources to support the Bank, including at times when the Company may not be in a financial position to do so. The Company must stand ready to use its available resources to provide adequate capital to the subsidiary bank during periods of financial stress or adversity. The Company must also maintain the

financial flexibility and capital raising capacity to obtain additional resources to assist the Bank. The Company's failure to meet its source of strength obligations may constitute an unsafe and unsound practice, a violation of the applicable regulations, or both. The source of strength doctrine most directly affects bank holding companies where a bank holding company's subsidiary bank fails to maintain adequate capital levels. In such a situation, the subsidiary bank will be required by its federal regulator to take "prompt corrective action." Any capital loans by a bank holding company to a subsidiary bank are subordinate in right of payment to deposits and certain other indebtedness of such bank.

In addition, banks are subject to certain restrictions imposed by the Federal Reserve Act (the "FRA") on extensions of credit to their affiliates, including executive officers, directors, and principal shareholders. Subject to certain exceptions, a bank subsidiary can make loans and other extensions of credit, investments and asset purchases, as well as certain other transactions involving the transfer of value to or for the benefit of an affiliate if such transactions with one affiliate do not exceed 10% of such bank subsidiary's capital and surplus, or 20% of such bank subsidiary's capital and surplus for all transactions with affiliates in the aggregate. Such transactions must be on terms and conditions that are consistent with safe and sound banking practices and on terms that are not more favorable than those provided to a non-affiliate. A bank and its subsidiaries generally may not purchase a "low-quality asset," as defined in the FRA, from an affiliate. Certain transactions between the Bank and its affiliates, including the Company, must be on terms substantially the same, or at least as favorable to the Bank, as those prevailing at the time for comparable transactions with non-affiliates.

A bank holding company and its banking subsidiaries are prohibited from engaging in certain tie-in arrangements in connection with any extension of credit, sale or lease of property or provision of services. For example, with certain exceptions, a bank may not condition an extension of credit on a customer obtaining other services provided by it, its holding company or any of its other bank affiliates, or on a promise by the customer not to obtain other services from a competitor.

The Federal Reserve has cease and desist powers over parent bank holding companies and non-banking subsidiaries where their actions represent an unsafe or unsound practice or violation of law.
The Federal Reserve has the authority to regulate debt obligations (other than commercial paper) issued by bank holding companies by imposing interest ceilings and reserve requirements on such debt obligations. Further, we are required by the Federal Reserve to maintain certain capital levels. See "Capital Standards."

We are also a bank holding company within the meaning of Sections 1280-1287 of the California Financial Code. As such, we and our subsidiaries are subject to examination by, and may be required to file reports with, the DFPI.

REGULATION OF THE BANK

Banks are extensively regulated under both federal and state law. The Bank, as a California state-chartered bank, is subject to supervision, regulation and periodic examination by the DFPI. The Bank is not a member of the Federal Reserve System, but it is nevertheless subject to certain Federal Reserve regulations.

The Bank's primary federal regulator is the FDIC. The FDIC currently insures the deposits of insured depository institutions, including all non-interest bearing transaction accounts, up to the standard maximum deposit insurance amount of $250,000 for each deposit insurance ownership category. For this protection, the Bank is required to pay a semi-annual statutory assessment.

Various remedies are available to the FDIC if it determines during an examination that the financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of the Bank's operations are unsatisfactory or that the Bank or its management is violating or has violated any law or regulation. Such remedies include the power to enjoin "unsafe or unsound" practices, to require affirmative action to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced, to direct an increase in capital, to restrict the growth of the Bank, to assess civil monetary penalties, to remove officers and directors, and ultimately to terminate the Bank's deposit insurance, which for a California state-chartered bank would result in a revocation of the Bank's charter. The DFPI has many of the same remedial powers.

Various requirements and restrictions under the laws of the State of California and the United States affect the operations of the Bank. State and federal statutes and regulations relate to many aspects of the Bank's operations, including standards for safety and soundness, reserves against deposits, interest rates payable on deposits, loans, investments, mergers and acquisitions, borrowings, dividends, locations of branch offices, fair lending requirements, Community Reinvestment Act activities, and loans to affiliates.

Depositor Preference. In the event of the "liquidation or other resolution" of an insured depository institution, the claims of depositors of the institution, including the claims of the FDIC as subrogee of insured depositors, and certain claims for administrative expenses of the FDIC as a receiver, will have priority over other general unsecured claims against the institution. If an insured depository institution fails, insured and uninsured depositors along with the FDIC, will have priority in payment ahead of unsecured, non-deposit creditors, including the parent bank holding company, with respect to any extensions of credit they have made to such insured depository institution.

Brokered Deposit Restrictions. Well-capitalized institutions are not subject to limitations on brokered deposits, while an adequately capitalized institution is able to accept, renew or roll over brokered deposits only with a waiver from the FDIC and subject to certain restrictions on the yield paid on such deposits. Undercapitalized institutions are generally not permitted to accept, renew, or roll over brokered deposits. The Bank is eligible to accept brokered deposits without limitations.

Loans to Directors, Executive Officers and Principal Shareholders. The authority of the Bank to extend credit to its directors, executive officers and principal shareholders, including their immediate family members and entities that they control, is subject to substantial restrictions and requirements under Sections 22(g) and 22(h) of the FRA and Regulation O promulgated thereunder, as well as the Sarbanes-Oxley Act of 2002. These statutes and regulations impose specific limits on the amount of loans the Bank may make to directors and other insiders, and specified approval procedures must be followed in making loans that exceed certain amounts. In addition, all loans the Bank makes to directors and other insiders must satisfy the following requirements; (i) the loans must be made on substantially the same terms, including interest rates and collateral, as prevailing at the time for comparable transactions with persons not affiliated with the Bank; (ii) the Bank must follow credit underwriting procedures at least as stringent as those applicable to comparable transactions with persons who are not affiliated with the Bank; and (iii) the loans must not involve a greater than normal risk of non-payment or include other features not favorable to the Bank.

Furthermore, the Bank must periodically report all loans made to directors and other insiders to the bank regulators, and these loans are closely scrutinized by the regulators for compliance with Sections 22(g) and 22(h) of the FRA and Regulation O. Each loan to directors or other insiders must be pre-approved by the Bank's Board of Directors with the interested director abstaining from voting.

PAYMENT OF DIVIDENDS AND STOCK REPURCHASES

The Company's shareholders are entitled to receive dividends when and as declared by our Board of Directors, out of funds legally available, subject to the dividends preference, if any, on preferred shares that may be outstanding. The principal source of cash revenue to the Company is dividends received from the Bank. The Bank's ability to make dividend payments to the Company is subject to state and federal regulatory restrictions.

The Company's ability to pay dividends to its shareholders is affected by both general corporate law considerations and the policies of the Federal Reserve applicable to bank holding companies. As a general matter, the Federal Reserve has indicated that the board of directors of a bank holding company should eliminate, defer or significantly reduce dividends to shareholders if: (i) the bank holding company's net income available to shareholders for the past four quarters, net of dividends previously paid during that period, is not sufficient to fully fund the dividends or (ii) the prospective rate of earnings retention is inconsistent with the bank holding company's capital needs and overall current and prospective financial condition. If the Company fails to adhere to these policies, the Federal Reserve could find that the Company is operating in an unsafe and unsound manner. See "Supervision and Regulation-Regulatory Capital Requirements" below.

Subject to exceptions for well-capitalized and well-managed holding companies, Federal Reserve regulations also require approval of holding company purchases and redemptions of its securities if the gross consideration paid exceeds 10% of consolidated net worth for any 12-month period. In addition, Federal Reserve policy requires that bank holding companies consult with and inform the Federal Reserve in advance of (i) redeeming or repurchasing capital instruments when experiencing financial weakness and (ii) redeeming or repurchasing common stock and perpetual preferred stock if the result will be a net reduction in the amount of such capital instruments outstanding for the quarter in which the reduction occurs.

As a California corporation, the Company is subject to the limitations of California law, which allows a corporation to distribute cash or property to shareholders, including a dividend or repurchase or redemption of shares, if the corporation meets either a "retained earnings" test or a "balance sheet" test. Under the "retained earnings" test, the Company may make a distribution from retained earnings to the extent that its retained earnings exceed the sum of (i) the amount of the distribution plus (ii) the amount, if any, of dividends in arrears on shares with preferential dividend rights. The Company may also make a distribution under the "balance sheet" test if, immediately after the distribution, the value of its assets equals or exceeds the sum of (i) its total liabilities plus (ii) the liquidation preference of any shares which have a preference upon dissolution over the

rights of shareholders receiving the distribution. Indebtedness is not considered a liability if the terms of such indebtedness provide that payment of principal and interest thereon are to be made only if, and to the extent that, a distribution to shareholders could be made under the balance sheet test. In addition, the Company may not make distributions if it is, or as a result of the distribution would be, likely to be unable to meet its liabilities (except those whose payment is otherwise adequately provided for) as they mature.

Dividends payable by the Bank to the Company are restricted under California law to the lesser of the Bank's retained earnings, or the Bank's net income for the latest three (3) fiscal years, less dividends paid during that period, or, with the approval of the DFPI, to the greater of the retained earnings of the Bank, the net income of the Bank for its last fiscal year or the net income of the Bank for its current fiscal year.

In addition to the regulations concerning minimum uniform capital adequacy requirements described below, the FDIC has established guidelines regarding the maintenance of an adequate allowance for credit losses. Therefore, the future payment of cash dividends by the Bank will generally depend, in addition to regulatory constraints, upon the Bank's earnings during any fiscal period, the assessment by the Board of Directors of the capital requirements of the Bank and other factors, including the maintenance of an adequate allowance for credit losses.

REGULATORY CAPITAL REQUIREMENTS

The Company and the Bank are subject to various regulatory capital requirements administered by federal banking agencies, which are required to take prompt corrective action with respect to any depository institution that does not meet minimum capital requirements. Our capital ratios exceed the required minimums for capital adequacy, and the Bank meets the definition for a "well capitalized" institution.

Capital rules (the "Rules") adopted by Federal banking regulators (including the Federal Reserve and the FDIC) generally recognize three components, or tiers, of capital: common equity Tier 1 capital, additional Tier 1 capital and Tier 2 capital. Common equity Tier 1 capital generally consists of retained earnings and common stock instruments (subject to certain adjustments), as well as accumulated other comprehensive income ("AOCI") except to the extent that the Company and the Bank exercise a one-time irrevocable option to exclude certain components of AOCI. Both the Company and the Bank made this election in 2015. Additional Tier 1 capital generally includes non-cumulative preferred stock and related surplus subject to certain adjustments and limitations. Tier 2 capital generally includes certain capital instruments (such as subordinated debt) and portions of the amounts of the allowance for credit losses, subject to certain requirements and deductions. The term "Tier 1 capital" means common equity Tier 1 capital plus additional Tier 1 capital, and the term "total capital" means Tier 1 capital plus Tier 2 capital.

The Rules generally measure an institution's capital using four capital measures or ratios. The common equity Tier 1 capital ratio is the ratio of the institution's common equity Tier 1 capital to its total risk-weighted assets. The Tier 1 risk-based capital ratio is the ratio of the institution's Tier 1 capital to its total risk-weighted assets. The total risk-based capital ratio is the ratio of the institution's total capital to its total risk-weighted assets. The Tier 1 leverage ratio is the ratio of the institution's Tier 1 capital to its average total consolidated assets. To determine risk-weighted assets, assets of an institution are generally placed into a risk category as prescribed by the regulations and given a percentage weight based on the relative risk of that category. An asset's risk-weighted value will generally be its percentage weight multiplied by the asset's value as determined under generally accepted accounting principles. In addition, certain off-balance-sheet items are converted to balance-sheet credit equivalent amounts, and each amount is then assigned to one of the risk categories. An institution's federal regulator may require the institution to hold more capital than would otherwise be required under the Rules if the regulator determines that the institution's capital requirements under the Rules are not commensurate with the institution's credit, market, operational or other risks.

To be adequately capitalized, both the Company and the Bank are required to have a common equity Tier 1 capital ratio of at least 4.5% or more, a Tier 1 leverage ratio of 4.0% or more, a Tier 1 risk-based ratio of 6.0% or more and a total risk-based ratio of 8.0% or more. In addition to the preceding requirements, both the Company and the Bank are required to maintain a "conservation buffer," consisting of common equity Tier 1 capital, which is at least 2.5% above each of the required minimum levels. An institution that does not meet the conservation buffer will be subject to restrictions on certain activities including payment of dividends, stock repurchases and discretionary bonuses to executive officers.

The Rules set forth the manner in which certain capital elements are determined, including but not limited to, requiring certain deductions related to mortgage servicing rights and deferred tax assets. The Rules permit holding companies with less than $15 billion in total assets as of December 31, 2009 (which includes the Company) to continue to include trust preferred securities issued prior to May 19, 2010 in Tier 1 capital, generally up to 25% of other Tier 1 capital.

The Rules also prescribe the methods for calculating certain risk-based assets and risk-based ratios. Higher or more sensitive risk weights are assigned to various categories of assets, among which are credit facilities that finance the acquisition, development or construction of real property, certain exposures or credits that are 90 days past due or are nonaccrual, foreign exposures, certain corporate exposures, securitization exposures, equity exposures and in certain cases mortgage servicing rights and deferred tax assets.

BANK SECRECY ACT / ANTI-MONEY LAUNDERING REGULATIONS

We are subject to federal laws aiming to counter money laundering and terrorist financing, as well as transactions with persons, companies and foreign governments sanctioned by the United States. These laws include, among others, the USA PATRIOT Act, the Bank Secrecy Act ("BSA"), and the Anti-Money Laundering Act ("AMLA"). Financial institutions are subject to prohibitions against specified financial transactions and account relationships as well as enhanced due diligence and identifying customers when establishing new relationships and standards in their dealings with high risk customers, foreign financial institutions, and foreign individuals and entities. The BSA requires financial institutions to develop policies, procedures and practices to prevent and deter money laundering, and mandates that every bank have a written program approved by its board of directors that is designed to assure and monitor compliance. As part of the BSA compliance program, banks are required to adopt a customer identification program. The Bank has extensive controls in place to comply with these requirements.

In 2021, U.S. bank secrecy and anti-money laundering laws underwent a comprehensive reform and modernization, part of which was the adoption of AMLA. Among other things, it codified a risk-based approach to anti-money laundering compliance for financial institutions. AMLA requires financial institutions to develop standards for evaluating technology and internal processes for BSA compliance, expands enforcement-related and investigation-related authority, institutes BSA whistleblower initiatives and protections, and increases sanctions for certain BSA violations. AMLA expanded duties of the Financial Crimes Enforcement Network ("FinCEN"), which issued final regulations implementing the amendments with respect to beneficial ownership requirements effective January 1, 2024; however, these beneficial ownership rules were amended by an interim final rule published on March 26, 2025 that requires only entities previously defined as "foreign reporting companies" to report beneficial ownership information and provides that entities defined as "domestic reporting companies are exempt from the reporting requirements and do not have to report beneficial ownership information to FinCEN. We are monitoring developments concerning the implementation of the AMLA. The Bank has established policies and procedures that it believes comply with these requirements.

The Office of Foreign Assets Control ("OFAC") is a financial intelligence and enforcement agency of the U.S. Treasury Department, which administers and enforces economic and trade sanctions based on U.S. foreign policy and national security goals against targeted foreign countries and regimes. The OFAC regulations require financial institutions to block or reject payments, transfers, withdrawals or other dealings with respect to accounts and assets of designated targets and countries that are identified as being a threat to national security. This may also include dealings with accounts and assets of nationals of a sanctioned country and with other specially designated individuals (such as designated narcotics traffickers). Financial institutions are also required to report all blocked transactions to OFAC within 10 business days of the occurrence. The Bank has extensive controls in place to comply with these requirements.

PRIVACY AND DATA SECURITY

We are subject to several federal, state, and local laws and regulations relating to consumer privacy and data protection. The federal Gramm-Leach Bliley Act of 1999 ("GLBA") imposes requirements on financial institutions with respect to consumer privacy and disclosure of non-public personal information. The GLBA generally prohibits disclosure of consumer information to most nonaffiliated third parties unless the consumer has been given the opportunity to object and has not objected to such disclosure.

The California Financial Information Privacy Act ("CFIPA") also requires a financial institution to provide specific information to a consumer related to the sharing of that consumer's nonpublic personal information. The CFIPA allows a consumer to direct the financial institution not to share his or her nonpublic personal information with affiliated or nonaffiliated companies with which a financial institution has contracted to provide financial products and services, and requires that permission from each such consumer be acquired by a financial institution prior to sharing such information. Financial institutions are required to implement policies and procedures regarding the disclosure of nonpublic personal information about consumers to non-affiliated third parties. In general, financial institutions must provide explanations to consumers on policies and procedures regarding the disclosure of such nonpublic personal information and, except as otherwise required by law, prohibit disclosing such information. In addition, the California Consumer Privacy Act ("CCPA"), which became effective in 2020, gives consumers more control over the personal information that businesses collect about them. The CCPA includes new privacy

rights including the right to know about the personal information a business collects about them and how it is used and shared; the right to delete personal information collected from them (with some exceptions); the right to opt-out of the sale of their personal information; and the right to non-discrimination for exercising their CCPA rights. The CCPA was further expanded by the California Privacy Rights Act of 2020, which became effective on January 1, 2023, and provided additional privacy rights to California residents and created a new agency, the California Privacy Protection Agency, tasked with implementing and enforcement of privacy laws in California. Businesses (including financial institutions) are required to give consumers certain notices explaining their privacy rights. The Bank has implemented privacy policies addressing these restrictions which are distributed regularly to all existing and new customers of the Bank.

CYBERSECURITY

The federal bank regulatory agencies adopted guidelines regarding cybersecurity intended to enhance cyber risk management among financial institutions. Financial institutions are expected to comply with such guidance and standards and develop appropriate security controls and risk management processes. If we fail to observe such regulatory guidance or standards, we could be subject to various regulatory sanctions, including financial penalties.

The federal banking agencies recently established new notification requirements for banking organizations. They are required to notify their primary banking regulator within 36 hours of determining that a "computer-security incident" rising to the level of a "notification incident," has occurred. Among other types of computer-security incidents, a "notification incident" includes one that has materially disrupted or degraded the banking organization's ability to carry out banking operations to a material portion of its customer base in the ordinary course of business. The Bank has adopted a customer information security program to comply with such requirements.

In addition to guidance and standards implemented by banking regulators, in July 2023, the SEC adopted final rules requiring disclosure of material cybersecurity incidents, as well as cybersecurity risk management, strategy and governance. Under this rule, banking organizations that are SEC registrants must generally disclose information about a material cybersecurity incident, including the nature, scope, timing, and impact, within four business days of the incident. The disclosure requirements went into effect in December of 2023.

State regulators have also been increasingly active in implementing privacy and cybersecurity standards and regulations. Recently, several states, including California where we conduct substantially all our banking business, have adopted laws and/ or regulations requiring certain financial institutions to implement cybersecurity programs and providing detailed requirements with respect to these programs, including data encryption requirements. Many such states (including California) have also recently implemented or modified their data breach notification and data privacy requirements. We continue to monitor relevant legislative and regulatory developments in California where nearly all our customers are located and evaluate their impact on the Bank.

In the ordinary course of business, we rely on electronic communications and information systems to conduct our operations and to store sensitive data. We employ a variety of preventative and detective tools to monitor, block, and provide alerts regarding suspicious activity, as well as to report on any suspected advanced persistent threats. Risks and exposures related to cybersecurity attacks are expected to remain high for the foreseeable future due to the rapidly evolving nature and sophistication of these threats, as well as due to the expanding use of Internet banking, mobile banking and other technology based products and services by us and our customers.

ENVIRONMENTAL, SOCIAL, AND GOVERNANCE DEVELOPMENTS

In the past, bank regulatory agencies and the SEC had shown increased interest in environmental, social and governance matters ("ESG") and expressed an intent to increase related regulatory oversight of companies' efforts to address how ESG issues may affect their businesses. In 2022, multiple federal regulatory agencies formalized their intent by issuing proposed policy statements and rules, and by establishing a pilot climate scenario analysis exercise for large banks; these Principles for Climate-Related Financial Risk Managements were finalized in late 2023 ("Principles"). On November 18, 2025, the federal bank regulatory agencies published a rescission of the Principles, effective immediately. The SEC had likewise adopted its own climate-disclosure rules that have been stayed pending the resolution of related litigation. Aside from any regulatory requirements we believe that continued focus on environmental and social issues is consistent with our community banking model. We are continually seeking ways to improve our stewardship of the environment through recycling programs, resource conservation, empowered employees, construction evaluation, and more.

COMMUNITY REINVESTMENT ACT

The Community Reinvestment Act ("CRA") is intended to encourage insured depository institutions, while operating safely and soundly, to help meet the credit needs of their communities. The CRA specifically directs the federal bank regulatory agencies, in examining insured depository institutions, to assess their record of helping to meet the credit needs of their entire community, including low- and moderate-income neighborhoods, consistent with safe and sound banking practices. The CRA further requires the agencies to take a financial institution's record of meeting its community credit needs into account when evaluating applications for, among other things, domestic branches, consummating mergers or acquisitions or holding company formations. The federal banking agencies have adopted regulations which measure a bank's compliance with its CRA obligations on a performance based evaluation system. This system bases CRA ratings on an institution's actual lending service and investment performance rather than the extent to which the institution conducts needs assessments, documents community outreach or complies with other procedural requirements. The ratings range from "outstanding" to a low of "substantial noncompliance." In their most recent CRA performance examinations, the Bank's predecessor institutions (before their merger in 2024), Central Valley Community Bank and Community West Bank, National Association, each received an "Outstanding" rating from the FDIC on January 19, 2022, and on February 2, 2023, respectively.

In October 2023, the federal banking agencies issued a final rule to modernize the CRA regulatory framework (the "CRA Final Rule"). The CRA Final Rule took effect on April 1, 2024. It adapted the CRA framework to changes in the banking industry, including an expanded role of mobile and online banking, tailored performance standards, data collection and reporting requirements, and provided greater clarity and consistency in the application of CRA regulations. However, effective April 1, 2024, a Federal district court judge in the Northern District of Texas enjoined the federal banking agencies from enforcing the CRA Final Rule pending resolution of the underlying lawsuit. In light of this pending litigation, the federal bank regulatory agencies jointly issued a notice of proposed rulemaking to restore certainty in the CRA framework for stakeholders and limit regulatory burden on banks by replacing the CRA Final Rule with the existing regulations in effect on March 29, 2024, with certain conforming and technical amendments. We are monitoring this notice of proposed rulemaking and litigation for key developments.

CONSUMER PROTECTION LAWS AND REGULATIONS

The bank regulatory agencies are focusing greater attention on compliance with consumer protection laws and their implementing regulations. Examination and enforcement have become more intense in nature, and insured institutions have been advised to monitor carefully compliance with such laws and regulations. The Bank is subject to many federal consumer protection statutes and regulations, some of which are discussed below.

The Truth in Lending Act (TILA) is designed to ensure that credit terms are disclosed in a meaningful way so that consumers may compare credit terms more readily and knowledgeably. As a result of TILA, all creditors must use the same credit terminology to express rates and payments, including the annual percentage rate, the finance charge, the amount financed, the total of payments and the payment schedule, among other things.

The Equal Credit Opportunity Act (ECOA) generally prohibits discrimination in any credit transaction, whether for consumer or business purposes, on the basis of race, color, religion, national origin, sex, marital status, age, receipt of income from public assistance programs, or good faith exercise of any rights under the Consumer Credit Protection Act.

The Fair Housing Act (FHA) regulates many practices, including making it unlawful for any lender to discriminate in its housing-related lending activities against any person because of race, color, religion, national origin, sex, handicap or familial status. A number of lending practices have been found by the courts to be, or may be considered, illegal under the FHA, including some that are not specifically mentioned in the FHA itself.

The Home Mortgage Disclosure Act (HMDA) grew out of public concern over credit shortages in certain urban neighborhoods. It seeks to provide public information showing whether financial institutions are serving the housing credit needs of the neighborhoods and communities in which they are located. HMDA also includes a "fair lending" aspect that requires the collection and disclosure of data about applicant and borrower characteristics as a way of identifying possible discriminatory lending patterns and enforcing anti-discrimination statutes.

Finally, the Real Estate Settlement Procedures Act (RESPA) requires lenders to provide borrowers with disclosures regarding the nature and cost of real estate settlements. RESPA also prohibits certain abusive practices, such as kickbacks, and places limitations on the amount of escrow accounts. Penalties under the above laws may include fines, reimbursements and other civil money penalties.

Due to heightened regulatory concern related to compliance with the consumer protection laws, the Bank may incur additional compliance costs or be required to expend additional funds for investments in its local community.

CONSUMER FINANCIAL PROTECTION BUREAU

The CFPB is an independent federal agency with broad rulemaking, supervisory and enforcement powers under various federal consumer financial protection laws. The CFPB is authorized to engage in consumer financial education, track consumer complaints, request data and promote the availability of financial services to underserved consumers and communities. The CFPB has primary examination and enforcement authority over financial institutions with total consolidated assets of $10 billion or more. Nonetheless, the CFPB regulations and guidance apply to all financial institutions, including the Bank. The FDIC has primary responsibility for examination of the Bank and enforcement with respect to federal consumer protection laws so long as the Bank has total consolidated assets of less than $10 billion, and state authorities are responsible for monitoring our compliance with all state consumer laws. The CFPB also has the authority to require reports from financial institutions with less than $10 billion in assets, such as the Bank, to support the CFPB in implementing federal consumer protection laws, supporting examination activities, and assessing and detecting risks to consumers and financial markets.

The consumer protection provisions of Dodd-Frank and the examination, supervision and enforcement of those laws and implementing regulations by the CFPB have created a more intense and complex environment for consumer finance regulation. The CFPB has significant authority to implement and enforce federal consumer finance laws, as well as the authority to identify and prohibit unfair, deceptive or abusive acts and practices (UDAAP). Prevention of such acts and practices is a continuing focus of the CFPB, and of banking regulators more broadly. The ultimate impact of this heightened scrutiny is uncertain but could result in changes to pricing, practices, products and procedures. It could also result in increased costs related to regulatory oversight, supervision and examination, additional remediation efforts and possible penalties. In addition, Dodd-Frank provides the CFPB with broad supervisory, examination and enforcement authority over various consumer financial products and services, including the ability to require reimbursements and other payments to customers for alleged legal violations and to impose significant penalties, as well as injunctive relief that prohibits lenders from engaging in allegedly unlawful practices. The CFPB also has the authority to obtain cease and desist orders providing for affirmative relief or monetary penalties.

We are also subject to certain state consumer protection laws, such as, for example, debt collection practices, and the prohibition of unfair, deceptive, or abusive acts or practices. State regulation of financial products and potential enforcement actions could also impact us. In California, the DFPI was given broad jurisdiction and sweeping new authorities that closely resemble those of the CFPB. The DFPI stated that it intends to exercise its powers to protect consumers from unlawful, unfair, deceptive, and abusive practices in connection with consumer financial products or services. The DFPI also as a matter of state law can now enforce the Dodd-Frank Act's UDAAP provisions against anyone offering or providing consumer financial products in the state of California. Going forward, financial institutions in California are likely to be faced with a powerful state financial services regulatory regime with expansive enforcement authority, and it is unclear how the DFPI and its enforcement activities will affect the Bank in the future.

DEPOSIT INSURANCE

The FDIC insures the Bank's customer deposits through the Deposit Insurance Fund (the "DIF") up to prescribed limits for each depositor. The maximum deposit insurance amount generally is $250,000 for each account ownership category at each depository institution. The amount of FDIC assessments paid by each DIF member institution is based on its relative risk of default as measured by regulatory capital ratios and other supervisory factors.

The Bank is subject to deposit insurance assessments to maintain the DIF. Dodd-Frank increased the minimum designated reserve ratio of the DIF to 1.35% of the estimated amount of total insured deposits as of September 30, 2020, and eliminated the requirement that the FDIC pay dividends to depository institutions when the reserve ratio exceeds certain thresholds. At least semi-annually, the FDIC updates its loss and income projections for the DIF and, if needed, may increase or decrease the assessment rates, following notice and comment on proposed rulemaking. In October 2022, the FDIC increased initial base deposit insurance assessment rate schedules uniformly by 2 basis points, beginning in the first quarterly assessment period of 2023. On November 28, 2025, the FDIC published a notice confirming that the designated reserve ratio of the DIF remains at 2% for 2026.

We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. If there are additional bank or financial institution failures or if the FDIC otherwise determines, we may be required to pay even higher FDIC premiums than the recently increased levels. These announced increases and any future increases in FDIC insurance premiums may have a material and adverse effect on our earnings and could have a material adverse effect on the value of or market for our common stock.

The FDIC may terminate a depository institution's deposit insurance upon a finding that the institution's financial condition is unsafe or unsound or that the institution has engaged in unsafe or unsound practices that pose a risk to the DIF or that may prejudice the interest of the bank's depositors. The termination of deposit insurance for a bank would also result in the revocation of the bank's charter by the DFPI.

INCENTIVE COMPENSATION

Dodd-Frank requires the federal banking agencies and the SEC to establish joint regulations or guidelines prohibiting incentive-based payment arrangements at regulated entities with at least $1 billion in total consolidated assets that encourage inappropriate risks by providing an executive officer, employee, director, or principal shareholder with excessive compensation, fees, or benefits that could lead to material financial loss to the entity. In August 2022, the SEC finalized the pay versus performance regulations, which require disclosure of information that shows the relationship between executive compensation actually paid and the company's financial performance in annual proxy statements. The pay versus performance regulations are effective for fiscal years ending on or after December 16, 2022. Smaller reporting companies are subject to scaled reporting mechanism, and certain companies are exempt from the regulations. In October 2022, the SEC adopted final rules on "clawback" of executive compensation, which direct the stock exchanges to establish listing standards requiring listed companies to develop and implement a policy providing for the recovery of erroneously awarded incentive-based compensation received by current or former executive officers. Under the new rules, companies will have to recover compensation in excess of what the executive officer should have received in the event the companies' financials are restated due to material noncompliance with securities laws. The rules apply to compensation paid in the three years leading up to restatement.

The banking regulations on executive compensation may continue to evolve in the near future after the FDIC and the OCC, among other federal agencies, re-proposed a rulemaking with request for comment concerning Incentive-Based Compensation Arrangements. Importantly, the Federal Reserve and the SEC did not join in this proposed rule as required by the Dodd-Frank Act. We continue to assess the impact of the incentive compensation regulations on the Company, but do not anticipate any material impact to its operations at this time.

OTHER PENDING AND PROPOSED LEGISLATION

Other legislative and regulatory initiatives which could affect the Company and the Bank and the banking industry in general may be proposed or introduced before the United States Congress, the California legislature and other governmental bodies in the future. Such proposals, if enacted, may further alter the structure, regulation and competitive relationship among financial institutions, and may subject the Company or the Bank to increased regulation, disclosure and reporting requirements. In addition, the various banking regulatory agencies often adopt new rules and regulations to implement and enforce existing legislation. It cannot be predicted whether, or in what form, any such legislation or regulations may be enacted or the extent to which the business of the Company or the Bank would be affected thereby.

Specifically, although the Dodd-Frank reforms primarily targeted systemically important financial service providers, its influence has and is expected to continue to filter down in varying degrees to smaller institutions over time. In addition, some of the recent financial laws and regulations relating to regulatory and compliance burden on financial institutions that were adopted during the last presidential administration could be rolled back in the near future. We will continue to evaluate the effect of other pending and proposed legislation. The impact of any future legislative or regulatory changes cannot be predicted, but they could affect the Company and the Bank, and no current assurance may be given that they will not have a negative impact on the results of operations and financial condition of the Company and the Bank.

ADDITIONAL INFORMATION

Under the Securities Exchange Act of 1934, as amended (the "Exchange Act") we are required to file annual, quarterly and current reports, proxy statements and other information with the Securities and Exchange Commission ("SEC"). The SEC maintains a website at http://www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers that file electronically with the SEC. We file electronically with the SEC.

We make available free of charge on or through our website, www.communitywestbank.com, our Annual Report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and all amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such material is electronically filed with or furnished to the SEC. Information contained on the Company's website is not incorporated by reference into this Annual Report on Form 10-K and is not part of this or any other report. In addition, copies of the annual report on Form 10-K for the year

ended December 31, 2025 may be obtained without charge upon written request to Shannon R. Livingston, Chief Financial Officer, at the Company's administrative offices, 7100 N. Financial Dr., Suite 101, Fresno, CA 93720.

General inquiries about Community West Bancshares or Community West Bank should be directed to Amanda Kelley, Assistant Corporate Secretary at 1-800-298-1775.

ITEM 1A - RISK FACTORS

An investment in our common stock is subject to risks inherent to our business. The material risks and uncertainties that management believes may affect our business are described below. Before making an investment decision, you should carefully consider the risks and uncertainties described below together with all of the other information included or incorporated by reference in this Annual Report. The risks and uncertainties described below are not the only ones facing our business. Additional risks and uncertainties that management is not aware of or focused on or that management currently deems immaterial may also impair our business operations. This Annual Report is qualified in its entirety by these risk factors.

General Economic, Market, Investment Risks

General economic conditions could adversely affect our business, financial condition and results of operations.

Our financial performance is highly dependent upon the business environment in the markets in which we operate and in the United States as a whole. Unfavorable or uncertain economic and market conditions can be caused by declines in economic growth, business activity or investor or business confidence; limitations on the availability or increases in the cost of credit and capital; increases in inflation or interest rates; high unemployment; natural disasters; terrorist attacks; disruptions in global or national supply chains; or a combination of these or other factors.

The Bank conducts banking operation principally in Central California. Central California is largely dependent on agriculture. The agricultural economy in Central California is therefore important to our financial performance, results of operations and cash flows. We are also dependent in a large part upon the business activity, population growth, income levels and real estate activity in this market area. A downturn in agriculture and the agricultural related businesses could have a material adverse effect on our business, results of operations and financial condition. The agricultural industry has been affected by declines in prices and changes in yields of various crops and other agricultural commodities. Weaker prices could reduce the cash flows generated by farms and the value of agricultural land in our local markets and thereby increase the risk of default by our borrowers or reduce the foreclosure value of agricultural land and equipment that serve as collateral of our loans. Moreover, weaker prices could threaten farming operations in the Central Valley, reducing market demand for agricultural lending. In particular, farm income has seen recent declines, and in line with the downturn in farm income, farmland prices are coming under pressure.

An economic recession or a downturn in various markets could have one or more of the following adverse effects on our business:

- a decrease in the demand for our loans and other products we offer;
- a decrease in our deposit balances due to overall reductions in the number or value of client accounts;
- a decrease in the value of collateral securing our loans;
- an increase in the level of nonperforming and classified loans;
- an increase in provisions for loan losses and loan charge-offs;
- a decrease in net interest income derived from our lending and deposit gathering activities;
- a decrease in our ability to access the capital markets; and
- an increase in our operating expenses associated with attending to the effects of certain circumstances listed above.

Inflationary pressures and rising prices may affect our results of operations and financial condition.

Inflation began to rise sharply at the end of 2021 and remained at an elevated level through 2023 before decreasing in 2025. Small to medium-sized businesses may be impacted more during periods of high inflation as they are not able to leverage economics of scale to mitigate cost pressures compared to larger businesses. Consequently, the ability of our business customers to repay their loans may deteriorate, and in some cases this deterioration may occur quickly, which would adversely impact our results of operations and financial condition. Furthermore, a prolonged period of inflation could cause wages and other costs to us to increase, which could adversely affect our results of operations and financial condition.

Changes to trade policies and tariffs can have an adverse impact on our business and our customers.

Changes in trade policies, including the imposition of tariffs or the escalation of a trade war, could negatively impact the economic conditions in the markets we serve. Our customers, particularly local businesses engaged in manufacturing and retail, may face higher costs for imported goods and materials, reduced export demand and supply chain disruptions due to increased tariffs. These challenges could lead to lower revenues, reduced profitability and potential layoffs, all of which may impair our customers' ability to meet their financial obligations. Furthermore, prolonged trade tensions and economic uncertainty could lead to market volatility, declining asset values and weakened consumer confidence. If our customers experience financial stress, we could see loan delinquencies and credit losses, negatively affecting our asset quality and overall financial performance. Additionally, any decline in local economic activity could reduce loan demand and deposit growth, which are critical to our long-term success. While we actively monitor economic and policy developments, we cannot predict the outcome of trade negotiations or the full impact of tariffs and trade restrictions on our business, customers, and the broader economy. Any adverse effects from tariffs or a trade war could materially and negatively impact our financial condition, results of operations, and future growth prospects.

Monetary policies and regulations of the Federal Reserve could adversely affect our business, financial condition and results of operations.

In addition to being affected by general economic conditions, our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by the Federal Reserve to implement these objectives are open market operations in U.S. government securities, adjustments of the discount rate and changes in reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits. The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

Our stock price may be negatively impacted by unrelated bank failures and negative depositor confidence in depository institutions. Further, if we were unable to adequately manage our liquidity, deposits, capital levels and interest rate risk, which have come under greater scrutiny in light of recent bank failures, we may experience a material adverse effect on our financial condition and results of operations.

On March 9, 2023, Silvergate Bank, La Jolla, California, announced its decision to voluntarily liquidate its assets and wind down operations. On March 10, 2023, Silicon Valley Bank, Santa Clara, California, was closed by the DFPI on March 12, 2023, Signature Bank, New York, New York, was closed by the New York State Department of Financial Services and on May 1, 2023, First Republic Bank, San Francisco, California, was closed by the DFPI, and in each case the FDIC was appointed receiver for the failed institution. These banks had elevated levels of uninsured deposits, which may be less likely to remain at the bank over time and less stable as a source of funding than insured deposits. These failures led to volatility and declines in the market for bank stocks and questions about depositor confidence in depository institutions.

These events have led to a greater focus by institutions, investors and regulators on the on-balance sheet liquidity of and funding sources for financial institutions, the composition of their deposits, including the amount of uninsured deposits, the amount of accumulated other comprehensive loss, capital levels and interest rate risk management.

If we are unable to adequately manage our liquidity, deposits, capital levels and interest rate risk, we may experience a material adverse effect on our financial condition and results of operations. We must maintain sufficient funds to respond to the needs of depositors and borrowers. Deposits have traditionally been our primary source of funds for use in lending and investment activities. We also receive funds from loan repayments, investment maturities and income on other interest-earning assets. While we emphasize the generation of low-cost core deposits as a source of funding, there is strong competition for such deposits in our market area. Additionally, deposit balances can decrease if customers perceive alternative investments as providing a better risk/return tradeoff. Accordingly, as a part of our liquidity management, we must use a number of funding sources in addition to deposits and repayments and maturities of loans and investments. We also rely on alternative funding sources including unsecured borrowing lines with correspondent banks, secured borrowing lines with the Federal Home Loan Bank of San Francisco and the Federal Reserve Bank of San Francisco, and public time certificates of deposits. Our ability to access these sources could be impaired by deterioration in our financial condition as well as factors that are not specific to us, such as a disruption in the financial markets or negative views and expectations for the financial services industry or serious dislocation in the general credit markets. Adverse operating results or changes in industry conditions could lead to difficulty or an inability to access these additional funding sources.

Any decline in available funding could adversely impact our ability to originate loans, invest in securities, pay our expenses, or fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

A lack of liquidity could also attract increased regulatory scrutiny and potential restraints imposed on us by regulators. Depending on the capitalization status and regulatory treatment of depository institutions, including whether an institution is subject to a supervisory prompt corrective action directive, certain additional regulatory restrictions and prohibitions may apply, including restrictions on growth, restrictions on interest rates paid on deposits, restrictions or prohibitions on payment of dividends and restrictions on the acceptance of brokered deposits.

Our financial flexibility would be severely constrained if we were unable to maintain our access to funding or if adequate financing were not available at acceptable interest rates. Further, if we were required to rely more heavily on more expensive funding sources to support liquidity, our revenues may not increase proportionately to cover our increased costs. In this case, our operating margins and profitability would be adversely affected. If alternative funding sources were no longer available to us, we may need to sell a portion of our investment or loan portfolio to raise funds, which, depending upon market conditions, could result in us realizing a loss on the sale of such assets. As of December 31, 2025, we had a net unrealized loss of $39,881,000 on our available for-sale investment securities portfolio. Our investment securities totaled $763,324,000, or 20.7% of total assets, at December 31, 2025. The details of this portfolio are included in Note 3 to the consolidated financial statements.

Interest rate shifts may reduce net interest income and otherwise negatively impact our financial condition and results of operations.

The majority of our banking assets are monetary in nature and subject to risk from changes in interest rates. Like most banks, our earnings and cash flows depend to a great extent upon the level of our net interest income, or the difference between the interest income we earn on loans, investments and other interest-earning assets, and the interest we pay on interest-bearing liabilities, such as deposits and borrowings. Changes in interest rates can increase or decrease our net interest income, because different types of assets and liabilities may react differently, and at different times, to market interest rate changes.

When interest-bearing liabilities mature or reprice more quickly, or to a greater degree than interest-earning assets in a period, an increase in interest rates could reduce net interest income. Similarly, when interest-earning assets mature or reprice more quickly, or to a greater degree than interest-bearing liabilities, falling interest rates could reduce net interest income. An increase in interest rates may, among other things, reduce the demand for loans and our ability to originate loans and decrease loan repayment rates. Conversely, a decrease in the general level of interest rates may affect us through, among other things, increased prepayments on our loan portfolio and increased competition for deposits. Accordingly, changes in the level of market interest rates affect our net yield on interest-earning assets, loan origination volume and our overall results of operations. Although our asset-liability management strategy is designed to control and mitigate exposure to the risks related to changes in market interest rates, those rates are affected by many factors outside of our control, including governmental monetary policies, inflation, deflation, recession, changes in unemployment, the money supply, international disorder and instability in domestic and foreign financial markets.

The development and use of Artificial Intelligence (AI) presents risks and challenges that may adversely impact our business.

We or our third-party vendors, clients or counterparties may develop or incorporate AI technology in certain business processes, services, or products. The development and use of AI presents a number of risks and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving, both in the U.S. and internationally, and includes regulatory schemes targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment, and other laws applicable to the use of AI. These evolving laws and regulations could require changes in our implementation of AI technology and increase our compliance costs and the risk of non-compliance. AI models, particularly generative AI models, may produce output or take action that is incorrect, that reflects biases included in the data on which they are trained, that results in the release of private, confidential, or proprietary information, that infringes on the intellectual property rights of others, or that is otherwise harmful. In addition, the complexity of many AI models makes it difficult to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, reducing erroneous output, eliminating bias, and complying with regulations that require documentation or explanation of the basis on which decisions are made. Further, we may rely on AI models developed by third parties, and, to that extent, would be dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized material in the training data for their models and the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models, matters over which we may have limited visibility. Any

of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures.

Risks Related to our Lending Activities

Agribusiness lending presents unique credit risks.

As of December 31, 2025, approximately $34.2 million, or 1.3% of our total gross loan portfolio was comprised of agribusiness loans. Repayment of agribusiness loans depends primarily on the successful planting and harvest of crops and marketing the harvested commodity or raising and feeding of livestock (including milk production). Collateral securing these loans may be illiquid. In addition, the limited purpose of some agricultural-related collateral affects credit risk because such collateral may have limited or no other uses to support values when loan repayment problems emerge. Many external factors can impact our agricultural borrowers' ability to repay their loans, including adverse weather conditions, water issues, commodity price volatility, diseases, land values, production costs, changing government regulations and subsidy programs, changing tax treatment, technological changes, labor market shortages/increased wages, and changes in consumers' preferences, over which our borrowers may have no control. These factors, as well as recent volatility in certain commodity prices, could adversely impact the ability of those to whom we have made agribusiness loans to perform under the terms of their borrowing arrangements with us, which in turn could result in credit losses and materially and adversely affect our business, financial condition and results of operations.

Because a significant portion of our loan portfolio is comprised of real estate loans, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loan and other losses.

At December 31, 2025, $1.93 billion, or 76.1% of our total loan and lease portfolio, consisted of real estate related loans. The real estate securing our loan portfolio is concentrated in California. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the geographic area in which the real estate is located. Real estate values and real estate markets are generally affected by changes in national, regional or local economic conditions, the rate of unemployment, fluctuations in interest rates and the availability of loans to potential purchasers, changes in tax laws and other governmental statutes, regulations and policies and acts of nature, such as earthquakes and natural disasters. Adverse changes affecting real estate values and the liquidity of real estate in one or more of our markets could increase the credit risk associated with our loan portfolio, significantly impair the value of property pledged as collateral on loans and affect our ability to sell the collateral upon foreclosure without a loss or additional losses. Such declines and losses would have a material adverse impact on our business, financial condition and results of operations.

Increased scrutiny by regulators of commercial real estate concentrations could restrict our activities and impose financial requirements or limits on the conduct of our business.

Banking regulators give commercial real estate lending a high level of scrutiny, and may require banks with higher levels of commercial real estate loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for losses and capital levels as a result of commercial real estate lending growth and exposures. Therefore, we could be required to raise additional capital or restrict our future growth as a result of our higher level of commercial real estate loans.

Many of our loans are to commercial borrowers, which may have a higher degree of risk than other types of borrowers.

