COMMENCEMENT BANK

March 30, 2016

Dear Shareholder,

You are cordially invited to attend the Annual Meeting of the Shareholders of Commencement Bank to be held at 2:00 p.m. on Tuesday, April 26, 2016 at The Hotel Murano, Venice Room, 1320 Broadway Plaza, Tacoma, Washington. You may utilize the hotel's valet parking if you wish. Feel free to contact the Bank at (253) 284-1810 and ask for Rebecca Williamson if you have any questions.

Attached to this letter is proxy material identifying Commencement Bank's Election of Directors to serve until the next annual meeting of shareholders.

It is important that your shares be represented at the Annual Meeting. **WHETHER OR NOT YOU PLAN TO ATTEND THE ANNUAL MEETING, it is very important that you please complete, sign, date, and promptly return the accompanying proxy in the enclosed envelope, or vote electronically via the instructions included on the enclosed proxy ballot.** If you send in your proxy and then decide to attend the Annual Meeting to vote your shares in person, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

If you would like to suggest a topic or submit a question to be addressed at the Annual Meeting, please send the information to Rebecca Williamson at rwilliamson@commencementbank.com, via fax at (253)284-1850, or mail to: Commencement Bank, 1102 Commerce Street, Tacoma, WA 98402.

To access your Bank's fourth quarter 2015 earnings release, simply go to commencementbank.com - "About Us" - "Financial Performance." The 2015 Annual Report will be available on our website on April 15, 2016.

On behalf of the Board of Directors, and all Commencement Bank employees, we appreciate your continued support. We look forward to seeing you at the Annual Meeting on April 26th and **urge you to return your proxy as soon as possible.**

Sincerely,

H. R. Russell
President and CEO

COMMENCEMENT BANK

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME..... 2:00 p.m. on Tuesday, April 26, 2016

PLACE..... Venice Room (see directory in hotel lobby)
The Hotel Murano
1320 Broadway Plaza
Tacoma, Washington

ITEMS OF BUSINESS.....

1. To elect ten (10) directors to serve until the next annual meeting of shareholders.

2. To take action on any other business that may properly be considered at the Meeting or any adjournment thereof.

RECORD DATE..... You may vote at the Meeting if you were a shareholder of record at the close of business on February 29, 2016.

VOTING BY PROXY..... Whether or not you plan to attend the Meeting, **it is important that you sign, date, and return the enclosed proxy *or* vote electronically via the enclosed proxy voting instructions to ensure that your shares will be represented at the Meeting.**

ANNUAL REPORT..... On April 15, 2016, Commencement Bank's 2015 Annual Report will be available on our website at: www.commencementbank.com.

A copy will be provided without charge, upon request directed to Commencement Bank, attention Rebecca Williamson, at 1102 Commerce Street, Tacoma, Washington 98402.

To access your Bank's fourth quarter 2015 earnings release, please visit www.commencementbank.com – "About Us" – "Financial Performance."

By Order of the Board of Directors,



H. R. Russell
President and Chief Executive Officer

This Notice of Meeting, Proxy Statement, and accompanying Proxy will be distributed on or about March 30, 2016.



1102 Commerce Street
Tacoma, Washington 98402

ANNUAL MEETING OF SHAREHOLDERS
April 26, 2016

PROXY STATEMENT

The Board of Directors of Commencement Bank ("Commencement") is using this Proxy Statement to solicit proxies from our shareholders for use at the annual meeting of shareholders. We are first mailing this Proxy Statement and the enclosed form of proxy to our shareholders on or about March 30, 2016.

GENERAL INFORMATION ABOUT THE MEETING AND VOTING

What proposals will be voted on at the meeting?

There is one (1) proposal scheduled to be voted on at the meeting:

- Election of 10 directors to hold office until the next annual meeting of shareholders.

Who may vote at the meeting?

We have fixed the close of business on February 29, 2016, as the record date for shareholders entitled to notice of and to vote at our annual meeting. Only holders of record of Commencement's common stock on that date are entitled to notice of and to vote at the annual meeting. On February 29, 2016, there were 2,219,500 shares of Commencement common stock outstanding and entitled to vote at the annual meeting.

How many shares must be present to hold the meeting?

A quorum must be present at the meeting for any business to be conducted. The presence at the meeting, in person or by proxy, of at least a majority of the shares of Commencement common stock entitled to vote at the annual meeting as of the record date will