At December 31, 2025, commercial loans totaled $156.7 million or 6.2% of our loan portfolio (including SBA loans, asset-based lending, and factored receivables). Commercial loans are often larger and involve greater risks than other types of lending. Because payments on such loans are often dependent on the successful operation or development of the property or business involved, repayment of such loans is often more sensitive than other types of loans to adverse conditions in the real estate market or the general business climate and economy. Accordingly, a downturn in the real estate market and a challenging business and economic environment may increase our risk related to commercial loans, particularly commercial real estate loans. Unlike home mortgage loans, which generally are made on the basis of the borrowers' ability to make repayment from their employment and other income and which are secured by real property whose value tends to be more easily ascertainable, commercial loans typically are made on the basis of the borrowers' ability to make repayment from the cash flow of the commercial venture. Our commercial and industrial loans are primarily made based on the identified cash flow of the borrower and secondarily on the collateral underlying the loans. Most often, collateral consists of accounts receivable, inventory and equipment. Inventory and equipment may depreciate over time, may be difficult to appraise and may fluctuate in value based on the success of the business. Accounts receivable may be uncollectible. If the cash flow from business operations is reduced, the

borrower's ability to repay the loan may be impaired. Vacancy rates can also negatively impact cash flows from business operations. Due to the larger average size of each commercial loan as compared with other loans such as residential loans, as well as collateral that is generally less readily-marketable, losses incurred on a small number of commercial loans could have a material adverse effect on our business, financial condition and results of operations.

Small Business Administration lending is an important part of our business. Our SBA lending program is dependent upon the U.S. federal government, and we face specific risks associated with originating SBA loans.

Our SBA lending program is dependent upon the U.S. federal government. As an approved participant in the SBA Preferred Lender's Program (an "SBA Preferred Lender"), we enable our clients to obtain SBA loans without being subject to the potentially lengthy SBA approval process necessary for lenders that are not SBA Preferred Lenders. The SBA periodically reviews the lending operations of participating lenders to assess, among other things, whether the lender exhibits prudent risk management. When weaknesses are identified, the SBA may request corrective actions or impose enforcement actions, including revocation of the lender's SBA Preferred Lender status. If we lose our status as an SBA Preferred Lender, we may lose some or all of our customers to lenders who are SBA Preferred Lenders, and as a result we could experience a material adverse effect to our financial results. Any changes to the SBA program, including but not limited to changes to the level of guarantee provided by the federal government on SBA loans, changes to program specific rules impacting volume eligibility under the guaranty program, as well as changes to the program amounts authorized by Congress may also have a material adverse effect on our business. In addition, any default by the U.S. government on its obligations or any prolonged government shutdown could, among other things, impede our ability to originate SBA loans or sell such loans in the secondary market, which could adversely affect our business, results of operations and financial condition.

Because government regulation greatly affects the business and financial results of all commercial banks and bank holding companies and especially our organization, changes in the laws, regulations and procedures applicable to SBA loans could adversely affect our business, financial condition and results of operation.

Credit Risks

We may not be able to measure and limit our credit risk adequately, which could lead to unexpected losses.

The primary component of our business involves making loans to our clients. The business of lending is inherently risky, including risks that the principal or interest on any loan will not be repaid in a timely manner or at all or that the value of any collateral supporting the loan will be insufficient to cover losses in the event of a default. These risks may be affected by the strength of the borrower's business and industry, and local, regional and national market and economic conditions. Many of our loans are made to small- to medium-sized businesses that may be less able to withstand competitive, economic and financial pressures than larger borrowers. Our risk management practices, such as managing the concentration of our loans within specific industries, loan types and geographic areas, and our credit approval practices may not adequately reduce credit risk. Further, our credit administration personnel, policies and procedures may not adequately adapt to changes in economic or any other conditions affecting clients and the quality of the loan portfolio. A failure to effectively measure and manage the credit risk associated with our loan portfolio could lead to unexpected losses and have an adverse effect on our business, financial condition and results of operations.

Our allowance for credit losses on loans may prove to be insufficient to absorb potential losses in our loan portfolio.

We maintain an allowance for credit losses on loans to provide for loan defaults and non-performance. This allowance, expressed as a percentage of loans, was 1.18%, at December 31, 2025. Allowance for credit losses on loans is funded from a provision for credit losses on loans, which is a charge to our income statement. We had a provision for credit losses on loans of $3,754,000 for the year ended December 31, 2025. The allowance for credit losses on loans reflects our estimate of the current expected credit losses in our loan portfolio at the relevant balance sheet date. Our allowance for credit losses on loans is based on our prior experience, as well as an evaluation of the known risks in the current portfolio, composition and growth of the loan portfolio and economic forecasts for correlated economic factors. The determination of an appropriate level of allowance for credit losses on loans is an inherently difficult and subjective process, requiring complex judgments, and is based on numerous analytical assumptions. The amount of future losses is susceptible to changes in economic and other conditions, including changes in interest rates, changes in economic forecasts, changes in the financial condition of borrowers, and deteriorating values of collateral that may be beyond our control, and these losses may exceed current estimates. The allowance is only an estimate of the probable incurred losses in the loan portfolio and may not represent actual over time, either of losses in excess of the allowance or of losses less than the allowance.

In addition, we evaluate all loans identified as impaired loans and allocate an allowance based upon our estimation of the potential loss associated with those problem loans. While we strive to carefully manage and monitor credit quality and to identify loans that may be deteriorating, at any time there are loans included in the portfolio that may result in losses, but that have not yet been identified as nonperforming or potential problem loans. Through established credit practices, we attempt to identify deteriorating loans and adjust the allowance for credit losses on loans accordingly. However, because future events are uncertain and because we may not successfully identify all deteriorating loans in a timely manner, there may be loans that deteriorate in an accelerated time frame. We cannot be sure that we will be able to identify deteriorating loans before they become nonperforming assets, or that we will be able to limit losses on those loans that have been so identified.

Although management believes that the allowance for credit losses on loans is adequate to absorb losses on any existing loans that may become uncollectible, we may be required to take additional provisions for credit losses on loans in the future to further supplement the allowance for credit losses on loans, either due to management's decision to do so or because our banking regulators require us to do so. Our bank regulatory agencies will periodically review our allowance for credit losses on loans and the value attributed to nonaccrual loans or to real estate acquired through foreclosure and may require us to adjust our determination of the value for these items. If our allowance for credit losses on loans is inaccurate, for any of the reasons discussed above (or other reasons), and is inadequate to cover the loan losses that we actually experience, the resulting losses could have a material adverse effect on our business, financial condition and results of operations.

Non-performing assets adversely affect our results of operations and financial condition and take significant management time to resolve.

At December 31, 2025, our non-performing loans and leases were 0.27% of total loans and leases compared to 0.28% at December 31, 2024, and 0.00% at December 31, 2023. Our non-performing assets (which include foreclosed real estate) were 0.19% of total assets as of December 31, 2025 compared to 0.18% at December 31, 2024. The allowance for credit losses as a percentage of non-performing loans and leases was 432.37% as of December 31, 2025 compared to 399.37% at December 31, 2024. Non-performing assets adversely affect our net income in various ways. We generally do not record interest income on non-performing loans or other real estate owned, thereby adversely affecting our income and increasing our loan administration costs. When we take collateral in foreclosures and similar proceedings, we are required to mark the related asset to the then fair value of the collateral, which may ultimately result in a loss. An increase in the level of non-performing assets increases our risk profile and may impact the capital levels our regulators believe are appropriate in light of the ensuing risk profile, which could result in a request to reduce our level of non-performing assets. When we reduce problem assets through loan sales, workouts, restructurings and otherwise, decreases in the value of the underlying collateral, or in these borrowers' performance or financial condition, whether or not due to economic and market conditions beyond our control, could adversely affect our business, results of operations and financial condition. In addition, the resolution of non-performing assets requires significant commitments of time from management, which can be detrimental to the performance of their other responsibilities. There can be no assurance that we will not experience future increases in non-performing assets or that the disposition of such non-performing assets will not have a material adverse effect on our business, financial condition and results of operations.

Our focus on lending to small to mid-sized community-based businesses may increase our credit risk.

Commercial real estate and commercial business loans generally are considered riskier than single-family residential loans because they have larger balances to a single borrower or group of related borrowers. Commercial real estate and commercial business loans involve risks because the borrowers' ability to repay the loans typically depends primarily on the successful operation of the businesses or the properties securing the loans. Most of our commercial real estate and commercial business loans are made to small and medium sized businesses who may have a heightened vulnerability to economic conditions. The deterioration of our borrowers' businesses may hinder their ability to repay their loans with us, which could have a material adverse effect on our business, financial condition and results of operations.

Securities Portfolio Risks

We could recognize losses on securities held in our securities portfolio, particularly if interest rates increase or economic and market conditions deteriorate.

As of December 31, 2025, the carrying value of our securities portfolio was approximately $763,324,000. Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. For example, fixed-rate securities acquired by us are generally subject to decreases in market value when interest rates rise. Additional factors include, but are not limited to, rating agency downgrades of the securities or our own analysis of the value of the security, defaults by the issuer or individual mortgagors with respect to the underlying securities, and continued instability in the credit markets. Any of the foregoing factors could cause credit-related impairment in future periods and result in realized losses. The process for determining whether impairment is credit related usually requires difficult, subjective judgments about the future financial performance of the issuer and any collateral underlying the security in order to assess the probability of receiving all contractual principal and interest payments on the security. Because of changing economic and market conditions affecting interest rates, we may recognize realized and unrealized losses in future periods, which could have a material adverse effect on our business, financial condition and results of operations.

Key Personnel Risks

We are highly dependent on our management team, and the loss of our senior executive officers or other key employees could harm our ability to implement our strategic plan, impair our relationships with customers and adversely affect our business, financial condition and results of operations.

Our success depends, in large degree, on the skills of our management team and our ability to retain, recruit and motivate key officers and employees. Our senior management team has significant industry experience, and their knowledge and relationships would be difficult to replace. Leadership changes will occur from time to time, and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. Competition for senior executives and skilled personnel in the financial services and banking industry is intense, which means the cost of hiring, paying incentives and retaining skilled personnel may continue to increase. We need to continue to attract and retain key personnel and to recruit qualified individuals to succeed existing key personnel to ensure the continued growth and successful operation of our business. In addition, as a provider of relationship-based commercial banking services, we must attract and retain qualified banking personnel to continue to grow our business, and competition for such personnel can be intense. To attract and retain personnel with appropriate skills and knowledge to support our business, we may offer a variety of benefits, which could reduce our earnings or have a material adverse effect on our business, financial condition and results of operations. The loss of the services of any senior executive or other key personnel, the inability to recruit and retain qualified personnel in the future, or an increase in compensation benefits could have a material adverse effect on our business, financial condition and results of operations.

Capital Risks

We may be subject to more stringent capital requirements in the future.

We are subject to current and changing regulatory requirements specifying minimum amounts and types of capital that we must maintain. Our failure to comply with capital requirements may restrict the types of activities we or our subsidiaries may conduct, and we may be prohibited from taking certain capital actions, such as paying dividends and repurchasing or redeeming capital securities. While we expect to meet the requirements of the Rules, we may fail to do so. Failure to meet minimum capital requirements could result in certain mandatory and possible additional discretionary actions by regulators that, if undertaken, could have an adverse material effect on our financial condition and results of operations. In addition, these requirements could have a negative impact on our ability to lend, grow deposit balances, make acquisitions or make capital distributions in the form of dividends or share repurchases. Higher capital levels could also lower our return on equity.

We may not be successful in raising additional capital needed in the future.

We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to meet our commitments and business strategies. Our ability to raise additional capital will depend on, among other things, conditions in the capital markets at that time which are outside of our control, and our financial performance. We cannot be assured that such capital will be available to us on acceptable terms or at all. Any occurrence that may limit our access to the capital markets may adversely affect our capital costs and our ability to raise capital. Moreover, if we need to raise capital in the future, we may have to do so when many other financial institutions are also seeking to raise capital and would have to compete with those institutions for investors. An inability to raise additional capital on acceptable terms when needed could have a material adverse effect on our business, financial condition and results of operations.

Strategic Risks

We may not be able to maintain our historical growth rate which may adversely impact our business, financial condition and results of operations and financial condition.

We have initiated internal asset growth programs, completed various acquisitions and opened additional offices in prior years. We may not be able to sustain our historical rate of asset growth or may not even be able to grow at all. We may not be able to obtain the financing necessary to fund additional asset growth and may not be able to find suitable candidates for acquisition. Various factors, such as economic conditions and competition, may impede or prohibit the opening of new branch offices. Further, our inability to attract and retain experienced bankers may adversely affect our internal asset growth. A significant decrease in our historical rate of asset growth could have a material adverse impact on our business, financial condition and results of operations.

There are risks related to acquisitions.

We plan to continue to grow our business organically. However, from time to time, we may consider opportunistic strategic acquisitions that we believe support our long-term business strategy. We face significant competition from numerous other financial services institutions, many of which will have greater financial resources than we do, when considering acquisition opportunities. Accordingly, attractive acquisition opportunities may not be available to us. We may not be successful in identifying or completing any future acquisitions. Acquisitions of financial institutions involve operational risks and uncertainties and acquired companies may have unforeseen liabilities, exposure to asset quality problems, key employee and customer retention problems and other problems that could negatively affect our organization.

If we complete any future acquisitions, we may not be able to successfully integrate the operations, management, products and services of the entities that we acquire and eliminate redundancies. The integration process could result in the loss of key employees or disruption of the combined entity's ongoing business or inconsistencies in standards, controls, procedures, and policies that adversely affect our ability to maintain relationships with customers and employees or achieve the anticipated benefits of the transaction. The integration process may also require significant time and attention from our management that they would otherwise direct at servicing existing business and developing new business. We may not be able to realize any projected cost savings, synergies or other benefits associated with any such acquisition we complete. We cannot determine all potential events, facts and circumstances that could result in loss and our investigation or mitigation efforts may be insufficient to protect against any such loss.

Issuing additional shares of our common stock to acquire other banks and bank holding companies may result in dilution for existing shareholders and may adversely affect the market price of our stock.

In connection with our growth strategy, we have issued, and may issue in the future, shares of our common stock to acquire additional banks or bank holding companies that may complement our organizational structure. Resales of substantial amounts of common stock in the public market and the potential of such sales could adversely affect the prevailing market price of our common stock and impair our ability to raise additional capital through the sale of equity securities. We sometimes must pay an acquisition premium above the fair market value of acquired assets for the acquisition of banks or bank holding companies. Paying this acquisition premium, in addition to the dilutive effect of issuing additional shares, may also adversely affect the prevailing market price of our common stock.

If the goodwill that we recorded in connection with a business acquisition becomes impaired, it could require charges to earnings, which would have a negative impact on our financial condition and results of operations.

Goodwill represents the amount by which the cost of an acquisition exceeded the fair value of net assets we acquired in connection with the purchase. We review goodwill for impairment at least annually, or more frequently if events or changes in circumstances indicate that the carrying value of the asset might be impaired. We determine impairment by comparing the implied fair value of the reporting unit goodwill with the carrying amount of that goodwill. Estimates of fair value are determined based on a complex model using cash flows, the fair value of our Company as determined by our stock price, and company comparisons. If management's estimates of future cash flows are inaccurate, fair value determined could be inaccurate and impairment may not be recognized in a timely manner. If the carrying amount of the reporting unit goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. Any such adjustments are reflected in our results of operations in the periods in which they become known. There can be no assurance that our future evaluations of goodwill will not result in findings of impairment and related write-downs, which may have a material adverse effect on our financial condition and results of operations.

Our decisions regarding the fair value of assets acquired could be different than initially estimated, which could materially and adversely affect our business, financial condition and results of operations.

In business combinations, we acquire significant portfolios of loans that are marked to their estimated fair value. There is no assurance that the acquired loans will not suffer deterioration in value. The fluctuations in national, regional and local economic conditions, including those related to local residential, commercial real estate and construction markets, may increase the level of charge offs in the loan portfolio that we acquire and correspondingly reduce our net income. These fluctuations are not predictable, cannot be controlled and may have a material adverse effect on our business, financial condition, and results of operations.

We must effectively manage our branch growth strategy.

We seek to expand our franchise safely and consistently. A successful growth strategy requires us to manage multiple aspects of our business simultaneously, such as following adequate loan underwriting standards, balancing loan and deposit growth without increasing interest rate risk or compressing our net interest margin, maintaining sufficient capital, maintaining proper system and controls, and recruiting, training and retaining qualified professionals. We also may experience a lag in profitability associated with new branch openings. As part of our general growth strategy we may expand into additional communities or attempt to strengthen our position in our current markets by opening new offices, subject to any regulatory constraints on our ability to open new offices. To the extent that we are able to open additional offices, we are likely to experience the effects of higher operating expenses relative to operating income from the new operations for a period of time which could have a material adverse effect on our business, financial condition and results of operations.

New lines of business or new products and services may subject us to additional risks.

From time to time, we may implement or may acquire new lines of business or offer new products and services within existing lines of business. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed, such as the market for digital assets. In developing and marketing new lines of business and new products and services we may invest significant time and resources. We may not achieve target timetables for the introduction and development of new lines of business and new products or services and price and profitability targets may not prove feasible. External factors, such as regulatory compliance obligations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service. Furthermore, any new line of business or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on our business, financial condition and results of operations.

Competition Risks

Competition in originating loans and attracting deposits may adversely affect our profitability.

We operate in a highly competitive banking market and face substantial competition in originating loans. This competition currently comes principally from other banks, savings institutions, mortgage banking companies, credit unions and other lenders. Many of our competitors enjoy advantages, including greater financial resources and higher lending limits, a wider geographic presence, more accessible branch office locations, the ability to offer a wider array of services or more favorable pricing alternatives, as well as lower origination and operating costs. This competition could reduce our net income by decreasing the number and size of loans that we originate and the interest rates we may charge on these loans.

In attracting deposits, we face substantial competition from other insured depository institutions such as banks, savings institutions and credit unions, as well as institutions offering uninsured investment alternatives, including money market funds. Many of our competitors enjoy advantages, including greater financial resources, more aggressive marketing campaigns, better brand recognition and more branch locations. These competitors may offer higher interest rates than we do, which could decrease the deposits that we attract or require us to increase our rates to retain existing deposits or attract new deposits. Increased deposit competition could adversely affect our ability to generate the funds necessary for lending operations, which may increase our cost of funds or negatively impact our liquidity.

We also compete with non-bank providers of financial services, such as brokerage firms, consumer finance companies, insurance companies and governmental organizations, which may offer more favorable terms. Some of our non-bank competitors are not subject to the same extensive regulations that govern our operations. As a result, such non-bank competitors

may have advantages over us in providing certain products and services. This competition may reduce or limit our margins on banking services, reduce our market share and adversely affect our earnings and financial condition.

The financial services industry could become even more competitive as a result of legislative, regulatory and technological changes and continued consolidation. Our inability to compete successfully in the markets in which we operate could have an adverse effect on our business, financial condition or results of operations.

We have a continuing need for new technology, and we may not have the resources to implement new technology effectively, or we may experience operational challenges when implementing new technology or technology needed to compete effectively with larger institutions may not be available to us on a cost-effective basis.

The financial services industry undergoes rapid technological changes with frequent introductions of new technology-driven products and services, including developments in telecommunications, data processing, automation, internet-based banking, debit cards and so-called "smart cards" and remote deposit capture. In addition to serving clients better, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend, at least in part, upon our ability to address the needs of our clients by using technology to provide products and services that will satisfy client demands for convenience, as well as to create additional efficiencies in our operations as we continue to grow and expand our products and service offerings. We may experience operational challenges as we implement new technology enhancements or products, which could impair our ability to realize the anticipated benefits from such new technology or require us to incur significant costs to remedy any such challenges in a timely manner.

Many of our larger competitors have substantially greater resources to invest in technological improvements. Third parties upon which we rely for our technology needs may not be able to develop on a cost-effective basis the systems that will enable us to keep pace with such developments. As a result, competitors may be able to offer additional or superior products compared to those that we will be able to provide, which would put us at a competitive disadvantage. We may lose clients seeking new technology-driven products and services to the extent we are unable to provide such products and services. Accordingly, the ability to keep pace with technological change is important and the failure to do so could adversely affect our business, financial condition and results of operations.

Technology Risks

A failure in or breach of our operational or security systems, or those of our third-party service providers, including as a result of cyber-attacks, could disrupt business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase costs and cause losses.

In the normal course of its business, we collect, process and retain sensitive and confidential customer and consumer information. Despite the security measures we have in place, our facilities may be vulnerable to cyber-attacks, security breaches, acts of vandalism, computer viruses, misplaced or lost data, programming or human errors, and other similar events.

Information security risks for financial institutions such as us have increased recently in part because of new technologies, such as artificial intelligence, the use of the Internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized crime, perpetrators of fraud, hackers, terrorists and others. In addition to cyber attacks or other security breaches involving the theft of sensitive and confidential information, hackers have engaged in attacks against financial institutions designed to disrupt key business services such as customer-facing web sites. National and international economic and geopolitical conditions may also have a negative impact in the number of cyber security threats we may face. We are not able to anticipate or implement effective preventative measures against all security breaches of these types. Although we employ detection and response mechanisms designed to contain and mitigate security incidents, early detection may be thwarted by sophisticated attacks and malware designed to avoid detection, which continue to evolve.

Additionally, we face the risk of operational disruption, failure, termination or capacity constraints of any of the third parties that facilitate its business activities, including third-party service providers, exchanges, clearing agents, clearing houses or other financial intermediaries. Such parties could also be the source of an attack on, or breach of, our operational systems.

Any failures, interruptions or security breaches in our information systems could damage our reputation, result in a loss of customer business, result in a violation of privacy or other laws, or expose us to civil litigation, regulatory fines or losses not covered by insurance.

See Item 1C - Cybersecurity for additional information regarding our efforts to detect, identify, assess, manage, and respond to material risks from cybersecurity threats.

Reputation and Operations Risks

Our ability to maintain our reputation is critical to the success of our business, and the failure to do so may materially and adversely affect our business and the value of our common stock.

We are a community bank, and, notwithstanding a push by federal banking regulators to de-emphasize the importance of reputational risk, our reputation is one of the most valuable components of our business. Threats to our reputation can come from many sources, including: adverse sentiment about financial institutions generally; unethical practices, failures of technological systems or breaches of security measures, including, but not limited to, those resulting from computer viruses or cyber-attacks; theft, fraud or misappropriation of assets, whether arising from the intentional actions of internal personnel or external third parties; failure to deliver minimum standards of service or quality; compliance deficiencies; and questionable or fraudulent activities of our customers. Negative publicity regarding our industry, us, employees, or customers, with or without merit, may result in the loss of customers, investors and employees, costly litigation, a decline in revenues and increased governmental regulation and have a material adverse effect on our business, financial condition and results of operation.

Our risk management framework may not be effective in mitigating risks or losses to us.

Our risk management framework is comprised of various processes, systems and strategies, and is designed to manage the types of risk to which we are subject, including, among others, credit, market, liquidity, interest rate and compliance. Our framework also includes financial or other modeling methodologies that involve management assumptions and judgment. Our risk management framework may not be effective under all circumstances and may not adequately mitigate any risk or loss to us. If our risk management framework is not effective, we could suffer unexpected losses and our business, financial condition and results of operations could be materially and adversely affected. We may also be subject to potentially adverse regulatory consequences.

Pandemics, natural disasters, global climate change, acts of terrorism and global conflicts may have a negative impact on our business and operations.

Pandemics, natural disasters, global climate change, acts of terrorism, global conflicts or other similar events have in the past, and may in the future have, a negative impact on our business and operations. These events impact us negatively to the extent that they result in reduced capital markets activity, lower asset price levels, or disruptions in general economic activity in the United States or abroad, or in financial market settlement functions. In addition, these or similar events may impact economic growth negatively, which could have an adverse effect on our business and operations and may have other adverse effects on us in ways that we are unable to predict.

Our business operations could be disrupted if significant portions of our workforce were unable to work effectively, including because of illness, quarantines, government actions, or other restrictions in connection with the pandemic. Further, work-from-home and other modified business practices may introduce additional operational risks, including cybersecurity and execution risks, which may result in inefficiencies or delays, and may affect our ability to, or the manner in which we, conduct our business activities. Disruptions to our clients could result in increased risk of delinquencies, defaults, foreclosures and losses on our loans.

Climate change could have a material negative impact on us and our customers.

Our business, as well as the operations and activities of our clients, could be negatively impacted by climate change. Climate change presents both immediate and long-term risks to us and our clients, and these risks are expected to increase over time. Climate change presents multi-faceted risks, including: operational risk from the physical effects of climate events on us and our clients' facilities and other assets; credit risk from borrowers with significant exposure to climate risk; transition risks associated with the transition to a less carbon-dependent economy; and reputational risk from stakeholder concerns about our practices related to climate change, our carbon footprint, and our business relationships with clients who operate in carbon-intensive industries.

Federal and state banking regulators and supervisory authorities, investors, and other stakeholders have increasingly viewed financial institutions as important in helping to address the risks related to climate change both directly and with respect to their clients. This may result in financial institutions coming under increased pressure regarding the disclosure and management of their climate risks and related lending and investment activities. Given that climate change could impose systemic risks upon the financial sector, either via disruptions in economic activity resulting from the physical impacts of climate change or changes in policies as the economy transitions to a less carbon-intensive environment, we may face regulatory risk of increasing focus

on our resilience to climate-related risks, including in the context of stress testing for various climate stress scenarios. Ongoing legislative or regulatory uncertainties and changes regarding climate risk management and practices may result in higher regulatory, compliance, credit, and reputational risks and costs.

Scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

Companies can face increasing scrutiny from customers, regulators, investors, and other stakeholders related to their environmental, social and governance ("ESG") practices and disclosure. Investor advocacy groups, investment funds and influential investors may also focus on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions and human rights. Increased ESG-related compliance costs for us as well as among our suppliers, vendors and various other parties within our supply chain could result in increases to our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, access to capital, and our stock price.

Finance and Accounting Risks

Accounting estimates and risk management processes rely on analytical models that may prove inaccurate resulting in a material adverse effect on our business, financial condition and results of operations.

The processes we use to estimate probable incurred loan losses and to measure the fair value of financial instruments, as well as the processes used to estimate the effects of changing interest rates and other market measures on our financial condition and results of operations, depends upon the use of analytical models. These models reflect assumptions that may not be accurate, particularly in times of market stress or other unforeseen circumstances. Even if these assumptions are adequate, the models using those assumptions may prove to be inadequate or inaccurate because of other flaws in their design or their implementation. If the models we use for interest rate risk and asset-liability management are inadequate, we may incur increased or unexpected losses upon changes in market interest rates or other market measures. If the models we use for determining our probable loan losses are inadequate, the allowance for credit losses on loans may not be sufficient to support future charge-offs. If the models we use to measure the fair value of financial instruments are inadequate, the fair value of such financial instruments may fluctuate unexpectedly or may not accurately reflect what we could realize upon sale or settlement of such financial instruments. Any such failure in our analytical models could result in losses that could have a material adverse effect on our business, financial condition and results of operations.

Changes in accounting standards could materially impact our financial statements.

From time to time, the FASB or the SEC may change the financial accounting and reporting standards that govern the preparation of our financial statements. Such changes may result in us being subject to new or changing accounting and reporting standards. In addition, the bodies that interpret the accounting standards (such as banking regulators or outside auditors) may change their interpretations or positions on how these standards should be applied. These changes may be beyond our control, can be hard to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retrospectively, or apply an existing standard differently, also retrospectively, in each case resulting in our needing to revise or restate prior period financial statements. Restating or revising our financial statements may result in reputational harm or may have other adverse effects on us.

Failure to maintain effective internal controls over financial reporting could have a material adverse effect on our business and stock price.

We are required to comply with the SEC's rules implementing Section 302, Section 404, and Section 906 of the Sarbanes-Oxley Act, which will require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. In particular, we are required to certify our compliance with Section 404 of the Sarbanes-Oxley Act, which requires us to furnish annually a report by management on the effectiveness of our internal control over financial reporting and our independent registered public accounting firm is required to report on the effectiveness of our internal control over financial reporting.

If we identify any material weaknesses in our internal control over financial reporting or are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors, counterparties and customers may lose confidence in the accuracy and completeness of our

financial statements and reports; our liquidity, access to capital markets and perceptions of our creditworthiness could be adversely affected; and the market price of our common stock could decline. In addition, we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, the Federal Reserve, the FDIC, the DFPI or other regulatory authorities, which could require additional financial and management resources. These events could have a material adverse effect on our business and stock price.

We have a significant deferred tax asset and cannot assure that it will be fully realized.

Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between the carrying amounts and tax basis of assets and liabilities computed using enacted tax rates. We regularly assess available positive and negative evidence to determine whether it is more likely than not that our net deferred tax asset will be realized. Realization of a deferred tax asset requires us to apply significant judgment and is inherently speculative because it requires estimates that cannot be made with certainty. At December 31, 2025, we had a net deferred tax asset of $37.5 million. If we were to determine at some point in the future that we will not achieve sufficient future taxable income to realize our net deferred tax asset, we would be required, under generally accepted accounting principles, to establish a full or partial valuation allowance which would require us to incur a charge to income for the period in which the determination was made.

Legislative and Regulatory Risks

We are subject to extensive government regulation that could limit or restrict our activities, which, in turn, may hamper our ability to increase our assets and earnings.

Our business is highly regulated, and our operations are subject to extensive supervision and regulation by federal and state governmental regulatory authorities. We are subject to various laws, regulations, and judicial and administrative decisions imposing requirements and restrictions on our operations. Similarly, the lending, credit and deposit products we offer are subject to broad oversight and regulation. The laws, rules, regulations and supervisory guidance and policies applicable to us are subject to regular modification and change. Perennially, various laws, rules and regulations are proposed at the federal, state and local levels of government, which, if adopted, could impact our operations by making compliance much more difficult or expensive, restricting our ability to originate or sell loans or further restricting the amount of interest or other charges or fees earned on loans or other products. Current and future legal and regulatory requirements, restrictions and regulations, including those imposed under Dodd-Frank, may adversely impact our profitability and may have a material and adverse effect on our business, financial condition, and results of operations. While the banking regulators continue to refine existing regulations implemented after the 2007-2008 financial crisis, currently they are also focusing their attention on certain policy areas, such as climate risk, digital currencies, and technological innovation. This new focus may require us to invest significant management attention and resources to evaluate and make any changes required by the legislation and accompanying rules, and may make it more difficult for us to attract and retain qualified executive officers and employees.

Regulations relating to privacy, information security and data protection could increase our costs, affect or limit how we collect and use personal information.

We are subject to an increasing number of federal and state privacy, information security and data protection laws, and we could be negatively impacted by these laws. Various state and federal banking regulators and states have also enacted data security breach notification requirements with varying levels of individual, consumer, regulatory or law enforcement notification. Moreover, other state and federal legislators and regulators are increasingly adopting or revising privacy, information security and data protection laws that potentially could have a significant impact on our current and planned privacy, data protection and information security-related practices, as well as on our collection, use, sharing, retention and safeguarding of consumer or employee information.

The effects of these privacy and data protection laws, including the cost of compliance and required changes in the manner in which we conduct our business, are not fully known and are potentially significant, and the failure to comply could adversely affect us. Compliance with current or future privacy, data protection and information security laws (including those regarding security breach notification) affecting customer or employee data to which we are subject could result in higher compliance and technology costs and could restrict our ability to provide certain products and services. Our failure to comply with privacy, data protection and information security laws could result in potentially significant regulatory or governmental investigations or actions, litigation, fines, sanctions and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank Secrecy Act, the USA PATRIOT Act of 2001, and other laws and regulations require financial institutions, among other duties, to institute and maintain an effective anti-money laundering program and file suspicious activity and currency transaction reports as appropriate. The federal Financial Crimes Enforcement Network is authorized to impose significant civil money penalties for violations of those requirements and has recently engaged in coordinated enforcement efforts with the individual federal banking regulators, as well as the U.S. Department of Justice, Drug Enforcement Administration, and Internal Revenue Service. We are also subject to scrutiny of compliance with the rules enforced by the Office of Foreign Assets Control and compliance with the Foreign Corrupt Practices Act. If our policies, procedures, and systems are deemed deficient, we would be subject to liability, including fines and regulatory actions, which may include restrictions on our ability to pay dividends and the necessity to obtain regulatory approvals to proceed with certain aspects of our business plan. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us. Any of these results could materially and adversely affect our business, financial condition and results of operations.

Risks Related to Our Common Stock

We may raise additional capital, which could have a dilutive effect on the existing holders of our common stock and adversely affect the market price of our common stock.

We are not restricted from issuing additional shares of common stock or securities that are convertible into or exchangeable for, or that represent the right to receive, common stock. We frequently evaluate opportunities to access the capital markets taking into account our regulatory capital ratios, financial condition and other relevant considerations, and subject to market conditions, we may take further capital actions. Such actions could include, among other things, the issuance of additional shares of common stock in public or private transactions in order to further increase our capital levels above the requirements for a well-capitalized institution established by the federal bank regulatory agencies as well as other regulatory targets.

The issuance of any additional shares of common stock or securities convertible into or exchangeable for common stock or that represent the right to receive common stock, or the exercise of such securities including, without limitation, securities issued upon exercise of outstanding stock options under our stock option plans, could be substantially dilutive to shareholders of our common stock. Holders of our shares of common stock have no preemptive rights that entitle holders to purchase their pro rata share of any offering of shares of any class or series and, therefore, such sales or offerings could result in increased dilution to our shareholders. The market price of our common stock could decline as a result of sales of shares of our common stock or the perception that such sales could occur.

The price of our common stock may fluctuate significantly, and this may make it difficult for you to resell shares of common stock owned by you at times or at prices you find attractive.

At times, the stock market and, in particular, the market for financial institution stocks, has experienced significant volatility, which has reached unprecedented levels. In some cases, the markets have produced downward pressure on stock prices for certain issuers without regard to those issuers' underlying financial strength. As a result, the trading volume in our common stock may fluctuate more than usual and cause significant price variations to occur. This may make it difficult for shareholders to resell shares of common stock at times or at prices they find attractive. The low trading volume in our common shares on the NASDAQ Capital Market means that our shares may have less liquidity than other publicly traded companies. We cannot ensure that the volume of trading in our common shares will be maintained or will increase in the future.

The trading price of the shares of our common stock will depend on many factors, which may change from time to time and which may be beyond our control. Broad market fluctuations have adversely affected and may continue to adversely affect the market price of our common stock. Among the factors that could affect our stock price are:

- actual or anticipated quarterly fluctuations in our operating results and financial condition;
- changes in financial estimates or publication of research reports and recommendations by financial analysts or actions taken by rating agencies with respect to our common stock or those of other financial institutions;
- failure to meet analysts' revenue or earnings estimates;
- speculation in the press or investment community generally or relating to our reputation, our market area, our competitors or the financial services industry in general;
- strategic actions by us or our competitors, such as acquisitions;
- actions by our institutional shareholders;
- fluctuations in the stock price and operating results of our competitors;
- sales of our equity, equity-related or debt securities;
- changes in the frequency or amount of dividends or share repurchases;

- trading activities in our common stock, including short-selling;
- domestic and international economic factors unrelated to our performance; and
- general market conditions and, in particular, developments related to market conditions for the financial services industry.

Our dividend policy may change without notice, and our future ability to pay dividends or repurchase or redeem shares is subject to restrictions.

Since 2000, our board of directors has declared quarterly cash dividends on our common stock. However, we have no obligation to continue doing so and may change our dividend policy at any time without notice to holders of our common stock. Holders of our common stock are only entitled to receive such cash dividends, as our board of directors, in its discretion, may declare out of funds legally available for such payments. Furthermore, consistent with our strategic plans, growth initiatives, capital availability, projected liquidity needs, and other factors, we have made, and will continue to make, capital management decisions and policies that could adversely affect the amount of dividends paid to holders of our common stock and the maintenance of share repurchase program. For more information on the statutory and regulatory limitations relating to dividends and stock repurchases see "Description of Business-Supervision and Regulation-Payment of Dividends and Stock Repurchases."

The holders of our debt obligations will have priority over our common stock with respect to payment in the event of liquidation, dissolution or winding up and with respect to the payment of interest and dividends.

The holders of our debt obligations if any, will have priority over our common stock with respect to payment in the event of liquidation, dissolution or winding up and with respect to the payment of interest and dividends. In any liquidation, dissolution or winding up of the Company, our common stock would rank below all claims of the holders of outstanding debt issued by the Company. As of December 31, 2025, we had $64.4 million principal amount of senior debt and subordinated notes outstanding through 2032. In addition, as of December 31, 2025, we had $5.2 million of trust preferred securities outstanding due 2036. In such event, holders of our common stock would not be entitled to receive any payment or other distribution of assets upon the liquidation, dissolution or winding up of the Company until after all of the Company's obligations to the debt holders were satisfied and holders of the subordinated debt and trust preferred securities subordinate debentures had received any payment or distribution due to them. In addition, we are required to pay interest on the senior debt, subordinated notes, and trust preferred securities and if we are in default in the payment of interest we would not be able to pay any dividends on our common stock.

Provisions in our charter documents and California law may have an anti-takeover effect, and there are substantial regulatory limitations on changes of control of bank holding companies.

Provisions of our charter documents and the California General Corporation Law, or the CGCL, could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our shareholders. Furthermore, with certain limited exceptions, federal regulations prohibit a person or company or a group of persons deemed to be "acting in concert" from, directly or indirectly, acquiring more than 10% (5% if the acquirer is a bank holding company) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise direct the management or policies of our company without prior notice or application to and the approval of the Federal Reserve. Under the California Financial Code, no person may, directly or indirectly, acquire control of a California state bank or its holding company unless the DFPI has approved such acquisition of control. A person would be deemed to have acquired control of if such person, directly or indirectly, has the power (i) to vote 25% or more of the voting power of the Bank or (ii) to direct or cause the direction of the management and policies of the Bank. For purposes of this law, a person who directly or indirectly owns or controls 10% or more of our outstanding common stock would be presumed to control the Bank. Accordingly, prospective investors need to be aware of and comply with these requirements, if applicable, in connection with any purchase of shares of our common stock. Moreover, the combination of these provisions effectively inhibits certain mergers or other business combinations, which, in turn, could adversely affect the market price of our common stock.

ITEM 1B - UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C - CYBERSECURITY

We recognize the crucial importance of identifying, assessing, and managing material risks from cybersecurity threats. We are committed to implementing and maintaining a comprehensive information security program to manage such risks and safeguard our systems and data, including the data of our customers.

Information Security Risk Management and Strategy

We manage our cybersecurity risk in accordance with our Information Security Program, which is applicable to all users of our information technology assets, information assets, and facilities, including our directors, officers, employees, temporary workers, business partners, contractors, vendors, service providers, and individuals affiliated with third parties. The Information Security Program includes a dedicated Cybersecurity Incident Response Plan (the "CIRP"), which sets forth the rules and requirements for detecting, investigating, containing, eradicating, and resolving information security incidents, and addresses the response portion of security monitoring. The Information Security Program also includes: (i) a collection of Security Incident Forms, which delineate the processes for reporting, classifying, investigating, documenting, and communicating information security incidents and (ii) Security Guidelines and Baseline Protections, that establish the rules and requirements for enabling, logging, alerting, and monitoring real time security alerts and security logs (automated or manual) in connection with security incidents.

Potential information security incidents are identified in a number of ways, including, but not limited to: users reporting security violations, system weaknesses, violations of our Acceptable Use Policy which addresses the boundaries of acceptable use of our information technology assets, automated system alerts, and monitoring of both system generated and manually generated logs. Our Information Security Program mandates that any potential information security incident be reported to a member's direct supervisor, IT Management, or the Information Security Officer, to initiate the internal communication and investigation stage, during which such events undergo initial investigation for validation, including related to the scope and depth of such incident and to ensure that it has not resulted from a false positive. Internal communications regarding the potential incident are led by the Information Security Officer and the Incident Response Team ("IRT") in accordance with the CIRP.

Following this initial stage, we gather and update impact information and related documentation for such incidents. We use an incident classification matrix to determine the initial classification of a potential information security incident, which considers users, customers, and systems affected, the sensitivity of data at risk, and the potential business impacts to the Company including financial, legal, regulatory, operational, and reputation. The resulting classification by severity level "One," "Two," or "Three" identifies next steps for escalation and communication following the initial investigation of the potential incident. Upon escalation of an incident, per our Information Security Program, the IRT and ISO review and validate the initial determination of the priority of the incident prior to entering into subsequent investigative and response stages. Upon validation, the IRT and ISO will engage the Company's technology service provider to respond to the incident and notifications or communications are made to either additional personnel or any external entities. Depending on the specific details of any such incident, we may notify additional members of our management team, our board of directors, the Audit Committee, state and federal regulators, technology service providers, or the SEC. The timing of such communications varies based on the details of a particular incident and applicable regulations governing such disclosure. Following this classification and communication stage, we enter the recovery stage to determine containment and a response to the incident, the Company's technology service provider assigns technical staff to address such incident, implement containment, eradicate the incident source, and recover from such incident. Following any such incident and as determined by the Security Incident Forms, we engage in predefined follow-up activities to communicate with law enforcement and notify impacted third parties and customers, as appropriate, in addition to further investigating the cause of the incident, documenting takeaways, and engaging in remediation.

Our Information Security Officer ("ISO") coordinates with other members of our Incident Response Team identified in our Information Security Program to document, validate, respond, and manage actual or potential security incidents according to their threat classifications as described above, and report to our board of directors and the Audit Committee on an ad hoc basis. The ISO also provides annual reports on the status of our Information Security Program and its compliance with regulatory requirements to our board of directors in connection with our board's general risk management oversight role, as described in further detail below. The ISO is responsible for overseeing day-to-day operations of the Information Security Program, coordinating or contributing to reviews, audits, risk assessments, and other risk management material, development of departmental policies and procedures for board approval, and periodic updates to our Information Technology Steering Committee and the Board of Directors Technology Committee. The ISO reports to the Chief Risk Officer, who also maintains a Certified Information Security Manager (CISM) credential.

The ISO has over 15 years of industry experience including management of cybersecurity, enterprise telecommunications infrastructure, and vendor relationships as well as possessing both undergraduate and graduate level degrees, including a Bachelor of Science Information Security and Assurance and Master of Science Information Security and Assurance. Additionally, the ISO was previously certified in 18 industry niches to foster in-depth understanding of technology and its associated risks, including certification as a Certified Ethical Hacker, Certified Computer Hacking Forensics Investigator, Database Design, Web Design, CCNA Routing, Switching, and Security, and is currently enrolled in the International Information System Security Certification Consortium's official Certified Information Systems Security Professional curriculum. Furthermore, the ISO must effectively collaborate with business leaders, executives, and stakeholders. To bolster the collaboration, communication, and business skills necessary to effectively analyze risk holistically, the ISO has undertaken additional graduate level curriculum, including a Master of Business Administration degree program, while maintaining active membership in the National Society of Leadership and Success Honors Society.

With the approval of Audit Committee, we also engage third party assessors, consultants, and auditors in connection with the Company's Information Security Program and in accordance with our Audit Program, including to conduct external and internal penetration testing, independent audits, and risk assessments. The ISO performs or oversees information security assessments for third party service providers that store or process our confidential data. These information security assessments, include a review of any service organization controls ("SOC") reports, and proof of the vendor's independent testing of their data protection controls, as well as a review of any exceptions noted and assessment of management responses, results of vulnerability and penetration testing, incident response processes, and third party data protection controls (which can include, but are not limited to: access reviews and controls, backups, monitoring, encryption standards, and disaster recovery). The review of these areas is taken into account in order to provide an overall information security conclusion and risk rating for the vendor. In addition, we use a combination of technology, policies, procedures, training, and monitoring to promote security awareness and prevent security incidents.

Cybersecurity Risk Oversight

Our executive management team is responsible for the development of our policies and procedures and for managing any exception to the same. In particular, our ISO, nonmember of the executive management team, oversees information security compliance, as described above. The board of directors of the Company has ultimate oversight of cybersecurity-related risk and activities, including the review and approval of our policies and procedures related to cybersecurity. The Information Security Program is approved on an annual basis. Cybersecurity risk management is also incorporated into our overall enterprise risk management model, which is updated on an annual basis and subject to oversight by our board of directors.

In the ordinary course of business, our board of directors receives annual updates from the ISO regarding the Information Security Program and compliance with relevant regulations, as described above. Our Information Technology Steering Committee consists of members of the Executive Management Team and department heads with relevant technology experience, and meets on a bimonthly cadence with minutes, reports, and presentations flowing up to the Board of Directors Technology Committee which also meets on at least a quarterly cadence. If an incident occurs, depending on its priority as identified through the procedures described above, management may inform our board of directors via the Directors Technology subcommittee or Risk Oversight Committee sooner than its next scheduled update.

Notwithstanding our defensive measures and processes, the threat posed by cyber-attacks is severe. Our internal systems, processes, and controls are designed to mitigate loss from cyber-attacks and, while we have experienced cybersecurity incidents in the past, to date, risks from cybersecurity threats have not materially affected us. For further discussion of risks from cybersecurity threats, see the section captioned "A failure in or breach of our operational or security systems, or those of our third-party service providers, including as a result of cyber-attacks, could disrupt business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, increase costs and cause losses" in Item 1A of this Annual Report.

Relevant Regulations

As a regulated financial institution, the Bank is also subject to financial privacy laws, and our cybersecurity practices are subject to oversight by the federal banking agencies. In addition, in 2023 the SEC enacted rules requiring public companies to disclose material cybersecurity incidents that they experience on Form 8-K within four business days of determining that a material cybersecurity incident has occurred and to disclose on an annual basis material information regarding their cybersecurity risk management, strategy, and governance.

ITEM 2 - DESCRIPTION OF PROPERTY

The Company owns the property on which full-service branch offices are situated at the following California locations: the Clovis Banking Center, the Prather Banking Center, the Kerman Banking Center, the Exeter Banking Center, the Goleta Banking Center, and the Paso Robles Banking Center.

All other property is leased by the Company, including the principal executive offices in Fresno, which houses the Company's corporate offices, comprised of various departments, including accounting and finance, business lending for real estate, SBA, and agribusiness, information services, human resources, loan operations, credit review administration, banking services administration, risk management, and compliance.

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 be efficient and maintain attractive facilities.

Properties owned by the Bank are held without loans or encumbrances. All of the property leased is leased directly from independent parties. Management considers the terms and conditions of each of the existing leases to be in the aggregate favorable to the Company**.** See Note 9 of the Company's audited Consolidated Financial Statements in Item 8 of this Annual Report.

ITEM 3 - LEGAL PROCEEDINGS

The Company is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the consolidated financial position or consolidated results of operations of the Company.

ITEM 4 - MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5 - MARKET FOR COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our common stock is listed for trading on the Nasdaq Capital Market under the ticker symbol CWBC. As of December 31, 2025, we had approximately 954 shareholders of record.

We paid common share cash dividends of $0.48 and $0.48 per share in 2025 and 2024, respectively. The Company's primary source of income with which to pay cash dividends is dividends from the Bank. See Note 13 in the audited Consolidated Financial Statements in Item 8 of this Annual Report.

The amount of future dividends will depend upon our earnings, financial condition, capital requirements and other factors, and will be determined by our board of directors on a quarterly basis. It is Federal Reserve policy that bank holding companies generally pay dividends on common stock only out of income available over the past year, and only if prospective earnings retention is consistent with the organization's expected future needs and financial condition. It is also Federal Reserve policy that bank holding companies not maintain dividend levels that undermine the holding company's ability to be a source of strength to its banking subsidiaries. Additionally, the Federal Reserve has indicated that bank holding companies should carefully review their dividend policy and has discouraged payment ratios that are at maximum allowable levels unless both asset quality and capital are very strong. Under the federal Prompt Corrective Action regulations, the Federal Reserve or the FDIC may prohibit a bank holding company from paying any dividends if the holding company's bank subsidiary is classified as undercapitalized.

As a holding company, our ability to pay cash dividends is affected by the ability of our bank subsidiary, to pay cash dividends. The ability of the Bank (and our ability) to pay cash dividends in the future and the amount of any such cash dividends is and could be in the future further influenced by bank regulatory requirements and approvals and capital guidelines.

The decision whether to pay dividends will be made by our board of directors in light of conditions then existing, including factors such as our results of operations, financial condition, business conditions, regulatory capital requirements and covenants under any applicable contractual arrangements, including agreements with regulatory authorities.

As of December 31, 2025, we had $64.4 million principal amount of senior debt and subordinated notes outstanding through 2032. If we fail to make interest payments required by the terms of the subordinated debt, we would be prohibited from paying dividends on any shares of common stock. In addition, as of December 31, 2025, we had $5.2 million of trust preferred securities outstanding due 2036. Under the terms of the trust preferred securities, we may defer interest payments for up to five years. But, if the Company should ever defer such interest payments, we would be prohibited from declaring or paying any cash dividends on any shares of our common stock.

For information on the statutory and regulatory limitations on the ability of the Company to pay dividends and on the Bank to pay dividends to Company see “Item 1 - Business - Supervision and Regulation - Dividends.”

ISSUER PURCHASES OF EQUITY SECURITIES

A summary of the repurchase activity of the Company’s common stock for the fourth quarter of 2025 follows.

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans	Maximum Number of Remaining Shares that May be Purchased at Period End under the I Authorization
10/1/2025 - 10/31/2025	—	$ —	—	
11/01/2025 - 11/30/2025	—	—	—	
12/01/2025 - 12/31/2025	—	—	—	
Total	—	$ —	—	

Securities Authorized for Issuance under Equity Compensation Plans

The following chart sets forth information for the year ended December 31, 2025, regarding equity-based compensation plans of the Company.

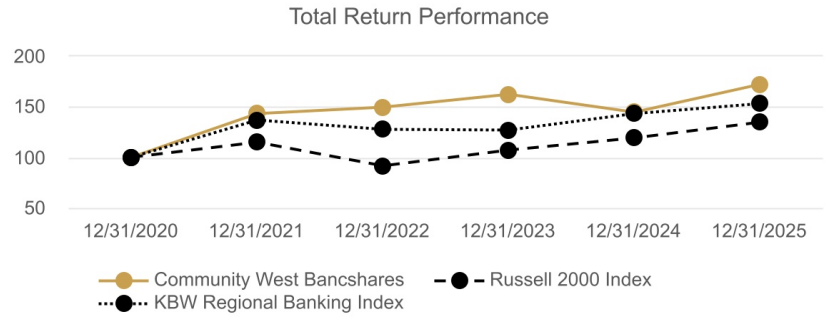
Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)		Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)	
Equity compensation plans approved by security holders	183,210	(1)	$ 14.36	500,000	(2)
Equity compensation plans not approved by security holders	N/A		N/A	N/A	
Total	183,210		$ 14.36	500,000	

(1) Under the Community West Bancshares 2025 Omnibus Incentive Plan (2025 Plan), the Company is authorized to issue restricted stock awards. Restricted stock awards are not included in the total in column (a). See Note 14 in the audited Consolidated Financial Statements in Item 8 of this Annual Report.
(2) Includes securities available for issuance of stock options and restricted stock.

At December 31, 2025, there were 117,435 shares of restricted common stock issued and outstanding. There were no options to purchase shares issued of the Company’s stock during the year ended December 31, 2025 issued under any of the Company’s equity-based compensation plans. During 2024, the Company issued 390,462 options to purchase shares of the Company’s common stock in connection with the merger with Community West Bancshares as of April 1, 2024. During the year ended December 31, 2025, 79,033 shares of restricted common stock were granted under the 2015 Plan, and 72,360 shares of restricted common stock were granted during the year ended December 31, 2024.

PERFORMANCE GRAPH

The following Performance Graph compares the cumulative total shareholder return on the Company's common stock for the period beginning at the close of trading on December 31, 2020, to December 31, 2025, with the cumulative total return of the Russell 2000 Index and the KBW Regional Banking Index for the same period. Dividend reinvestment has been assumed. The Performance Graph assumes $100 invested on December 31, 2020, in the Company's common stock, the Russell 2000 Index and the KBW Regional Bank Index. The historical stock price performance for the Company's common stock shown on the graph below is not necessarily indicative of future stock performance.



Index	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
Community West Bancshares	100.00	127.55	132.20	144.64	128.08	171.74
Russell 2000 Index	100.00	137.74	109.59	128.14	142.93	134.40
KBW Regional Banking Index	100.00	136.64	127.17	126.67	143.39	152.71

*Assumes $100 invested in Community West Bancshares common stock and each index at the close of business on December 31, 2020 and that all dividends were reinvested.

ITEM 6 - [Reserved]

ITEM 7 - MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

Management's discussion and analysis should be read in conjunction with the Company's audited Consolidated Financial Statements, including the Notes thereto, in Item 8 of this Annual Report.

INTRODUCTION

Effective April 1, 2024, Central Valley Community Bancorp, completed its merger transaction with Community West Bancshares. Shortly thereafter, Community West Bank, a wholly owned subsidiary of Community West Bancshares, merged with and into Central Valley Community Bank, a wholly owned subsidiary of Central Valley Community Bancorp, with Central Valley Community Bank being the surviving banking institution. Effective with these mergers, the names of Central Valley Community Bancorp and Central Valley Community Bank were changed to Community West Bancshares and Community West Bank, respectively.

Community West Bancshares (NASDAQ: CWBC) (the Company) was incorporated on February 7, 2000. The formation of the holding company offered the Company more flexibility in meeting the long-term needs of customers, shareholders, and the

communities it serves. The Company currently has one bank subsidiary, Community West Bank (the Bank) and one business trust subsidiary, Service 1st Capital Trust 1. The Company's market area includes Central California from Sacramento, California in the north to Bakersfield, California in the south and west to the Central California Coast.

During 2025, we focused on deposit and loan growth, asset quality, liquidity, and capital adequacy. We also focused on assuring that competitive products and services were made available to our clients while adjusting to the many new laws and regulations that affect the banking industry.

As of December 31, 2025, the Bank operated 26 full-service offices. Additionally, the Bank maintains an Agribusiness Center, and a SBA Lending Division.

OVERVIEW

Financial Highlights

The significant highlights for the Company as of or for the period ended December 31, 2025 included the following:

- Net income for 2025 was $38,168,000 compared to $7,666,000 and $25,536,000 for the years ended December 31, 2024 and 2023, respectively.
- Diluted earnings per share (EPS) for the year ended December 31, 2025 was $2.00, compared to $0.45 and $2.17 for the years ended December 31, 2024 and 2023, respectively.
- Total assets at December 31, 2025 were $3.69 billion compared to $3.52 billion at December 31, 2024.
- Net loans increased $202,368,000 or 8.77%, and total assets increased $168,546,000 or 4.79% at December 31, 2025 compared to December 31, 2024.
- Total deposits increased 6.34% to $3.10 billion at December 31, 2025 compared to $2.91 billion at December 31, 2024.
- Total equity was $409.6 million at December 31, 2025 compared to $362.7 million at December 31, 2024.
- Total cost of deposits decreased to 1.41% for the year ended December 31, 2025 compared to 1.53% for the year ended December 31, 2024.
- Average non-interest bearing demand deposit accounts as a percentage of total average deposits was 34.90% and 38.62% for the years ended December 31, 2025 and December 31, 2024, respectively.
- Net interest margin increased to 4.15% for the year ended December 31, 2025, from 3.76% for the year ended December 31, 2024.
- Return on average equity ("ROE") for 2025 was 9.92% compared to 2.42% and 13.81% for 2024 and 2023, respectively.
- Return on average assets ("ROA") for 2025 was 1.07% compared to 0.24% and 1.04% for 2024 and 2023, respectively.
- There were $6.96 million non-performing assets for the year ended December 31, 2025. Additionally, net loan recoveries were $68,000 and loans delinquent more than 30 days were $23.21 million, compared to net loan charge-offs of $463,000 and loans delinquent more than 30 days of $9.84 million for the year ended December 31, 2024.
- Capital positions remain strong at December 31, 2025 with a 9.80% Tier 1 Leverage Ratio; a 11.56% Common Equity Tier 1 Ratio; a 11.73% Tier 1 Risk-Based Capital Ratio; and a 13.97% Total Risk-Based Capital Ratio.

Dividend Declared

The Company declared a $0.12 per common share cash dividend, payable on February 20, 2026 to shareholders of record on February 6, 2026.

Key Factors in Evaluating Financial Condition and Operating Performance

In evaluating our financial condition and operating performance, we focus on several key factors including:

- Return to our shareholders;
- Return on average assets and net interest margin;
- Asset quality;
- Asset growth;
- Capital adequacy;
- Operating efficiency; and
- Liquidity.

Return to Our Shareholders

One measure of our return to our shareholders is the return on average equity (ROE), which is a ratio that measures net income divided by average shareholders' equity. Our ROE was 9.92% for the year ended 2025 compared to 2.42% and 13.81% for the years ended 2024 and 2023, respectively.

Our net income for the year ended December 31, 2025 increased $30,502,000 compared to 2024 and decreased $17,870,000 in 2024 compared to 2023. Contributing to the increase during 2025, compared to 2024, due to a full year of earnings from the 2024 merger, and a decrease of $8,816,000 in merger related expenses from the 2024 merger with Community West Bancshares. During 2024, net income compared to 2023 was primarily impacted by higher non-interest expenses, including $9,614,000 in merger related expenses, and a provision for loan losses of $11,113,000 primarily as a result of the merger.

Net interest income, before provision for credit losses, increased $25,813,000 or 23.39%, to $136,180,000 for the twelve months ended December 31, 2025, compared to $110,367,000 for the same period in 2024. The accretion on loan marks of acquired loans increased interest income by $11,481,000 and $9,849,000 during the twelve months ended December 31, 2025 and 2024, respectively. Net interest margin during the twelve months ended December 31, 2025 and 2024 benefited by approximately 27 basis points ($8,820,000) and 15 basis points ($4,464,000), respectively, from the net accretion of the fair value marks.

Non-interest income increased $4,043,000 or 62.73% in 2025 compared to 2024 primarily due to a decrease of $4,158,000 in net realized losses on sales and calls of investment securities partially offset by a decrease of $362,000 in other income, a decrease in loan placement fees of $340,000 and a decrease in interchange fee income of $130,000. The decrease in other income is primarily attributed to changes in fair value of other equity investments.

Non-interest expenses decreased $4,315,000 or 4.56% to $90,386,000 in 2025 compared to $94,701,000 in 2024. The most notable decreases were from merger expenses of $8,816,000, data processing expenses of $588,000, professional services of $435,000, and ATM/Debit card expenses of $161,000.

The Company recorded an income tax provision of $14,360,000 for the twelve months ended December 31, 2025, compared to $3,332,000 for the twelve months ended December 31, 2024, and $8,304,000 for the twelve months ended December 31, 2023. Basic EPS was $2.01 for 2025 compared to $0.45 and $2.17 for 2024 and 2023, respectively. Diluted EPS was $2.00 for 2025 compared to $0.45 and $2.17 for 2024 and 2023, respectively.

Return on Average Assets and Net Interest Margin

Our ROA is a ratio that measures our performance as a comparable figure with other banks and bank holding companies. Our ROA for the year ended 2025 was 1.07% compared to 0.24% and 1.04% for the years ended December 31, 2024 and 2023, respectively. The 2025 increase of 83 basis points in ROA is primarily due to the increase in net income due to higher net interest income, non-interest income, and lower non-interest expense.

Our net interest margin (fully tax equivalent basis) was 4.15% for the year ended December 31, 2025, compared to 3.76% and 3.58% for the years ended December 31, 2024 and 2023, respectively. The increase in 2025 net interest margin compared to 2024, resulted from the increase in the yield on the Company's loan portfolio and a decrease in average cost of funds of 40 basis points. The effective tax equivalent yield on total earning assets increased 20 basis points. This increase was augmented by a decrease in the cost of total interest-bearing liabilities, which decreased 40 basis points to 2.36% for the year ended December 31, 2025. Our cost of total deposits in 2025 and 2024 was 1.41% and 1.53%, respectively, compared to 0.72% for the

same period in 2023. Our net interest income before provision for credit losses increased $25,813,000 or 23.39% to $136,180,000 for the year ended 2025 compared to $110,367,000 and $82,429,000 for the years ended 2024 and 2023, respectively.

Asset Quality

For all banks and bank holding companies, asset quality has a significant impact on the overall financial condition and results of operations. Asset quality is measured in terms of classified and nonperforming loans, and is a key element in estimating the future earnings of a company. There were $6.96 million and $6.46 million nonperforming assets or nonperforming loans at December 31, 2025 and December 31, 2024, respectively.

The Company had no other real estate owned at December 31, 2025, or December 31, 2024. The Company had $34,000 and $0 in foreclosed assets recorded at December 31, 2025 and December 31, 2024, respectively. Management maintains certain loans that have been brought current by the borrower (less than 30 days delinquent) on nonaccrual status until such time as management has determined that the loans are likely to remain current in future periods.

The allowance for credit losses as a percentage of outstanding loan balance was 1.18% as of December 31, 2025 and 1.11% as of December 31, 2024. The ratio of net charge-offs (recoveries) to average loans was (0.003)% as of December 31, 2025 and (0.002)% as of December 31, 2024.

Asset Growth

As revenues from both net interest income and non-interest income are a function of asset size, the continued growth in assets has a direct impact in increasing net income and therefore ROE and ROA. The majority of our assets are loans and investment securities, and the majority of our liabilities are deposits, and therefore the ability to generate deposits as a funding source for loans and investments is fundamental to our asset growth. Total assets increased 4.79% during 2025 to $3,690,317,000 as of December 31, 2025 from $3,521,771,000 as of December 31, 2024. Total loans, net of discount and the allowance for credit losses increased 8.77% to $2,510,786,000 as of December 31, 2025, compared to $2,308,418,000 at December 31, 2024. Total investment securities decreased $21,734,000 to $763,324,000 as of December 31, 2025 compared to $785,058,000 as of December 31, 2024. Total deposits increased 6.34% to $3,095,274,000 as of December 31, 2025 compared to $2,910,777,000 as of December 31, 2024.

Our loan to deposit ratio at December 31, 2025 was 82.09% compared to 80.19% at December 31, 2024.

Capital Adequacy

At December 31, 2025, we had a total capital to risk-weighted assets ratio of 13.97%, a Tier 1 risk-based capital ratio of 11.73%, common equity Tier 1 ratio of 11.56%, and a leverage ratio of 9.80%. At December 31, 2024, we had a total capital to risk-weighted assets ratio of 13.58%, a Tier 1 risk-based capital ratio of 11.33%, common equity Tier 1 ratio of 11.15%, and a leverage ratio of 9.17%. At December 31, 2025, on a stand-alone basis, the Bank had a total risk-based capital ratio of 14.77%, a Tier 1 risk based capital ratio of 13.70%, common equity Tier 1 ratio of 13.70%, and a leverage ratio of 11.44%. At December 31, 2024, the Bank had a total risk-based capital ratio of 14.54%, Tier 1 risk-based capital of 13.54%, common equity Tier 1 ratio of 13.54%, and a leverage ratio of 11.04%. Note 13 of the audited Consolidated Financial Statements provides more detailed information concerning the Company's capital amounts and ratios.

As of December 31, 2025, the Bank met or exceeded all of their capital requirements inclusive of the capital buffer. The Bank's capital ratios exceeded the regulatory guidelines for a well-capitalized financial institution under the Basel III regulatory requirements at December 31, 2025.

Operating Efficiency

Operating efficiency is the measure of how efficiently earnings before taxes are generated as a percentage of revenue. A lower ratio represents greater efficiency. The Company's efficiency ratio (operating expenses divided by net interest income plus non-interest income) was 61.63% for 2025 compared to 81.07% for 2024 and 61.82% for 2023. The decrease in the efficiency ratio in 2025 was due to the increase in net interest income and non-interest income combined with the reduction in merger related expenses. The combination of the Company's net interest income before provision for credit losses, plus non-interest income, increased $29,856,000 to $146,668,000 in 2025 compared to $116,812,000 in 2024 and $89,449,000 in 2023, while operating expenses decreased to $90,386,000 in 2025, compared to $94,701,000 in 2024, and $55,300,000 in 2023.

Liquidity

Liquidity management involves our ability to meet cash flow requirements arising from fluctuations in deposit levels and demands of daily operations, which include providing for customers' credit needs, funding of securities purchases, and ongoing repayment of borrowings. Our liquidity is actively managed on a daily basis and reviewed periodically by our management and Directors' Asset/Liability Committee. This process is intended to ensure the maintenance of sufficient funds to meet our needs, including adequate cash flows for off-balance sheet commitments. Our primary sources of liquidity are derived from financing activities which include the acceptance of customer and, to a lesser extent, broker deposits, Federal funds facilities and advances from the Federal Home Loan Bank of San Francisco, or the Federal Reserve. We have available unsecured lines of credit with correspondent banks totaling approximately $110,000,000 and secured borrowing lines of approximately $809,391,000 with the Federal Home Loan Bank. These funding sources are augmented by collection of principal and interest on loans, the routine maturities and pay downs of securities from our investment securities portfolio, the stability of our core deposits, and the ability to sell investment securities. Primary uses of funds include origination and purchases of loans, withdrawals of and interest payments on deposits, purchases of investment securities, and payment of operating expenses.

We had liquid assets (cash and due from banks, interest-earning deposits in other banks, Federal funds sold, equity securities, and available-for-sale securities) totaling $595,191,000 or 16.13% of total assets at December 31, 2025 and $604,097,000 or 17.15% of total assets as of December 31, 2024.

RESULTS OF OPERATIONS

(In thousands, except share and per-share amounts)	For the Year Ended December 31, 2025	December 31, 2024	December 31, 2023
Net interest income before provision for credit losses	$ 136,180	$ 110,367	$ 82,429
Provision for credit losses	3,754	11,113	309
Net interest income after provision for credit losses	132,426	99,254	82,120
Total non-interest income	10,488	6,445	7,020
Total non-interest expenses	90,386	94,701	55,300
Income before provision for income taxes	52,528	10,998	33,840
Provision for income taxes	14,360	3,332	8,304
Net income	$ 38,168	$ 7,666	$ 25,536

Net income for 2025 was $38,168,000 compared to $7,666,000 and $25,536,000 for the years ended December 31, 2024 and 2023, respectively. Basic EPS was $2.01 for 2025 compared to $0.45 and $2.17 for 2024 and 2023, respectively. Diluted EPS was $2.00 for 2025 compared to $0.45 and $2.17 for 2024 and 2023, respectively. ROE was 9.92% for 2025 compared to 2.42% for 2024 and 13.81% for 2023. ROA for 2025 was 1.07% compared to 0.24% for 2024 and 1.04% for 2023.

Net income for the year ended December 31, 2025 increased $30,502,000 compared to 2024 and decreased $17,870,000 in 2024 compared to 2023. Net income increased during 2025, compared to 2024 due to higher net interest income, non-interest income, and lower non-interest expense. During 2024, net income compared to 2023 was primarily impacted by higher non-interest expenses, including $20,491,000 of merger related expenses.

Statement Regarding use of Non-GAAP Financial Measures
Community West Bancshares's financial results are presented in accordance with GAAP and refer to certain non-GAAP financial measures. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the Company's core operating results and comparison of operating results across reporting periods. Management also uses non-GAAP financial measures to establish budgets and manage the Company's business. A reconciliation of the GAAP financial measures to comparable non-GAAP financial measures is presented below.

Reconciliation of GAAP and Non-GAAP Financial Measures

(In thousands, except share and per-share amounts)	December 31, 2025	December 31, 2024	December 31, 2023
NET INCOME:			
Net income (GAAP)	$ 38,168	$ 7,666	$ 25,536
Merger and conversion related costs:			
Provision for credit losses on non-purchased credit deteriorated loans	—	10,877	—
Personnel and severance	—	3,639	—
Professional services	798	2,240	—
Data processing and information technology	—	2,961	—
Other	—	774	—
Total merger and conversion related costs, net of taxes	798	20,491	—
Loss on sale of investment securities	41	4,199	907
Income tax benefit of non-core expenses	(248)	(7,298)	(268)
Comparable net income (non-GAAP)	$ 38,759	$ 25,058	$ — $ 26,175
DILUTED EARNINGS PER SHARE:			
Weighted average diluted shares	19,069,289	17,179,796	11,752,806
Diluted earnings per share (GAAP)	$ 2.00	$ 0.45	$ 2.17
Comparable diluted earnings per share (non-GAAP)	$ 2.03	$ 1.46	$ 2.23
RETURN ON AVERAGE ASSETS			
Average assets	$ 3,581,260	$ 3,190,361	$ 2,460,358
Return on average assets (GAAP)	1.07 %	0.24 %	1.04 %
Impact of non-core expenses	0.01 %	0.55 %	0.03 %
Comparable return on average assets (non-GAAP)	1.08 %	0.79 %	1.06 %
RETURN ON AVERAGE EQUITY			
Average stockholders' equity	$ 384,828	$ 317,142	$ 184,878
Return on average equity (GAAP)	9.92 %	2.42 %	13.81 %
Impact of non-core expenses	0.15 %	5.48 %	0.35 %
Comparable return on average equity (non-GAAP)	10.07 %	7.90 %	14.16 %
EFFICIENCY RATIO			
Non-interest expense (GAAP)	$ 90,386	$ 94,701	$ 55,300
Merger-related non-interest expenses	(798)	(20,491)	—
Non-interest expense (non-GAAP)	89,588	74,210	— 55,300
Net interest income (GAAP)	136,180	110,367	82,429
Non-interest income (GAAP)	10,488	6,445	7,020
Loss on sale of investment securities	41	4,199	907
Non-interest income (non-GAAP)	$ 10,529	$ 10,644	$ — $ 7,927
Efficiency ratio (GAAP)	61.63 %	81.07 %	61.82 %
Comparable efficiency ratio (non-GAAP)	61.07 %	61.33 %	61.20 %

Interest Income and Expense

The level of net interest income depends on several factors in combination, including yields on earning assets, the cost of interest-bearing liabilities, the relative volumes of earning assets and interest-bearing liabilities, and the mix of products which comprise the Company's earning assets, deposits, and other interest-bearing liabilities. To maintain its net interest margin, the Company must manage the relationship between interest earned and paid.

The following Distribution, Rate and Yield table presents the average amounts outstanding for the major categories of the Company's balance sheet, the average interest rates earned or paid thereon, and the resulting net interest margin on average interest earning assets for the periods indicated. Average balances are based on daily averages.

SCHEDULE OF AVERAGE BALANCES, AVERAGE YIELDS AND RATES

	Year Ended December 31, 2025			Year Ended December 31, 2024			Year Ended December 31, 2023		
(Dollars in thousands)	**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	$ 96,566	$ 4,178	4.33 %	$ 83,251	$ 4,355	5.23 %	$ 67,749	$ 3,576	5.28 %
Securities									
Taxable securities	585,937	16,481	2.81 %	663,230	20,384	3.07 %	760,140	23,437	3.08 %
Non-taxable securities (1)	238,760	6,534	2.74 %	249,584	6,940	2.78 %	256,196	7,091	2.77 %
Total investment securities	824,697	23,015	2.79 %	912,814	27,324	2.99 %	1,016,336	30,528	3.00 %
Total securities and interest-earning deposits	921,263	27,193	2.95 %	996,065	31,679	3.18 %	1,084,085	34,104	3.15 %
Loans (2) (3)	2,394,887	159,889	6.68 %	1,978,386	130,166	6.58 %	1,263,226	69,803	5.53 %
Total interest-earning assets	3,316,150	$ 187,082	5.64 %	2,974,451	$ 161,845	5.44 %	2,347,311	$ 103,907	4.43 %
Allowance for credit losses	(27,612)			(22,635)			(14,312)		
Nonaccrual loans	6,502			2,421			—		
Cash and due from banks	35,188			29,884			27,671		
Bank premises and equipment	23,991			20,297			10,465		
Other assets	227,041			185,943			89,223		
Total average assets	$ 3,581,260			$ 3,190,361			$ 2,460,358		
LIABILITIES AND SHAREHOLDERS' EQUITY									
Interest-bearing liabilities:									
Savings and NOW accounts	$ 616,825	$ 4,508	0.73 %	$ 481,447	$ 1,464	0.30 %	$ 473,102	$ 611	0.13 %
Money market accounts	868,971	20,048	2.31 %	759,203	20,284	2.67 %	531,013	8,910	1.68 %
Time certificates of deposit	476,607	18,075	3.79 %	389,667	18,918	4.85 %	163,220	6,006	3.68 %
Total interest-bearing deposits	1,962,403	42,631	2.17 %	1,630,317	40,666	2.49 %	1,167,335	15,527	1.33 %
Other borrowed funds	135,966	6,899	5.07 %	178,627	9,355	5.24 %	86,250	4,462	5.17 %
Total interest-bearing liabilities	2,098,369	$ 49,530	2.36 %	1,808,944	$ 50,021	2.76 %	1,253,585	$ 19,989	1.59 %
Non-interest bearing demand deposits	1,052,129			1,025,611			987,906		
Other liabilities	45,934			38,664			33,989		
Shareholders' equity	384,828			317,142			184,878		
Total average liabilities and shareholders' equity	$ 3,581,260			$ 3,190,361			$ 2,460,358		
Interest income and rate earned on average earning assets		$ 187,082	5.64 %		$ 161,845	5.44 %		$ 103,907	4.43 %
Interest expense and interest cost related to average interest-bearing liabilities		49,530	2.36 %		50,021	2.76 %		19,989	1.59 %
Net interest income and net interest margin (4)		$ 137,552	4.15 %		$ 111,824	3.76 %		$ 83,918	3.58 %

(1) Calculated on a fully tax equivalent basis, which includes Federal tax benefits relating to income earned on municipal bonds totaling $1,373, $1,457, and $1,489 in 2025, 2024, and 2023, respectively.

(2) Loan interest income includes net loan fees (costs) of $301, $(622), and $(11) in 2025, 2024, and 2023, respectively. Loan interest income includes accretion on loan marks of $11,481,000, $9,849,000, and $325,000 in 2025, 2024, and 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.

The following table sets forth a summary of the changes in interest income and interest expense due to changes in average asset and liability balances (volume) and changes in average interest rates for the periods indicated. The change in interest due to both rate and volume has been allocated to the change in rate.

Changes in Volume/Rate	For the Years Ended December 31, 2025 Compared to 2024			For the Years Ended December 31, 2024 Compared to 2023		
(Dollars in thousands)	Volume	Rate	Net	Volume	Rate	Net
Increase (decrease) due to changes in:						
Interest income:						
Interest-earning deposits in other banks	$ 696	$ (873)	$ (177)	$ 818	$ (39)	$ 779
Investment securities:						
Taxable	(2,376)	(1,527)	(3,903)	(2,988)	(65)	(3,053)
Non-taxable (1)	(301)	(105)	(406)	(183)	32	(151)
Total investment securities	(2,677)	(1,632)	(4,309)	(3,171)	(33)	(3,204)
Loans	27,403	2,320	29,723	39,518	20,845	60,363
Total earning assets (1)	25,422	(185)	25,237	37,165	20,773	57,938
Interest expense:						
Deposits:						
Savings and NOW accounts	411	2,633	3,044	10	843	853
Money market accounts	2,932	(3,168)	(236)	3,828	7,546	11,374
Time certificate of deposits	4,220	(5,063)	(843)	8,332	4,580	12,912
Total interest-bearing deposits	7,563	(5,598)	1,965	12,170	12,969	25,139
Other borrowed funds	(2,234)	(222)	(2,456)	4,778	115	4,893
Total interest bearing liabilities	5,329	(5,820)	(491)	16,948	13,084	30,032
Net interest income (1)	$ 20,093	$ 5,635	$ 25,728	$ 20,217	$ 7,689	$ 27,906

(1) Computed on a tax equivalent basis for securities exempt from federal income taxes.

Interest and fee income from loans increased $29,723,000 or 22.83% in 2025 compared to 2024. Interest and fee income from loans was $159,889,000 in 2025 compared to $130,166,000 in 2024. The increase in 2025 is attributable to rate increases and an increase of $416,501,000 in average total loans outstanding.

Average total loans, including nonaccrual loans, for 2025 increased $416,501,000 to $2,394,887,000 compared to $1,978,386,000 for 2024 and $1,263,226,000 for 2023. The yield on loans for 2025 was 6.68% compared to 6.58% and 5.53% for 2024 and 2023, respectively. The impact to interest income from the accretion of the loan marks on acquired loans was an increase of $11,481,000 from $9,849,000 for the years ended December 31, 2025 and 2024, respectively.

Interest income from total investment securities decreased $4,224,000 in the twelve months ended December 31, 2025 to $21,643,000 compared to $25,867,000 for 2024 and $29,039,000 for 2023. The yield on average total investment securities decreased 20 basis points to 2.79% for the twelve months ended December 31, 2025 compared to 2.99% for 2024 and 3.00% for 2023. Average total amortized cost of investment securities for the twelve months ended December 31, 2025 decreased $88,117,000 or 9.65% to $824,697,000 compared to $912,814,000 for 2024 and $1,016,336,000 for 2023.

A significant portion of the investment portfolio is mortgage-backed securities (MBS) and collateralized mortgage obligations (CMOs). At December 31, 2025, we held $293,366,000 or 38.78% of the total AFS market value of the investment portfolio in MBS and CMOs with an average book yield of 2.48%. We invested in CMOs and MBS as part of our overall strategy to increase our net interest margin. CMOs and MBS by their nature are affected by prepayments which are impacted by changes in interest rates. In a normal declining rate environment, prepayments from MBS and CMOs would be expected to increase and the expected life of the investment would be expected to shorten. However, as interest rates have increased since purchase, prepayments have declined and the average life of the MBS and CMOs have extended. Premium amortization and discount

accretion of these investments affects our net interest income. Management monitors the prepayment trends of these investments and adjusts premium amortization and discount accretion based on several factors. These factors include the type of investment, the investment structure, interest rates, interest rates on new mortgage loans, expectation of interest rate changes, current economic conditions, the level of principal remaining on the bond, the bond coupon rate, the bond origination date, and volume of available bonds in market. The calculation of premium amortization and discount accretion is by its nature inexact, and represents management's best estimate of principal pay downs inherent in the total investment portfolio.

The cumulative net-of-tax effect of the change in market value of the available-for-sale investment portfolio as of December 31, 2025 was an unrealized loss of $27,944,000 and is reflected in the Company's equity. At December 31, 2025, the effective duration of the available-for-sale investment portfolio was 4.75 years and the market value reflected a pre-tax unrealized loss of $39,673,000. Management reviews market value declines on individual investment securities to determine whether there is a need to record impairment. For the years ended December 31, 2025, 2024, and 2023, no impairment was recorded. Future deterioration in the market values of our investment securities may require the Company to recognize unrealized losses.

Total interest income in 2025 increased $25,322,000 to $185,710,000 compared to $160,388,000 in 2024 and $102,418,000 in 2023, respectively. The increase in 2025 was the result of a full year of operations after the 2024 merger, yield changes and asset mix changes. The tax-equivalent yield on interest earning assets increased to 5.64% for the year ended December 31, 2025 from 5.44% for the year ended December 31, 2024. Average interest earning assets increased to $3,316,150,000 for the year ended December 31, 2025 compared to $2,974,451,000 for the year ended December 31, 2024. Average interest-earning deposits in other banks increased $13,315,000 in 2025 compared to 2024. Average yield on these deposits was 4.33% compared to 5.23% on December 31, 2025 and December 31, 2024 respectively. Average investments decreased $88,117,000 and the tax equivalent yield on those assets decreased 20 basis points. Average total loans increased $416,501,000 while the yield on average loans increased 10 basis points.

Interest expense on deposits for the twelve months ended December 31, 2025 and 2024 was $42,631,000 and $40,666,000, respectively. The average interest rate on interest bearing deposits decreased 32 basis points to 2.17% for the twelve months ended ended December 31, 2025 compared to 2.49% for the twelve months ended December 31, 2024. Average interest-bearing deposits increased 20.37% or $332,086,000 to $1,962,403,000 for the twelve months ended December 31, 2025 compared to $1,630,317,000 for the twelve months ended December 31, 2024.

Average other borrowings were $135,966,000 with an effective rate of 5.07% for 2025 compared to $178,627,000 with an effective rate of 5.24% for 2024. Included in other borrowed funds are the junior subordinated debentures acquired from Service 1st Bancorp ("Service 1st"), subordinated debt, senior debt, advances on lines of credit, advances from the Federal Home Loan Bank (FHLB), and overnight borrowings. The junior subordinated debentures carry a floating rate based on the three month SOFR plus a margin of 1.60%. The rate was 5.77% for 2025 and 7.26% for 2024. The subordinated debt, issued in 2021, bears a fixed interest rate of 3.130% per year. The senior debt has an interest rate of prime less a margin of 0.50%, with cap of 6.75%. Due to the decreases in the prime rate during 2025, the interest rate as of December 31, 2025 was 6.25%. As of December 31, 2025, the Company had an overnight borrowing advance for $73,000,000 outstanding with an interest rate of 4.02%. At December 31, 2024, the Company had an overnight borrowing advance with the FHLB for $35,000,000 with an interest rate of 5.70%.

The cost of all interest-bearing liabilities was 2.36% for 2025, compared to 2.76% and 1.59% for 2024 and 2023, respectively. The cost of total deposits was 1.41% for the year ended December 31, 2025, compared to 1.53% and 0.72% for the years ended December 31, 2024 and 2023, respectively. Average non-interest bearing demand deposits increased $26,518,000 to $1,052,129,000 in 2025 compared to $1,025,611,000 for 2024 and $987,906,000 for 2023. The ratio of average non-interest demand deposits to average total deposits decreased to 34.90% for 2025 compared to 38.62% and 45.84% for 2024 and 2023, respectively.

Net Interest Income before Provision for Credit Losses

Net interest income before provision for credit losses for 2025 increased $25,813,000 or 23.39% to $136,180,000 compared to $110,367,000 for 2024. The increase in 2025 was a result of an increase in average assets and from yield changes and asset mix changes. The increase in average earnings assets and liabilities was due to a full year in 2025 from the 2024 merger with Community West Bancshares. The net interest margin (NIM) increased 39 basis points. Yield on interest earning assets increased 20 basis points. The increase in net interest margin in the period-to-period comparison resulted primarily from the increase in yield and volume of loans partially offset by a decrease in the yield and volume of interest-bearing liabilities.

Net interest income before provision for credit losses increased $27,938,000 in 2024 compared to 2023, primarily due yield changes, asset mix changes, and an increase in average earnings assets, offset by an increase in average interest bearing

liabilities. Average interest-earning assets were $3,316,150,000 for the year ended December 31, 2025 with a NIM of 4.15% compared to $2,974,451,000 with a NIM of 3.76% in 2024, and $2,347,311,000 with a NIM of 3.58% in 2023. For a discussion of the repricing of our assets and liabilities, refer to Quantitative and Qualitative Disclosure about Market Risk.

Non-Interest Income

Non-interest income is comprised of customer service charges, gains (losses) on sales and calls of investment securities, income from appreciation in cash surrender value of bank owned life insurance, loan placement fees, Federal Home Loan Bank dividends, and other income. Non-interest income was $10,488,000 in 2025 compared to $6,445,000 and $7,020,000 in 2024 and 2023, respectively. The $4,043,000 or 62.73% increase in non-interest income in 2025 was driven by a decrease of $4,158,000 in net realized losses on sales and calls of investment securities, partially offset by a decrease in other income of $362,000, $340,000 in loan placement fees and a $130,000 decrease in service charge income.

Income from customer service charges increased $230,000 to $2,028,000 in 2025 compared to $1,798,000 in 2024. The increase in service charge fees in 2025 was due to the merger and increased customer base. Service charges were $1,503,000 in 2023.

During the year ended December 31, 2025, we realized net losses on sales and calls of investment securities of $41,000, compared to net losses of $4,199,000 and $907,000 in 2024 and 2023, respectively. The net losses in all years were the results of partial restructuring of the investment portfolio designed to improve the future performance of the portfolio. Realized losses recorded in 2025 and 2024 were the result of strategic decisions to reduce the overall impact of the Company's investment portfolio and fund loan growth. See Note 3 to the audited Consolidated Financial Statements for more detail.

Income from the appreciation in cash surrender value of bank owned life insurance (BOLI) totaled $1,497,000 in 2025 compared to $1,325,000 and $1,035,000 in 2024 and 2023, respectively. The Bank's salary continuation and deferred compensation plans and the related BOLI are used as retention tools for directors and key executives of the Bank.

Interchange fees totaled $1,948,000 in 2025 compared to $2,078,000 and $1,780,000 in 2024 and 2023, respectively.

The Company earns loan placement fees from the brokerage of single-family residential mortgage loans provided for the convenience of our customers. Loan placement fees decreased $340,000 in 2025 to $844,000 compared to $1,184,000 in 2024 and $584,000 in 2023.

The Bank holds stock from the Federal Home Loan Bank in relationship with its borrowing capacity and generally receives quarterly dividends. As of December 31, 2025 and 2024, we held FHLB stock totaling $10,978,000 and $10,978,000, respectively. Dividends in 2025 increased to $960,000 compared to $796,000 in 2024 and $498,000 in 2023.

Other income decreased to $3,094,000 in 2025 compared to $3,456,000 and $2,125,000 in 2024 and 2023, respectively. The decrease in other income is primarily attributed to changes in fair value of other equity investments.

Non-Interest Expenses

Salaries and employee benefits, occupancy and equipment, regulatory assessments, acquisition and integration-related expenses, data processing expenses, ATM/Debit card expenses, license and maintenance contract expenses, information technology, and professional services (consisting of audit, accounting, consulting and legal fees) are the major categories of non-interest expenses. Non-interest expenses decreased $4,315,000 or 4.56% to $90,386,000 in 2025 compared to $94,701,000 in 2024, and $55,300,000 in 2023. The decreases in various non-interest expense categories consisted of a decrease of $8,816,000 in merger expenses, $588,000 in data processing expense, $435,000 in professional services, and $161,000 in ATM/Debit card expenses in 2025 compared to 2024.

Our efficiency ratio, measured as the percentage of non-interest expenses (exclusive of amortization of core deposit intangibles, other real estate owned, and repossessed asset expenses) to net interest income before provision for credit losses plus non-interest income (exclusive of realized gains or losses on sale and calls of investments) was 61.63% for 2025 compared to 81.07% for 2024 and 61.82% for 2023. The decrease in the efficiency ratio in 2025 compared to 2024 was due to the decrease in non-interest expense.

Salaries and employee benefits increased $1,371,000 or 2.83% to $49,841,000 in 2025 compared to $48,470,000 in 2024 and $31,367,000 in 2023. Full time equivalents were 338 for the year ended December 31, 2025 compared to 356 for the year ended

December 31, 2024. The increase in salaries and employee benefits in 2025 compared to 2024 was from the increases in salary to reflect current market conditions.

For the years ended December 31, 2025, 2024, and 2023, the compensation cost recognized for equity-based compensation was $1,158,000, $879,000 and $858,000, respectively. As of December 31, 2025, there was $1,354,000 of total unrecognized compensation cost related to non-vested equity-based compensation arrangements granted under all plans. The cost is expected to be recognized over a weighted average period of 2.13 years. See Notes 1 and 14 to the audited Consolidated Financial Statements for more detail. The Company issued 390,462 options to purchase common stock to previous option holders of Community West Bancshares as part of the merger during 2024. No options to purchase shares of the Company's common stock were issued during the years ending December 31, 2025 and 2023. Restricted common stock awards of 79,033, 72,360, and 69,692 shares were awarded in 2025, 2024, and 2023, respectively.
Occupancy and equipment expense increased $1,951,000 or 20.58% to $11,430,000 in 2025 compared to $9,479,000 in 2024 and $5,726,000 in 2023. The Company made no changes in its depreciation expense methodology. The Company operated 26 full-service offices at December 31, 2025 and 19 full-service offices at December 31, 2024.

Regulatory assessments were $1,994,000 in 2025 compared to $1,837,000 and $1,312,000 in 2024 and 2023, respectively. The assessment base for calculating the amount owed is based on the formula of average assets minus average tangible equity.

Information technology expense increased $1,197,000 to $7,137,000 for the year ended December 31, 2025 compared to $5,940,000 and $3,616,000 in 2024 and 2023, respectively. Data processing expenses were $3,160,000 in 2025 compared to $3,748,000 in 2024 and $2,621,000 in 2023. Professional services decreased $435,000 in 2025 to $2,390,000 compared to $2,825,000 in 2024.

The following table shows significant components of other non-interest expense for the periods indicated:

	For the Twelve Months Ended December 31,		
(Dollars in thousands)	**2025**	**2024**	**2023**
Telephone expenses	$ 949	$ 787	$ 439
Internet banking expense	804	319	158
Donations, including Community Reinvestment Act (CRA) donations	781	701	326
Travel expense	723	537	162
Meetings and meals	682	382	184
Armored car and courier service	573	507	266
General insurance	464	278	255
Business development and entertainment	441	618	210
Stationery and supplies	417	331	153
Remote deposit capture	277	218	163
Operating losses	267	375	214
Alarm and security service expense	234	267	146
Education and training	173	263	220
Association expense	162	145	121
Risk management expense	96	99	142
Service charge fee expense	79	85	101
Other	930	1,622	1,110
Total other non-interest expense	$ 8,052	$ 7,534	$ 4,370

Provision for Income Taxes

Our effective income tax rate was 27.3% for 2025 compared to 30.3% for 2024 and 24.5% for 2023. The Company reported an income tax provision of $14,360,000, $3,332,000, and $8,304,000 for the years ended December 31, 2025, 2024, and 2023, respectively.

Some items of income and expense are recognized in different years for tax purposes than when applying generally accepted accounting principles leading to timing differences between the Company's actual tax liability, and the amount accrued for this liability based on book income. These temporary differences comprise the "deferred" portion of the Company's tax expense or benefit, which is accumulated on the Company's books as a deferred tax asset or deferred tax liability until such time as they reverse.

Realization of the Company's deferred tax assets is primarily dependent upon the Company generating sufficient future taxable income to obtain benefit from the reversal of net deductible temporary differences and the utilization of tax credit carryforwards and the net operating loss carryforwards for Federal and California state income tax purposes. The amount of deferred tax assets considered realizable is subject to adjustment in future periods based on estimates of future taxable income. Under generally accepted accounting principles, a valuation allowance is required to be recognized if it is "more likely than not" that the deferred tax assets will not be realized. The determination of the realization of the deferred tax assets is highly subjective and dependent upon judgment concerning management's evaluation of both positive and negative evidence, including forecasts of future income, cumulative losses, applicable tax-planning strategies, and assessments of current and future economic and business conditions.

The Company had net deferred tax assets of $37,461,000 and $46,421,000 at December 31, 2025 and 2024, respectively. After consideration of the matters in the preceding paragraph, the Company determined that it is more likely than not that the net deferred tax assets at December 31, 2025 and 2024 will be fully realized in future years.

FINANCIAL CONDITION

Summary of Changes in Consolidated Balance Sheets

Total assets were $3,690,317,000 as of December 31, 2025, compared to $3,521,771,000 at December 31, 2024, an increase of 4.79% or $168,546,000. Total gross loans were $2,540,857,000 at December 31, 2025, compared to $2,334,221,000 at December 31, 2024, an increase of $206,636,000 or 8.85%. Total cash and cash equivalents decreased 1.17% or $1,414,000 to $118,984,000 at December 31, 2025 compared to $120,398,000 at December 31, 2024. The investment portfolio decreased 2.77% or $21,734,000 to $763,324,000 at December 31, 2025 compared to $785,058,000 at December 31, 2024. Total deposits increased 6.34% or $184,497,000 to $3,095,274,000 at December 31, 2025, compared to $2,910,777,000 at December 31, 2024. Shareholders' equity increased 12.93% or $46,903,000 to $409,588,000 at December 31, 2025, compared to $362,685,000 at December 31, 2024. The increase in shareholders' equity was driven by the retention of earnings, issuance of common stock, and the change in unrealized loss, partially offset by dividends paid. Accrued interest payable and other liabilities was $42,929,000 at December 31, 2025, compared to $44,978,000 at December 31, 2024, an decrease of 4.56% or $2,049,000.

Fair Value

The Company measures the fair value of its financial instruments utilizing a hierarchical framework associated with the level of observable pricing scenarios utilized in measuring financial instruments at fair value. The degree of judgment utilized in measuring the fair value of financial instruments generally correlates to the level of the observable pricing scenario. Financial instruments with readily available actively quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of observable pricing and a lesser degree of judgment utilized in measuring fair value. Conversely, financial instruments rarely traded or not quoted will generally have little or no observable pricing and a higher degree of judgment utilized in measuring fair value. Observable pricing scenarios are impacted by a number of factors, including the type of financial instrument, whether the financial instrument is new to the market and not yet established and the characteristics specific to the transaction.

See Note 17 of the Notes to Consolidated Financial Statements for additional information about the level of pricing transparency associated with financial instruments carried at fair value.

Investments

The following table reflects the balances for each category of securities at year end (in thousands):

	Amortized Cost at December 31,		
Available-for-Sale Securities	**2025**	**2024**	**2023**
U.S. Treasury securities	$ 9,996	$ 9,994	$ 9,990
U.S. Government agencies	66	70	102
Obligations of states and political subdivisions	180,395	183,766	198,070
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	67,588	76,732	88,874
Private label mortgage and asset backed securities	250,575	265,302	372,610
Corporate debt securities	463	470	—
Total Available-for-Sale Securities	$ 509,083	$ 536,334	$ 669,646

	Amortized Cost at December 31,		
Held-to-Maturity Securities	**2025**	**2024**	**2023**
Obligations of states and political subdivisions	$ 192,308	$ 192,156	$ 192,070
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	11,443	11,095	10,758
Private label mortgage and asset backed securities	51,397	53,066	54,579
Corporate debt securities	32,409	46,198	46,086
Total Held-to-Maturity Securities	$ 287,557	$ 302,515	$ 303,493

Our investment portfolio consists of U.S. Government sponsored entities and agencies collateralized by mortgage backed obligations and obligations of states and political subdivision securities and are classified at the date of acquisition as available-for-sale or held-to-maturity. As of December 31, 2025, investment securities with a fair value of $458,405,000, or 60.05% of our investment securities portfolio, were held as collateral for public funds, short and long-term borrowings, treasury, tax, and for other purposes. Our investment policies are established by the Board of Directors and implemented by our Investment/Asset Liability Committee. They are designed primarily to provide and maintain liquidity, to enable us to meet our pledging requirements for public money and borrowing arrangements, to generate a favorable return on investments without incurring undue interest rate and credit risk, and to complement our lending activities.

The total investment portfolio decreased $21,734,000 to $763,324,000 at December 31, 2025 compared to $785,058,000 at December 31, 2024. The fair value of the available-for-sale investment portfolio reflected a net unrealized loss of $39,673,000 at December 31, 2025, compared to net unrealized losses of $59,221,000 at December 31, 2024 and $49,999,000 at December 31, 2024.

Losses recognized in 2025, 2024, and 2023 were incurred in order to reposition the investment securities portfolio based on the current rate environment. As market interest rates or risks associated with a security's issuer continue to change and impact the actual or perceived values of investment securities, the Company may determine that selling these securities and using proceeds to purchase securities that fit with the Company's current risk profile is appropriate and beneficial to the Company.

The Board and management have had periodic discussions about our strategy for risk management in dealing with potential losses as interest rates rise. We have been managing the portfolio with an objective of optimizing risk and return in various interest rate scenarios. We do not attempt to predict future interest rates, but we analyze the cash flows of our investment portfolio in different interest rate scenarios in connection with the rest of our balance sheet to design an investment portfolio that optimizes performance.

The Company periodically evaluates each investment security for other-than-temporary impairment, relying primarily on industry analyst reports, observation of market conditions and interest rate fluctuations. The portion of the impairment that is attributable to a shortage in the present value of expected future cash flows relative to the amortized cost should be recorded as a current period charge to earnings. The discount rate in this analysis is the original yield expected at time of purchase.

For those bonds that met the evaluation criteria, management obtained and reviewed the most recently published national credit ratings for those bonds. For those bonds that were obligations of states and political subdivisions with an investment grade rating by the rating agencies, management also evaluated the financial condition of the municipality and any applicable municipal bond insurance provider and concluded that no credit related impairment existed. There were no impairment losses recorded during the years ended December 31, 2025, 2024, or 2023.

The amortized cost, maturities and weighted average yield of investment securities at December 31, 2025 are summarized in the following table:

(Dollars in thousands)	In one year or less		After one through five years		After five through ten years		After ten years		Total	
Available-for-Sale Securities	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Debt securities(1)										
U.S. Treasury securities	$ —	—%	$ 9,996	1.27 %	$ —	— %	$ —	—%	$ 9,996	1.27 %
U.S. Government agencies	—	—	—	—	—	—	66	3.96	66	3.96
Obligations of states and political subdivisions (2)	—	—	23,830	1.83	20,068	2.81	136,497	2.03	180,395	2.09
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	—	—	7,180	4.33	5,020	1.94	55,388	3.87	67,588	3.77
Private label residential mortgage and asset backed securities	7,047	4.43	2,578	2.59	4,988	3.13	235,962	2.31	250,575	2.39
Corporate Debt Securities	—	—	463	10.22	—	—	—	—	463	10.22
	$ 7,047	4.43 %	$ 44,047	2.24 %	$ 30,076	2.72 %	$ 427,913	2.43 %	$ 509,083	2.45 %

(Dollars in thousands)	In one year or less		After one through five years		After five through ten years		After ten years		Total	
Held-to-Maturity Securities	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield	Amount	Yield
Debt securities(1)										
Obligations of states and political subdivisions (2)	$ —	— %	$ 29,165	3.48 %	$ 63,908	3.41 %	$ 99,235	3.22 %	$ 192,308	3.32 %
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	—	—	—	—	—	—	11,443	3.11 %	11,443	3.11 %
Private label residential mortgage and asset backed securities	—	—	—	—	—	—	51,397	3.61 %	51,397	3.61 %
Corporate Debt Securities	—	—	5,846	7.08 %	26,563	4.40 %	—	—	32,409	4.88 %
	$ —	— %	$ 35,011	4.08 %	$ 90,471	3.70 %	$ 162,075	3.33 %	$ 287,557	3.54 %

(1) Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to call or prepay obligations with or without call or prepayment penalties. Expected maturities will also differ from contractual maturities due to unscheduled principal pay downs.
(2) Not computed on a tax equivalent basis.

Loans

Total loans, net of discounts, deferred costs, and allowance for credit losses increased $202,368,000 or 8.77% to $2,510,786,000 as of December 31, 2025, compared to $2,308,418,000 as of December 31, 2024.

The following table sets forth information concerning the composition of our loan portfolio as of December 31, 2025, 2024, 2023, 2022, and 2021.

	2025		2024		2023		2022		2021	
Loan Type (Dollars in thousands)	**Amount**	**% of Gross Loans**	**Amount**	**% of Total Loans**	**Amount**	**% of Total Loans**	**Amount**	**% of Total Loans**	**Amount**	**% of Total Loans**
Commercial:										
Commercial and industrial	$ 156,744	6.2 %	$ 143,422	6.1 %	$ 105,466	8.2 %	$ 141,197	11.3 %	$ 136,600	13.2 %
Agricultural production	34,152	1.3 %	37,323	1.6 %	33,556	2.6 %	37,007	2.9 %	40,860	3.9 %
Total commercial	190,896	7.5 %	180,745	7.7 %	139,022	10.8 %	178,204	14.2 %	177,460	17.1 %
Real estate:										
Construction & other land loans	80,452	3.2 %	67,869	2.9 %	33,472	2.6 %	109,175	8.7 %	61,586	5.9 %
Commercial real estate - owner occupied	368,604	14.5 %	323,188	13.9 %	215,146	16.7 %	194,663	15.5 %	212,234	20.4 %
Commercial real estate - non-owner occupied	992,486	39.1 %	913,165	39.2 %	539,522	41.9 %	464,809	37.0 %	369,529	35.6 %
Farmland	142,100	5.6 %	139,815	6.0 %	120,674	9.4 %	119,648	9.5 %	98,481	9.5 %
Multi-family residential	199,123	7.8 %	133,595	5.7 %	61,307	4.8 %	24,586	2.0 %	26,084	2.5 %
1-4 family - close-ended	111,741	4.4 %	123,445	5.3 %	96,558	7.5 %	93,510	7.5 %	33,377	3.2 %
1-4 family - revolving	39,818	1.6 %	35,421	1.5 %	27,648	2.1 %	30,071	2.4 %	22,246	2.1 %
Total real estate	1,934,324	76.1 %	1,736,498	74.5 %	1,094,327	84.9 %	1,036,462	82.6 %	823,537	79.3 %
Consumer:										
Manufactured housing	322,761	12.7 %	—	—%	—	— %	—	—%	—	—%
Other installment	92,589	3.6 %	415,102	17.8 %	55,606	4.3 %	40,252	3.2 %	37,243	3.6 %
Total consumer	415,350	16.3 %	415,102	17.8 %	55,606	4.3 %	40,252	3.2 %	37,243	3.6 %
Total loans, net of discount	2,540,570	100.0 %	2,332,345	100.0 %	1,288,955	100.0 %	1,254,918	100.0 %	1,038,240	100.0 %
Net deferred origination fees	287		1,876		1,842		1,386		871	
Loans, net of discount and deferred origination fees	2,540,857		2,334,221		1,290,797		1,256,304		1,039,111	
Allowance for credit losses	(30,071)		(25,803)		(14,653)		(10,848)		(9,600)	
Total loans, net (1)	$ 2,510,786		$ 2,308,418		$ 1,276,144		$ 1,245,456		$ 1,029,511	
(1) Includes nonaccrual loans of	$ 6,955		$ 6,461		$ —		$ —		$ 946	

At December 31, 2025, loans acquired in the CWB, FLB, SVB, and VCB acquisitions had a balance of $903,849,000, of which $30,218,000 were commercial loans, $563,980,000 were real estate loans, and $309,651,000 were consumer loans. At December 31, 2024, the acquired loans had a balance of $1,054,668,000, of which $39,237,000 were commercial loans, $654,181,000 were real estate loans, and $361,250,000 were consumer loans.

At December 31, 2025, in management's judgment, a concentration of loans existed in real estate-related loans, representing 76.1% of total loans. This level of concentration is consistent with a concentration of 74.4% at December 31, 2024. The reduction in the concentration of real-estate related loans was primarily due to the merger which added more diversification of loan types through the acquired manufactured housing portfolio, which is a non-real estate consumer product. We believe that our commercial real estate loan underwriting policies and practices result in prudent extensions of credit, but recognize that our lending activities result in relatively high reported commercial real estate lending levels. Although we believe the loans within this real estate concentration have no more than the normal risk of collectability, a substantial decline in the performance of the economy in general or a decline in real estate values in our primary market areas, in particular, could have an adverse impact on collectability, increase the level of real estate-related nonperforming loans, or have other adverse effects which alone or in the aggregate could have a material adverse effect on our business, financial condition, results of operations and cash flows.

In order to mitigate these risks, the Board reviews and approves concentration limits proposed by management. Exceptions to limitations of concentrations are reported to the Board of Directors at least quarterly. Additionally, the Company maintains policy guidelines for maximum loan to value ratios to mitigate the risk of general declines in real estate values. The Company performs regular risk assessments, portfolio monitoring of loans, and stress tests as part of its risk management policies to

identify any negative trends within the portfolio.Within the commercial real estate portfolio, there is diversification of collateral type and geography throughout our footprint. The Company did not engage in any sub-prime mortgage lending activities during the years ended December 31, 2025 and 2024.

The following table presents the commercial real estate owner and non-owner occupied loan balances, associated percentage of commercial real estate concentrations of those sub-categories by collateral type as of the dates indicated:

	December 31, 2025		December 31, 2024	
(Dollars in thousands)	Loan Balance	% of Category	Loan Balance	% of Category
Commercial real estate - owner occupied				
Office	$ 56,565	15.35 %	59,952	18.55 %
Industrial & warehouse	104,427	28.33 %	86,873	26.88 %
Retail	46,300	12.56 %	35,042	10.84 %
Gas Stations	65,985	17.90 %	60,503	18.72 %
Restaurants	22,054	5.98 %	15,534	4.81 %
Other	73,273	19.88 %	65,284	20.20 %
Total	$ 368,604	100.00 %	323,188	100.00 %
Commercial real estate - non-owner occupied				
Office	$ 317,917	32.03 %	253,883	27.80 %
Industrial & warehouse	161,466	16.27 %	153,192	16.78 %
Retail	229,954	23.17 %	188,464	20.64 %
Hospitality	186,599	18.80 %	163,961	17.96 %
Other	96,550	9.73 %	153,665	16.84 %
Total	$ 992,486	100.00 %	913,165	100.00 %

Loan Maturities

The following table presents repricing data for our gross loans portfolio, broken out by loan type and repricing interval. This table provides insight into the timing of interest rate resets across different loan categories, offering a more detailed view of the portfolio's sensitivity to changes in market rates:

Loan Type (Dollars in thousands)	3 months or less	3 - 12 months	1 - 3 Years	3 - 5 Years	5 - 15 Years	Over 15 years	Total
Commercial:							
Commercial and industrial	$ 79,995	$ 11,730	$ 18,332	$ 32,904	$ 12,038	$ 1,745	$ 156,744
Agricultural production	32,497	5	188	1,448	—	14	34,152
Total commercial	112,492	11,735	18,520	34,352	12,038	1,759	190,896
Real estate:							
Construction & other land loans	$ 74,741	$ 3,300	$ 2,212	$ 199	$ —	$ —	80,452
Commercial real estate - owner occupied	25,027	43,434	72,753	161,712	65,678	—	368,604
Commercial real estate - non-owner occupied	90,552	122,326	216,731	348,085	214,792	—	992,486
Farmland	13,387	19,214	27,660	59,505	21,688	646	142,100
Multi-family residential	31,739	11,118	54,204	65,985	36,077	—	199,123
1-4 family - close-ended	14,684	9,116	11,883	10,541	9,256	56,261	111,741
1-4 family - revolving	36,699	—	—	32	3,087	—	39,818
Total real estate	286,829	208,508	385,443	646,059	350,578	56,907	1,934,324
Consumer:							
Manufactured housing	$ 2,543	$ 55,922	$ 29,851	$ 25,741	$ 62,053	$ 146,651	322,761
Other installment loans	270	440	1,152	2,511	88,010	206	92,589
Total consumer	2,813	56,362	31,003	28,252	150,063	146,857	415,350
Gross loans	$ 402,134	$ 276,605	$ 434,966	$ 708,663	$ 512,679	$ 205,523	$ 2,540,570
% of total	15.83 %	10.89 %	17.12 %	27.89 %	20.18 %	8.09 %	100.00 %

The following table presents information concerning loan maturities and sensitivity to changes in interest rates of the indicated categories of our loan portfolio, as well as loans in those categories maturing after one year that have fixed or floating interest rates at December 31, 2025.

(Dollars in thousands)	One Year or Less	After One Through Five Years	After Five Through Fifteen Years	After Fifteen Years	Total
Loan Maturities:					
Commercial and agricultural	$ 58,425	$ 101,003	$ 29,459	$ 2,009	$ 190
Real estate construction and other land loans	47,475	32,214	640,000	123	80
Other real estate	107,970	549,564	969,304	227,034	1,853
Manufactured housing	28,000	2,362	30,242	290,129	322
Other installment	622	3,738	88,010	219	92
Total loans, net of discount	$ 214,520	$ 688,881	$ 1,117,655	$ 519,514	$ 2,540
Sensitivity to Changes in Interest Rates:					
Loans with fixed interest rates	$ 65,565	$ 359,082	$ 400,206	$ 205,524	$ 1,030
Loans with floating interest rates (1)	148,955	329,799	717,449	313,990	1,510
Total loans, net of discount	$ 214,520	$ 688,881	$ 1,117,655	$ 519,514	$ 2,540
(1) Includes floating rate loans which are currently at their floor rate in accordance with their respective loan agreement	$ 69,748	$ 105,675	$ 401,264	$ 154,157	$ 730

Nonperforming Assets

Nonperforming assets consist of nonperforming loans, other real estate owned (OREO), and repossessed assets. Nonperforming loans are those loans which have (i) been placed on nonaccrual status; (ii) been classified as doubtful under our asset classification system; or (iii) become contractually past due 90 days or more with respect to principal or interest and have not been restructured or otherwise placed on nonaccrual status. A loan is classified as nonaccrual when 1) it is maintained on a cost recovery method because of deterioration in the financial condition of the borrower; 2) payment in full of principal or interest under the original contractual terms is not expected; or 3) principal or interest has been in default for a period of 90 days or more unless the loan is both well secured and in the process of collection. We measure all loans placed on nonaccrual status for impairment based on the fair value of the underlying collateral or the net present value of the expected cash flows.

Our consolidated financial statements are prepared on the accrual basis of accounting, including the recognition of interest income on loans. Interest income from nonaccrual loans is recorded only if collection of principal in full is not in doubt and when cash payments, if any, are received.

Loans are placed on nonaccrual status and any accrued but unpaid interest income is reversed and charged against income when the payment of interest or principal is 90 days or more past due. Loans in the nonaccrual category are treated as nonaccrual loans even though we may ultimately recover all or a portion of the interest due. These loans return to accrual status when the loan becomes contractually current, future collectability of amounts due is reasonably assured, and a minimum of six months of satisfactory principal repayment performance has occurred. See Note 4 of the Company's audited Consolidated Financial Statements in Item 8 of this Annual Report.

At December 31, 2025, there were $6.96 million nonperforming assets compared to $6.46 million as of December 31, 2024. Total nonperforming assets at December 31, 2025, included $6.96 million nonaccrual loans, no OREO, and $34,000 in repossessed assets. See Note 4 of the Company's audited Consolidated Financial Statements in Item 8 of this Annual Report concerning our recorded investment in loans for which impairment has been recognized.

A summary of nonaccrual, restructured, and loans past due by more than 90 days at December 31, 2025, 2024, 2023, 2022, and 2021 is set forth below. The Company had no loans past due more than 90 days and still accruing interest at December 31, 2025 and 2024. Management is not aware of any potential problem loans, which were current and accruing at December 31, 2025, where serious doubt existed as to the ability of the borrower to comply with the present repayment terms. Management can give no assurance that nonaccrual and other nonperforming loans will not increase in the future.

Composition of Nonaccrual, Past Due 90 Days or More, and Restructured Loans

(As of December 31, Dollars in thousands)	2025	2024	2023	2022	2021
Nonaccrual loans:					
Commercial:					
Commercial and industrial	$ 1,533	$ 120	$ —	$ —	312
Agricultural production	—	—	—	—	634
Real estate:					
Construction and other land loans	—	2,335	—	—	—
Commercial real estate - owner occupied	101	2,398	—	—	—
Commercial real estate - non-owner occupied	530	378	—	—	—
Farmland	1,525	—	—	—	—
1-4 family	1,697	—	—	—	—
Consumer:					
Manufactured housing	1,485	1,215	—	—	—
Consumer and installment	84	15	—	—	—
Restructured loans (non-accruing):					
Equity loans and line of credit	—	—	—	—	—
Total nonaccrual	6,955	6,461	—	—	946
Accruing loans past due 90 days or more	—	—	—	—	—
Total nonperforming loans	$ 6,955	$ 6,461	$ —	$ —	$ 946
Interest foregone	$ 400	$ 234	$ —	$ 132	$ 99
Ratio of nonaccrual/nonperforming loans to total loans	0.27 %	0.28 %	—%	—%	0.09 %
Ratio of allowance for credit losses to nonaccrual/nonperforming loans	432.37 %	399.37 %	NM	NM	539.28 %

OREO represents real property taken either through foreclosure or through a deed in lieu thereof from the borrower. OREO is carried at the lesser of cost or fair market value less selling costs. As of December 31, 2025 and 2024, the Bank had no OREO properties. The Company held $34,000 and $0 in repossessed assets at December 31, 2025 and 2024, which would be included in other assets on the consolidated balance sheets.

Allowance for Credit Losses

We have established a methodology for determining the adequacy of the allowance for credit losses made up of collective and individually evaluated loans. The methodology is set forth in a formal policy and takes into consideration the need for an overall allowance for credit losses as well as specific allowances for individually evaluated loans. The allowance for credit losses is an estimate of expected credit losses in the Company's loan portfolio.

The measurement of the allowance for credit losses on collectively evaluated loans is based on modeled expectations of lifetime expected credit losses utilizing national and local peer group historical losses, weighting of economic scenarios, and other relevant factors. The Company incorporates forward-looking information using macroeconomic scenarios, which include variables that are considered key drivers of credit losses within the portfolio. The Company uses a probability-weighted, multiple scenario forecast approach. These scenarios may consist of a base forecast representing the most likely scenario, or baseline, combined with downside and upside scenarios reflecting possibly worsening or improving economic conditions.

In originating loans, we recognize that losses will be experienced and that the risk of loss will vary with, among other things, the type of loan being made, the creditworthiness of the borrower over the term of the loan, general economic conditions and, in the case of a secured loan, the quality of the collateral securing the loan. The allowance is increased by provisions charged against earnings and recoveries, and reduced by net loan charge-offs. Loans are charged off when they are deemed to be uncollectible, or partially charged off when portions of a loan are deemed to be uncollectible. Recoveries are generally recorded only when cash payments are received.

The allowance for credit losses is maintained to cover lifetime expected credit losses in the loan portfolio. The responsibility for the review of our assets and the determination of the adequacy lies with management and our Audit/Compliance Committee. They delegate the authority to the Chief Credit Officer (CCO) to determine the loss reserve ratio for each type of asset and to review, at least quarterly, the adequacy of the allowance based on an evaluation of the portfolio, past experience, prevailing market conditions, economic scenarios, amount of government guarantees, concentration in loan types and other relevant factors.

Management adheres to an internal asset review system designed to provide for timely recognition of problem assets and adequate valuation allowances of collateral dependent loans. The Company's asset monitoring process includes the use of asset classifications to segregate the assets, largely loans and real estate, into various risk categories. The Company uses the various asset classifications as a means of measuring risk and determining the adequacy of valuation allowances by using a nine-grade system to classify assets. In general, all credit facilities exceeding 90 days of delinquency require classification and are placed on nonaccrual.

The following table summarizes the Company's loan loss experience, as well as provisions and recoveries (charge-offs) to the allowance and certain pertinent ratios for the periods indicated:

(Dollars in thousands)	2025	2024	2023	2022	2021
Gross loans outstanding at December 31,	$ 2,540,570	$ 2,332,345	$ 1,288,955	$ 1,254,918	$ 1,038,240
Average loans outstanding during the year	$ 2,394,887	$ 1,978,386	$ 1,263,226	$ 1,133,919	$ 1,069,653
Allowance for credit losses:					
Balance at beginning of year	$ 25,803	$ 14,653	$ 10,848	$ 9,600	$ 12,915
Impact of adoption of ASU 2016-13	—	—	3,910	—	—
Allowance for PCD loans	—	821	—	—	—
Loans charged off:					
Commercial	(169)	(170)	(636)	(27)	(46)
Agricultural production	—	(507)	—	—	—
Real estate construction and other land loans	—	—	—	—	—
Consumer	(222)	(132)	(53)	(151)	(221)
Total loans charged off	(391)	(809)	(689)	(178)	(267)
Recoveries of loans previously charged off:					
Commercial	210	64	609	367	701
Commercial real estate	50	60	—	—	319
1-4 family real estate	70	72	15	—	—
Consumer	129	150	45	59	232
Total recoveries	459	346	669	426	1,252
Net recoveries (charge-offs)	68	(463)	(20)	248	985
Provision (credit) for credit losses	4,200	10,792	(85)	1,000	(4,300)
Balance at end of year	$ 30,071	$ 25,803	$ 14,653	$ 10,848	$ 9,600
Allowance for credit losses as a percentage of outstanding loan balance	1.18 %	1.11 %	1.14 %	0.86 %	0.92 %
Net recoveries (charge-offs) to average loans outstanding	—%	(0.02)%	—%	0.02 %	0.09 %

Managing credits identified through the risk evaluation methodology includes developing a business strategy with the customer to mitigate our losses. Management continues to monitor these credits with a view to identifying as early as possible when, and to what extent, additional provisions may be necessary.

The allowance for credit losses is reviewed at least quarterly by the Company's Board of Directors' Audit/Compliance Committee. Reserves are allocated to loan portfolio segments using percentages which are based on both historical risk elements such as delinquencies and losses and predictive risk elements such as economic, competitive and environmental factors. We have adopted the specific reserve approach to allocate reserves to each individually analyzed asset for the purpose of estimating potential loss exposure. Although the allowance for credit losses is allocated to various portfolio categories, it is

general in nature and available for the loan portfolio in its entirety. Additions may be required based on the results of independent loan portfolio examinations, regulatory agency examinations, or our own internal review process. Additions are also required when, in management's judgment, the reserve does not properly reflect the potential loss exposure.

The allocation of the allowance for credit losses is set forth below:

	2025		2024		2023		2022		2021	
Loan Type (Dollars in thousands)	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans	Amount	Percent of Loans to Total Loans
Commercial:										
Commercial and industrial	$ 2,212	6.17 %	$ 1,363	6.14 %	$ 948	8.20 %	$ 1,585	11.20 %	$ 1,689	13.10 %
Agricultural production	535	1.34 %	389	1.60 %	527	2.60 %	229	2.90 %	320	3.90 %
Real estate:										
Construction & other land loans	1,751	3.17 %	2,060	2.91 %	848	2.60 %	1,678	8.70 %	812	5.90 %
Commercial real estate - owner occupied	3,492	14.51 %	3,253	13.85 %	1,945	16.70 %	814	15.40 %	1,355	20.50 %
Commercial real estate - non-owner occupied	11,102	39.07 %	10,014	39.11 %	5,574	41.79 %	4,388	37.00 %	3,805	35.60 %
Farmland	1,423	5.59 %	1,393	5.99 %	1,254	9.30 %	863	9.50 %	697	9.50 %
Multi-family residential	2,175	7.84 %	1,486	5.72 %	642	4.70 %	60	2.00 %	72	2.50 %
1-4 family - close-ended	1,481	4.40 %	1,625	5.29 %	1,444	7.60 %	465	7.60 %	138	3.20 %
1-4 family - revolving	892	1.57 %	686	1.52 %	520	2.10 %	142	2.40 %	118	2.10 %
Consumer:										
Manufactured housing	3,692	12.70 %	2,147	13.81 %	—	—%	—	—%	—	—%
Other installment	1,316	3.64 %	1,387	3.98 %	951	4.31 %	284	3.20 %	314	3.60 %
Deferred loan fees, net		—%		0.08 %		0.10 %		0.10 %		0.10 %
Unallocated reserves	—	—%	—	—%		—%	340	—%	280	—%
Total allowance for credit losses	$ 30,071	100.00 %	$ 25,803	100.00 %	$ 14,653	100.00 %	$ 10,848	100.00 %	$ 9,600	100.00 %

Loans are charged to the allowance for credit losses when the loans are deemed uncollectible. It is the policy of management to make additions to the allowance so that it remains adequate to cover all expected lifetime loan losses that exist in the portfolio at that time.

As of December 31, 2025, the allowance for credit losses (ACL) was $30,071,000, compared to $25,803,000 at December 31, 2024, a net increase of $4,268,000. Net recoveries totaled $68,000 for the twelve months ended December 31, 2025.

The balance of classified loans and loans graded special mention totaled $78,796,000 and $54,155,000 at December 31, 2025 and $44,294,000 and $17,384,000 at December 31, 2024, respectively. The balance of undisbursed commitments to extend credit on construction and other loans and letters of credit was $491,413,000 as of December 31, 2025, compared to $413,973,000 as of December 31, 2024. At December 31, 2025 and 2024, the balance of a contingent allocation for probable loan loss experience on unfunded obligations was $1,325,000 and $1,055,000, respectively. The contingent allocation for probable loan loss experience on unfunded obligations is calculated by management using appropriate, systematic, and consistently applied processes. While related to credit losses, this allocation is not a part of ACL and is considered separately as a liability for accounting and regulatory reporting purposes. Risks and uncertainties exist in all lending transactions and our management and Directors' Loan Committee have established reserve levels based on economic uncertainties and other risks that exist as of each reporting period.

The ACL as a percentage of total loans was 1.18% at December 31, 2025, and 1.11% at December 31, 2024. Total loans include CWBC, FLB, SVB and VCB loans that were recorded at fair value in connection with the acquisitions of $903.8 million at December 31, 2025 and $1.1 billion at December 31, 2024.

Assumptions regarding the collateral value of various under-performing loans may affect the level and allocation of the allowance for credit losses in future periods. The allowance may also be affected by trends in the amount of charge-offs experienced or expected trends within different loan portfolios. However, the total reserve rates on collectively evaluated loan pools include quantitative factors which are systematically derived and consistently applied to reflect conservatively estimated losses at the date of the financial statements. Based on the above considerations and given recent changes in historical charge-

off rates included in the ACL modeling and the changes in other factors, management determined that the ACL was appropriate as of December 31, 2025.

There were $6.96 million non-performing loans as of December 31, 2025 and $6.46 million as of December 31, 2024. The Company had no other real estate owned at December 31, 2025 or December 31, 2024. There were $34,000 and $0 in foreclosed assets recorded at December 31, 2025 and December 31, 2024, respectively. Management believes the ACL at December 31, 2025 is adequate based upon its ongoing analysis of the loan portfolio, historical loss trends and other factors. However, no assurance can be given that the Company may not sustain charge-offs which are in excess of the allowance in any given period.

Goodwill and Intangible Assets

Business combinations involving the Bank's acquisition of the equity interests or net assets of another enterprise give rise to goodwill. Total goodwill at December 31, 2025 was $96,828,000 consisting of $43,051,000, $13,466,000, $10,394,000, $6,340,000, $14,643,000 and $8,934,000 representing the excess of the cost of CWBC, FLB, SVB, VCB, Service 1st, and Bank of Madera County, respectively, over the net amounts assigned to assets acquired and liabilities assumed in the transactions accounted for under the purchase method of accounting. The value of goodwill is ultimately derived from the Company's ability to generate net earnings after the acquisitions and is not deductible for tax purposes. The fair values of assets acquired and liabilities assumed are subject to adjustment during the first twelve months after the acquisition date if additional information becomes available to indicate a more accurate or appropriate value for an asset or liability. A significant decline in net earnings, among other factors, could be indicative of a decline in the fair value of goodwill and result in impairment. For that reason, goodwill is assessed at least annually for impairment.

Management performed an annual impairment test in the third quarter of 2025 utilizing various qualitative factors. Management believes these factors are sufficient and comprehensive and as such, no further factors need to be assessed at this time. Based on management's analysis performed, no impairment was required.

Goodwill is also assessed for impairment between annual tests if a triggering event occurs or circumstances change that may cause the fair value of a reporting unit to decline below its carrying amount. Management considers the entire Company to be one reporting unit. No such events or circumstances arose during for the twelve months ended December 31, 2025. Changes in the economic environment, operations of the reporting unit or other adverse events could result in future impairment charges which could have a material adverse impact on the Company's operating results.

Intangible assets were represented by the estimated fair value of the core deposit relationships acquired in the 2024 acquisition of CWBC of $10,019,000. Core deposit intangibles were being amortized using the straight-line method over an estimated life of ten years from the date of acquisition. The carrying value of intangible assets at December 31, 2025 was $$8,266,000, net of $1,002,000 in accumulated amortization expense. The carrying value of intangible assets at December 31, 2024 was $9,268,000, net of $751,000 in accumulated amortization expense. Management evaluates the remaining useful life to determine whether events or circumstances warrant a revision to the remaining periods of amortization. Based on prior evaluations, no changes to the remaining useful life was required. Amortization expense recognized was $1,002,000 for 2025, $751,000 for 2024 and $68,000 for 2023.

Deposits and Borrowings

The Bank's deposits are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable legal limits. All of a depositor's accounts at an insured depository institution, including all non-interest bearing transactions accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of $250,000 for each deposit insurance ownership category.

Total deposits increased $184,497,000 or 6.34% to $3,095,274,000 as of December 31, 2025, compared to $2,910,777,000 as of December 31, 2024. Interest-bearing deposits increased $106,556,000 or 5.52% to $2,036,509,000 as of December 31, 2025, compared to $1,929,953,000 as of December 31, 2024. Non-interest bearing deposits increased $77,941,000 or 7.95% to $1,058,765,000 as of December 31, 2025, compared to $980,824,000 as of December 31, 2024. Average non-interest bearing deposits to average total deposits was 34.90% for the twelve months ended December 31, 2025 compared to 38.62% for the same period in 2024. Based on FDIC deposit market share information published as of June 2025, our total market share of deposits in Fresno, Madera, San Joaquin, and Tulare counties was 4.41% in 2025 compared to 4.10% in 2024. Our total market share of deposits in San Luis Obispo, Santa Barbara, and Ventura counties was 1.21% in 2024. Our total market share of deposits in Merced County was 1.60% as of June 2025. Our total market share in the other counties as of June 2025 and 2024 we operate in (Kern, Placer, Sacramento, and Stanislaus) was less than 1.00%.

The composition of the deposits and average interest rates paid at December 31, 2025 and December 31, 2024 is summarized in the table below.

(Dollars in thousands)	December 31, 2025	% of Total Deposits	Effective Rate	December 31, 2024	% of Total Deposits	Effective Rate
Savings and NOW accounts	$ 674,704	21.8 %	0.73 %	$ 643,524	22.1 %	0.28 %
MMA accounts	858,354	27.7 %	2.31 %	843,145	29.0 %	2.67 %
Time deposits	503,451	16.3 %	3.79 %	443,284	15.2 %	4.85 %
Total interest-bearing	2,036,509	65.8 %	2.17 %	1,929,953	66.3 %	2.49 %
Non-interest bearing	1,058,765	34.2 %		980,824	33.7 %	
Total deposits	$ 3,095,274	100.0 %		$ 2,910,777	100.0 %	

We have no known foreign deposits. The following table sets forth the average amount of and the average rate paid on certain interest-bearing deposit categories which were in excess of 10% of average total deposits for the years ended December 31, 2025, 2024, and 2023.

	2025		2024		2023	
(Dollars in thousands)	Balance	Rate	Balance	Rate	Balance	Rate
Savings and NOW accounts	$ 616,825	0.73 %	$ 481,447	0.30 %	$ 473,102	0.13 %
MMA accounts	$ 868,971	2.31 %	$ 759,203	2.67 %	$ 531,013	1.68 %
Time deposits	$ 476,607	3.79 %	$ 389,667	4.85 %	$ 163,220	3.68 %
Total interest-bearing deposits	$ 1,962,403	2.17 %	$ 1,630,317	2.49 %	$ 1,167,335	1.33 %

The following table sets forth the maturity of time certificates of deposit and other time deposits of $250,000 or more at December 31, 2025.

(In thousands)	
Three months or less	$ 28,027
Over 3 through 12 months	28,997
Over 1 year through 3 years	5,110
Over 3 years	323
	$ 62,457

As of December 31, 2025, the Company had $398,298,000 in brokered time deposits compared to $329,761,000 as of December 31, 2024.

As of December 31, 2025 and December 31, 2024, uninsured deposits totaled $1,185,000,000 and $1,029,929,000, respectively.

We maintain a line of credit with the FHLB collateralized by government securities and loans. Refer to Liquidity section below for further discussion of FHLB advances. The Bank had unsecured lines of credit with its correspondent banks which, in the aggregate, amounted to $110,000,000 at December 31, 2025 and 2024, at interest rates which vary with market conditions. As of December 31, 2025 and 2024, the Company had $73,000,000 and $35,000,000 in overnight borrowings.

The Company's uninsured balances with correspondent banks totaled $18,157,000 and $14,263,000 at December 31, 2025 and 2024, respectively.

Capital Resources

Capital serves as a source of funds and helps protect depositors and shareholders against potential losses. Historically, the primary sources of capital for the Company have been internally generated capital through retained earnings and the issuance of common and preferred stock.

The Company has historically maintained substantial levels of capital. The assessment of capital adequacy is dependent on several factors including asset quality, earnings trends, liquidity and economic conditions. Maintenance of adequate capital levels is integral to providing stability to the Company. The Company needs to maintain substantial levels of regulatory capital

to give it maximum flexibility in the changing regulatory environment and to respond to changes in the market and economic conditions.

Our shareholders' equity was $409,588,000 as of December 31, 2025, compared to $362,685,000 as of December 31, 2024. The increase in shareholders' equity is the result of an increase in comprehensive income of $15,491,000, the increase in retained earnings from our net income of $38,168,000, the effect of share-based compensation expense of $1,158,000, proceeds from stock options exercised of $1,093,000, and stock issued under our employee stock purchase plan of $306,000. These increases were partially offset by the payment of common stock cash dividends of $9,162,000 and repurchase of common stock of $151,000.

During 2025, the Bank declared and paid cash dividends to the Company in the amount of $14,200,000 in connection with the cash dividends to the Company's shareholders, and expenditures paid by the Company, approved by the Company's Board of Directors. The Company declared and paid a total of $9,162,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2025. During the year ended December 31, 2025, the Company repurchased and retired common stock in the amount of $151,000 in connection with amounts withheld for the vesting of equity awards for tax obligations.

During 2024, the Bank declared and paid cash dividends to the Company in the amount of $14,000,000 in connection with the cash dividends to the Company's shareholders, and expenditures paid by the Company, approved by the Company's Board of Directors. The Company declared and paid a total of $8,230,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2024. During the year ended December 31, 2024, the Company repurchased and retired common stock in the amount of $38,000.

During 2023, the Bank declared and paid cash dividends to the Company in the amount of $6,963,000 in connection with the cash dividends to the Company's shareholders, and expenditures paid by the Company, approved by the Company's Board of Directors. The Company declared and paid a total of $5,657,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2023. During the year ended December 31, 2023, the Company repurchased and retired common stock in the amount of $1,000.

The following table sets forth certain financial ratios for the years ended December 31, 2025, 2024, and 2023.

	2025	2024	2023
Net income:			
To average assets	1.07 %	0.24 %	1.04 %
To average shareholders' equity	9.92 %	2.42 %	13.81 %
Dividends declared per share to net income per share	23.88 %	106.67 %	22.12 %
Average shareholders' equity to average assets	10.75 %	9.94 %	7.51 %

Management considers capital requirements as part of its strategic planning process. The strategic plan calls for continuing increases in assets and liabilities, and the capital required may therefore be in excess of retained earnings. The ability to obtain capital is dependent upon the capital markets as well as our performance. Management regularly evaluates sources of capital and the timing required to meet its strategic objectives.

The Board of Governors, the FDIC and other federal banking agencies have issued risk-based capital adequacy guidelines intended to provide a measure of capital adequacy that reflects the degree of risk associated with a banking organization's operations for both transactions reported on the balance sheet as assets, and transactions, such as letters of credit and recourse arrangements, which are reported as off-balance-sheet items.

The following table presents the Company's regulatory capital ratios as of December 31, 2025 and December 31, 2024:

(Dollars in thousands)	Actual Ratio		Minimum regulatory requirement (1)	
December 31, 2025	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 Leverage Ratio	$ 349,430	9.80 %	142,632	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 344,430	11.56 %	134,072	4.50 %
Tier 1 Risk-Based Capital Ratio	$ 349,430	11.73 %	178,762	6.00 %
Total Risk-Based Capital Ratio	$ 416,145	13.97 %	238,350	8.00 %
December 31, 2024				
Tier 1 Leverage Ratio	$ 316,343	9.17 %	138,018	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 311,343	11.15 %	125,632	4.50 %
Tier 1 Risk-Based Capital Ratio	$ 316,343	11.33 %	167,510	6.00 %
Total Risk-Based Capital Ratio	$ 379,091	13.58 %	223,346	8.00 %

The following table presents the Bank's regulatory capital ratios as of December 31, 2025 and December 31, 2024:

(Dollars in thousands)	Actual Ratio		Minimum regulatory requirement (1)		Minimum requirement for "Well-Capitalized" Institution	
December 31, 2025	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 Leverage Ratio	$ 407,337	11.44 %	$ 142,447	4.00 %	$ 178,059	5.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 407,337	13.70 %	$ 133,839	7.00 %	$ 193,324	6.50 %
Tier 1 Risk-Based Capital Ratio	$ 407,337	13.70 %	$ 178,453	8.50 %	$ 237,937	8.00 %
Total Risk-Based Capital Ratio	$ 439,173	14.77 %	$ 237,937	10.50 %	$ 297,421	10.00 %
December 31, 2024						
Tier 1 Leverage Ratio	$ 377,411	11.04 %	$ 138,031	4.00 %	$ 172,539	5.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 377,411	13.54 %	$ 125,474	7.00 %	$ 181,240	6.50 %
Tier 1 Risk-Based Capital Ratio	$ 377,411	13.54 %	$ 167,299	8.50 %	$ 223,065	8.00 %
Total Risk-Based Capital Ratio	$ 405,425	14.54 %	$ 223,065	10.50 %	$ 278,831	10.00 %

(1) The minimum regulatory requirement threshold includes the capital conservation buffer of 2.50%.

The Company succeeded to all of the rights and obligations of the Service 1st Capital Trust I, a Delaware business trust, in connection with the acquisition of Service 1st as of November 12, 2008. The Trust was formed on August 17, 2006 for the sole purpose of issuing trust preferred securities fully and unconditionally guaranteed by Service 1st. Under applicable regulatory guidance, the amount of trust preferred securities that is eligible as Tier 1 capital is limited to 25% of the Company's Tier 1 capital on a pro forma basis. At December 31, 2025, all of the trust preferred securities that have been issued qualify as Tier 1 capital. The trust preferred securities mature on October 7, 2036, are redeemable at the Company's option beginning five years after issuance, and require quarterly distributions by the Trust to the holder of the trust preferred securities at a variable interest rate which will adjust quarterly to equal the three-month SOFR plus 1.60%.

The Trust used the proceeds from the sale of the trust preferred securities to purchase approximately $5,155,000 in aggregate principal amount of Service 1st's junior subordinated notes (the Notes). The Notes bear interest at the same variable interest rate during the same quarterly periods as the trust preferred securities. The Notes are redeemable by the Company on any January 7, April 7, July 7, or October 7 on or after October 7, 2012 or at any time within 90 days following the occurrence of certain events, such as: (i) a change in the regulatory capital treatment of the Notes (ii) in the event the Trust is deemed an investment company or (iii) upon the occurrence of certain adverse tax events. In each such case, the Company may redeem the Notes for their aggregate principal amount, plus any accrued but unpaid interest.

The Notes may be declared immediately due and payable at the election of the trustee or holders of 25% of the aggregate principal amount of outstanding Notes in the event that the Company defaults in the payment of any interest following the nonpayment of any such interest for 20 or more consecutive quarterly periods. Holders of the trust preferred securities are

entitled to a cumulative cash distribution on the liquidation amount of $1,000 per security. For each January 7, April 7, July 7 or October 7 of each year, the rate will be adjusted to equal the three month SOFR plus 1.60%. As of December 31, 2025, the rate was 5.77%. Interest expense recognized by the Company for the years ended December 31, 2025, 2024, and 2023 was $317,000, $367,000 and $360,000, respectively.

On November 12, 2021, the Company completed a private placement of $35.0 million aggregate principal amount of its fixed-to-floating rate subordinated notes ("Subordinated Debt") due December 1, 2031. The Subordinated Debt initially bears a fixed interest rate of 3.13% per year. Commencing on December 1, 2026, the interest rate on the Subordinated Debt will reset each quarter at a floating interest rate equal to the then-current three month term SOFR plus 210 basis points. The Company may at its option redeem in whole or in part the Subordinated Debt on or after November 12, 2026 without a premium. The Subordinated Debt is treated as Tier 2 Capital for regulatory purposes.

On September 15, 2022, the Company entered into a $30.0 million loan agreement with Bell Bank. Initially, payments of interest only are payable in 12 quarterly payments commencing December 31, 2022. The senior debt has an interest rate of prime less a margin of 0.50%, with cap of 6.75%. Due to the decreases in the prime rate during 2025, the interest rate as of December 31, 2025 was 6.25%. Commencing December 31, 2025, 27 equal quarterly principal and interest payments are payable based on the outstanding balance of the loan on August 30, 2025 and an amortization of 48 quarters. A final payment of outstanding principal and accrued interest is due at maturity on September 30, 2032. Variable interest is payable at the prime rate (published by the Wall Street Journal) less 50 basis points. The loan is secured by the assets of the Company and a pledge of the outstanding common stock of Community West Bank, the Company's banking subsidiary. The Company may prepay the loan without penalty with one exception. If the loan is prepaid prior to August 30, 2025 with funds received from a financing source other than Bell Bank, the Company will incur a 2% prepayment penalty. The loan contains customary representations, covenants, and events of default.

LIQUIDITY

Liquidity management involves our ability to meet cash flow requirements arising from fluctuations in deposit levels and demands of daily operations, which include funding of securities purchases, providing for customers' credit needs and ongoing repayment of borrowings. Our liquidity is actively managed on a daily basis and reviewed periodically by our management and Directors' Asset/Liability Committees. This process is intended to ensure the maintenance of sufficient funds to meet our needs, including adequate cash flows for off-balance sheet commitments.

Our primary sources of liquidity are derived from financing activities which include the acceptance of customer and, to a lesser extent, broker deposits, Federal funds facilities and advances from the Federal Home Loan Bank of San Francisco (FHLB). These funding sources are augmented by payments of principal and interest on loans, the routine maturities and pay downs of securities from the securities portfolio, the stability of our core deposits and the ability to sell investment securities. As of December 31, 2025, the Company had unpledged securities totaling $338,235,000 available as a secondary source of liquidity and total cash and cash equivalents of $118,984,000. Cash and cash equivalents at December 31, 2025 decreased 1.17% compared to December 31, 2024. Primary uses of funds include withdrawal of and interest payments on deposits, origination and purchases of loans, purchases of investment securities, and payment of operating expenses.

To augment our liquidity, we have established Federal funds lines with various correspondent banks. At December 31, 2025, our available borrowing capacity includes approximately $110,000,000 in Federal funds lines with our correspondent banks and $709,391,000 in unused FHLB advances. At December 31, 2025, we were not aware of any information that was reasonably likely to have a material effect on our liquidity position.

The following table reflects the Company's credit lines, balances outstanding, and pledged collateral at December 31, 2025 and 2024:

Credit Lines (In thousands)	December 31, 2025	December 31, 2024
Unsecured Credit Lines		
Credit limit	$ 110,000	$ 110,000
Balance outstanding	$ —	$ —
Federal Home Loan Bank		
Credit limit	$ 809,391	$ 738,556
Balance outstanding, net of discount	$ 73,000	$ 133,442
Collateral pledged	$ 1,446,828	$ 1,236,732
Fair value of collateral	$ 1,230,691	$ 1,083,041
Federal Reserve Bank		
Credit limit	$ 3,411	$ 3,669
Balance outstanding	$ —	$ —
Collateral pledged	$ 3,910	$ 4,406
Fair value of collateral	$ 3,536	$ 3,828

The liquidity of our parent company, Community West Bancshares, is primarily dependent on the payment of cash dividends by its subsidiary, Community West Bank, subject to limitations imposed by state and federal regulations.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP") requires management to make a number of judgments, estimates and assumptions that affect the reported amount of assets, liabilities, income and expense in the financial statements. Various elements of our accounting policies, by their nature, involve the application of highly sensitive and judgmental estimates and assumptions. Some of these policies and estimates relate to matters that are highly complex and contain inherent uncertainties. It is possible that, in some instances, different estimates and assumptions could reasonably have been made and used by management, instead of those we applied, which might have produced different results that could have had a material effect on the financial statements.

We have identified the following accounting policies and estimates that, due to the inherent judgments and assumptions and the potential sensitivity of the financial statements to those judgments and assumptions, are critical to an understanding of our financial statements. We believe that the judgments, estimates and assumptions used in the preparation of the Company's financial statements are appropriate. For a further description of our accounting policies, see Note 1 - *Summary of Significant Accounting Policies* in the financial statements included in this Form 10-K.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Allowance for Credit Losses

The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments). In addition, credit losses recognized on available-for-sale debt securities will be presented as an allowance as opposed to a write-down, based on management's intent to sell the security or the likelihood the Company will be required to sell the security before recovery of the amortized cost basis. Our accounting for estimated loan losses is discussed and disclosed primarily in Note 1 and 4 to the consolidated financial statements under the heading "*Allowance for Credit Losses*".

In determining the ACL for loans, accruing loans with similar risk characteristics are generally evaluated collectively. To estimate expected losses the Company generally utilizes historical loss trends and the remaining contractual lives of the loan portfolios to determine estimated credit losses through a reasonable and supportable forecast period. The Company utilized a reasonable and supportable forecast period obtained the forecast data from Moody's Analytics. Individual loan credit quality indicators, including historical credit losses, have been statistically correlated with various econometrics. Model forecasts may be adjusted for inherent limitations or biases that have been identified through independent validation and back-testing of model performance to actual realized results. The Company also considered the impact of portfolio concentrations, changes in underwriting practices, imprecision in its economic forecasts, and other risk factors that might influence its loss estimation process. Increases in external risk factors due to more pessimistic business and economic conditions could potentially increase estimated losses on existing loan balances within the ACL. While management utilizes its best judgment and information available, the ultimate adequacy of our allowance accounts is dependent upon a variety of factors beyond our control, including the performance of our portfolios, the economy and changes in interest rates.

Business Combinations

Business combinations are recorded using the acquisition method. We assign the value of the consideration transferred to acquire a business to the tangible assets, identifiable intangible assets acquired, and liabilities assumed on the basis of their fair values at the date of acquisition. Any excess purchase price over the fair value of the net tangible and intangible assets acquired is allocated to goodwill.

The Company assesses the fair value of assets, including intangible assets, using a variety of methods, and each asset is measured at fair value from the perspective of a market participant. The method used to estimate the fair values of intangible assets incorporates significant assumptions regarding the estimates a market participant would make in order to evaluate an asset, including a market participant's use of the asset. Some of the most significant assumptions used include the discount rate, forward-looking financial information, and estimated customer attrition rates. A change in one of these assumptions could have material changes on the value of the intangible assets and goodwill which will impact the amortization expense in future periods and the goodwill impairment evaluation.

INFLATION

The impact of inflation on a financial institution differs significantly from that exerted on other industries primarily because the assets and liabilities of financial institutions consist largely of monetary items. However, financial institutions are affected by inflation in part through non-interest expenses, such as salaries and occupancy expenses, and to some extent by changes in interest rates.

At December 31, 2025, we are aware that inflation may have an adverse impact on our consolidated financial position or results of operations. However, in the short term increased rates may continue to be a benefit by repricing a portion of our loan portfolio. Higher long term inflation rates may drive increases in operating expenses or have other adverse effects on our borrowers, making collection on extensions of credit more difficult for us. Refer to Quantitative and Qualitative Disclosures About Market Risk for further discussion.

ITEM 7A - QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Interest rate risk (IRR) and credit risk constitute the two greatest sources of financial exposure for insured financial institutions that operate like we do. IRR represents the impact that changes in absolute and relative levels of market interest rates may have upon our net interest income (NII). Changes in the NII are the result of changes in the net interest spread between interest-earning assets and interest-bearing liabilities (timing risk), the relationship between various rates (basis risk), and changes in the shape of the yield curve.

We realize income principally from the differential or spread between the interest earned on loans, investments, other interest-earning assets and the interest incurred on deposits and borrowings. The volumes and yields on loans, deposits and borrowings are affected by market interest rates. As of December 31, 2025, 59.44% of our loan portfolio was tied to adjustable-rate indices. Of loans tied to adjustable rate indices, 29.19% were tied to prime lending rate, 35.32% were tied to the five-year Treasury, 13.95% tied to the ten-year Treasury, with the remaining 21.54% tied to other indices. There were no loans tied to prime with current rates below their floor as of December 31, 2025. Our time deposits have a fixed rate of interest. As of December 31, 2025, 95.27% of our time deposits mature within one year or less.

Changes in the market level of interest rates directly and immediately affect our interest spread, and therefore profitability. Sharp and significant changes to market rates can cause the interest spread to shrink or expand significantly in the near term, principally because of the timing differences between the adjustable rate loans and the maturities (and therefore repricing) of the deposits and borrowings.

Our management and Board of Directors' Asset/Liability Committee (ALCO) are responsible for managing our assets and liabilities in a manner that balances profitability, IRR and various other risks including liquidity. The ALCO operates under policies and within risk limits prescribed, reviewed, and approved by the Board of Directors.

The ALCO seeks to stabilize our NII by matching rate-sensitive assets and liabilities through maintaining the maturity and repricing of these assets and liabilities at appropriate levels given the interest rate environment. When the amount of rate-sensitive liabilities exceeds rate-sensitive assets within specified time periods, NII generally will be negatively impacted by an increasing interest rate environment and positively impacted by a decreasing interest rate environment. Conversely, when the amount of rate-sensitive assets exceeds the amount of rate-sensitive liabilities within specified time periods, net interest income will generally be positively impacted by an increasing interest rate environment and negatively impacted by a decreasing interest rate environment. Our mix of assets consists primarily of loans and securities, none of which are held for trading purposes. The value of these securities is subject to interest rate risk, which we must monitor and manage successfully in order to prevent declines in value of these assets if interest rates rise in the future. The speed and velocity of the repricing of assets and liabilities will also contribute to the effects on our NII, as will the presence or absence of periodic and lifetime interest rate caps and floors.

Simulation of earnings is the primary tool used to measure the sensitivity of earnings to interest rate changes. Earnings simulations are produced using a software model that is based on actual cash flows and repricing characteristics for all of our financial instruments and incorporates market-based assumptions regarding the impact of changing interest rates on current volumes of applicable financial instruments.

Interest rate simulations provide us with an estimate of both the dollar amount and percentage change in NII under various rate scenarios. All assets and liabilities are normally subjected to up to 400 basis point increases and decreases in interest rates in 100 basis point increments. Under each interest rate scenario, we project our net interest income. From these results, we can then develop alternatives in dealing with the tolerance thresholds.

The assets and liabilities of a financial institution are primarily monetary in nature. As such they represent obligations to pay or receive fixed and determinable amounts of money that are not affected by future changes in prices. Generally, the impact of inflation on a financial institution is reflected by fluctuations in interest rates, the ability of customers to repay their obligations and upward pressure on operating expenses. Although inflationary pressures are not considered to be of any particular hindrance in the current economic environment, they may have an impact on the company's future earnings in the event those pressures become more prevalent.

As a financial institution, the Company's primary component of market risk is interest rate volatility. Fluctuations in interest rates will ultimately impact both the level of interest income and interest expense recorded on a large portion of the Company's assets and liabilities, and the market value of all interest earning assets and interest bearing liabilities, other than those which possess a short term to maturity. Virtually all of the Company's interest earning assets and interest bearing liabilities are located at the Bank level. Thus, virtually all of the Company's interest rate risk exposure lies at the Bank level other than $69.5 million in senior debt and subordinated notes issued by the Company. As a result, all significant interest rate risk procedures are performed at the Bank level.

The fundamental objective of the Company's management of its assets and liabilities is to maximize the Company's economic value while maintaining adequate liquidity and an exposure to interest rate risk deemed by management to be acceptable. Management believes an acceptable degree of exposure to interest rate risk results from the management of assets and liabilities through maturities, pricing and mix to attempt to neutralize the potential impact of changes in market interest rates. The Company's profitability is dependent to a large extent upon its net interest income, which is the difference between its interest income on interest earning assets, such as loans and investments, and its interest expense on interest bearing liabilities, such as deposits and borrowings. The Company is subject to interest rate risk to the degree that its interest earning assets re-price differently than its interest bearing liabilities. The Company manages its mix of assets and liabilities with the goals of limiting its exposure to interest rate risk, ensuring adequate liquidity, and coordinating its sources and uses of funds.

The Company seeks to control interest rate risk exposure in a manner that will allow for adequate levels of earnings and capital over a range of possible interest rate environments. The Company has adopted formal policies and practices to monitor and manage interest rate risk exposure. Management believes historically it has effectively managed the effect of changes in interest

rates on its operating results and believes that it can continue to manage the short-term effects of interest rate changes under various interest rate scenarios.

Management employs asset and liability management software and engages consultants to measure the Company's exposure to future changes in interest rates. The software measures the expected cash flows and re-pricing of each financial asset/liability separately in measuring the Company's interest rate sensitivity. Based on the results of the software's output, management believes the Company's balance sheet is evenly matched over the short term and slightly asset sensitive over the longer term as of December 31, 2025. This means that the Company would expect (all other things being equal) to experience a limited change in its net interest income if rates rise or fall. The level of potential or expected change indicated by the tables below is considered acceptable by management and is compliant with the Company's ALCO policies. Management plans to continue to perform this analysis each quarter.

The hypothetical impacts of sudden interest rate movements applied to the Company's asset and liability balances are modeled quarterly. The results of these models indicate how much of the Company's net interest income is "at risk" from various rate changes over a one-year horizon. This exercise is valuable in identifying risk exposures. Management believes the results for the Company's December 31, 2025 balances indicate that the net interest income at risk over a one year time horizon for a 100 basis points ("bps"), 200 bps, 300 bps, and 400 bps rate increase and a 100 bps, 200 bps, 300 bps, and 400 bps rate decrease is acceptable to management and within policy guidelines at this time.

The results in the table below indicate the change in net interest income and the estimated change in the market value of equity the Company would expect to see as of December 31, 2025, if interest rates were to instantaneously change in the amounts set forth:

Sensitivity Analysis of Impact of Rate Changes on Interest Income

Hypothetical Change in Rates (Dollars in thousands)	Estimated Change in Net Interest Income (NII) in Year 1 (as a % of NII)	Estimated Change in Net Interest Income (NII) in Year 2 (as a % of NII)	Estimated Change in Market Value of Equity (MVE) (as a % of MVE)
Up 400 bps (shock)	3.73 %	7.02 %	(21.30)%
Up 300 bps (shock)	3.49 %	6.17 %	(14.80)%
Up 200 bps (shock)	3.22 %	5.22 %	(8.80)%
Up 100 bps (shock)	2.10 %	3.27 %	(2.80)%
Unchanged	— %	— %	—
Down 100 bps (shock)	(1.33) %	(2.80) %	1.70 %
Down 200 bps (shock)	(2.19) %	(5.09) %	(0.20)%
Down 300 bps (shock)	(1.81) %	(5.99) %	(5.70)%
Down 400 bps (shock)	(2.60) %	(8.59) %	(22.10)%

It is important to note that the above table is a summary of several forecasts and actual results may vary from any of the forecasted amounts and such difference may be material and adverse. The forecasts are based on estimates and assumptions made by management, and that may turn out to be different, and may change over time. Factors affecting these estimates and assumptions include, but are not limited to: 1) competitor behavior, 2) economic conditions both locally and nationally, 3) actions taken by the Federal Reserve Board, 4) customer behavior and 5) management's responses to each of the foregoing. Factors that vary significantly from the assumptions and estimates may have material and adverse effects on the Company's net interest income; therefore, the results of this analysis should not be relied upon as indicative of actual future results.

The following table shows management's estimates of how the loan portfolio is segregated between variable and fixed rate loans, and estimates of re-pricing opportunities for the entire loan portfolio at December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
Rate Type (Dollars in thousands)	Balance	Percent of Total	Balance	Percent of Total
Variable rate	$ 1,510,193	59.44 %	$ 1,354,967	58.09 %
Fixed rate	1,030,377	40.56 %	977,378	41.91 %
Total loans, net of discount	$ 2,540,570	100.00 %	$ 2,332,345	100.00 %

Approximately 59.44% of our loan portfolio is tied to adjustable rate indices. Of those loans, 29.19% are tied to prime, 35.32% are tied to the five year Treasury, 13.95% are tied to the ten year Treasury, and 21.54% tied to other indices. As of December 31, 2025, we had 1,510 commercial and real estate loans totaling (in thousands) $1,287,566 with floors ranging from 1.00% to 12.00% or ceilings ranging from 2.50% to 25.00%.

The following table shows the repricing categories of the Company's loan portfolio at December 31, 2025 and 2024:

	December 31, 2025		December 31, 2024	
Repricing (Dollars in thousands)	**Balance**	**Percent of Total**	**Balance**	**Percent of Total**
< 1 Year	$ 678,739	26.72 %	$ 548,884	23.53 %
1-3 Years	434,966	17.12 %	392,992	16.85 %
3-5 Years	708,663	27.89 %	596,838	25.59 %
> 5 Years	718,202	28.27 %	793,631	34.03 %
Total loans, net of discount	$ 2,540,570	100.00 %	$ 2,332,345	100.00 %

Assumptions are inherently uncertain, and, consequently, the model cannot precisely measure net interest income or precisely predict the impact of changes in interest rates on net interest income. Actual results will differ from simulated results due to timing, magnitude and frequency of interest rate changes, as well as changes in market conditions and management strategies which might moderate the negative consequences of interest rate deviations.

ITEM 8 - FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

Report of Independent Registered Public Accounting Firm

To the Shareholders and the Board of Directors of
Community West Bancshares

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of Community West Bancshares (the "Company") as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for each of the three years in the period ended December 31, 2025, and the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the consolidated results of its operations and its cash flows for each of the three years in the period ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in the Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's consolidated financial statements and an opinion on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures to respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Allowance for Credit Losses for Loans

As described in notes 1 and 4 to the consolidated financial statements, the allowance for credit losses on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on loans. The Company's allowance for credit losses for loans was $30.1 million as of December 31, 2025. The measurement of the allowance for credit losses on collectively evaluated loans is based on modeled expectations of lifetime expected credit losses utilizing national and local peer group historical losses, weighting of economic scenarios, and other relevant factors. The Company incorporates forward-looking information using macroeconomic scenarios, which include variables that are considered key drivers of credit losses within the portfolio. The Company uses a probability-weighted, multiple scenarios forecast approach. These scenarios consist of a base forecast representing the most likely outcome, combined with downside or upside scenarios reflecting possible worsening or improving economic conditions.

We identified the selection of national or local peer group historical losses and the selection and weighting of the forecasted economic scenarios used by the Company's management in the estimate of the allowance for credit losses for loans as a critical audit matter. The principal consideration for our determination of the allowance for credit losses for loans as a critical audit matter is the subjective judgment required by management in the selection of national or local peer group historical losses and selection and weighting of the forecasted economic scenarios. Auditing management's judgments regarding modeled expectations applied to the allowance for credit losses for loans involved significant audit effort, as well as especially challenging and subjective auditor judgment when performing audit procedures and evaluating the results of those procedures.

How We Addressed the Matter in Our Audit

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included evaluating the design and testing the operating effectiveness of internal controls related to the Company's selections of national or local peer group historical losses and the selection and weighting of the forecasted economic scenarios. Our audit procedures related to the matter included the following, among others:

- Evaluating the reasonableness of the selection and weighting of forecasted economic scenarios.
- Evaluating the appropriateness of the selections of national or local peer group historical losses.

/s/ Baker Tilly US, LLP

Sacramento, California
March 11, 2026

We have served as the Company's auditor since 2023.

COMMUNITY WEST BANCSHARES
CONSOLIDATED BALANCE SHEETS

December 31, 2025 and 2024

(In thousands, except share amounts)	2025	2024
ASSETS		
Cash and due from banks	$ 27,627	$ 28,029
Interest-earning deposits in other banks	91,357	92,369
Total cash and cash equivalents	118,984	120,398
Available-for-sale debt securities, at fair value, net of allowance for credit losses of $0, with an amortized cost of $509,083 at December 31, 2025 and $536,334 at December 31, 2024, respectively	469,410	477,113
Held-to-maturity debt securities, at amortized cost less allowance for credit losses of $440 at December 31, 2025 and $1,156 at December 31, 2024, respectively	287,117	301,359
Equity securities, at fair value	6,797	6,586
Loans, less allowance for credit losses of $30,071 at December 31, 2025 and $25,803 at December 31, 2024, respectively	2,510,786	2,308,418
Bank premises and equipment, net	23,545	24,469
Bank owned life insurance	54,163	53,319
Federal Home Loan Bank stock	10,978	10,978
Goodwill	96,828	96,828
Core deposit intangibles	8,266	9,268
Accrued interest receivable and other assets	103,443	113,035
Total assets	$ 3,690,317	$ 3,521,771
LIABILITIES AND SHAREHOLDERS' EQUITY		
Deposits:		
Non-interest bearing	$ 1,058,765	$ 980,824
Interest bearing	2,036,509	1,929,953
Total deposits	3,095,274	2,910,777
Borrowings	73,000	133,442
Senior debt and subordinated debentures, net	69,526	69,889
Accrued interest payable and other liabilities	42,929	44,978
Total liabilities	3,280,729	3,159,086
Commitments and contingencies (Note 12)		
Shareholders' equity:		
Preferred stock, no par value; 10,000,000 shares authorized, none issued and outstanding	—	—
Non-voting common stock, 1,000,000 shares authorized, none issued and outstanding	—	—
Common stock, no par value; 80,000,000 shares authorized; issued and outstanding: 19,163,452 at December 31, 2025 and 18,974,647 at December 31, 2024	210,222	207,816
Retained earnings	238,990	209,984
Accumulated other comprehensive loss, net of tax	(39,624)	(55,115)
Total shareholders' equity	409,588	362,685
Total liabilities and shareholders' equity	$ 3,690,317	$ 3,521,771

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY WEST BANCSHARES
CONSOLIDATED STATEMENTS OF INCOME

For the Years Ended December 31, 2025, 2024, and 2023

(In thousands, except per share amounts)	2025	2024	2023
Interest income:			
Interest and fees on loans	$ 159,889	$ 130,166	$ 69,803
Interest on deposits in other banks	4,178	4,355	3,576
Interest and dividends on investment securities:			
Taxable	16,481	20,384	23,437
Exempt from Federal income taxes	5,162	5,483	5,602
Total interest income	185,710	160,388	102,418
Interest expense:			
Interest on deposits	42,631	40,666	15,527
Interest on short-term borrowings	3,308	5,690	810
Interest on senior debt and subordinated debentures	3,591	3,665	3,652
Total interest expense	49,530	50,021	19,989
Net interest income before provision for credit losses	136,180	110,367	82,429
Provision for credit losses	3,754	11,113	309
Net interest income after provision for credit losses	132,426	99,254	82,120
Non-interest income:			
Service charges	2,028	1,798	1,503
Interchange fees	1,948	2,078	1,780
Appreciation in cash surrender value of bank owned life insurance	1,497	1,325	1,035
Federal Home Loan Bank dividends	960	796	498
Loan placement fees	844	1,184	584
Gain on proceeds from death benefits	198	—	—
Net realized (loss) gain on sale and disposal of equipment	(40)	7	402
Net realized losses on sales and calls of investment securities	(41)	(4,199)	(907)
Other income	3,094	3,456	2,125
Total non-interest income	10,488	6,445	7,020
Non-interest expenses:			
Salaries and employee benefits	49,841	48,470	31,367
Occupancy and equipment	11,430	9,479	5,726
Information technology	7,137	5,940	3,616
Data processing expense	3,160	3,748	2,621
Professional services	2,390	2,825	2,234
Regulatory assessments	1,994	1,837	1,312
ATM/Debit card expenses	1,589	1,750	757
Amortization of core deposit intangibles	1,002	751	68
Advertising	929	854	542
Directors' expenses	912	752	614
Loan related expenses	839	802	478
Merger and acquisition expense	798	9,614	1,191
Personnel other	313	345	404
Other expense	8,052	7,534	4,370
Total non-interest expenses	90,386	94,701	55,300
Income before provision for income taxes	52,528	10,998	33,840
Provision for income taxes	14,360	3,332	8,304
Net income	$ 38,168	$ 7,666	$ 25,536
Basic earnings per common share	$ 2.01	$ 0.45	$ 2.17
Diluted earnings per common share	$ 2.00	$ 0.45	$ 2.17
Cash dividends per common share	$ 0.48	$ 0.48	$ 0.48

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY WEST BANCSHARES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2025, 2024, and 2023

(In thousands)	2025	2024	2023
Net income	$ 38,168	$ 7,666	$ 25,536
Other comprehensive income:			
Unrealized gains on securities:			
Unrealized holdings gains arising during the period	19,507	9,028	18,286
Reclassification for net losses included in net income	41	4,199	907
Amortization of net unrealized losses transferred	2,443	2,276	2,376
Other comprehensive income, before tax	21,991	15,503	21,569
Tax expense related to items of other comprehensive income	(6,500)	(4,584)	(6,376)
Total other comprehensive income	15,491	10,919	15,193
Comprehensive income	$ 53,659	$ 18,585	$ 40,729

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY WEST BANCSHARES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

For the Years Ended December 31, 2025, 2024, and 2023

(In thousands, except share amounts)	Common Stock Shares	Common Stock Amount	Retained Earnings	Accumulated Other Comprehensive Income (Loss) (Net of Taxes)	Total Shareholders' Equity
Balance, January 1, 2023	11,735,291	$ 61,487	$ 190,669	$ (81,227)	$ 170,929
Net income	—	—	25,536	—	25,536
Other comprehensive income, net of tax	—	—	—	15,193	15,193
Restricted stock granted, net of forfeitures	58,467	—	—	—	—
Stock issued under employee stock purchase plan	13,973	206	—	—	206
Stock awarded to employees	10,347	—	—	—	—
Stock-based compensation expense	—	858	—	—	858
Cash dividend ($0.48 per common share)	—	—	(5,657)	—	(5,657)
Repurchase and retirement of common stock	(39)	(1)	—	—	(1)
Balance, December 31, 2023	11,818,039	62,550	210,548	(66,034)	207,064
Net income	—	—	7,666	—	7,666
Other comprehensive income, net of tax	—	—	—	10,919	10,919
Stock issued for acquisition	7,037,202	143,712			143,712
Restricted stock granted, net of forfeitures	68,702	—	—	—	—
Stock issued under employee stock purchase plan	15,504	248	—	—	248
Stock-based compensation expense	—	879	—	—	879
Cash dividend ($0.48 per common share)	—	—	(8,230)	—	(8,230)
Stock options exercised	37,289	465	—	—	465
Repurchase and retirement of common stock	(2,089)	(38)	—	—	(38)
Balance, December 31, 2024	18,974,647	207,816	209,984	(55,115)	362,685
Net income	—	—	38,168	—	38,168
Other comprehensive income, net of tax	—	—	—	15,491	15,491
Restricted stock granted, net of forfeitures	77,153	—	—	—	—
Stock issued under employee stock purchase plan	18,241	306	—	—	306
Stock-based compensation expense	—	1,158	—	—	1,158
Cash dividend ($0.48 per common share)	—	—	(9,162)	—	(9,162)
Stock options exercised	101,434	1,093	—	—	1,093
Repurchase and retirement of common stock	(8,023)	(151)	—	—	(151)
Balance, December 31, 2025	19,163,452	$ 210,222	$ 238,990	$ (39,624)	$ 409,588

The accompanying notes are an integral part of these consolidated financial statements.

COMMUNITY WEST BANCSHARES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024, and 2023

(in thousands)	2025	2024	2023
Cash Flows From Operating Activities:			
Net income	$ 38,168	$ 7,666	$ 25,536
Adjustments to reconcile net income to net cash provided by operating activities:			
Net decrease (increase) in deferred loan costs	1,404	(200)	786
Depreciation	3,279	2,206	891
Accretion of discounts on investment securities	(1,848)	(1,813)	(1,890)
Amortization of premiums on investment securities	8,040	8,782	8,860
Amortization of debt issuance costs	145	145	145
Accretion of premiums and discounts on acquired loans, net	(11,435)	(9,694)	(325)
Amortization of core deposit intangibles	1,002	751	68
Amortization of fair value marks on liabilities assumed	2,661	5,385	—
Stock-based compensation	1,158	879	858
Provision for credit losses	3,754	11,113	309
Net realized losses on sales and calls of AFS securities	41	4,199	907
Net loss (gain) on sale and disposal of equipment	40	(7)	(402)
Net gain on sale of foreclosed assets	(39)	—	—
Net change in equity investments	(211)	63	(91)
Increase in bank-owned life insurance, net of expenses	(1,497)	(1,325)	(1,035)
Net gain on proceeds from death benefits	(198)	—	—
Net decrease (increase) in accrued interest receivable and other assets	4,919	982	(8,866)
Net (decrease) increase in accrued interest payable and other liabilities	(5,722)	(6,063)	1,666
Provision (benefit) for deferred income taxes	2,459	(867)	110
Net cash provided by operating activities	46,120	22,202	27,527
Cash Flows From Investing Activities:			
Net cash and cash equivalents acquired in acquisition	—	58,521	—
Purchases of available-for-sale investment securities	(7,183)	—	—
Proceeds from sales or calls of AFS securities	500	64,230	26,361
Proceeds from calls of HTM securities	13,981	20	35
Proceeds from maturity and principal repayment of AFS securities	29,412	59,947	38,229
Proceeds from principal repayments of HTM securities	1,709	1,650	2,377
Net increase in loans	(196,739)	(113,078)	(34,972)
Proceeds from sale of foreclosed assets	206	—	—
Purchases of premises and equipment	(2,509)	(5,039)	(9,806)
Proceeds from sale of premises and equipment	117	22	3,262
Purchases of bank owned life insurance	—	(1,450)	—
FHLB stock purchased	—	(350)	(967)
Net cash (used in) provided by investing activities	(160,506)	64,473	24,519
Cash Flows From Financing Activities:			
Net increase (decrease) in demand, interest-bearing and savings deposits	124,330	37,000	(152,178)
Net increase (decrease) in time deposits	59,064	(14,450)	94,142
Proceeds from borrowings from Federal Home Loan Bank	1,467,000	972,000	3,411,500
Repayments of borrowings to Federal Home Loan Bank	(1,529,000)	(962,000)	(3,422,500)
Proceeds from borrowings from other financial institutions	—	—	116,500
Repayments of borrowings from other financial institutions	—	(45,000)	(71,500)
Repayments of senior debt	(508)	—	—
Purchase and retirement of common stock	(151)	(38)	(1)
Proceeds from stock issued under employee stock purchase plan	306	248	206
Proceeds from exercise of stock options	1,093	465	—
Cash dividend payments on common stock	(9,162)	(8,230)	(5,657)

(in thousands)	2025	2024	2023
Net cash provided by (used in) financing activities	112,972	(20,005)	(29,488)
(Decrease) increase in cash and cash equivalents	(1,414)	66,670	22,558
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	120,398	53,728	31,170
CASH AND CASH EQUIVALENTS AT END OF YEAR	$ 118,984	$ 120,398	$ 53,728
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 46,255	$ 48,773	$ 20,005
Income taxes, net of refunds	$ 8,005	$ 2,572	$ 7,700
Operating cash flows from operating leases	$ 3,783	$ 3,120	$ 2,484
Non-cash investing and financing activities:			
Unrealized gain on securities available for sale	$ 19,548	$ 13,227	$ 19,193
Loans transferred to foreclosed assets	$ 201	$ —	$ —
Right-of-use assets obtained in exchange for lease liabilities	$ 3,718	$ 5,216	$ —
Acquisition:			
Assets acquired	$ —	$ 1,040,939	$ —
Liabilities assumed	$ —	$ (940,276)	$ —

The accompanying notes are an integral part of these consolidated financial statements.

Community West Bancshares
Notes to Consolidated Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General - Effective April 1, 2024, Central Valley Community Bancorp, completed its merger transaction with Community West Bancshares. Shortly thereafter, Community West Bank, a wholly owned subsidiary of Community West Bancshares, merged with and into Central Valley Community Bank, a wholly owned subsidiary of Central Valley Community Bancorp, with Central Valley Community Bank being the surviving banking institution. Effective with these mergers, the names of Central Valley Community Bancorp and Central Valley Community Bank were changed to Community West Bancshares and Community West Bank, respectively.

Community West Bancshares (the "Company") was incorporated on February 7, 2000 and subsequently obtained approval from the Board of Governors of the Federal Reserve System to be a bank holding company in connection with its acquisition of Community West Bank (the "Bank"). The Company became the sole shareholder of the Bank on November 15, 2000 in a statutory merger, pursuant to which each outstanding share of the Bank's common stock was exchanged for one share of common stock of the Company.

Service 1st Capital Trust I (the Trust) is a business trust formed by Service 1st for the sole purpose of issuing trust preferred securities. The Company succeeded to all the rights and obligations of Service 1st in connection with the acquisition of Service 1st. The Trust is a wholly-owned subsidiary of the Company.

The Bank operates 26 full service offices throughout California's San Joaquin Valley, Greater Sacramento Region and Central Coast. The Bank's primary source of revenue is providing loans to customers who are predominately small and middle-market businesses and individuals.

The deposits of the Bank are insured by the Federal Deposit Insurance Corporation (FDIC) up to applicable legal limits. Depositors' accounts at an insured depository institution, including all non-interest bearing transactions accounts, will be insured by the FDIC up to the standard maximum deposit insurance amount of $250,000 for each deposit insurance ownership category.

The accounting and reporting policies of the Company and the Bank conform with accounting principles generally accepted in the United States of America and prevailing practices within the banking industry.

Operating Segments - The Company determines its reporting units in accordance with the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 280, Segment Reporting. The Company evaluates a reporting unit by first identifying its operating segments under ASC 280. The chief operating decision-maker is responsible for the allocation of resources and assessing the performance of the operating segment and has been identified as the Chief Executive Officer of the Company. The chief operating decision maker has determined that because all of the banking products and services offered by the Company are available in each branch of the Bank, all branches are located within the same domestic economic environment and management does not allocate resources based on the performance of different lending or transaction activities, it is appropriate to aggregate the Bank branches and report them as a single operating segment. No customer accounts for more than 10 percent of revenues for the Company or the Bank. The Company operates as one operating segment which is reported in a manner consistent with the internal reporting provided to the chief operating decision-maker.

Principles of Consolidation - The consolidated financial statements include the accounts of the Company and the consolidated accounts of its wholly-owned subsidiary, the Bank. Intercompany transactions and balances are eliminated in consolidation.

For financial reporting purposes, Service 1st Capital Trust I, is a wholly-owned subsidiary acquired in the merger of Service 1st and formed for the exclusive purpose of issuing trust preferred securities. The Company is not considered the primary beneficiary of this trust (variable interest entity), therefore the trust is not consolidated in the Company's financial statements, but rather the subordinated debentures are shown as a liability on the Company's consolidated financial statements. The Company's investment in the common stock of the Trust is included in accrued interest receivable and other assets on the consolidated balance sheets.

Use of Estimates - The preparation of these financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and judgments that affect the reported amount of assets, liabilities, revenues

and expenses. On an ongoing basis, management evaluates the estimates used. Estimates are based upon historical experience, current economic conditions and other factors that management considers reasonable under the circumstances.

These estimates result in judgments regarding the carrying values of assets and liabilities when these values are not readily available from other sources, as well as assessing and identifying the accounting treatments of contingencies and commitments. These estimates and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates under different assumptions.

Cash and Cash Equivalents - The Company maintains cash and cash equivalents, which include cash on hand, amounts due from banks, interest-earning deposits in other banks, and federal funds sold. At times, the Company is required to maintain average or minimum compensating balances with certain correspondent banks as part of contractual arrangements for services such as lines of credit, clearing, or other banking services. The compensating balances are required to be maintained at or above specified levels in order to avoid service charges or to support borrowing arrangements. These balances were not restricted as to withdrawal or use, except as required to meet the contractual obligations with the correspondent banks. The Company's policy is to monitor its compensating balance requirements on an ongoing basis to ensure compliance with all contractual obligations.

For the purpose of the statement of cash flows, cash, due from banks with original maturities less than 90 days, interest-earning deposits in other banks, and Federal funds sold are considered to be cash equivalents. Generally, Federal funds are sold and purchased for one-day periods. Net cash flows are reported for customer loan and deposit transactions, interest-bearing deposits in other banks, and Federal funds purchased.

Investment Securities - Investments are classified into the following categories:

- Available-for-sale securities, reported at fair value, with unrealized gains and losses excluded from earnings and reported, net of taxes, as accumulated other comprehensive income (loss) within shareholders' equity.

- Held-to-maturity securities, which management has the positive intent and ability to hold to maturity, reported at amortized cost, adjusted for the accretion of discounts and amortization of premiums.

Management determines the appropriate classification of its investments at the time of purchase and may only change the classification in certain limited circumstances. All transfers between categories are accounted for at fair value in the period which the transfer occurs.

Gains or losses on the sale of investment securities are computed on the specific identification method. Interest earned on investment securities is reported in interest income, net of applicable adjustments for accretion of discounts and amortization of premiums. Premiums and discounts on securities are amortized or accreted on the level yield method without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated.

Allowance for Credit Losses on Available-for-Sale Debt Securities - For available-for-sale ("AFS") debt securities in an unrealized loss position, the Company first assesses whether it intends to sell, or it is more than likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In making this assessment, management considers the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors. If this assessment indicates that a credit loss exists, the present value of the cash flows expected to be collected from the security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance for credit losses is recognized in other comprehensive income.

Changes in the allowance for credit losses are recorded as a provision (or credit) for credit losses. Losses are charged against the allowance when management believes that the uncollectibility of an available-for-sale security is confirmed or when either of the criteria regarding intent or requirement to sell is met.

Allowance for Credit Losses on Held-to-Maturity Debt Securities - Management measures expected credit losses on held-to-maturity ("HTM") debt securities on a collective basis by major security type. The estimate of expected credit losses considers

historical credit loss information based on industry data that is adjusted for current conditions and reasonable and supportable forecasts. Management classifies the held-to-maturity portfolio into the following major security types: Obligations of States and Political Subdivisions, U.S. Government sponsored Entities and Agencies collateralized by Residential Mortgage Obligations, Private Label Mortgage and Asset Backed Securities, and Corporate Debt Securities.

The Company elected the practical expedient under ASC 326-20-30-5A to exclude accrued interest from the amortized cost basis when measuring potential impairment. Additionally, management notes that due to this election, accrued interest is separately reported from the securities' amortized cost basis.

Loans - All loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are stated at principal balances outstanding net of deferred loan fees and costs, and the allowance for credit losses. Interest is accrued daily based upon outstanding loan principal balances. However, when a loan becomes impaired and the future collectability of interest and principal is in serious doubt, the loan is placed on nonaccrual status and the accrual of interest income is suspended. Any loan delinquent 90 days or more is automatically placed on nonaccrual status. Any interest accrued but unpaid is charged against income. Subsequent payments on these loans, or payments received on nonaccrual loans for which the ultimate collectability of principal is not in doubt, are applied first to principal until fully collected and then to interest.

Interest income on loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Consumer and credit card loans are typically charged off no later than 90 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged-off at an earlier date if collection of principal or interest is considered doubtful. A loan placed on non-accrual status may be restored to accrual status when principal and interest are no longer past due and unpaid, or the loan otherwise becomes both well secured and in the process of collection. When a loan is brought current, the Company must also have reasonable assurance that the obligor has the ability to meet all contractual obligations in the future, that the loan will be repaid within a reasonable period of time, and that a minimum of six months of satisfactory repayment performance has occurred.

Substantially all loan origination fees, commitment fees, direct loan origination costs and purchase premiums and discounts on loans are deferred and recognized as an adjustment of yield, and amortized to interest income over the contractual term of the loan. The unamortized balance of deferred fees and costs is reported as a component of net loans.

Acquired Loans and Leases - Loans and leases acquired through purchase or through a business combination are recorded at their fair value at the acquisition date. At the time of an acquisition, we evaluate loans to determine if they are purchase credit deteriorated ("PCD") loans. PCD loans are those acquired loans with evidence of more than insignificant credit deterioration since loan origination. This determination is made by considering past due and nonaccrual status, prior designation of a troubled debt restructuring, or other factors that may suggest we will not be able to collect all contractual payments. PCD loans are initially recorded at fair value with a gross up for the allowance for credit losses, which becomes the initial amortized cost basis. The difference between the initial amortized cost basis and the par value of the loan is a noncredit premium or discount which is amortized or accreted over the life of the loan. Subsequent changes to the allowance for credit losses are recorded through provision or credit to the allowance for credit losses.

While credit discounts are included in the determination of fair value for non-credit deteriorated loans, an allowance for loan loss is established at acquisition, through a provision of credit losses, using the same methodology as originated loans since these discounts are accreted or amortized over the life of the loan. Subsequent deterioration or improvements in expected credit losses are recorded through a provision or credit to the allowance for credit losses on loans.

Allowance for Credit Losses on Loans - The allowance for credit losses ("ACL") on loans is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. The allowance is established through a provision for credit losses which is charged to expense. Loans are charged off against the allowance when management believes the uncollectibility of a loan balance is confirmed. Cash received on previously charged off amounts is recorded as a recovery to the allowance.

The Company elected the practical expedient under ASC 326-20-30-5A to exclude accrued interest from the amortized cost basis when measuring potential impairment. Additionally, management notes that due to this election, accrued interest is separately reported from the loans' amortized cost basis.

Management estimates the allowance for credit losses on loans using relevant available information, from internal and external sources, relating to past events, current conditions and reasonable and supportable forecasts. Historical credit loss experience from national and local peer data provides the basis for the estimation of expected credit losses. Adjustments to historical loss

information are made for the differences in the current loan-specific risk characteristics, such as differences in loan-to-values, portfolio mix, or term as well as for changes in environmental conditions, such as changes in unemployment rates, market interest rates, property values, or other relevant factors. Management may assign qualitative factors to each loan segment if there are material risks or improvements present but not yet captured in the model environment.

The allowance for credit losses is measured on a collective (pool) basis when similar risk characteristics exist. The Company segregates the allowance by portfolio segment. These portfolio segments include commercial, commercial real estate, 1-4 family real estate and consumer loans. The relative significance of risk considerations vary by portfolio segment. Real estate construction loans, as summarized by class within the loan footnote, are disaggregated into either the commercial real estate or 1-4 family real estate allowance segments based on the type of construction loan due to the varying risks between commercial and consumer construction.

Commercial:

Commercial and industrial - Commercial and industrial loans are generally underwritten to existing cash flows of operating businesses. Additionally, economic trends influenced by unemployment rates and other key economic indicators are closely correlated to the credit quality of these loans. Past due payments may indicate the borrower's capacity to repay their obligations may be deteriorating.

Agricultural production - Loans secured by crop production and livestock are especially vulnerable to two risk factors that are largely outside the control of Company and borrowers: commodity prices and weather conditions.

Commercial Real Estate:

Commercial real estate construction and other land loans - Commercial land and construction loans generally possess a higher inherent risk of loss than other real estate portfolio segments. A major risk arises from the necessity to complete projects within specified costs and time lines. Trends in the construction industry significantly impact the credit quality of these loans, as demand drives construction activity. In addition, trends in real estate values significantly impact the credit quality of these loans, as property values determine the economic viability of construction projects.

Commercial real estate - owner-occupied - Real estate collateral secured by commercial or professional properties with repayment arising from the owner's business cash flows. To meet this classification, the owner's operation must occupy no less than 50% of the real estate held. Financial profitability and capacity to meet the cyclical nature of the industry and related real estate market over a significant timeframe is essential.

Commercial real estate - non-owner occupied - Investor commercial real estate loans generally possess a higher inherent risk of loss than other real estate portfolio segments, except land and construction loans. Adverse economic developments or an overbuilt market impact commercial real estate projects and may result in troubled loans. Trends in vacancy rates of commercial properties impact the credit quality of these loans. High vacancy rates reduce operating revenues and the ability for properties to produce sufficient cash flows to service debt obligations.

Farmland - Agricultural loans secured by real estate generally possess a higher inherent risk of loss caused by changes in concentration of permanent plantings, government subsidies, and the value of the U.S. dollar affecting the export of commodities.

Multi-family - These properties are generally comprised of more than four rentable units, such as apartment buildings, with each unit intended to be occupied as the primary residence for one or more persons. Multi-family properties are also subject to changes in general or regional economic conditions, such as unemployment, ultimately resulting in increased vacancy rates or reduced rents or both. In addition, new construction can create an oversupply condition and market competition resulting in increased vacancy, reduced market rents, or both. Due to the nature of their use and the greater likelihood of tenant turnover, the management of these properties is more intensive and therefore is more critical to the preclusion of loss.

1-4 Family Real Estate:

Includes 1-4 family close-ended, revolving real estate loans, and residential construction loans, the degree of risk in residential real estate lending depends primarily on the loan amount in relation to collateral value, the interest rate and the borrower's ability to repay in an orderly fashion. These loans generally possess a lower inherent risk of loss than other real estate portfolio segments. Economic trends determined by unemployment rates and other key economic indicators are closely correlated to the credit quality of these loans. Weak economic trends may indicate that the borrowers' capacity to repay their obligations may be deteriorating.

Consumer:

Manufactured housing - The Company has a financing program for manufactured housing to provide affordable home ownership. These loans are offered in mobile home parks throughout California primarily on or near the coast. The manufactured housing loans are secured by the manufactured home and are retained in the Company's loan portfolio. The primary risks of manufactured housing loans include the borrower's inability to pay, material decreases in the value of the collateral, and significant increases in interest rates, which may reduce the borrower's ability to make the required principal or interest payments.

Other installment loans - A consumer installment loan portfolio is usually comprised of a large number of small loans scheduled to be amortized over a specific period. Most installment loans are made directly for consumer purchases, such as automobiles. Other consumer loans include other open ended unsecured consumer loans. Open ended unsecured loans generally have a higher rate of default than all other portfolio segments and are also impacted by weak economic conditions and trends.

When loans do not share similar risk characteristics, the Company evaluates the loan for expected credit losses on an individual basis. Loans evaluated individually are not included in the collective evaluation. When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for selling costs as appropriate.

Risk Rating - The Company assigns a risk rating to all loans, and periodically performs detailed reviews of all such loans over a certain threshold to identify credit risks and to assess the overall collectability of the portfolio. The most recent review of risk ratings was completed in December 2025. These risk ratings are also subject to examination by independent specialists engaged by the Company and the Company's regulators. During these internal reviews, management monitors and analyzes the financial condition of borrowers and guarantors, trends in the industries in which borrowers operate and the fair values of collateral securing these loans. These credit quality indicators are used to assign a risk rating to each individual loan. The risk ratings can be grouped into five major categories, defined as follows:

Pass and Watch - Loans to borrowers of acceptable or better credit quality. Borrowers in this category demonstrate fundamentally sound financial positions, repayment capacity, credit history and management expertise. Loans in this category must have an identifiable and stable source of repayment and meet the Bank's policy regarding debt-service-coverage ratios. These borrowers are capable of sustaining normal economic, market or operational setbacks without significant financial consequences. Negative external industry factors are generally not present. The loan may be secured, unsecured or supported by non-real estate collateral for which the value is more difficult to determine and/or marketability is more uncertain. This category also includes "Watch" loans, where the primary source of repayment has been delayed. "Watch" is intended to be a transitional grade, with either an upgrade or downgrade within a reasonable period.

Special Mention - A special mention loan has potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or in the Company's credit position at some future date. Special mention loans are not adversely classified and do not expose the Company to sufficient risk to warrant adverse classification.

Substandard - A substandard loan is not adequately protected by the current sound worth and paying capacity of the borrower or the value of the collateral pledged, if any. Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. Well-defined weaknesses include a project's lack of marketability, inadequate cash flow or collateral support, failure to complete construction on time, or the project's failure to fulfill economic expectations. They are characterized by the distinct possibility that the Company will sustain some loss if the deficiencies are not corrected.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently known facts, conditions and values, highly questionable and improbable. The possibility of loss is extremely high, but because of certain important and reasonably specific pending factors, which may work to the advantage and strengthening of the asset, its classification as an estimated loss is deferred until its more exact status may be determined. Pending factors include proposed merger, acquisition, or liquidation procedures, capital injection, perfecting liens on additional collateral, and refinancing plans. Doubtful classification is considered temporary and short term.

Loss - Loans classified as loss are considered uncollectible and charged off immediately. The general reserve component of the allowance for credit losses also consists of reserve factors that are based on management's assessment of the following for each portfolio segment: (1) inherent credit risk, (2) historical losses and (3) other qualitative factors including economic trends in the Company's service areas, industry experience and trends, industry and geographic concentrations, estimated collateral values,

the Company's underwriting policies, the character of the loan portfolio, and probable losses inherent in the portfolio taken as a whole. Inherent credit risk and qualitative reserve factors are inherently subjective and are driven by the repayment risk associated with each class of loans.

Allowance for Credit Losses on Unfunded Commitments - The Company estimates expected credit losses over the contractual period in which the Company is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Company. The allowance for credit losses on unfunded commitments is adjusted through provision for credit losses. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on commitments expected to be funded over its estimated life.

Bank Premises and Equipment - Land is carried at cost. Bank premises and equipment are carried at cost less accumulated depreciation. Depreciation is determined using the straight-line method over the estimated useful lives of the related assets. The useful lives of Bank premises are estimated to be between 20 and 40 years. The useful lives of improvements to Bank premises, furniture, fixtures and equipment are estimated to be three to ten years. Leasehold improvements are amortized over the life of the asset or the term of the related lease, whichever is shorter. When assets are sold or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. The cost of maintenance and repairs is charged to expense as incurred.

The Bank evaluates premises and equipment for financial impairment as events or changes in circumstances indicate that the carrying amount of such assets may not be fully recoverable.

Federal Home Loan Bank (FHLB) Stock - The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors, and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Investments in Low Income Housing Tax Credit Funds - The Bank has invested in limited partnerships that were formed to develop and operate affordable housing projects for low or moderate income tenants throughout California. The Company accounts for the investments in qualified affordable housing tax credit funds using the proportional amortization method. Under the proportional amortization method, the initial cost of the investment is amortized in proportion to the tax credits and other tax benefits received and the net investment performance is recognized as part of income tax expense (benefit). Each of the partnerships must meet the regulatory minimum requirements for affordable housing for a minimum 15-year compliance period to fully utilize the tax credits. If the partnerships cease to qualify during the compliance period, the credit may be denied for any period in which the project is not in compliance and a portion of the credit previously taken is subject to recapture with interest. The Company's investment in Low Income Housing Tax Credit ("LIHTC") partnerships is reported in other assets on the consolidated balance sheets.

Investments in Limited Partnerships - The Company invests in limited partnerships and similar investment vehicles, including SBIC funds and other CRA-qualified funds, to support community development, small business growth, and to meet its obligations under the Community Reinvestment Act ("CRA"). These investments are typically made to foster economic development in low-and moderate-income communities and may also provide the Company with tax credits or other regulatory benefits.

Investments in limited partnerships are initially recorded at cost, representing the amount of capital committed and funded by the Company. If the Bank has significant influence over the partnership (generally presumed if ownership is 20% or more, or if the Bank has the ability to participate in policy and operating decisions), the investment is accounted for under the equity method.

If the Company's interest in a partnership is so minor that it does not exert significant influence, the investment is accounted for at cost, less any identified impairment, in accordance with ASC 321, Investments – Equity Securities. For cost method investments, the Company evaluates the investment for impairment on a annual basis. If the fair value of the investment declines below its carrying value and the decline is deemed other-than-temporary, an impairment loss is recognized in earnings.
The Company's maximum exposure to loss from these investments is generally limited to its capital contributions and any unfunded commitments. These investments are included in other assets on the consolidated balance sheets, and unfunded commitments are disclosed in the notes to the consolidated financial statements.

Other Real Estate Owned - Other real estate owned (OREO) is comprised of property acquired through foreclosure proceedings or acceptance of deeds-in-lieu of foreclosure. Losses recognized at the time of acquiring property in full or partial satisfaction of debt are charged against the allowance for credit losses. OREO, when acquired, is initially recorded at fair value less

estimated disposition costs, establishing a new cost basis. Fair value of OREO is generally based on an independent appraisal of the property. Subsequent to initial measurement, OREO is carried at the lower of the recorded investment or fair value less disposition costs. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through noninterest expense. Revenues and expenses associated with OREO are reported as a component of noninterest expense when incurred. There was no other real estate owned at December 31, 2025 and at December 31, 2024.

Foreclosed Assets - Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through operations. Operating costs after acquisition are expensed. Gains and losses on disposition are included in noninterest expense. There were $34,000 and $0 of foreclosed assets at December 31, 2025 and December 31, 2024, respectively.

Bank Owned Life Insurance - The Company has purchased life insurance policies on certain key executives. Company owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Servicing Assets - The Company is an approved Federal Agricultural Mortgage Corporation (“Farmer Mac”) seller/servicer. Servicing assets are recognized as separate assets as certain servicing requirements are retained. Servicing assets are amortized over the period of estimated net servicing income. The Company uses Farmer Mac prepayment statistics in estimating the expected life of the loans. Management evaluates its servicing assets for impairment quarterly. Servicing assets are evaluated for impairment based on the fair value of the rights as compared to amortized cost. Fair value is determined using discounted future cash flows calculated on a loan-by-loan basis. The initial servicing asset and resulting gain is calculated based on the contractual net servicing fees. Farmer Mac servicing assets are valued based on the net servicing fee and estimated life of seven years, and discounted using the Company’s borrowing rate. Farmer Mac servicing assets measured under the amortization method were $2.3 million at December 31, 2025 and was acquired as a result of the merger on April 1, 2024. Servicing assets are recorded in other assets on the consolidated balance sheets.

Business Combinations - The Company accounts for acquisitions of businesses using the acquisition method of accounting. Under the acquisition method, assets and liabilities assumed are recorded at their estimated fair values at the date of acquisition. Management utilizes various valuation techniques included discounted cash flow analyses to determine these fair values. Any excess of the purchase price over amounts allocated to the acquired assets, including identifiable intangible assets, and liabilities assumed is recorded as goodwill.

Goodwill - Business combinations involving the Bank’s acquisition of the equity interests or net assets of another enterprise give rise to goodwill. Goodwill represents the excess of the purchase price of acquired businesses over the net fair value of assets, including identified intangible assets, acquired and liabilities assumed in the transactions accounted for under the acquisition method of accounting. The value of goodwill is ultimately derived from the Bank’s ability to generate net earnings after the acquisitions. A decline in net earnings could be indicative of a decline in the fair value of goodwill and result in impairment. For that reason, goodwill is assessed at least annually for impairment.

The Company has selected September 30 as the date to perform the annual impairment test. Management assessed qualitative factors including performance trends and noted no factors indicating goodwill impairment. Goodwill is also tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value of the Company below its carrying amount. No such events or circumstances arose during the fourth quarter of 2025, so goodwill was not required to be retested. Goodwill is the only intangible asset with an indefinite life on the balance sheet.

Intangible Assets - The intangible assets at December 31, 2025 represent the estimated fair value of the core deposit relationships acquired in business combinations less accumulated amortization. Core deposit intangibles are being amortized using the straight-line method over an estimated life of ten years from the date of acquisition. Core deposit intangibles are evaluated on an annual basis for any events that would indicated impairment. Core deposit intangibles could also be tested for impairment between annual tests if an event occurs or circumstances change that would more likely than not reduce the fair value below its carrying amount. Management performed an assessment of the core deposit intangibles as of December 31, 2025 and noted no triggering events that would indicate impairment.

Loan Commitments and Related Financial Instruments - Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount of these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Income Taxes - The Company files its income taxes on a consolidated basis with the Bank. The allocation of income tax expense represents each entity's proportionate share of the consolidated provision for income taxes.

Income tax expense represents the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are recognized for the tax consequences of temporary differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. On the balance sheet, net deferred tax assets are included in accrued interest receivable and other assets.

The realization of deferred income tax assets is assessed and a valuation allowance is recorded if it is "more likely than not" that all or a portion of the deferred tax assets will not be realized. "More likely than not" is defined as greater than a 50% chance. All available evidence, both positive and negative is considered to determine whether, based on the weight of that evidence, a valuation allowance is needed.

Accounting for Uncertainty in Income Taxes - The Company uses a comprehensive model for recognizing, measuring, presenting and disclosing in the financial statements tax positions taken or expected to be taken on a tax return. A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the more likely than not test, no tax benefit is recorded.

Interest expense and penalties associated with unrecognized tax benefits, if any, are classified as income tax expense in the consolidated statement of income.

Retirement Plans - Employee 401(k) plan expense is the amount of employer matching contributions. Profit sharing plan expense is the amount of employer contributions. Contributions to the profit sharing plan are determined at the discretion of the Board of Directors. Deferred compensation and supplemental retirement plan expense is allocated over years of service.

Earnings Per Common Share - Basic earnings per common share (EPS), which excludes dilution, is computed by dividing income available to common shareholders (net income after deducting dividends, if any, on preferred stock and accretion of discount) by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur if securities or other contracts to issue common stock, such as stock options or warrants, result in the issuance of common stock which shares in the earnings of the Company. All data with respect to computing earnings per share is retroactively adjusted to reflect stock dividends and splits and the treasury stock method is applied to determine the dilutive effect of stock options in computing diluted EPS.

The shares awarded to employees and directors under the restricted stock agreements vest on applicable vesting dates only to the extent the recipient of the shares is then an employee or a director of the Company or one of its subsidiaries, and each recipient will forfeit all of the shares that have not vested on the date his or her employment or service is terminated. Common stock awards for performance vest immediately. Holders of restricted stock awards receive non-forfeitable dividends at the same rate as common stockholders and they both share equally in undistributed earnings. Therefore, under the two-class method the difference in EPS is not significant for these participating securities.

Comprehensive Income - Comprehensive income consists of net income and other comprehensive income. Other comprehensive income includes unrealized gains and losses on securities available for sale which are also recognized as separate components of equity. When a security is transferred from AFS to HTM, the difference between its amortized cost basis and its fair value on the transfer date is amortized as a yield adjustment through interest income. The new basis for the HTM securities is the fair value at the transfer date. The fair value at the transfer date establishes either a premium or discount relative to the amortized cost basis of the HTM securities. The amortization of unrealized gains or losses reported in accumulated other comprehensive income ("AOCI") offsets the impact of amortizing the resulting premium or discount through interest income created by the transfer. Therefore, the amortization is a non-cash adjustment that does not affect net income.

Loss Contingencies - Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there are such matters that will have a material effect on the financial statements.

Share-Based Compensation - Compensation cost is recognized for stock options and restricted stock awards issued to employees, based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market price of the Company's common stock at the date of grant is used for restricted stock awards. Additionally, the compensation expense for the Company's employee stock ownership plan is based on the market

price of the shares as they are committed to be released to participant accounts. Compensation cost is recognized over the required service period, generally defined as the vesting period. For awards with graded vesting, compensation cost is recognized on a straight-line basis over the requisite service period for the entire award.

Dividend Restriction - Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to the Company or by the Company to shareholders.

Fair Value of Financial Instruments - Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in Note 17. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect these estimates.

Reclassifications - Certain reclassifications have been made to prior year financial statements to conform to the classifications used in 2025. None of the reclassifications had an impact on equity or net income.

Impact of New Financial Accounting Standards Adopted in 2025

In December 2023, the FASB issued ASU No. 2023-09, Income Taxes (Topic 740) - Improvements to Income Tax Disclosures ("ASU 2023-09"), which enhances the transparency and decision usefulness of income tax disclosures. ASU 2023-09 will require disaggregated information about a reporting entity's effective tax rate reconciliation as well as information on income taxes paid. Entities will also be required to disclose income/(loss) from continuing operations before income tax expense/(benefit) disaggregated between domestic and foreign, as well as income tax expense/(benefit) from continuing operations disaggregated by federal, state, and foreign. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted, and is to be applied prospectively, with retrospective application permitted. The ASU was adopted and appropriately incorporated into the disclosures for the year ended December 31, 2025.

Accounting Standards Issued But Not Yet Adopted

In October 2023, the FASB issued ASU No. 2023-06, Disclosure Improvements - Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative ("ASU 2023-06"), amending disclosure or presentation requirements related to various subtopics in the FASB's ASC. ASU 2023-06 was issued in response to the SEC's initiative to update and simplify disclosure requirements. The SEC identified 27 disclosure requirements that were incremental to those in the ASC and referred them to the FASB for potential incorporation into U.S. GAAP. To avoid duplication, the SEC intended to eliminate those disclosure requirements from existing SEC regulations as the FASB incorporated them into the relevant ASC subtopics. ASU 2023-06 adds 14 of the 27 identified disclosure or presentation requirements to the ASC. ASU 2023-06 is to be applied prospectively, and early adoption is prohibited. For reporting entities subject to the SEC's existing disclosure requirements, the effective dates of ASU 2023-06 will be the date on which the SEC's removal of that related disclosure requirement from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the applicable requirement from Regulation S-X or Regulation S-K, the pending content of the related amendment will be removed from the ASC and will not become effective for any entities. ASU 2023-06 is not expected to have a significant impact on the Company's consolidated financial statements.

In November 2024, the FASB issued ASU No. 2024-03 (updated in January 2025 to ASU No. 2025-01), Income Statement —Reporting Comprehensive Income — Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses. The amendments are intended to improve income statement expense disclosure requirements, primarily through enhanced disclosures about certain costs and expenses included in income statement expense captions. The amendments are effective for annual reporting periods beginning after December 15, 2026 (i.e., 2027 Form 10-K) and interim periods within annual reporting periods beginning after December 15, 2027. Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

On November 12 2025, the FASB issued ASU 2025-08, Financial Instruments—Credit Losses (Topic 326): Purchased Loans. The new guidance makes significant changes to the accounting for certain acquired seasoned loans subject to the current expected credit loss model (CECL). The Board decided not to change the existing models for originated assets, purchased credit deteriorated assets (PCD) or other acquired assets. Under the ASU, the initial allowance for credit losses recorded upon the acquisition of loans in scope is recognized as an adjustment to the amortized cost basis of the loan–similar to the PCD model. For these loans, the "day-one" credit loss estimate does not impact earnings immediately but rather is amortized over time as an adjustment to interest income. Subsequent changes in the allowance for credit losses are reported in earnings within credit loss expense. The amendments apply prospectively and will be effective for fiscal periods beginning after December 15, 2026 (and

interim periods within). Early adoption is permitted. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

In December 2025, the FASB issued ASU 2025-11, which clarifies interim disclosure requirements by providing a comprehensive list of disclosures that are required in interim periods. The amendments also introduce a disclosure principle that requires entities to disclose events since the end of the last annual reporting period that have a material impact on the entity. The amended guidance is effective for the Company on January 1, 2028, with early adoption permitted. The amendments should be applied on either a prospective or retrospective basis. The Company is currently evaluating the impact of this ASU on its consolidated financial statements.

2. BUSINESS COMBINATIONS

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 names 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 received 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 7,037,202 shares of Central Valley common stock. The financial condition and results of operation of the combined companies is reported in the second quarter results.

The acquisition of Community West was accounted for using the acquisition method of accounting in accordance with ASC Topic 805. Assets acquired, liabilities assumed, intangibles recognized and consideration exchanged was recorded at their respective acquisition date fair values. Determining the fair value of assets and liabilities involves significant judgment regarding methods and assumptions used to calculate estimated fair values. We recorded the fair values based on the valuations available as of reporting date. The Company utilized the discounted cash flow methodology to determine the fair value of loans, which included significant assumptions relating to market discount rates using a build-up approach and default and loss rates. In the determination of the core deposit intangible, the Company utilized a discounted economic benefit methodology that included significant assumptions related to deposit runoff rates, cost of deposits, cost of alternative funds, and a discount rate applied.

The following table summarizes the consideration paid for Community West Bank and the amounts of assets acquired and liabilities assumed that were recorded at the acquisition date (in thousands):

	Community West April 1, 2024
Fair value of consideration transferred:	
Fair value of shares issued	$ 139,970
Cash consideration	2
Fair value of options assumed	3,742
Total merger consideration	$ 143,714
Assets acquired:	
Cash and cash equivalents	$ 58,523
Securities available-for-sale	846
Loans and leases	920,097
Premises and equipment	7,608
Cash value of life insurance	8,971
Other assets	44,894
Total assets acquired	1,040,939
Liabilities assumed:	
Deposits	(844,035)
Borrowings	(85,638)
Other liabilities	(10,603)
Total liabilities assumed	(940,276)
Total net assets acquired	100,663
Goodwill created from transaction	$ 43,051

The acquisition resulted in goodwill of $43 million, which is nondeductible for tax purposes, as this acquisition was a nontaxable transaction. Goodwill represents the premium paid over the fair value of the net tangible and intangible assets acquired and reflects the related synergies from the combined operations.

The following table presents the fair value and gross contractual amounts receivable of acquired non-credit deteriorated loans from the recent acquisition on April 1, 2024, and their respective expected contractual cash flows as of the acquisition date:

Dollars (in thousands)	Community West April 1, 2024
Fair value	$ 892,090
Gross contractual amounts receivable	1,124,200
Estimate of contractual cash flows not expected to be collected [1]	13,375
Estimate of contractual cash flows expected to be collected	1,110,825

(1) Includes interest payments not expected to be collected due to loan prepayments as well as principal and interest payments not expected to be collected due to customer default.

The acquisition improves the Company's footprint in Central California, expanding to the Central Coast. The acquisition diversifies its commercial banking business, adds additional revenue enhancing products, improves the Bank's loan to deposit ratio, and creates operational efficiencies. Revenues and earnings of the acquired company since the acquisition date have not been disclosed as it is not practicable as Community West was merged into the Company and separate financial information is not readily available.

3. INVESTMENT SECURITIES

The following tables summarize the amortized cost and fair value of securities available-for-sale and securities held-for-maturity at December 31, 2025 and 2024 and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) and the allowance for credit losses on held-to-maturity securities (in thousands):

	December 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Allowance for Credit Losses
Available-for-Sale Securities					
Debt Securities:					
U.S. Treasury securities	$ 9,996	$ —	$ (487)	$ 9,509	$ —
U.S. Government agencies	66	—	(3)	63	—
Obligations of states and political subdivisions	180,395	5	(14,439)	165,961	—
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	67,588	94	(2,985)	64,697	—
Private label mortgage and asset backed securities	250,575	61	(21,967)	228,669	—
Corporate debt securities	463	48	—	511	—
	$ 509,083	$ 208	$ (39,881)	$ 469,410	$ —

	December 31, 2025				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Allowance for Credit Losses
Held to Maturity Securities					
Debt Securities:					
Obligations of states and political subdivisions	$ 192,308	$ 55	$ (13,595)	$ 178,768	$ 20
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	11,443	—	(1,632)	9,811	—
Private label mortgage and asset backed securities	51,397	—	(3,282)	48,115	25
Corporate debt securities	32,409	59	(1,513)	30,955	395
	$ 287,557	$ 114	$ (20,022)	$ 267,649	$ 440

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Allowance for Credit Losses
Available-for-Sale Securities					
Debt Securities:					
U.S. Treasury securities	$ 9,994	$ —	$ (936)	$ 9,058	$ —
U.S. Government agencies	70	—	(5)	65	—
Obligations of states and political subdivisions	183,766	—	(19,126)	164,640	—
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	76,732	8	(4,438)	72,302	—
Private label mortgage and asset backed securities	265,302	6	(34,753)	230,555	—
Corporate debt securities	470	23	—	493	
	$ 536,334	$ 37	$ (59,258)	$ 477,113	$ —

	December 31, 2024				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Estimated Fair Value	Allowance for Credit Losses
Held to Maturity Securities					
Debt Securities:					
Obligations of states and political subdivisions	192,156	$ 54	$ (17,392)	$ 174,818	$ 12
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	11,095	—	(2,100)	8,995	—
Private label mortgage and asset backed securities	53,066	—	(5,633)	47,433	8
Corporate debt securities	46,198	—	(2,876)	43,322	1,136
	$ 302,515	$ 54	$ (28,001)	$ 274,568	$ 1,156

Proceeds and gross realized (losses)/gains on investment securities for the years ended December 31, 2025, 2024, and 2023 are shown below (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Available-for-Sale Securities			
Proceeds from sales or calls	$ 500	$ 64,230	$ 26,361
Gross realized gains from sales or calls	$ —	$ —	$ —
Gross realized losses from sales or calls	$ (41)	$ (4,199)	$ (907)

During the second quarter of 2022, the Company re-designated certain securities previously classified as available-for-sale to the held-to-maturity classification. The securities re-designated consisted of obligations of states and political subdivision securities, U.S. Government sponsored entity and agency securities collateralized by residential mortgage obligations, private label mortgage and asset backed securities, and corporate debt securities with a total carrying value of $306.7 million at April 1, 2022. At the time of re-designation, the securities included $25.3 million of pretax unrealized losses in other comprehensive income; which is being amortized over the remaining life of the securities in a manner consistent with the amortization of a premium or discount. As of December 31, 2025, the balance of pretax unrealized losses in other comprehensive income remaining related to these transferred securities was $16.6 million.

As market interest rates or risks associated with an available-for-sale security's issuer continue to change and impact the actual or perceived values of investment securities, the Company may determine that selling these securities and using proceeds to purchase securities that fit with the Company's current risk profile is appropriate and beneficial to the Company.

Losses recognized in 2025 were a result of called securities. Losses recognized in 2024 and 2023 were incurred in order to strategically reposition the investment securities portfolio based on the current rate environment. The securities sold at a loss were acquired when the rate environment was not as volatile. The securities sold were primarily purchased to serve a purpose in the rate environment in which the securities were purchased. The Company addressed risks in the security portfolio by selling these securities and using the proceeds to fund loan growth and enhance on-balance sheet liquidity.

The provision for income taxes includes $12,000, $1,241,000, and $268,000 income tax benefit from the reclassification of unrealized net losses on available-for-sale securities to realized net losses on available-for-sale securities for the years ended December 31, 2025, 2024, and 2023, respectively.

The amortized cost and estimated fair value of available-for-sale and held-to-maturity investment securities at December 31, 2025 and 2024 by contractual maturity are shown in the two tables below (in thousands). Expected maturities will differ from contractual maturities because the issuers of the securities may have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

Available-for-Sale Securities	December 31, 2025		December 31, 2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within one year	$ —	$ —	$ —	$ —
After one year through five years	33,826	31,506	15,661	14,056
After five years through ten years	20,068	19,038	33,585	29,670
After ten years	136,497	124,926	144,514	129,972
	190,391	175,470	193,760	173,698
Investment securities not due at a single maturity date:				
U.S. Government agencies	66	63	70	65
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	67,588	64,697	76,732	72,302
Private label mortgage and asset backed securities	250,575	228,669	265,302	230,555
Corporate debt securities	463	511	470	493
	$ 509,083	$ 469,410	$ 536,334	$ 477,113

Held-to-Maturity Securities	December 31, 2025		December 31, 2024	
	Amortized Cost	Estimated Fair Value	Amortized Cost	Estimated Fair Value
Within one year	$ —	$ —	$ —	$ —
After one year through five years	29,165	28,722	24,535	23,368
After five years through ten years	63,908	60,643	60,369	54,685
After ten years	99,235	89,403	107,252	96,765
	192,308	178,768	192,156	174,818
Investment securities not due at a single maturity date:				
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	11,443	9,811	11,095	8,995
Private label mortgage and asset backed securities	51,397	48,115	53,066	47,433
Corporate debt securities	32,409	30,955	46,198	43,322
	$ 287,557	$ 267,649	$ 302,515	$ 274,568

At December 31, 2025, there were no issuers of private label mortgage securities in which the Company had holdings of securities in amounts greater than 10% of shareholders' equity.

The following tables summarize the Company's debt securities in an unrealized loss position for which an allowance for credit losses has not been recorded, aggregated by major security type and length of time in a continuous unrealized loss position (in thousands):

	December 31, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-Sale Securities						
Debt Securities:						
U.S. Treasury securities	$ —	$ —	$ 9,509	$ (487)	$ 9,509	$ (487)
U.S. Government agencies	—	—	63	(3)	63	(3)
Obligations of states and political subdivisions	1,257	(68)	162,730	(14,371)	163,987	(14,439)
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	4,071	(21)	50,458	(2,964)	54,529	(2,985)
Private label residential mortgage and asset backed securities	—	—	221,568	(21,967)	221,568	(21,967)
	$ 5,328	$ (89)	$ 444,328	$ (39,792)	$ 449,656	$ (39,881)

	December 31, 2025					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held-to-Maturity Securities						
Debt Securities:						
Obligations of states and political subdivisions	$ —	$ —	$ 174,224	$ (13,595)	$ 174,224	$ (13,595)
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	—	—	9,811	(1,632)	9,811	(1,632)
Private label residential mortgage and asset backed securities	—	—	48,115	(3,282)	48,115	(3,282)
Corporate debt securities	—	—	26,036	(1,513)	26,036	(1,513)
	$ —	$ —	$ 258,186	$ (20,022)	$ 258,186	$ (20,022)

	December 31, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Available-for-Sale Securities						
Debt Securities:						
U.S. Treasury securities	$ —	$ —	$ 9,058	$ (936)	$ 9,058	$ (936)
U.S. Government agencies	—	—	65	(5)	65	(5)
Obligations of states and political subdivisions	1,853	(152)	162,787	(18,974)	164,640	(19,126)
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	359	(4)	63,401	(4,434)	63,760	(4,438)
Private label residential mortgage backed securities	—	—	226,070	(34,753)	226,070	(34,753)
	$ 2,212	$ (156)	$ 461,381	$ (59,102)	$ 463,593	$ (59,258)

	December 31, 2024					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Held-to-Maturity Securities						
Debt Securities:						
Obligations of states and political subdivisions	$ 110	$ (2)	$ 172,229	$ (17,390)	$ 172,339	$ (17,392)
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	—	—	8,995	(2,100)	8,995	(2,100)
Private label residential mortgage and asset backed securities	—	—	47,433	(5,633)	47,433	(5,633)
Corporate debt securities	—	—	43,322	(2,876)	43,322	(2,876)
	$ 110	$ (2)	$ 271,979	$ (27,999)	$ 272,089	$ (28,001)

As of December 31, 2025, the Company had a total of 118 AFS debt securities in a gross unrealized loss position with no credit impairment, consisting of one U.S. Treasury security and U.S. Government agencies, 39 obligations of states and political subdivisions, 29 U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations, and 49 private label mortgage and asset backed securities.

Allowance for Credit Losses on Available-for-Sale Debt Securities

Each reporting period, the Company assesses each AFS debt security that is in an unrealized loss position to determine whether the decline in fair value below the amortized cost basis results from a credit loss or other factors. The Company did not record an ACL on any available for sale securities at December 31, 2025. The Company considers the unrealized losses across the classes of major security-type to be related to fluctuations in market conditions, primarily interest rates, and not reflective of a deterioration in credit value. In addition, as of December 31, 2025, the Company determined that it is not more likely than not that the Company would be required to sell securities.

The gross unrealized losses presented in the preceding tables were primarily attributable to interest rate increases and liquidity and were mainly comprised of the following:

- Obligations of States and Political Subdivisions: The unrealized losses on investments in obligations of states and political subdivisions are caused by increases in required yields by investors in these types of securities. It is expected that the securities would not be settled at a price less than the amortized cost of the investment.
- U.S. Treasury and Government Sponsored Entities and Agencies Collateralized by Residential Mortgage Obligations: The unrealized losses on the Company's investments in U.S. treasuries and government sponsored entities and agencies collateralized by residential mortgage obligations were caused by interest rate changes. The contractual cash flows of those investments are guaranteed or supported by an agency or sponsored entity of the U.S. Government. Accordingly, it is expected that the securities would not be settled at a price less than the amortized cost of the Company's investment.
- Private Label Mortgage and Asset Backed Securities: The Company has invested exclusively in AA and AAA tranches of various private label mortgage and asset backed securities. Each purchase is subject to a credit and structure review prior to their purchase. Ratings are reviewed on a quarterly basis in addition to other metrics provided through third-party services. Following review of the financial metrics and ratings, management concluded that the unrealized loss position of the private label mortgage and asset backed securities related exclusively to the fluctuation in market conditions and were not reflective of any credit concerns with the tranches comprising the Company's investments.

No allowance for credit losses have been recognized on AFS debt securities in an unrealized loss position, as management does not believe that any of the securities are impaired due to credit risk factors as of December 31, 2025 and December 31, 2024.

Allowance for Credit Losses on Held-to-Maturity Debt Securities

The Company separately evaluates its HTM debt securities for any credit losses based on probability of default and loss given default utilizing historical industry data based on investment category, while also considering reasonable and supportable

forecasts. The probability of default and loss given default are incorporated into the present value of expected cash flows and compared against amortized cost.

The allowance for credit losses on HTM securities was $440,000 as of December 31, 2025 compared to $1,156,000 as of December 31, 2024. The allowance for credit losses on HTM securities is driven by economic scenarios, estimated probabilities of default and loss given default. Economic scenarios are updated quarterly. The credit to the allowance for loan losses for the year ended December 31, 2025 was due to improvements in the expected probability of default and loss given default for the Company's corporate bonds. The provision for credit losses for the year ended December 31, 2024 was driven solely from the impact of the economic scenarios. There were no changes to the weightings of the economic scenarios.

The following table shows the summary of activities for the allowance for credit losses related to held-to-maturity debt securities for the twelve months ended December 31, 2025 and 2024 (in thousands):

	For the Twelve Months Ended December 31,	
Debt Securities Held-to-Maturity	**2025**	**2024**
Beginning ACL balance	$ 1,156	$ 1,051
(Credit) provision to credit losses	(716)	105
Total Ending ACL balance	$ 440	$ 1,156

The Company monitors credit quality of debt securities held-to-maturity through the use of credit ratings. The Company monitors the credit ratings on a quarterly basis. For non-rated investment securities, management receives quarterly performance updates to monitor for any credit concerns. There were no HTM securities on nonaccrual or past due over 89 days and still on accrual. The following table summarizes the amortized cost of debt securities held-to-maturity at the dates indicated, aggregated by credit quality indicator. U.S. Government sponsored agencies are not included in the below tables as credit ratings are not applicable (in thousands).

	December 31, 2025			December 31, 2024		
Debt Securities Held-to-Maturity	**AAA/AA/A**	**BBB**	**Unrated**	**AAA/AA/A**	**BBB/BB/B**	**Unrated**
Obligations of states and political subdivisions	$ 192,308	$ —	$ —	$ 192,156	$ —	$ —
Private label mortgage and asset backed securities	38,666	—	12,731	51,427	—	1,639
Corporate debt securities	—	18,373	14,036	—	30,218	15,990
Total debt securities held-to-maturity	$ 230,974	$ 18,373	$ 26,767	$ 243,583	$ 30,218	$ 17,629

Investment securities with amortized costs totaling $458,405,000 and $476,966,000 and fair values totaling $420,524,000 and $435,571,000 were pledged as collateral for borrowing arrangements, public funds and for other purposes at December 31, 2025 and 2024, respectively.

4. LOANS AND ALLOWANCE FOR CREDIT LOSSES ON LOANS

The majority of the disclosures in this footnote are prepared at the class level, which is equivalent to the call report or call code classification. The roll forward of the allowance for credit losses is presented at the portfolio segment level. Accrued interest receivable on loans of $11,625,000 and $10,745,000 at December 31, 2025 and December 31, 2024 respectively is not included in the loan tables below and is included in other assets on the Company's balance sheets. Outstanding loans are summarized by class as follows:

Loan Type (Dollars in thousands)	December 31, 2025	December 31, 2024
Commercial:		
Commercial and industrial	$ 156,744	$ 143,422
Agricultural production	34,152	37,323
Total commercial	190,896	180,745
Real estate:		
Construction & other land loans	80,452	67,869
Commercial real estate - owner occupied	368,604	323,188
Commercial real estate - non-owner occupied	992,486	913,165
Farmland	142,100	139,815
Multi-family residential	199,123	133,595
1-4 family - close-ended	111,741	123,445
1-4 family - revolving	39,818	35,421
Total real estate	1,934,324	1,736,498
Consumer:		
Manufactured housing	322,761	322,263
Other installment	92,589	92,839
Total consumer	415,350	415,102
Total loans, net of discount	2,540,570	2,332,345
Net deferred origination costs	287	1,876
Loans, net of deferred origination costs	2,540,857	2,334,221
Allowance for credit losses	(30,071)	(25,803)
Total loans, net	$ 2,510,786	$ 2,308,418

At December 31, 2025 and December 31, 2024, loans originated under Small Business Administration (SBA) programs totaling $21,161,000 and $21,618,000, respectively, were included in the real estate and commercial categories, of which, $16,044,000 or 76% and $16,519,000 or 76%, respectively, are secured by government guarantees.

Allowance for Credit Losses on Loans

The measurement of the allowance for credit losses on collectively evaluated loans is based on modeled expectations of lifetime expected credit losses utilizing national and local peer group historical losses, weighting of economic scenarios, and other relevant factors. The Company incorporates forward-looking information using macroeconomic scenarios, which include variables that are considered key drivers of credit losses within the portfolio. The Company uses a probability-weighted, multiple scenario forecast approach. These scenarios may consist of a base forecast representing the most likely outcome, combined with downside or upside scenarios reflecting possible worsening or improving economic conditions.

When a loan no longer shares similar risk characteristics with other loans, such as in the case of certain nonaccrual loans, the Company estimates the allowance for credit losses on an individual loan basis.

The following table shows the summary of activities for the allowance for credit losses as of and for the twelve months ended December 31, 2025, 2024, and 2023 by portfolio segment (in thousands):

	Commercial	Commercial Real Estate	1-4 Family Real Estate	Consumer	Total
Allowance for credit losses:					
Beginning balance, January 1, 2025	$ 1,752	$ 17,766	$ 2,751	$ 3,534	$ 25,803
Provision (credit) for credit losses (1)	954	2,128	(449)	1,567	4,200
Charge-offs	(169)	—	—	(222)	(391)
Recoveries	210	50	70	129	459
Ending balance, December 31, 2025	$ 2,747	$ 19,944	$ 2,372	$ 5,008	$ 30,071

(1) Represents credit losses for loans only. The provision for credit losses on the Consolidated Statements of Income of $3,754 includes a $716 credit for held-to-maturity securities and a $270 provision for unfunded loan commitments.

	Commercial	Commercial Real Estate	1-4 Family	Consumer	Total
Allowance for credit losses:					
Beginning balance, January 1, 2024	$ 1,475	$ 9,792	$ 2,435	$ 951	$ 14,653
Allowance for loan loss on purchased credit deteriorated loans (PCD)	375	371	2	73	821
Provision for credit losses (1)	515	7,543	242	2,492	10,792
Charge-offs	(677)	—	—	(132)	(809)
Recoveries	64	60	72	150	346
Ending balance, December 31, 2024	$ 1,752	$ 17,766	$ 2,751	$ 3,534	$ 25,803

(1) Represents credit losses for loans only. The provision for credit losses on the Consolidated Statements of Income of $11,113 includes a $105 provision for held-to-maturity securities and a $216 provision for unfunded loan commitments.

	Commercial	Real Estate	1-4 Family	Consumer	Unallocated	Total
Allowance for credit losses:						
Beginning balance, January 1, 2023 prior to adoption of ASU 2016-13 (CECL)	$ 1,820	$ 7,803	$ 601	$ 284	$ 340	$ 10,848
Impact of adoption of ASU 2016-13	448	1,693	1,620	489	(340)	3,910
(Credit) provision for credit losses (1)	(766)	296	199	186	—	(85)
Charge-offs	(636)	—	—	(53)	—	(689)
Recoveries	609	—	15	45	—	669
Ending balance, December 31, 2023	$ 1,475	$ 9,792	$ 2,435	$ 951	$ —	$ 14,653

(1) Represents credit losses for loans only. The provision for credit losses on the Consolidated Statements of Income of $309 includes a $276 provision for held-to-maturity securities and a $118 provision for unfunded loan commitments.

During the twelve month period ended December 31, 2025, the provision for credit losses was primarily driven by loan growth. Additionally, the Company recorded an allowance for individually evaluated loans of $2.8 million during the year ended December 31, 2025 compared to $0 as of December 31, 2024. As of April 1, 2024, the Company recorded a provision for loan losses for non PCD loans of $10,877,000 and an allowance for credit losses for PCD loans $821,000 for the loan portfolio with a fair value of $920 million. During 2024, the Company adjusted the weightings utilized for the most likely, downside, or upside economic scenarios by adding a fourth scenario. The fourth economic scenario added was a downside scenario that projected less severe economic effects as compared to the existing downside scenario used in the reserve calculation. The more moderate downside scenario was added in recognition of the risk of a broader economic downturn in the economy occurring in the next twelve months not as severe as the previous downside scenario. Management believes that the addition of the fourth scenario provides a balanced range for expected credit losses. The Company updated its peer group during the second quarter of 2024, adding peer banks within the central coast of California and also larger peer banks due to the Company's expanded footprint and increased asset size. During 2025, the Company continued to utilize four economic scenarios: most likely, severe downside, moderate downside, and upside. As of December 31, 2025, the Company shifted the weightings for the severe

downside and moderate downside to be less weighted to the severe downside, but kept the weightings for base and upside consistent with December 31, 2024. Management believes that the allowance for credit losses at December 31, 2025 appropriately reflected expected credit losses in the loan portfolio at that date.

The following tables present the composition of nonaccrual loans as of December 31, 2025 and December 31, 2024 (in thousands).

	December 31, 2025		
	With an ACL	Without an ACL	Total Nonaccrual
Commercial and industrial	$ 1,533	$ —	1,533
Commercial real estate - owner occupied	—	101	101
Commercial real estate - non-owner occupied	—	530	530
Farmland	—	1,525	1,525
1-4 family real estate	—	1,697	1,697
Manufactured housing	809	676	1,485
Other installment	64	20	84
Total	$ 2,406	$ 4,549	$ 6,955

	December 31, 2024		
	With an ACL	Without an ACL	Total Nonaccrual
Commercial real estate - owner occupied	$ —	$ 120	$ 120
Commercial real estate - non-owner occupied	—	378	378
Farmland	—	2,398	2,398
1-4 family real estate	—	2,335	2,335
Consumer	—	15	15
Manufactured housing	—	1,215	1,215
Total	$ —	$ 6,461	$ 6,461

The following tables present the amortized cost basis of collateral dependent loans by class of loans and by collateral type as of the dates indicated as of December 31, 2025 and December 31, 2024 (in thousands).

	December 31, 2025			
	Manufactured Homes	Real Estate	Machinery & Equipment	Total
Commercial and industrial	$ —	$ —	$ 1,533	$ 1,533
Commercial real estate - owner occupied	—	101	—	101
Commercial real estate - non-owner occupied	—	13,394	530	13,924
Farmland	—	1,525	—	1,525
1-4 family real estate	—	1,697	—	1,697
Manufactured housing	1,485	—	—	1,485
Other installment	—	—	84	84
Total	$ 1,485	$ 16,717	$ 2,147	$ 20,349

	December 31, 2024			
	Manufactured Homes	Real Estate	Machinery & Equipment	Total
Commercial and industrial	$ —	$ —	$ —	$ —
Commercial real estate - owner occupied	—	120	—	120
Commercial real estate - non-owner occupied	—	—	378	378
Farmland	—	2,398	—	2,398
1-4 family real estate	—	2,335	—	2,335
Manufactured housing	1,215	—	—	1,215
Total	$ 1,215	$ 4,853	$ 378	$ 6,446

Purchased loans and leases that reflect a more-than-insignificant deterioration of credit quality from origination are considered PCD. At the time of acquisition, the initial estimate of expected losses is recognized in the ACL. The following table provides a summary of loans and leases purchased as part of the acquisition with credit deterioration at the time of acquisition of April 1, 2024 (in thousands):

	April 1, 2024			
	Par Value of Loans Acquired	Allowance for Credit Losses at Acquisition	Non-Credit Discount at Acquisition	Purchase Price of Loans at Acquisition
Commercial	$ 7,360	$ (375)	$ (416)	$ 6,569
Commercial real estate	20,622	(359)	(1,037)	19,226
Farmland	1,617	(12)	(56)	1,549
1-4 family real estate	572	(2)	(24)	546
Manufacturing housing	947	(73)	(11)	863
Total	$ 31,118	$ (821)	$ (1,544)	$ 28,753

The following table shows the loan portfolio by class, net of deferred costs, allocated by management's internal risk ratings for the period indicated (in thousands):

	Term Loans Amortized Cost Basis by Origination Year As of December 31, 2025								
	2025	2024	2023	2022	2021	Prior	Revolving Loans	Revolving Converted to Term	Total
Commercial and industrial									
Pass/Watch	$ 22,082	$ 23,892	$ 8,368	$ 13,847	$ 12,978	$ 8,523	$ 56,992	$ —	$ 146,682
Special mention	715	—	66	678	—	—	—	—	1,459
Substandard	100	23	—	1,510	159	7,086	—	—	8,878
Total	$ 22,897	$ 23,915	$ 8,434	$ 16,035	$ 13,137	$ 15,609	$ 56,992	$ —	$ 157,019
Current period gross write-offs	$ 169	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 169
Agricultural production									
Pass/Watch	$ 1,637	$ 1,044	$ 43	$ —	$ 5	$ 120	$ 29,372	$ 189	$ 32,410
Special mention	—	—	—	—	—	—	1,775		1,775
Substandard	—	—	—	—	—	—	—		—
Total	$ 1,637	$ 1,044	$ 43	$ —	$ 5	$ 120	$ 31,147	$ 189	$ 34,185
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Construction & other land loans									
Pass/Watch	$ 22,329	$ 39,870	$ 6,610	$ 3,812	$ 5,267	$ 1,424	$ 370	$ —	$ 79,682

Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	82	—	—	82
Total	$ 22,329	$ 39,870	$ 6,610	$ 3,812	$ 5,267	$ 1,506	$ 370	$ —	$ 79,764
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate - owner occupied									
Pass/Watch	$ 61,648	$ 47,277	$ 26,339	$ 46,297	$ 41,591	$ 131,861	$ 8,258	$ —	$ 363,271
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	1,733	—	—	3,003	—	—	4,736
Total	$ 61,648	$ 47,277	$ 28,072	$ 46,297	$ 41,591	$ 134,864	$ 8,258	$ —	$ 368,007
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate - non-owner occupied									
Pass/Watch	$ 135,558	$ 74,414	$ 98,549	$ 175,212	$ 116,070	$ 305,565	$ 27,275	$ —	$ 932,643
Special mention	—	20,217	—	4,211	615	3,746	350	—	29,139
Substandard	—	—	—	5,965	—	21,070	2,128	—	29,163
Total	$ 135,558	$ 94,631	$ 98,549	$ 185,388	$ 116,685	$ 330,381	$ 29,753	$ —	$ 990,945
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Farmland									
Pass/Watch	$ 5,516	$ 4,569	$ 4,345	$ 16,049	$ 10,888	$ 61,865	$ 8,978	$ 1,500	$ 113,710
Special mention	1,800	—	399	—	—	3,983	—	—	6,182
Substandard	—	—	3,824	9,808	—	5,918	2,574	—	22,124
Total	$ 7,316	$ 4,569	$ 8,568	$ 25,857	$ 10,888	$ 71,766	$ 11,552	$ 1,500	$ 142,016
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multi-family residential									
Pass/Watch	$ 27,289	$ 12,287	$ 21,926	$ 30,928	$ 45,465	$ 28,376	$ 9,624	$ —	$ 175,895
Special mention	—	—	15,600	—	—	—	—	—	15,600
Substandard	—	—	—	—	—	7,283	—	—	7,283
Total	$ 27,289	$ 12,287	$ 37,526	$ 30,928	$ 45,465	$ 35,659	$ 9,624	$ —	$ 198,778
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1-4 family - close-ended									
Pass/Watch	$ 5,628	$ 2,020	$ 4,306	$ 55,888	$ 10,199	$ 19,882	$ 11,073	$ 230	$ 109,226
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	64	—	1,931	—	535	—	—	2,530
Total	$ 5,628	$ 2,084	$ 4,306	$ 57,819	$ 10,199	$ 20,417	$ 11,073	$ 230	$ 111,756
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1-4 family - revolving									
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ —	$ 34,783	$ 5,231	$ 40,014
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	37	37

Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 34,783	$ 5,268	$ 40,051
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Manufactured housing									
Pass/Watch	$ 37,751	$ 42,557	$ 36,972	$ 41,922	$ 33,714	$ 126,298	$ —	$ —	$ 319,214
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	117	369	2	690	2,216	—	—	3,394
Total	$ 37,751	$ 42,674	$ 37,341	$ 41,924	$ 34,404	$ 128,514	$ —	$ —	$ 322,608
Current period gross write-offs	$ 17	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 17
Other installment									
Pass/Watch	$ 32,798	$ 34,074	$ 15,061	$ 3,793	$ 3,419	$ 5,549	$ 465	$ —	$ 95,159
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	28	365	93	83	—	—	569
Total	$ 32,798	$ 34,074	$ 15,089	$ 4,158	$ 3,512	$ 5,632	$ 465	$ —	$ 95,728
Current period gross write-offs	$ 205	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 205
Total loans outstanding (risk rating):									
Pass/Watch	$ 352,236	$ 282,004	$ 222,519	$ 387,748	$ 279,596	$ 689,463	$ 187,190	$ 7,150	$ 2,407,906
Special mention	2,515	20,217	16,065	4,889	615	7,729	2,125	—	54,155
Substandard	100	204	5,954	19,581	942	47,276	4,702	37	78,796
Grand Total	**$ 354,851**	**$ 302,425**	**$ 244,538**	**$ 412,218**	**$ 281,153**	**$ 744,468**	**$ 194,017**	**$ 7,187**	**$ 2,540,857**
Current period total gross write-offs	$ 391	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 391

	Term Loans Amortized Cost Basis by Origination Year As of December 31, 2024								
	2024	**2023**	**2022**	**2021**	**2020**	**Prior**	**Revolving Loans**	**Revolving Converted to Term**	**Total**
Commercial and industrial									
Pass/Watch	$ 29,768	$ 13,064	$ 16,231	$ 14,639	$ 4,518	$ 9,457	$ 44,199	$ 1,022	$ 132,898
Special mention	—	—	—	1,498	—	—	—	—	1,498
Substandard	29	—	1,545	—	—	1,106	6,700	—	9,380
Total	$ 29,797	$ 13,064	$ 17,776	$ 16,137	$ 4,518	$ 10,563	$ 50,899	$ 1,022	$ 143,776
Current period gross write-offs	$ 120	$ —	$ 5	$ —	$ —	$ 45	$ —	$ —	$ 170
Agricultural production									
Pass/Watch	$ 5,152	$ 284	$ —	$ 9	$ —	$ 300	$ 31,620	$ —	$ 37,365
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 5,152	$ 284	$ —	$ 9	$ —	$ 300	$ 31,620	$ —	$ 37,365
Current period gross write-offs	$ —	$ —	$ 507	$ —	$ —	$ —	$ —	$ —	$ 507
Construction & other land loans									
Pass/Watch	$ 12,413	$ 20,137	$ 19,290	$ 14,166	$ 701	$ 733	$ 100	$ —	$ 67,540
Special mention	—	—	—	—	—	—	—	—	—

Substandard	—	—	—	—	—	—	—	—	—
Total	$ 12,413	$ 20,137	$ 19,290	$ 14,166	$ 701	$ 733	$ 100	$ —	$ 67,540
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate - owner occupied									
Pass/Watch	$ 48,191	$ 23,314	$ 45,741	$ 43,354	$ 31,354	$ 117,466	$ 7,086	$ —	$ 316,506
Special mention	—	—	—	—	158	2,958	—	—	3,116
Substandard	—	1,765	—	—	946	584	—	—	3,295
Total	$ 48,191	$ 25,079	$ 45,741	$ 43,354	$ 32,458	$ 121,008	$ 7,086	$ —	$ 322,917
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Commercial real estate - non-owner occupied									
Pass/Watch	$ 95,131	$ 115,292	$ 188,516	$ 118,773	$ 74,762	$ 261,586	$ 33,453	$ 1,250	$ 888,763
Special mention	—	—	590	633	—	6,356	—	—	7,579
Substandard	—	—	—	—	—	15,846	—	—	15,846
Total	$ 95,131	$ 115,292	$ 189,106	$ 119,406	$ 74,762	$ 283,788	$ 33,453	$ 1,250	$ 912,188
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Farmland									
Pass/Watch	$ 7,691	$ 4,945	$ 21,383	$ 12,288	$ 29,379	$ 42,815	$ 5,731	$ —	$ 124,232
Special mention	—	4,025	—	—	—	—	1,166	—	5,191
Substandard	—	—	3,312	—	2,029	4,962	—	—	10,303
Total	$ 7,691	$ 8,970	$ 24,695	$ 12,288	$ 31,408	$ 47,777	$ 6,897	$ —	$ 139,726
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Multi-family residential									
Pass/Watch	$ 12,844	$ 2,950	$ 31,070	$ 45,835	$ 13,591	$ 25,555	$ 1,671	$ —	$ 133,516
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 12,844	$ 2,950	$ 31,070	$ 45,835	$ 13,591	$ 25,555	$ 1,671	$ —	$ 133,516
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1-4 family - close-ended									
Pass/Watch	$ 2,501	$ 5,405	$ 63,350	$ 13,581	$ 6,993	$ 24,830	$ 3,975	$ —	$ 120,635
Special mention	—	—	—	—	—	—	—	—	—
Substandard	78	—	2,257	—	—	551	—	—	2,886
Total	$ 2,579	$ 5,405	$ 65,607	$ 13,581	$ 6,993	$ 25,381	$ 3,975	$ —	$ 123,521
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
1-4 family - revolving									
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ —	$ 29,718	$ 5,808	$ 35,526
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	116	116
Total	$ —	$ —	$ —	$ —	$ —	$ —	$ 29,718	$ 5,924	$ 35,642

Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	—
Manufactured housing									
Pass/Watch	$ 47,839	$ 43,468	$ 46,608	$ 39,299	$ 37,551	$ 105,216	$ —	$ —	319,981
Special mention	—	—	—	—	—	—	—	$ —	—
Substandard	—	—	318	464	481	1,015	—	$ —	2,278
Total	$ 47,839	$ 43,468	$ 46,926	$ 39,763	$ 38,032	$ 106,231	$ —	$ —	322,259
Current period gross write-offs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	—
Other installment									
Pass/Watch	$ 53,869	$ 22,700	$ 6,254	$ 4,987	$ 1,371	$ 5,740	$ 660	$ —	95,581
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	15	62	37	63	13	—	—	190
Total	$ 53,869	$ 22,715	$ 6,316	$ 5,024	$ 1,434	$ 5,753	$ 660	$ —	95,771
Current period gross write-offs	$ 58	$ 10	$ 50	$ —	$ —	$ 13	$ 1	$ —	132
Total loans outstanding (risk rating):									
Pass/Watch	$ 315,399	$ 251,559	$ 438,443	$ 306,931	$ 200,220	$ 593,698	$ 158,213	$ 8,080	$ 2,272,543
Special mention	—	4,025	590	2,131	158	9,314	1,166	—	17,384
Substandard	107	1,780	7,494	501	3,519	24,077	6,700	116	44,294
Grand Total	**$ 315,506**	**$ 257,364**	**$ 446,527**	**$ 309,563**	**$ 203,897**	**$ 627,089**	**$ 166,079**	**$ 8,196**	**$ 2,334,221**
Current period total gross write-offs	$ 178	$ 10	$ 562	$ —	$ —	$ 58	$ 1	$ —	809

The following table shows an aging analysis of the loan portfolio by class at December 31, 2025 (in thousands):

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Current	Total Loans	Loans Past Due > 89 Days, Still Accruing	Non-accrual
Commercial:								
Commercial and industrial	$ 551	$ 64	$ 1,510	$ 2,125	$ 154,619	$ 156,744	$ —	$ 1,533
Agricultural production	—	—	—	—	34,152	34,152	—	—
Real estate:								
Construction & other land loans	—	—	—	—	80,452	80,452	—	—
Commercial real estate - owner occupied	239	—	—	239	368,365	368,604	—	101
Commercial real estate - non-owner occupied	13,389	—	530	13,919	978,567	992,486	—	530
Farmland	—	—	1,525	1,525	140,575	142,100	—	1,525
Multi-family residential	—	—	—	—	199,123	199,123	—	—
1-4 family - close-ended	1,552	772	1,184	3,508	108,233	111,741	—	1,697
1-4 family - revolving	569	—	—	569	39,249	39,818	—	—
Consumer:								
Manufactured housing	723	345	—	1,068	321,693	322,761	—	1,485
Other installment	162	93	—	255	92,334	92,589	—	84
Deferred costs	—	—	—	—	287	287	—	—
Total	$ 17,185	$ 1,274	$ 4,749	$ 23,208	$ 2,517,649	$ 2,540,857	$ —	$ 6,955

The following table shows an aging analysis of the loan portfolio by class at December 31, 2024 (in thousands):

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 89 Days Past Due	Total Past Due	Current	Total Loans	Loans Past Due > 89 Days, Still Accruing	Non-accrual
ommercial:								
Commercial and industrial	$ 272	$ —	$ —	$ 272	$ 143,150	$ 143,422	$ —	$ —
Agricultural production	—	—	—	—	37,323	37,323	—	—
eal estate:								
Construction & other land loans	—	—	—	—	67,869	67,869	—	—
Commercial real estate - owner occupied	242	—	—	242	322,946	323,188	—	120
Commercial real estate - non-owner occupied	—	—	378	378	912,787	913,165	—	378
Farmland	164	—	2,398	2,562	137,253	139,815	—	2,398
Multi-family residential	—	—	—	—	133,595	133,595	—	—
1-4 family - close-ended	2,071	1,909	78	4,058	119,387	123,445	—	2,335
1-4 family - revolving	648	—	—	648	34,773	35,421	—	—
onsumer:								
Manufactured housing	535	—	460	995	321,268	322,263	—	1,215
Other installment	656	27	—	683	92,156	92,839	—	15
eferred costs	—	—	—	—	1,876	1,876	—	—
Total	$ 4,588	$ 1,936	$ 3,314	$ 9,838	$ 2,324,383	$ 2,334,221	$ —	$ 6,461

Foregone interest on nonaccrual loans totaled $400,000, $234,000 and $0 for the years ended December 31, 2025, December 31, 2024 and December 31, 2023, respectively. Interest income recognized on non-accrual loans for the years ended December 31, 2025, December 31, 2024, and December 31, 2023 was $45,000, $22,000, and $0, respectively.

Occasionally, the Company modifies loans to borrowers in financial distress by providing reductions of the stated interest rate of the loan or an extension of the maturity date at a stated rate of interest lower than the current market rate for new debt with similar risk. There were no loan modifications granted to borrowers experiencing financial difficulty during the years ended December 31, 2025 or 2024.

5. BANK PREMISES AND EQUIPMENT

Bank premises and equipment consisted of the following (in thousands):

	December 31,	
	2025	2024
Land	$ 3,552	$ 3,552
Buildings and improvements	8,102	7,187
Furniture, fixtures and equipment	29,191	17,710
Leasehold improvements	19,650	15,520
	60,495	43,969
Less accumulated depreciation and amortization	(36,950)	(19,500)
	$ 23,545	$ 24,469

Depreciation and amortization included in occupancy and equipment expense totaled $3,279,000, $2,206,000 and $891,000 for the years ended December 31, 2025, 2024, and 2023, respectively.

6. GOODWILL AND INTANGIBLE ASSETS

Total goodwill at December 31, 2025 and 2024 was $96,828,000. Total goodwill at December 31, 2025 consisted of $43,051,000, $13,466,000, $10,394,000, $6,340,000, $14,643,000, and $8,934,000 representing the excess of the fair value of the consideration transferred in connection with the acquisitions of Community West Bancshares, Folsom Lake Bank, Sierra Vista Bank, Visalia Community Bank, Service 1st Bancorp, and Bank of Madera County, respectively, over the fair value of the net assets acquired and liabilities assumed as of each acquisition date accounted for under the acquisition method of accounting.

Intangible assets represent the estimated fair value of the core deposit relationships acquired in the 2024 acquisition of Community West Bancshares less accumulated amortization. Upon acquisition, the core deposit intangible asset of Community West Bancshares was recorded as $10,019,000.

The following table summarizes the changes in the Company's goodwill and core deposit intangible assets for the twelve months ended December 31, 2025 and 2024 (in thousands):

	Years Ended December 31,			
	2025		2024	
	Goodwill	Core Deposit Intangibles	Goodwill	Core Deposit Intangibles
Beginning Balance	$ 96,828	$ 9,268	$ 53,777	$ —
Additions	—	—	43,051	10,019
Amortizations	—	(1,002)	—	(751)
Ending Balance	**$ 96,828**	**$ 8,266**	**$ 96,828**	**$ 9,268**

The following table presents the estimated amortization expense for core deposit intangible assets remaining at December 31, 2025 (in thousands):

	Estimated Amortization
2026	$ 1,002
2027	1,002
2028	1,002
2029	1,002
2030	1,002
Thereafter	3,256
Total	$ 8,266

7. DEPOSITS

Interest-bearing deposits consisted of the following (in thousands):

	December 31,	
	2025	2024
Savings	$ 171,977	$ 172,976
Money market	858,354	843,145
NOW accounts	502,727	470,548
Time, $250,000 or more	62,457	53,364
Time, under $250,000	440,994	389,920
	$ 2,036,509	$ 1,929,953

Included in time deposits, under $250,000, were brokered time deposits of $398,298,000 and $329,761,000 as of December 31, 2025 and December 31, 2024, respectively.

As of December 31, 2025 and December 31, 2024, uninsured deposits totaled $1,185,000,000 and $1,029,929,000, respectively.

Aggregate annual maturities of time deposits are as follows (in thousands):

Years Ending December 31,	
2026	$ 479,651
2027	21,782
2028	1,292
2029	502
2030	224
Thereafter	—
	$ 503,451

Interest expense recognized on interest-bearing deposits consisted of the following (in thousands):

	Years Ended December 31,		
	2025	2024	2023
Savings	$ 609	$ 603	$ 245
Money market	20,048	20,284	8,910
NOW accounts	3,899	861	366
Time certificates of deposit	18,075	18,918	6,006
	$ 42,631	$ 40,666	$ 15,527

8. BORROWING ARRANGEMENTS

Federal Home Loan Bank Advances - As of December 31, 2025, the Company had an overnight borrowing advance for $73,000,000 outstanding with an interest rate of 4.02%. At December 31, 2024, the Company had an overnight borrowing advance with the FHLB for $35,000,000 with an interest rate of 5.70%. The Company had a short-term advance of $45,000,000 outstanding as of December 31, 2024, in addition to two long-term advances outstanding totaling $90,000,000 with a weighted average interest rate of 0.86%.

Approximately $1.2 billion in loans were pledged under a blanket lien as collateral to the FHLB for the Company's remaining borrowing capacity of $709.4 million as of December 31, 2025. Within the total borrowing capacity, FHLB advances are also secured by investment securities with a borrowing capacity totaling $156.7 million and $153.1 million and market values, as assigned by FHLB, totaling $198.4 million and $193.4 million at December 31, 2025 and December 31, 2024, respectively. The Company's credit limit varies according to the amount and composition of the investment and loan portfolios pledged as collateral.

Lines of Credit - The Company had unsecured lines of credit with its correspondent banks which, in the aggregate, amounted to $110 million at December 31, 2025 and 2024, respectively, at interest rates which vary with market conditions. As of December 31, 2025 and 2024, the Company had no advances with correspondent banks.

Federal Reserve Bank (FRB) Line of Credit - The Company has a line of credit in the amount of $3,411,000 and $3,669,000 with the Federal Reserve Bank of San Francisco (FRB) at December 31, 2025 and 2024, respectively, which bears interest at the prevailing discount rate and is collateralized by investment securities with amortized costs totaling $3,910,000 and $4,406,000 and market values totaling $3,536,000 and $3,828,000, respectively.

The following table reflects the Company's credit lines, balances outstanding, and pledged collateral at December 31, 2025 and December 31, 2024:

Credit Lines (In thousands)	December 31, 2025	December 31, 2024
Unsecured Credit Lines		
Credit limit	$ 110,000	$ 110,000
Balance outstanding	$ —	$ —
Federal Home Loan Bank		
Credit limit	$ 809,391	$ 738,556
Balance outstanding, net of discount	$ 73,000	$ 133,442
Collateral pledged	$ 1,446,828	$ 1,236,732
Fair value of collateral	$ 1,230,691	$ 1,083,041
Federal Reserve Bank		
Credit limit	$ 3,411	$ 3,669
Balance outstanding	$ —	$ —
Collateral pledged	$ 3,910	$ 4,406
Fair value of collateral	$ 3,536	$ 3,828

9. LEASES

Leases - The Bank leases certain of its branch facilities and administrative offices under noncancelable operating leases with terms extending through 2033. Leases with an initial term of twelve months or less are not recorded on the balance sheet. Operating lease cost is comprised of lease expense recognized on a straight-line basis, the amortization of the right-of-use asset and the implicit interest accreted on the operating lease liability. Operating lease cost is included in occupancy and equipment expense on our consolidated statements of income. We evaluate the lease term by assuming the exercise of options to extend that are reasonably assured and those option periods covered by an option to terminate the lease, if deemed not reasonably certain to be exercised. The lease term is used to determine the straight-line expense and limits the depreciable life of any related leasehold improvements. Certain leases require us to pay real estate taxes, insurance, maintenance and other operating expenses associated with the leased premises. These expenses are classified in occupancy and equipment expense on our consolidated statements of income, consistent with similar costs for owned locations, but is not included in operating lease cost below. We calculate the lease liability using a discount rate that represents our incremental borrowing rate at the lease commencement date.

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025 are as follows (in thousands):

Years Ending December 31,	
2026	$ 3,741
2027	2,992
2028	1,772
2029	1,244
2030	970
Thereafter	1,978
Total lease payments	12,697
Less: imputed interest	(1,088)
Present value of operating lease liabilities	$ 11,609

The table below summarizes the total lease cost for the period ending:

(Dollars in thousands)	December 31, 2025	December 31, 2024	December 31, 2023
Operating lease cost	$ 3,846	$ 2,992	$ 2,375
Short-term lease cost	—	—	—
Variable lease cost	70	94	347
Total lease cost	$ 3,916	$ 3,086	$ 2,722

The table below summarizes other information related to our operating leases:

	December 31, 2025	December 31, 2024
Weighted average remaining lease term, in years	4.77	4.73
Weighted average discount rate	2.69 %	2.20 %

The table below shows operating lease right of use assets and operating lease liabilities as of:

(Dollars in thousands)	December 31, 2025	December 31, 2024
Operating lease right-of-use assets	$ 10,405	$ 9,509
Operating lease liabilities	$ 11,609	$ 10,315

The right-of-use-assets and lease liabilities are included with other assets and other liabilities on the consolidated balance sheets, respectively.

10. INCOME TAXES

The provision for income taxes for the years ended December 31, 2025, 2024, and 2023 consisted of the following (in thousands):

	Federal	State	Total
2025			
Current	$ 7,374	$ 4,527	$ 11,901
Deferred	1,737	722	2,459
Provision for income taxes	$ 9,111	$ 5,249	$ 14,360
2024			
Current	$ 2,706	$ 1,493	$ 4,199
Deferred	(463)	(404)	(867)
Provision for income taxes	$ 2,243	$ 1,089	$ 3,332
2023			
Current	$ 4,692	$ 3,502	$ 8,194
Deferred	176	(66)	110
Provision for income taxes	$ 4,868	$ 3,436	$ 8,304

Deferred tax assets (liabilities) consisted of the following (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Unrealized loss on available-for-sale investment securities	$ 16,631	$ 23,132
Allowance for credit losses	8,890	7,970
Purchase accounting fair value adjustment	8,866	11,218
Deferred compensation	3,693	4,081
Operating lease liabilities	3,382	3,049
Net operating loss carryovers	2,075	3,175
Other deferred tax assets	1,018	848
State taxes	945	253
Mark-to-market adjustment	318	411
Loan and investment impairment	113	133
Partnership income	72	128
Other-than-temporary impairment	29	30
Low income housing tax credit carry-forward	—	942
Total deferred tax assets	46,032	55,370
Deferred tax liabilities:		
Operating lease right-of-use assets	(3,032)	(2,811)
Core deposit intangible	(2,408)	(2,814)
Loan origination costs	(1,349)	(1,643)
Bank premises and equipment	(1,119)	(920)
Finance leases	(474)	(570)
FHLB stock	(189)	(191)
Total deferred tax liabilities	(8,571)	(8,949)
Net deferred tax assets	$ 37,461	$ 46,421

The determination of the amount of deferred income tax assets which are more likely than not to be realized is primarily dependent on projections of future earnings, which are subject to uncertainty and estimates that may change given economic conditions and other factors. The realization of deferred income tax assets is assessed and a valuation allowance is recorded if it is more likely than not that all or a portion of the deferred tax asset will not be realized. More likely than not is defined as greater than a 50% chance. All available evidence, both positive and negative is considered to determine whether, based on the weight of the evidence, a valuation allowance is needed. Thus, management concludes no valuation allowance is necessary against deferred tax assets as of December 31, 2025 and 2024.

The provision for income taxes differs from amounts computed by applying the statutory Federal income tax rates to operating income before income taxes. The significant items comprising these differences for the years ended December 31, 2025, 2024, and 2023 consisted of the following (amounts in thousands):

	2025		2024		2023	
	Amount	Percent	Amount	Percent	Amount	Percent
Federal income tax, at statutory rate	$ 11,031	21.0 %	$ 2,310	21.0 %	$ 7,106	21.0 %
State taxes, net of federal tax benefit [1]	4,147	7.9 %	860	7.8 %	2,714	8.0 %
Tax credits:						
Low income housing tax credits	(1,912)	(3.6)%	(1,720)	(15.6)%	(847)	(2.5)%
Other tax credits	—	— %	—	— %	—	— %
Nontaxable or nondeductible items:						
Tax exempt investment security income, net	(461)	(0.9)%	(438)	(4.0)%	(1,176)	(3.5)%
Bank owned life insurance, net	(322)	(0.6)%	(272)	(2.4)%	(214)	(0.6)%
Compensation - stock compensation	(48)	(0.1)%	(72)	(0.6)%	(13)	— %
Nondeductible employee compensation	—	— %	113	1.0 %	—	— %
Nondeductible acquisition-related expense	—	— %	416	3.8 %	—	— %
Other nontaxable or nondeductible items	239	0.4 %	194	1.7 %	(64)	(0.2)%
Other Adjustments:						
Amortization - low income housing tax credit investments	1,899	3.6 %	1,976	17.9 %	1,055	3.1 %
Other tax benefits - low income housing tax credit investments	(399)	(0.8)%	(496)	(4.5)%	(257)	(0.8)%
Other	186	0.4 %	461	4.2 %	—	— %
Total provision for income taxes	$ 14,360	27.3 %	$ 3,332	30.3 %	$ 8,304	24.5 %

(1) State taxes in California accounted for the majority of the tax effect within this category.

As of December 31, 2025, the Company had federal and California net operating loss ("NOL") carry-forwards of $4,703,000 and $13,366,000, respectively. These NOLs were acquired through business combinations and are subject to Section 382 of the Internal Revenue Code of 1986, as amended ("IRC 382"). The federal and California NOLs begin to expire at various dates between 2033 and 2044, if not used. While they are subject to IRC 382, management has determined that all of the NOLs are more than likely than not to be utilized before they expire.

The Company and its subsidiary file income tax returns in the U.S. federal and California jurisdictions. The Company conducts all of its business activities in the State of California. There are no pending U.S. federal or state income tax examinations by those taxing authorities. The Company is no longer subject to the examination by U.S. federal taxing authorities for the years ended before December 31, 2022 and by the state taxing authorities for the years ended before December 31, 2021.

The Company's investments, net of amortization, in low income housing tax credit funds were $16,731,000 and $18,630,000 as of December 31, 2025 and 2024. The Company had gross commitments of $24,526,000 and $24,526,000 at December 31, 2025 and 2024, respectively of which $6,453,000 and $9,289,000 were unfunded as of December 31, 2025 and 2024, respectively. These investments are included in other assets on the consolidated balance sheets and the unfunded commitments are included in other liabilities. The Company recognized tax credits and other income tax benefits of $2,311,000 and $2,216,000 for the year ended December 2025 and 2024, respectively. Amortization of the investments recorded for the same periods were $1,899,000 and $1,976,000, respectively.

As of December 31, 2025, the Company has no unrecognized tax benefits and does not expect any material changes in the next 12 months.

During the years ended December 31, 2025 and 2024, the Company recorded no interest or penalties related to uncertain tax positions.

The following table presents the income taxes paid, net of refunds, for the years ended December 31, 2025, 2024, and 2023:

	2025	2024	2023
Federal	$ 4,000	$ 1,400	$ 4,400
State and local:			
California	4,000	1,170	3,300
Other	5	2	—
Total state and local	4,005	1,172	3,300
Total income taxes paid, net of refunds	$ 8,005	$ 2,572	$ 7,700

11. SENIOR DEBT AND SUBORDINATED DEBENTURES

The following table summarizes the Company's subordinated debentures:

(Dollars in thousands)	December 31, 2025	December 31, 2024
Fixed - floating rate subordinated debentures, due 2031	$ 35,000	$ 35,000
Unamortized debt issuance costs	(121)	(266)
Floating rate senior debt bank loan, due 2032	29,492	30,000
Junior subordinated deferrable interest debentures, due October 2036	5,155	5,155
Total subordinated debentures	$ 69,526	$ 69,889

Subordinated Debentures

On November 12, 2021, the Company completed a private placement of $35.0 million aggregate principal amount of its fixed-to-floating rate subordinated notes ("Subordinated Debt") due December 1, 2031. The Subordinated Debt initially bears a fixed interest rate of 3.13% per year. Commencing on December 1, 2026, the interest rate on the Subordinated Debt will reset each quarter at a floating interest rate equal to the then-current three month term SOFR plus 210 basis points. The Company may at its option redeem in whole or in part the Subordinated Debt on or after November 12, 2026 without a premium. The Subordinated Debt is treated as Tier 2 Capital for regulatory purposes.

Interest expense recognized by the Company for the Subordinated Debentures for the years ended December 31, 2025, 2024, and 2023 was $1,239,000, $1,239,000, and $1,239,000, respectively.

Senior Debt

On September 15, 2022, the Company entered into a $30.0 million loan agreement with Bell Bank. Initially, payments of interest only are payable in 12 quarterly payments commencing December 31, 2022. Commencing December 31, 2025, 27 equal quarterly principal and interest payments are payable based on the outstanding balance of the loan on August 30, 2025 and an amortization of 48 quarters. A final payment of outstanding principal and accrued interest is due at maturity on September 30, 2032. Variable interest is payable at the Prime Rate (published by the Wall Street Journal) less 50 basis points.

The loan is secured by the assets of the Company and a pledge of the outstanding common stock of Community West Bank, the Company's banking subsidiary. The Company may prepay the loan without penalty with one exception. If the loan is prepaid prior to August 30, 2025 with funds received from a financing source other than Bell Bank, the Company will incur a 2% prepayment penalty. The loan contains customary representations, covenants, and events of default.

Interest expense recognized by the Company for the Senior Debt for the years ended December 31, 2025, 2024, and 2023 was $2,035,000, $2,059,000, and $2,053,000, respectively.

Junior Subordinated Debentures

Service 1st Capital Trust I is a Delaware business trust formed by Service 1st. The Company succeeded to all of the rights and obligations of Service 1st in connection with the merger with Service 1st as of November 12, 2008. The Trust was formed on August 17, 2006 for the sole purpose of issuing trust preferred securities fully and unconditionally guaranteed by Service 1st. Under applicable regulatory guidance, the amount of trust preferred securities that is eligible as Tier 1 capital is limited to 25% of the Company's Tier 1 capital on a pro forma basis. At December 31, 2025, all of the trust preferred securities that have been issued qualify as Tier 1 capital. The trust preferred securities mature on October 7, 2036, are redeemable at the Company's option, and require quarterly distributions by the Trust to the holder of the trust preferred securities at a variable interest rate which will adjust quarterly to equal the three month SOFR plus 1.60%.

The Trust used the proceeds from the sale of the trust preferred securities to purchase approximately $5,155,000 in aggregate principal amount of Service 1st's junior subordinated notes (the Notes). The Notes bear interest at the same variable interest rate during the same quarterly periods as the trust preferred securities. The Notes are redeemable by the Company on any January 7, April 7, July 7, or October 7 or at any time within 90 days following the occurrence of certain events, such as: (i) a change in the regulatory capital treatment of the Notes (ii) in the event the Trust is deemed an investment company or (iii) upon the occurrence of certain adverse tax events. In each such case, the Company may redeem the Notes for their aggregate principal amount, plus any accrued but unpaid interest.
The Notes may be declared immediately due and payable at the election of the trustee or holders of 25% of the aggregate principal amount of outstanding Notes in the event that the Company defaults in the payment of any interest following the nonpayment of any such interest for 20 or more consecutive quarterly periods.

Holders of the trust preferred securities are entitled to a cumulative cash distribution on the liquidation amount of $1,000 per security. For each January 7, April 7, July 7 or October 7 of each year, the rate will be adjusted to equal the three month SOFR plus 1.60%. As of December 31, 2025, the rate was 5.77%. Interest expense recognized by the Company for the years ended December 31, 2025, 2024, and 2023 was $317,000, $367,000 and $360,000, respectively.

12. COMMITMENTS AND CONTINGENCIES

Correspondent Banking Agreements - The Company maintains funds on deposit with other federally insured financial institutions under correspondent banking agreements. Uninsured deposits with correspondent banks totaled $18,157,000 and $14,263,000 at December 31, 2025 and 2024, respectively.

Financial Instruments With Off-Balance-Sheet Risk - The Company is a party to financial instruments with off-balance-sheet risk in the normal course of business in order to meet the financing needs of its customers and to reduce its own exposure to fluctuations in interest rates. These financial instruments consist of commitments to extend credit and standby letters of credit. These instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized on the balance sheet.

The Company's exposure to credit loss in the event of nonperformance by the other party for commitments to extend credit and standby letters of credit is represented by the contractual amount of those instruments. The Company uses the same credit policies in making commitments and standby letters of credit as it does for loans included on the balance sheet.

The following financial instruments represent off-balance-sheet credit risk (in thousands):

	December 31,	
	2025	2024
Commitments to extend credit	$ 486,408	$ 399,331
Standby letters of credit	$ 5,005	$ 14,642

Commitments to extend credit consist primarily of unfunded commercial loan commitments and revolving lines of credit, single-family residential equity lines of credit and commercial and residential real estate construction loans. Construction loans are established under standard underwriting guidelines and policies and are secured by deeds of trust, with disbursements made over the course of construction. Commercial revolving lines of credit have a high degree of industry diversification. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being fully drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit are generally secured and are issued by the Bank to guarantee the financial obligation or performance of a customer to a third party. The credit risk involved in issuing standby letters of credit is essentially the same as that involved in extending loans to customers. The fair value of the liability related to these standby letters of credit, which represents the fees received for issuing the guarantees, was not significant at December 31, 2025 and 2024. The Company recognizes these fees as revenue over the term of the commitment or when the commitment is used.

At December 31, 2025, commercial loan commitments represent 48% of total commitments and are generally secured by collateral other than real estate or unsecured. Real estate loan commitments represent 49% of total commitments and are generally secured by property with a loan-to-value ratio not to exceed 80%. Consumer loan commitments represent the remaining 3% of total commitments and are generally unsecured. In addition, the majority of the Bank's loan commitments have variable interest rates.

At December 31, 2025 and 2024, the allowance for credit losses on unfunded commitments was $1,325,000 and $1,055,000, respectively. The allowance for credit losses on unfunded commitments is calculated by management using an appropriate, systematic, and consistently applied process. While related to credit losses, this allocation is not a part of the allowance for credit losses and is considered separately as a liability for accounting and regulatory reporting purposes. Changes in the allowance for credit losses on unfunded commitments are recorded in provision for credit losses in the Consolidated Statements of Income.

Concentrations of Credit Risk - At December 31, 2025, in management's judgment, a concentration of loans existed in commercial loans and real-estate-related loans, representing approximately 83.6% of total loans of which 7.51% were commercial and 76.1% were real-estate-related.

At December 31, 2024, in management's judgment, a concentration of loans existed in commercial loans and real-estate-related loans, representing approximately 82.1% of total loans of which 7.74% were commercial and 74.4% were real-estate-related.

Management believes the loans within these concentrations have no more than the typical risks of collectability. However, in light of the current economic environment, additional declines in the performance of the economy in general, or a continued decline in real estate values or drought-related decline in agricultural business in the Company's primary market area could have an adverse impact on collectability, increase the level of real-estate-related nonperforming loans, or have other adverse effects which alone or in the aggregate could have a material adverse effect on the financial condition, results of operations and cash flows of the Company.

Contingencies - The Company is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the consolidated financial position or consolidated results of operations of the Company.

Investments in Low Income Housing Tax Credit Funds - The unfunded commitments as of December 31, 2025 and 2024 in low income housing tax credit funds were $6,453,000 and $9,289,000, respectively. All commitments will be paid by the Company by 2038.

13. SHAREHOLDERS' EQUITY

Regulatory Capital - The Company and the Bank are subject to certain regulatory capital requirements administered by the Board of Governors of the Federal Reserve System and the FDIC. Failure to meet these minimum capital requirements could result in mandatory or, discretionary actions by regulators that, if undertaken, could have a direct material effect on the Company's consolidated financial statements.

The Company and the Bank each meet specific capital guidelines that involve quantitative measures of their respective assets, liabilities and certain off-balance-sheet items as calculated under regulatory accounting practices. The Company's and the Bank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

The Bank is also subject to additional capital guidelines under the regulatory framework for prompt corrective action. To be categorized as well capitalized, the Bank must maintain minimum total risk-based, Tier 1 risk-based and Tier 1 leverage ratios as set forth in the following table. The most recent notification from the FDIC categorized the Bank as well capitalized under these guidelines. Management knows of no conditions or events since that notification that would change the Bank's category.

Capital ratios are reviewed by Management on a regular basis to ensure that capital exceeds the prescribed regulatory minimums and is adequate to meet our anticipated future needs. For all periods presented, the Bank's ratios exceed the regulatory definition of well capitalized under the regulatory framework for prompt correct action and the Company's ratios exceed the required minimum ratios for capital adequacy purposes.

Bank holding companies with consolidated assets of $3 billion or more including banks like Community West Bank must comply with minimum capital ratio requirements which consist of the following: (i) a new common equity Tier 1 capital to total risk weighted assets ratio of 4.5%; (ii) a Tier 1 capital to total risk weighted assets ratio of 6%; (iii) a total capital to total risk weighted assets ratio of 8%; and (iv) a Tier 1 capital to adjusted average total assets ("leverage") ratio of 4%.

In addition, a "capital conservation buffer" is established which requires maintenance of a minimum of 2.5% of common equity Tier 1 capital to total risk weighted assets in excess of the regulatory minimum capital ratio requirements described above. The 2.5% buffer increases the minimum capital ratios to (i) a common equity Tier 1 capital ratio of 7.0%, (ii) a Tier 1 capital ratio of 8.5%, and (iii) a total capital ratio of 10.5%. If the capital ratio levels of a banking organization fall below the capital conservation buffer amount, the organization will be subject to limitations on (i) the payment of dividends; (ii) discretionary bonus payments; (iii) discretionary payments under Tier 1 instruments; and (iv) engaging in share repurchases.

Management believes that the Company and the Bank met all their capital adequacy requirements as of December 31, 2025 and 2024. There are no conditions or events since those notifications that management believes have changed those categories. The capital ratios for the Company and the Bank are presented in the table below (exclusive of the capital conservation buffer).

The following table presents the Company's regulatory capital ratios as of December 31, 2025 and December 31, 2024:

(Dollars in thousands)	Actual Ratio		Minimum regulatory requirement (1)	
December 31, 2025	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 Leverage Ratio	$ 349,430	9.80 %	$ 142,632	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 344,430	11.56 %	$ 134,072	4.50 %
Tier 1 Risk-Based Capital Ratio	$ 349,430	11.73 %	$ 178,762	6.00 %
Total Risk-Based Capital Ratio	$ 416,145	13.97 %	$ 238,350	8.00 %
December 31, 2024				
Tier 1 Leverage Ratio	$ 316,343	9.17 %	$ 138,018	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 311,343	11.15 %	$ 125,632	4.50 %
Tier 1 Risk-Based Capital Ratio	$ 316,343	11.33 %	$ 167,510	6.00 %
Total Risk-Based Capital Ratio	$ 379,091	13.58 %	$ 223,346	8.00 %

(1) The minimum regulatory requirement threshold includes the capital conservation buffer of 2.50%.

The following table presents the Bank's regulatory capital ratios as of December 31, 2025 and December 31, 2024, as well as the minimum capital ratios for capital adequacy for the Bank:

(Dollars in thousands)	Actual Ratio		Minimum regulatory requirement (1)	
December 31, 2025	**Amount**	**Ratio**	**Amount**	**Ratio**
Tier 1 Leverage Ratio	$ 407,337	11.44 %	$ 142,447	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 407,337	13.70 %	$ 133,839	7.00 %
Tier 1 Risk-Based Capital Ratio	$ 407,337	13.70 %	$ 178,453	8.50 %
Total Risk-Based Capital Ratio	$ 439,173	14.77 %	$ 237,937	10.50 %
December 31, 2024				
Tier 1 Leverage Ratio	$ 377,411	11.04 %	$ 138,031	4.00 %
Common Equity Tier 1 Ratio (CET 1)	$ 377,411	13.54 %	$ 125,474	7.00 %
Tier 1 Risk-Based Capital Ratio	$ 377,411	13.54 %	$ 167,299	8.50 %
Total Risk-Based Capital Ratio	$ 405,425	14.54 %	$ 223,065	10.50 %

(1) The minimum regulatory requirement threshold includes the capital conservation buffer of 2.50%.

Dividends - During 2025, the Bank declared and paid cash dividends to the Company in the amount of $14,200,000, in connection with cash dividends declared to the Company's shareholders and holding company expenses as approved by the Company's Board of Directors. The Company declared and paid a total of $9,162,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2025. During the year ended December 31, 2025, the Company repurchased and retired common stock in the amount of $151,000 in connection with amounts withheld for the vesting of equity awards for tax obligations.

During 2024, the Bank declared and paid dividends to the Company in the amount of $14,000,000 in connection with cash dividends declared to the Company's shareholders and holding company expenses as approved by the Company's Board of Directors. The Company declared and paid a total of $8,230,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2024. During the year ended December 31, 2024, the Company repurchased and retired common stock in the amount of $38,000.

During 2023, the Bank and paid cash dividends to the Company in the amount of $6,963,000, in connection with cash dividends declared to the Company's shareholders and holding company expenses as approved by the Company's Board of Directors. The Company declared and paid a total of $5,657,000 or $0.48 per common share cash dividend to shareholders of record during the year ended December 31, 2023. During the year ended December 31, 2023, the Company repurchased and retired common stock in the amount of $1,000.

The Company's primary source of income with which to pay cash dividends is dividends from the Bank. The California Financial Code restricts the total amount of dividends payable by a bank at any time without obtaining the prior approval of the California Department of Business Oversight to the lesser of (1) the Bank's retained earnings or (2) the Bank's net income for its last three fiscal years, less distributions made to shareholders during the same three-year period. At December 31, 2025, $50,031,000 of the Bank's retained earnings were free of these restrictions.

A reconciliation of the numerators and denominators of the basic and diluted earnings per common share computations is as follows (in thousands, except share and per-share amounts):

	For the Years Ended December 31,		
	2025	2024	2023
Basic Earnings Per Common Share:			
Net income	$ 38,168	$ 7,666	$ 25,536
Weighted average shares outstanding	18,996,714	17,077,017	11,728,858
Net income per common share	$ 2.01	$ 0.45	$ 2.17
Diluted Earnings Per Common Share:			
Net income	$ 38,168	$ 7,666	$ 25,536
Weighted average shares outstanding	18,996,714	17,077,017	11,728,858
Effect of dilutive stock options and warrants	72,575	102,779	24,014
Weighted average shares of common stock and common stock equivalents	19,069,289	17,179,796	11,752,872
Net income per diluted common share	$ 2.00	$ 0.45	$ 2.17

No outstanding options or restricted stock awards considered were anti-dilutive at December 31, 2025, 2024, and 2023.

14. EQUITY-BASED COMPENSATION

In May 2025, the Company adopted the Community West Bancshares 2025 Omnibus Incentive Plan (2025 Plan). The plan provides for awards in the form of stock options, restricted stock, restricted stock units, and other types of awards. The plan also allows for performance awards that may be in the form of cash or shares of the Company's common stock. With respect to stock options and restricted stock or units, the exercise price in the case of stock options and the grant value in the case of restricted stock may not be less than the fair market value at the date of the award. The options and awards under the plan expire on dates determined by the Board of Directors, but not later than ten years from the date of grant. The vesting period for stock options and restricted stock rights is determined by the Board of Directors and ranges one to five years. The maximum number of shares that can be issued with respect to all awards under the plan is 500,000. Currently under the 2025 Plan, 500,000 shares remain reserved for future grants as of December 31, 2025.

Share-based compensation cost recognized was $1,158,000, $879,000, and $858,000 for the years ended December 31, 2025, 2024, and 2023, respectively. The recognized tax benefit for the exercise of stock options resulted in the recognition of $78,000, $81,000, and $0 for the years ended December 31, 2025, 2024, and 2023, respectively.

Stock Option Awards

The Company bases the fair value of the stock options granted on the date of grant using a Black-Scholes Merton option pricing model that uses assumptions based on expected option life and the level of estimated forfeitures, expected stock volatility, risk free interest rate, and dividend yield. The expected term and level of estimated forfeitures of the Company's stock options are based on the Company's own historical experience. Stock volatility is based on the historical volatility of the Company's stock. The risk-free interest rate is based on the U. S. Treasury yield curve for the periods within the contractual life of the stock options in effect at the time of grant. The compensation cost for stock options granted is based on the weighted average grant date fair value per share.

A summary of the combined activity of the stock option activity during the years then ended is presented below (dollars in thousands, except per-share amounts):

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value
Options outstanding at December 31, 2023	—	$ —	—	$ —
Issued through acquisition	390,462	$ 13.23		
Granted	—	$ —		
Exercised	(37,289)	$ 12.47		
Forfeited	(54,510)	$ 13.80		
Options outstanding at December 31, 2024	298,663	$ 13.22	3.49	$ 1,837,658
Granted	—	$ —		
Exercised	(101,434)	$ 10.78		
Forfeited or swapped	(14,019)	$ 11.86		
Options outstanding at December 31, 2025	183,210	$ 14.36	3.97	$ 1,491,504

The significant assumptions used to estimate fair value of the issued options at the time of the acquisition included: risk free rate 4.35%; dividend rate 4.31%, expected volatility 46.95%, and a weighted average expected term of 4.92 years in 2024. The weighted average grant date fair value per share was $9.58 for shares granted in 2024. No options were granted in 2025 and 2023.

Information related to the stock option plan during each year follows (in thousands):

	2025	2024	2023
Intrinsic value of options exercised	$ 912	$ 282	$ —
Cash received from options exercised	$ 1,093	$ 465	$ —
Excess tax benefit realized for option exercises	$ 78	$ 81	$ —

As of December 31, 2025, there is no unrecognized compensation cost related to stock options granted under all Plans. All options are fully vested and exercisable.

Restricted Stock Awards

The 2025 Plan provides for the issuance of restricted common stock to directors and officers and common stock awards based on the achievement of performance goals as determined by the Board of Directors or in accordance with executive employment agreements. Restricted common stock grants typically vest over a one to five-year period. Restricted common stock is subject to forfeiture if employment terminates prior to vesting. The cost of these awards is recognized over the vesting period of the awards based on the fair value of our common stock on the date of the grant.

The shares awarded to employees and directors under the restricted stock agreements vest on applicable vesting dates only to the extent the recipient of the shares is then an employee or a director of the Company or one of its subsidiaries, and each recipient will forfeit all of the shares that have not vested on the date his or her employment or service is terminated.

The following table summarizes restricted stock activity for the years ended as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested outstanding shares at January 1, 2023	46,706	$ 17.28
Granted	69,692	$ 15.86
Vested	(40,387)	$ 17.90
Forfeited	(878)	$ 15.79
Nonvested outstanding shares at December 31, 2023	75,133	$ 15.65
Granted	72,360	$ 16.93
Vested	(46,339)	$ 15.02
Forfeited	(3,658)	$ 15.96
Nonvested outstanding shares at December 31, 2024	97,496	$ 16.89
Granted	79,033	$ 17.76
Vested	(57,214)	$ 16.39
Forfeited	(1,880)	$ 16.41
Nonvested outstanding shares at December 31, 2025	117,435	$ 17.73

The shares awarded to employees and directors under the restricted stock agreements vest on applicable vesting dates only to the extent the recipient of the shares is then an employee or a director of the Company or one of its subsidiaries. Each recipient will forfeit all of the shares that have not vested on the date his or her employment or service is terminated. As of December 31, 2025, there were 117,435 shares of restricted stock that are nonvested and expected to vest.

As of December 31, 2025, there was $1,354,000 of total unrecognized compensation cost related to nonvested restricted common stock. Restricted stock compensation expense is recognized on a straight-line basis over the vesting period. This cost is expected to be recognized over a weighted average remaining period of 2.13 years and will be adjusted for subsequent changes in estimated forfeitures.

15. EMPLOYEE BENEFITS

401(k) and Profit Sharing Plan - The Bank has established a 401(k) and profit sharing plan. The 401(k) plan covers substantially all employees who have completed a one-month employment period. Participants in the profit sharing plan are eligible to receive employer contributions after completion of two years of service. Bank contributions to the profit sharing plan are determined at the discretion of the Board of Directors. Participants are automatically vested 100% in all employer contributions. The Bank contributed $850,000, $550,000, and $850,000 to the profit sharing plan in 2025, 2024, and 2023, respectively.

Additionally, the Bank may elect to make a matching contribution to the participants' 401(k) plan accounts. The amount to be contributed is announced by the Bank at the beginning of the plan year. For the years ended December 31, 2025, 2024, and 2023, the Bank made a 100% matching contribution on all deferred amounts up to 5% of eligible compensation. For the years ended December 31, 2025, 2024, and 2023, the Bank made matching contributions totaling $1,714,000, $1,623,000, and $1,089,000, respectively.

Deferred Compensation Plans - The Bank has a nonqualified Deferred Compensation Plan which provides directors with an unfunded, deferred compensation program. Under the plan, eligible participants may elect to defer some or all of their current compensation or director fees. Deferred amounts earn interest at an annual rate determined by the Board of Directors (5.34% at December 31, 2025). At December 31, 2025 and 2024, the total net deferrals included in accrued interest payable and other liabilities were $4,026,000 and $4,265,000, respectively.

In connection with the above plan, single premium universal life insurance policies on the life of certain directors were purchased by the Bank, which is the beneficiary and owner of the policies. The cash surrender value of the policies totaled $11,166,000 and $11,510,000 and at December 31, 2025 and 2024, respectively. Income recognized on these policies, net of related expenses, for the years ended December 31, 2025, 2024, and 2023, was $298,000, $258,000, and $292,000, respectively.

In October 2015, the Board of Directors of the Company and the Bank adopted a board resolution to create the Central Valley Community Bank Executive Deferred Compensation Plan (the Executive Plan). Pursuant to the Executive Plan, all eligible executives of the Bank may elect to defer up to 50 percent of their compensation for each deferral year. Deferred amounts earn interest at an annual rate determined by the Board of Directors (5.34% at December 31, 2025). At December 31, 2025 and 2024, the total net deferrals included in accrued interest payable and other liabilities were $45,000 and $238,000, respectively.

Salary Continuation Plans - The Board of Directors has approved salary continuation plans for certain key executives. Under these plans, the Bank is obligated to provide the executives with annual benefits for 0-15 years after retirement. In connection with the acquisitions of Folsom Lake Bank (FLB), Service 1st Bank, and Visalia Community Bank (VCB), the Bank assumed a liability for the estimated present value of future benefits payable to former key executives of FLB, Service 1st, and VCB. The liability relates to change in control benefits associated with their salary continuation plans. The benefits are payable to the individuals when they reach retirement age. These benefits are substantially equivalent to those available under split-dollar life insurance policies purchased by the Bank on the life of the executives. The expense (benefit) recognized under these plans for the years ended December 31, 2025, 2024, and 2023, totaled $339,000, $541,000, and $186,000, respectively. Note, the expense is effected by the changing discount rate used to calculate the liability. Accrued compensation payable under the salary continuation plans totaled $8,166,000 and $8,689,000 at December 31, 2025 and 2024, respectively. These benefits are substantially equivalent to those available under split-dollar life insurance policies acquired.

In connection with these plans, the Bank purchased single-premium life insurance policies with cash surrender values totaling $42,997,000 and $41,809,000 at December 31, 2025 and 2024, respectively. Income recognized on these policies, net of related expense, for the years ended December 31, 2025, 2024, and 2023 totaled $1,486,000, $1,068,000, and $743,000, respectively.

Employee Stock Purchase Plan - During 2017, the Company adopted an Employee Stock Purchase Plan which allows employees to purchase the Company's stock at a discount to fair market value as of the date of purchase. The Company bears all costs of administering the plan, including broker's fees, commissions, postage and other costs actually incurred.

As of December 31, 2025, the Company had 384,338 shares remaining for purchase under the plan.

16. RELATED PARTIES

During the normal course of business, the Bank enters into loans with related parties, including executive officers and directors. The following is a summary of the aggregate activity involving related-party borrowers (in thousands):

	2025	2024
Balance, January 1	$ 23,762	24,278
Disbursements	2,369	145
Amounts repaid	(1,046)	(661)
Balance, December 31	$ 25,085	$ 23,762
Undisbursed commitments to related parties, December 31	$ 464	$ 464

As of December 31, 2025 and 2024, the Company had $34,230,000 and $39,669,000 in related party deposits, respectively.

17. FAIR VALUE MEASUREMENTS

Fair Value Hierarchy

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1 — Quoted market prices (unadjusted) for identical instruments traded in active markets that the entity has the ability to access as of the measurement date.

Level 2 — Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Significant unobservable inputs that reflect an entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

Management monitors the availability of observable market data to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, we report the transfer at the beginning of the reporting period.

The estimated carrying and fair values of the Company's financial instruments are as follows (in thousands):

	December 31, 2025				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and due from banks	$ 27,627	$ 27,627	$ —	$ —	$ 27,627
Interest-earning deposits in other banks	91,357	91,357	—	—	91,357
Held-to-maturity investment securities	287,117	—	267,649	—	267,649
Loans, net	2,510,786	—	—	2,506,681	2,506,681
Financial liabilities:					
Time deposits	503,451	—	503,423	—	503,423
Borrowings	73,000	—	73,000	—	73,000
Senior debt and subordinated debentures	69,526	—	—	66,181	66,181

	December 31, 2024				
		Fair Value			
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and due from banks	$ 28,029	$ 28,029	$ —	$ —	$ 28,029
Interest-earning deposits in other banks	92,369	92,369	—	—	92,369
Held-to-maturity investment securities	301,359	—	274,568	—	274,568
Loans, net	2,308,418	—	—	2,252,462	2,252,462
Financial liabilities:					
Time deposits	443,284	—	440,046	—	440,046
Short-term borrowings	133,442	—	133,743	—	133,743
Senior debt and subordinated debentures	69,889	—	—	62,535	62,535

The methods and assumptions used to estimate fair values are described as follows:

(a) Cash and Cash Equivalents — The carrying amounts of cash and due from banks, interest-earning deposits in other banks, and Federal funds sold approximate fair values and are classified as Level 1.

(b) Investment securities — The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2), using matrix pricing. Matrix pricing is a mathematical technique commonly used to price debt securities that are not actively traded, values debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3).

(c) Loans — Fair values of loans are estimated as follows: fixed and variable loans are estimated using discounted cash flow analyses, taking into consideration various factors including loan type, credit loss and prepayment expectations. The loan cash flows are discounted to present value using a combination of existing market rates and liquidity spreads as well as underlying index rates and margins on variable rate loans resulting in a Level 3 classification.

(d) Individually evaluated loans — Loans are not recorded at fair value on a recurring basis. However, from time to time, certain loans have individual risk characteristics not consistent with a pool of loans and are individually evaluated for credit reserves. Loans for which it is probable that payment of interest and principal will not be made in accordance with the original contractual terms of the loan agreement are typically individually evaluated. The fair value of these loans is estimated using one of several methods, including collateral value, fair value of similar debt, enterprise value, liquidation value and discounted cash flows. Those loans not requiring an allowance represent loans for which the fair value of the expected repayments or collateral exceed the recorded investments in such loans. Loans where an allowance is established based on the fair value of collateral require classification in the fair value hierarchy. When the fair value of the collateral is based on an observable market price or a current appraised value which uses substantially observable data, the Company records the loan as nonrecurring Level 2. When an appraised value is not available or management determines the fair value of the collateral is further impaired below the appraised value, or the appraised value contains a significant unobservable assumption, such as deviations from comparable sales, and there is no observable market price, the Company records the loan as nonrecurring Level 3.

(e) Time Deposits — Fair value for fixed and variable rate certificates of deposit are estimated using discounted cash flow analyses using interest rates offered at each reporting date by the Company for certificates with similar remaining maturities resulting in a Level 2 classification.

(f) Short-Term Borrowings — The carrying amounts of federal funds purchased, borrowings under repurchase agreements, and other short-term borrowings, maturing within one year, approximate their fair values resulting in a Level 2 classification.

(g) Subordinated Debentures and Senior Debt — The fair values of the Company's Subordinated Debentures are estimated using discounted cash flow analyses based on the current borrowing rates for similar types of borrowing arrangements resulting in a Level 3 classification.

Assets Recorded at Fair Value

The Company is required or permitted to record the following assets at fair value on a recurring basis. The following tables present information about the Company's assets and liabilities measured at fair value on a recurring and non-recurring basis as of December 31, 2025 and 2024 (in thousands):

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Level 3
December 31, 2025				
Available-for-sale debt securities:				
U.S. Treasury securities	$ 9,509	$ 9,509	$ —	$ —
U.S. Government agencies	63	—	63	—
Obligations of states and political subdivisions	165,961	—	165,961	—
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	64,697	—	64,697	—
Private label mortgage and asset backed securities	228,669	—	228,669	—
Corporate debt securities	511	—	511	—
Equity Securities	6,797	6,797	—	—
Total assets measured at fair value on a recurring basis	$ 476,207	$ 16,306	$ 459,901	$ —

		Fair Value Measurements Using		
	Fair Value	Level 1	Level 2	Lev
December 31, 2024				
Available-for-sale debt securities:				
U.S. Treasury securities	$ 9,058	$ 9,058	$ —	$
U.S. Government agencies	65	—	65	
Obligations of states and political subdivisions	164,640	—	164,640	
U.S. Government sponsored entities and agencies collateralized by residential mortgage obligations	72,302	—	72,302	
Private label residential mortgage and asset backed securities	230,555	—	230,555	
Equity Securities	6,586	6,586	—	
Total assets measured at fair value on a recurring basis	$ 483,206	$ 15,644	$ 467,562	$

Securities in Level 1 are mutual funds and fair values are based on quoted market prices for identical instruments traded in active markets. Fair values for available-for-sale investment securities in Level 2 are based on quoted market prices for similar securities in active markets. For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators.

Management evaluates the significance of transfers between levels based upon the nature of the financial instrument and size of the transfer relative to total assets, total liabilities or total earnings. During the years ended December 31, 2025 and 2024, no transfers between levels occurred.

There were no Level 3 assets measured at fair value on a recurring basis at December 31, 2025 or December 31, 2024. Also there were no liabilities measured at fair value on a recurring basis at December 31, 2025 or December 31, 2024.

Non-Recurring Basis

The table below presents the recorded investment in assets and liabilities measured at fair value on a nonrecurring basis, as of the date indicated (in thousands):

December 31, 2025	Fair Value Measurements Using			
	Fair Value	Level 1	Level 2	Level 3
Individually evaluated loans				
Commercial real estate	$ 11,937	—	—	$ 11,937
Commercial and industrial	1,000	—	—	1,000
Other installment loans	54	—	—	54
Total collateral dependent loans	$ 12,991	—	—	$ 12,991

There were no liabilities measured at fair value on a non-recurring basis at December 31, 2025. There were no assets or liabilities measured on a non-recurring basis at December 31, 2024.

The following table presents quantitative information about Level 3 fair value measurements for financial instruments measured at fair value on a nonrecurring basis at December 31, 2025 (in thousands):

December 31, 2025	Fair Value Measurements Using			
	Fair Value	Valuation Technique	Unobservable Inputs	Range, Weighted Average
Collateral dependent loans	$12,991	Fair value of underlying collateral	Cost to sell	Not meaningful N/A

The individually evaluated loan amounts above represent collateral dependent loans that have been adjusted to fair value. When the Company identifies a collateral dependent loan with unique risk characteristics, the Company evaluates the need for an allowance using the current fair value of the collateral, less selling costs. Depending on the characteristics of a loan, the fair value of collateral is generally estimated by obtaining external appraisals. If the Company determines that the value of the loan is less than the recorded investment in the loan, the Company recognizes this impairment and adjusts the carrying value of the loan to fair value through the allowance for credit losses. The loss represents charge-offs or impairments on collateral dependent loans for fair value adjustments based on the fair value of collateral. The carrying value of loans fully charged-off is zero.

There were no changes in valuation techniques used during the periods ended December 31, 2025 or December 31, 2024.

18. OPERATING SEGMENTS

The Company has one reportable segment: banking operations. Loans and leases, investment securities, interest-bearing deposits and non-interest income provide the revenues of the banking operation. Loans and leases generate a majority of the Company's interest and fee income. Interest income earned on investment securities and interest-bearing deposits are another source of revenue. Non-interest income is derived from deposit products offered to customers that generate fees and service charge income. Additional other sources of non-interest income include earnings from bank owned life insurance, merchant card services, and other investments. Interest expense, provisions for credit losses, salaries and employee benefits, and data processing provide the significant expenses in banking operations. These significant expenses are the same as those disclosed in the Company's Consolidated Statements of Income and Consolidated Statements of Cash Flows.

The Company's chief operating decision maker (CODM) is the Chief Executive Officer. The CODM is provided with consolidated balance sheets, income statements, and net interest margin analyses in order to evaluate the revenue streams, significant expenses, and budget-to-actual results in assessing the Company's segment and determining the allocation of resources. Additionally, the CODM reviews performance of various components of banking operations, such as asset mix, funding sources for assets, and overhead costs, in order to assess product pricing, profitability and evaluate return on assets. The CODM uses consolidated net income, return on average assets, and return on average equity to benchmark the Company against its competitors. The benchmarking analysis coupled with monitoring budget-to-actual results are used in assessing performance and in establishing compensation.

	Years ended December 31,		
(in thousands)	**2025**	**2024**	**2023**
Interest and dividend income	$ 185,710	$ 160,388	$ 102,418
Reconciliation of revenue:			
Other noninterest income	10,488	6,445	7,020
Total consolidated revenue	196,198	166,833	109,438
Less:			
Interest expense	49,530	50,021	19,989
Segment net interest income and noninterest income	146,668	116,812	89,449
Less:			
Provision for credit losses	3,754	11,113	309
Salaries and employee benefits	49,841	48,470	31,367
Other segment items (1)	40,545	46,231	23,933
Income tax expense	14,360	3,332	8,304
Consolidated net income	$ 38,168	$ 7,666	$ 25,536

	As of December 31,	
Reconciliation of assets	**2025**	**2024**
Total assets for reportable segment	$ 3,690,317	$ 3,521,771
Adjustments and reconciling items	—	—
Total consolidated assets	$ 3,690,317	$ 3,521,771

(1) - Other segment items include other non-interest expense such as occupancy expense, data processing, professional fees, regulatory assessments, and advertising.

19. PARENT ONLY CONDENSED FINANCIAL STATEMENTS

CONDENSED BALANCE SHEETS

December 31, 2025 and 2024

(In thousands)	2025	2024
ASSETS		
Cash and cash equivalents	$ 1,955	$ 303
Investment in Bank subsidiary	472,650	428,907
Other assets	5,006	3,564
Total assets	$ 479,611	$ 432,774
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities:		
Senior debt and subordinated debentures	$ 69,526	$ 69,889
Other liabilities	497	200
Total liabilities	70,023	70,089
Shareholders' equity:		
Common stock	210,222	207,816
Retained earnings	238,990	209,984
Accumulated other comprehensive loss, net of tax	(39,624)	(55,115)
Total shareholders' equity	409,588	362,685
Total liabilities and shareholders' equity	$ 479,611	$ 432,774

CONDENSED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME (LOSS)

For the Years Ended December 31, 2025, 2024, and 2023

(In thousands)	2025	2024	2023
Income:			
Dividends declared by Subsidiary (Company)	$ 14,200	$ 14,000	$ 6,963
Other income	10	30	11
Total income	14,210	14,030	6,974
Expenses:			
Interest on subordinated debentures and borrowings	3,591	3,298	3,652
Professional fees	320	514	1,305
Other expenses	2,132	3,825	283
Total expenses	6,043	7,637	5,240
Income before equity in undistributed net income of Subsidiary	8,167	6,393	1,734
Equity in undistributed (deficit in distributed) net income of Subsidiary, net of distributions	28,252	(477)	22,256
Income before income tax benefit	36,419	5,916	23,990
Benefit from income taxes	1,749	1,750	1,546
Net income	$ 38,168	$ 7,666	$ 25,536
Total other comprehensive income	15,491	10,919	15,193
Comprehensive income	$ 53,659	$ 18,585	$ 40,729

CONDENSED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2025, 2024, and 2023

(In thousands)	2025	2024	2023
Cash flows from operating activities:			
Net income	$ 38,168	$ 7,666	$ 25,536
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Undistributed net income of subsidiary, net of distributions	(28,252)	477	(22,256)
Equity-based compensation	1,158	879	858
Amortization of unamortized issuance cost	145	145	145
Net increase in other assets	(1,442)	(2,017)	(715)
Net increase (decrease) in other liabilities	297	(68)	(542)
Net cash provided by operating activities	10,074	7,082	3,026
Cash flows used in investing activities:			
Cash flows from financing activities:			
Cash dividend payments on common stock	(9,162)	(8,230)	(5,657)
Repayments of senior debt	(508)	—	—
Purchase and retirement of common stock	(151)	(38)	(1)
Proceeds from exercise of stock options	1,093	465	—
Proceeds from stock issued under employee stock purchase plan	306	248	206
Net cash used in financing activities	(8,422)	(7,555)	(5,452)
Change in cash and cash equivalents	1,652	(473)	(2,426)
Cash and cash equivalents at beginning of year	303	776	3,202
Cash and cash equivalents at end of year	$ 1,955	$ 303	$ 776
Supplemental Disclosure of Cash Flow Information:			
Cash paid during the year for interest	$ 3,248	$ 2,756	$ 4,180

20. SUBSEQUENT EVENTS

Dividend Declared

On January 21, 2026, the Board of Directors declared a 0.12 per share cash dividend payable on February 20, 2026 to shareholders of record as of February 6, 2026.

ITEM 9 - CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

ITEM 9A - CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report.

In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Based on management's evaluation, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures are designed to, and are effective to, provide assurance at a reasonable level that the information we are required to disclose in this report is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosures.

(b) Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f). Under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2025 based on the guidelines established in the *Internal Control--Integrated Framework* (2013 framework) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Our internal control over financial reporting includes policies and procedures that provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Based on the results of our evaluation, our management concluded that our internal control over financial reporting was effective as of December 31, 2025. We reviewed the results of management's assessment with our Audit Committee.

Audit Report of the Independent Registered Public Accounting Firm. Baker Tilly US, LLP, an independent registered public accounting firm, has issued its report on the effectiveness of the Company's internal control over financial reporting as of December 31, 2025. Baker Tilly's report is set forth in Part II, Item 8 of this Annual Report on Form 10-K.

(c) Changes in Internal Control over Financial Reporting

There were no changes in the Company's internal control over financial reporting that occurred during the year ended December 31, 2025, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

(d) Inherent Limitations on Effectiveness of Controls

Our management, including our chief executive officer and chief financial officer, do not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B - OTHER INFORMATION

None.

ITEM 9C- DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not Applicable.

PART III

ITEM 10 - DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE

The information required by this Item is incorporated herein by reference to our Proxy Statement (Schedule 14A) for our 2026 Annual Meeting of Shareholders to be filed with the SEC within 120 days of our fiscal year-end.

CODE OF ETHICS

We maintain and enforce *Code of Business Conduct and Ethics* that applies to all employees, including our CEO and CFO. A copy of our *Code of Business Conduct and Ethics*, has been posted on the Investor Relations portion of our website, under the Investor Menu - Corporate Information - Governance Documents, at www.communitywestbank.com.

We intend to disclose any changes or amendments to our code of ethics or waivers from our code of ethics applicable to our CEO by posting such changes or waivers to our website.

ITEM 11 - EXECUTIVE COMPENSATION.

The information required by this Item is incorporated herein by reference to our Proxy Statement (Schedule 14A) for our 2026 Annual Meeting of Shareholders to be filed with the SEC within 120 days of our fiscal year-end.

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

Certain information regarding securities authorized for issuance under our equity compensation plans is included under the section captioned "Securities Authorized for Issuance Under Equity Compensation Plans" in Item 5 in this Annual Report on Form 10-K. Other information required by this Item is incorporated herein by reference to our Proxy Statement (Schedule 14A) for our 2026 Annual Meeting of Shareholders to be filed with the SEC within 120 days of our fiscal year-end.

ITEM 13 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

The information required by this Item is incorporated herein by reference to our Proxy Statement (Schedule 14A) for our 2026 Annual Meeting of Shareholders to be filed with the SEC within 120 days of our fiscal year-end.

ITEM 14 - PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item is incorporated herein by reference to our Proxy Statement (Schedule 14A) for our 2026 Annual Meeting of Shareholders to be filed with the SEC within 120 days of our fiscal year-end.

PART IV

ITEM 15 EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a)(1) FINANCIAL STATEMENTS

The Financial Statements of the Company and the Report of Independent Registered Public Accounting Firm (PCAOB ID:659) are set forth in Part II, Item 8 and incorporated by reference herein.

(a)(2) FINANCIAL STATEMENT SCHEDULES

All schedules to the Financial Statements are omitted because of the absence of the conditions under which they are required or because the required information is included in the Financial Statements or accompanying notes.

(a)(3) EXHIBITS

The exhibits filed as part of this report and exhibits incorporated by reference to other documents are as follows:

Exhibit Number	Exhibit
2.1	Agreement and Plan of Reorganization and Merger, dated October 10, 2023, by and among Central Valley Community Bancorp and Community West Bancshares, attached as Exhibit 2.1 to the Form 8-K, filed October 10, 2023 and incorporated herein by reference.
2.2	Agreement and Plan of Reorganization and Merger, dated December 19, 2012, by and among Central Valley Community Bancorp, Central Valley Community Bank and Visalia Community Bank, incorporated by reference to Appendix A to the proxy statement-prospectus contained in the Amendment No. 2 to Form S-4, Registration Statement No. 333-187260, filed May 8, 2013 and incorporated herein by reference.
2.3	The Agreement and Plan of Reorganization and Merger among Central Valley Community Bancorp, Central Valley Community Bank, and Sierra Vista Bank, dated April 28, 2016, attached as Exhibit 2.2 to the Form 8-K, filed April 29, 2016 and incorporated herein by reference.
2.4	The Agreement and Plan of Reorganization and Merger among Central Valley Community Bancorp, Central Valley Community Bank, and Folsom Lake Bank, dated April 27, 2017, incorporated by reference to Appendix A to the proxy statement-prospectus contained in the Amendment No. 1 to Form S-4, Registration Statement No. 333-218664, filed June 26, 2017 and incorporated herein by reference.
2.5	Agreement and Plan of Merger by and between Community West Bancshares and United Security Bancshares, dated December 16, 2025, attached as Exhibit 2.1 to the Form 8-K filed December 17, 2025, and incorporated herein by reference.
3.1	Amended and Restated Articles of Incorporation of Central Valley Community Bancorp attached as Exhibit 3.1 to the Annual Report on From 10-K for the year ended December 31, 2023, filed on March 15, 2024, and incorporated herein by reference.
3.2	Revised and Restated bylaws of the Company as amended attached as Exhibit 3.2 to the Annual Report on From 10-K for the year ended December 31, 2023, filed on March 15, 2024, and incorporated herein by reference.
3.3	Bank Holding Company Merger Agreement, dated March 20, 2024, effective April 1, 2024, attached as Exhibit 3.1 to Form 8-K, filed April 3, 2024, and incorporated herein by reference.
4.1	Indenture, dated as of August 17, 2006 between Service 1st Bancorp, as Issuer, and Wells Fargo Bank, National Association, as trustee, attached as Exhibit 4.2 to the Quarterly Report on Form 10-Q for the quarter ended August June 30, 2007 and incorporated herein by reference.
4.2	Declaration of Trust for Service 1st Capital Trust I, dated as of August 17, 2006, between Wells Fargo Bank, National Association as trustee, and Central Valley Community Bancorp as successor through merger to Service 1st Bancorp, attached as Exhibit 4.3 to the Quarterly Report on Form 10-Q for the quarter ended August June 30, 2007 and incorporated herein by reference.
4.3	Description of Securities Registered under Section 12 of the Securities Exchange Act of 1934, attached as Exhibit 4.3 to the Form 10-K for the year ended December 31, 2019, filed on March 6, 2020 and incorporated herein by reference.
10.1	Clovis Community Bank Amended and Restated Deferred Fee Agreement for Daniel N. Cunningham, attached as Exhibit 10.23 to the Form 10-K for the year ended December 31, 2000, filed on March 30, 2001 and incorporated herein by reference.*

10.2	Clovis Community Bank Amended and Restated Deferred Fee Agreement for Steven McDonald, attached as Exhibit 10.24 to the Form 10-K for the year ended December 31, 2000, filed on March 30, 2001 and incorporated herein by reference.*
10.3	Clovis Community Bank Amended and Restated Deferred Fee Agreement for Louis McMurray, attached as Exhibit 10.25 to the Form 10-K for the year ended December 31, 2000, filed on March 30, 2001 and incorporated herein by reference.*
10.4	Clovis Community Bank Amended and Restated Deferred Fee Agreement for William S. Smittcamp, attached as Exhibit 10.27 to the Form 10-K for the year ended December 31, 2000, filed on March 30, 2001 and incorporated herein by reference.*
10.5	Form of Second Amended and Restated Director Deferred Fee Agreement by and between Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective February 13, 2002, attached as Exhibit 10.36 to the Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002, filed August 12, 2002 and incorporated herein by reference.*
10.6	Schedule A, Participants' Normal Retirement Age and Form of Benefit Elected to Second Amended and Restated Director Deferred Fee Agreement by and between Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective February 13, 2002, attached as Exhibit 10.37 to the Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002, filed August 12, 2002 and incorporated herein by reference.*
10.7	Addendum A, Clovis Community Bank Split Dollar Agreement and Endorsement by and between Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective February 13, 2002, attached as Exhibit 10.38 to the Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002, filed August 12, 2002 and incorporated herein by reference.*
10.8	Schedule B, Participants and Their Executive Interest in Clovis Community Bank Split Dollar Agreement and Endorsement, by and between Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective February 13, 2002, attached as Exhibit 10.39 to the Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002, filed August 12, 2002 and incorporated herein by reference.*
10.9	Amendment No. 1 to Salary Continuation Agreement by and between Central Valley Community Bank and Daniel J. Doyle effective October 16, 2002, attached as Exhibit 10.42 to the Annual Report on Form 10-KSB for the year ended December 31, 2002, filed March 31, 2003 and incorporated herein by reference.*
10.10	Form of Amendment to the Split Dollar Agreement and Policy Endorsement with Central Valley Community Bank by and between Central Valley Community Bank f/k/a Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective January 1, 2003, attached as Exhibit 10.43 to the Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003, filed May 8, 2003 and incorporated herein by reference.*
10.11	Schedule C, Participants and life insurance policies in Central Valley Community Bank Amended Split Dollar Agreement and Policy Endorsement by and between Central Valley Community Bank f/k/a Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective January 1, 2003, attached as Exhibit 10.44 to the Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003, filed May 8, 2003 and incorporated herein by reference.*
10.12	Schedule C, Participants and life insurance policies in Central Valley Community Bank Amended Split Dollar Agreement and Policy Endorsement by and between Central Valley Community Bank f/k/a Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective January 1, 2003, attached as Exhibit 10.44 to the Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003, filed May 8, 2003 and incorporated herein by reference.*

10.13	Schedule C, Participants and life insurance policies in Central Valley Community Bank Amended Split Dollar Agreement and Policy Endorsement by and between Central Valley Community Bank f/k/a Clovis Community Bank and Daniel N. Cunningham, Steven McDonald, Louis McMurray, and William S. Smittcamp, effective January 1, 2003, attached as Exhibit 10.44 to the Quarterly Report on Form 10-QSB for the quarter ended March 31, 2003, filed May 8, 2003 and incorporated herein by reference.*
10.14	Second Amendment to the Clovest Corporation Director Deferred Compensation Plan Agreement Dated November 14, 1996 by and between Clovest Corporation and Daniel N. Cunningham effective October 31, 2003, attached as Exhibit 10.47 to the Annual Report on Form 10-KSB for the year ended December 31, 2003, filed March 26, 2004 and incorporated herein by reference.*
10.15	Second Amendment to the Clovest Corporation Director Deferred Compensation Plan Agreement Dated November 14, 1996 by and between Clovest Corporation and William S. Smittcamp effective October 31, 2003, attached as Exhibit 10.48 to the Annual Report on Form 10-KSB for the year ended December 31, 2003, filed March 26, 2004 and incorporated herein by reference.*
10.16	Second Amendment to the Clovest Corporation Director Deferred Compensation Plan Agreement Dated November 14, 1996 by and between Clovest Corporation and Louis McMurray effective October 31, 2003, attached as Exhibit 10.49 to the Annual Report on Form 10-KSB for the year ended December 31, 2003, filed March 26, 2004 and incorporated herein by reference.*
10.17	Amendment No. 3 To Salary Continuation Agreement by and between Central Valley Community Bank and Daniel Doyle effective February 1, 2005, attached as Exhibit 10.62 to the Quarterly Report on Form 10-Q for the quarter ended June, 30 2005, filed August 15, 2005 and incorporated herein by reference.*
10.18	Salary Continuation Agreement Amendment dated March 1, 2008 by and between Central Valley Community Bank and Daniel J. Doyle, attached as Exhibit 10.82 to Annual Report on Form 10-K for the year ended December 31, 2007, filed March 5, 2008 and incorporated herein by reference.*
10.19	Form of Second Amendment to the Director Deferred Compensation Agreement effective January 1, 2009 by and between Central Valley Community Bank and Daniel N. Cunningham, Edwin S. Darden, Jr., Steven D. McDonald, Louis C. McMurray, and William S. Smittcamp, attached as Exhibit 10.83 to Quarterly Report on Form 10-Q for the quarter ended September 30, 2009, filed November 13, 2009 and incorporated herein by reference.
10.20	Second Amended and Restated Executive Salary Continuation Agreement effective July 1, 2011, by and between Central Valley Community Bank and Daniel J. Doyle, attached as Exhibit 10.89 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, filed on November 14, 2011 and incorporated herein by reference.*
10.21	Second Amended and Restated Life Insurance Endorsement Method Split Dollar Plan Agreement effective July 1, 2011, by and between Central Valley Community Bank and Daniel J. Doyle, attached as Exhibit 10.90 to the Quarterly Report on Form 10-Q for the quarter ended September 30, 2011, filed on November 14, 2011 and incorporated herein by reference.*
10.22	Amended Split Dollar Plan Agreement and Endorsement effective March 21, 2012, by and between Central Valley Community Bank and William S. Smittcamp, attached as Exhibit 10.99 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 11, 2012 and incorporated herein by reference.*
10.23	Amended Split Dollar Plan Agreement and Endorsement effective March 21, 2012, by and between Central Valley Community Bank and Daniel N. Cunningham, attached as Exhibit 10.100 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 11, 2012 and incorporated herein by reference.*
10.24	Amended Split Dollar Plan Agreement and Endorsement effective March 21, 2012, by and between Central Valley Community Bank and Louis McMurray, attached as Exhibit 10.101 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 11, 2012 and incorporated herein by reference.*

10.25	Amended Split Dollar Plan Agreement and Endorsement effective March 21, 2012, by and between Central Valley Community Bank and Steven D. McDonald, attached as Exhibit 10.102 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed May 11, 2012 and incorporated herein by reference.*
10.26	Amended Split Dollar Plan Agreement and Endorsement effective December 18, 2013, by and between Central Valley Community Bank and Daniel N. Cunningham, attached as Exhibit 10.104 to Annual Report on Form 10K for the year ended December 31, 2013, filed March 21, 2014 and incorporated herein by reference.*
10.27	Amended Split Dollar Plan Agreement and Endorsement effective December 18, 2013, by and between Central Valley Community Bank and Louis McMurray, attached as Exhibit 10.106 to Annual Report on Form 10K for the year ended December 31, 2013, filed March 21, 2014 and incorporated herein by reference.*
10.28	Amended Split Dollar Plan Agreement and Endorsement effective December 18, 2013, by and between Central Valley Community Bank and Steven D. McDonald, attached as Exhibit 10.107 to Annual Report on Form 10K for the year ended December 31, 2013, filed March 21, 2014 and incorporated herein by reference.*
10.29	Amended Split Dollar Plan Agreement and Endorsement effective December 18, 2013, by and between Central Valley Community Bank and William S. Smittcamp, attached as Exhibit 10.108 to Annual Report on Form 10K for the year ended December 31, 2013, filed March 21, 2014 and incorporated herein by reference.*
10.30	Central Valley Community Bank Executive Deferred Compensation Plan dated October 21, 2015, attached as Exhibit 10.110 to Annual Report on Form 10-K for the year ended December 31, 2015, filed March 15, 2016 and incorporated herein by reference.*
10.31	Central Valley Community Bancorp 2015 Omnibus Incentive Plan dated May 20, 2015, attached as Exhibit 10.114 to Annual Report on Form 10-K for the year ended December 31, 2016, filed March 29, 2017 and incorporated herein by reference.*
10.32	Service 1st Bank Salary Continuation Agreement by and between Service 1st Bank and Patrick J. Carman effective August 22, 2008, as amended, attached as Exhibit 10.11 to the Annual Report on Form 10-K for the year ended December 31, 2016, filed on March 29, 2017 and incorporated herein by reference.*
10.33	Central Valley Community Bancorp Employee Stock Purchase Plan dated June 1, 2017, attached as Exhibit 4.3 to Registration Statement No. 333-218408 on Form S-8, filed June 1, 2017 and incorporated herein by reference.*
10.34	Life Insurance Endorsement Method Split Dollar Plan Agreement by and between Central Valley Community Bank and James J. Kim, dated February 1, 2019, attached as Exhibit 10.84 to the Annual Report on Form 10-K for the year ended December 31, 2018 filed March 8, 2019 and incorporated herein by reference.*
10.35	Executive Salary Continuation Agreement by and between Central Valley Community Bank and Teresa Gilio, dated May 1, 2019, attached as Exhibit 10.84 to the Annual Report on Form 10-K for the year ended December 31, 2019 filed as March 6, 2020 and incorporated herein by reference.*
10.36	Life Insurance Endorsement Method Split Dollar Plan Agreement by and between Central Valley Community Bank and Teresa Gilio, dated May 1, 2019, attached as Exhibit 10.85 to the Annual Report on Form 10-K for the year ended December 31, 2019 filed on March 6, 2020 and incorporated herein by reference.*
10.37	Amended Executive Salary Continuation Agreement effective April 1, 2020, by and between Central Valley Community Bank and James J. Kim, attached as Exhibit 10.86 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed May 6, 2020 and incorporated herein by reference.*
10.38	Amended Life Insurance Endorsement Method Split Dollar Agreement effective April 1, 2020, by and between Central Valley Community Bank and James J. Kim, attached as Exhibit 10.87 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed May 6, 2020 and incorporated herein by reference.*

10.39	Executive Salary Continuation Agreement by and between Central Valley Community Bank and Ken Ramos, dated April 1, 2020, attached as Exhibit 10.88 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed May 6, 2020 and incorporated herein by reference.*
10.40	Life Insurance Endorsement Method Split Dollar Plan Agreement by and between Central Valley Community Bank and Ken Ramos, dated April 1, 2020, attached as Exhibit 10.89 to the Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 filed May 6, 2020 and incorporated herein by reference.*
10.41	Change in Control Agreement by and between Central Valley Community Bank and James J. Kim, Patrick A. Luis, A. Kenneth Ramos, Teresa Gilio, and Blaine C. Lauhon, Dated April 30, 2021, attached as Exhibit 99.1 to file Form 8-K, filed May 5, 2021 and incorporated herein by reference.*
10.42	Executive Salary Continuation Agreement by and between Central Valley Community Bank and Patrick Luis, dated July 1, 2021, attached as Exhibit 10.93 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed August 4, 2021 and incorporated herein by reference.*
10.43	Life Insurance Endorsement Method Split Dollar Plan Agreement by and between Central Valley Community Bank and Patrick Luis, dated July 1, 2021, attached as Exhibit 10.94 to the Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 filed August 4, 2021 and incorporated herein by reference.*
10.44	Employment Agreement by and among Community West Bancshares, Community West Bank and James J. Kim effective January 30, 2024, attached as Exhibit 10.2 to the Form 8K/A filed February 10, 2025 and incorporated herein by reference.*
10.45	Restricted Stock Award Agreement by and between Central Valley Community Bancorp and James J. Kim, dated February 1, 2022, attached as Exhibit 10.86 to the Annual Report on Form 10-K for the year ended December 31, 2021 filed March 9, 2022 and incorporated herein by reference.*
10.46	Change in Control Agreement by and between Central Valley Community Bank and Jeffrey Martin, effective June 3, 2022, attached as Exhibit 99.1 to the Form 8K filed June 3, 2022 and incorporated herein by reference.*
10.47	Restricted Stock Award Agreement by and between Central Valley Community Bancorp and James J. Kim, dated February 1, 2023.*
10.48	Change in Control Agreement by and between Central Valley Community Bank and Shannon Livingston, effective September 22, 2023, attached as Exhibit 99.1 to the Form 8K filed September 22, 2023 and incorporated herein by reference.*
10.49	Employment Agreement between Central Valley Community Bancorp and Martin E. Plourd, dated October 10, 2023, attached as Exhibit 10.1 to Form 8-K, filed April 3, 2024, and incorporated herein by reference.
10.50	Employment Agreement among Community West Bancshares and Community West Bank and Patrick A. Luis, dated April 1, 2024, attached as Exhibit 10.3 to Form 8-K, filed April 3, 2024, and incorporated herein by reference.
10.51	Employment Agreement between Community West Bank and William F. Filippin, dated April 1, 2024, attached as Exhibit 10.5 to Form 8-K, filed April 3, 2024, and incorporated herein by reference.
10.52	Employment Agreement between Community West Bank and A. Kenneth Ramos, dated April 1, 2024, attached as Exhibit 10.8 to Form 8-K, filed April 3, 2024, and incorporated herein by reference.
10.53	Employment Agreement among Community West Bancshares and Community West Bank and Shannon R. Livingston, dated January 30, 2025, attached as Exhibit 10.4 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.

10.54	Employment Agreement between Community West Bank and Dawn M. Cagle, dated January 30, 2025, attached as Exhibit 10.1 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.55	Employment Agreement between Community West Bank and Blaine C. Lauhon, dated January 30, 2025, attached as Exhibit 10.3 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.56	Employment Agreement between Community West Bank and Jeffrey M. Martin, dated January 30, 2025, attached as Exhibit 10.5 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.57	Employment Agreement between Community West Bank and Timothy J. Stronks, dated January 30, 2025, attached as Exhibit 10.6 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.58	Salary Continuation Agreement between Community West Bank and Shannon R. Livingston, dated January 30, 2025, attached as Exhibit 10.7 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.59	Split Dollar Life Insurance Agreement between Community West Bank and Shannon R. Livingston, dated January 30, 2025, attached as Exhibit 10.8 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.60	First Amendment to Amended Executive Salary Continuation Agreement between Community West Bank and James J. Kim, dated January 30, 2025, attached as Exhibit 10.9 to Form 8-K, filed January 31, 2025, and incorporated herein by reference.
10.61	Termination Agreement by and among Community West Bancshares, Community West Bank and Patrick A. Luis, dated March 3, 2025, attached as Exhibit 10.1 to the Form 8-K filed March 5, 2025, and incorporated herein by reference.
10.62	Employment Agreement by and between Community West Bank and Hinson M. Thomas, dated March 17, 2025, attached as Exhibit 10.1 to the Form 8-K filed March 17, 2025, and incorporated herein by reference.
10.63	Voting and Support Agreement dated as of December 16, 2025, by and among Community West Bancshares, each of the shareholders of United Security Bancshares identified on Exhibit A thereto and, solely for the purposes of Article 4 thereof, each individual identified as a "spouse" in Exhibit A thereto, attached as Exhibit 10.1 to the Form 8-K filed December 17, 2025, and incorporated herein by reference.
10.64	Acquiror Voting and Support Agreement dated as of December 16, 2025, by and among United Security Bancshares, Community West Bancshares, each of the shareholders of Community West Bancshares identified on Exhibit A thereto and, solely for the purposes of Article 4 thereof, each individual identified as a "spouse" in Exhibit A thereto, attached as Exhibit 10.2 to the Form 8-K filed December 17, 2025, and incorporated herein by reference.
10.65	Employment Agreement, dated as of December 16, 2025, by and between Community West Bank and Dennis R. Woods, attached as Exhibit 10.1 to the Form S-4 filed February 4, 2026, and incorporated herein by reference.
16.1	Letter from Moss Adams LLP to the U.S. Securities and Exchange Commission, dated June 6, 2025, attached as Exhibit 16.1 to the Form 8-K filed June 6, 2025, and incorporated herein by reference.
19.1	Insider Trading Policy
21	Subsidiaries, attached as Exhibit 21 to the Annual Report on Form 10-K for the year ended December 31, 2024 and incorporated by reference.
23.1	Consent of Baker Tilly US, LLP

24	Power of Attorney (incorporated by reference to the signature page of this Annual Report on Form 10-K)
31.1	Rule 13a-14(a) [Section 302] Certification Of Principal Executive Officer
31.2	Rule 13a-14(a) [Section 302] Certification Of Principal Financial Officer
32.1	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
32.2	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350. As Adopted Pursuant to Section 906 of the Sarbanes Oxley Act of 2002
97.1	Executive Officer Incentive Compensation Recovery Policy, attached as Exhibit 97.1 to Annual Report on Form 10K for the year ended December 31, 2023, and incorporated by reference.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Link Document

* Management contract and compensatory plans.

ITEM 16 FORM 10-K SUMMARY

Omitted at registrant's option

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

COMMUNITY WEST BANCSHARES

Date:	March 11, 2026	By:	/s/ James J. Kim James J. Kim Chief Executive Officer (Principal Executive Officer)
Date:	March 11, 2026	By:	/s/ Shannon R. Livingston Shannon R. Livingston Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)

POWER OF ATTORNEY AND SIGNATURES

KNOW ALL PERSONS BY THESE PRESENT, that each person whose signature appears below constitutes and appoints James J. Kim, his or her attorney-in-fact, each with the power of substitution, for him or her in any and all capacities, to sign any amendments to this Annual Report on Form 10-K, and to file the same, with exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, hereby ratifying and confirming all that said attorney-in-fact, or his or her substitute or substitutes, may do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ James J. Kim James J. Kim, Chief Executive Officer and Director (Principal Executive Officer)	March 11, 2026
/s/ Shannon R. Livingston Shannon R. Livingston Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 11, 2026
/s/ Daniel J. Doyle Daniel J. Doyle, Chairman of the Board and Director	March 11, 2026
/s/ Robert H. Bartlein Robert H. Bartlein, Vice Chairman of the Board and Director	March 11, 2026
/s/ Suzanne M. Chadwick Suzanne M. Chadwick, Director	March 11, 2026
/s/ Daniel N. Cunningham Daniel N. Cunningham, Director	March 11, 2026
/s/ Tom L. Dobyns Tom L. Dobyns, Director	March 11, 2026

/s/ F.T. “Tommy” Elliott, IV	March 11, 2026
F.T. “Tommy” Elliott, IV, Director	
/s/ Robert J. Flautt	March 11, 2026
Robert J. Flautt, Director	
/s/ James W. Lokey	March 11, 2026
James W. Lokey, Director	
/s/ Andriana D. Majarian	March 11, 2026
Andriana D. Majarian, Director	
/s/ Steven D. McDonald	March 11, 2026
Steven D. McDonald, Director	
/s/ Martin E. Plourd	March 11, 2026
Martin E. Plourd, President & Director	
/s/ Dorothea D. Silva	March 11, 2026
Dorothea D. Silva, Director	
/s/ William S. Smittcamp	March 11, 2026
William S. Smittcamp, Director	
/s/ Kirk B. Stovesand	March 11, 2026
Kirk B. Stovesand, Director	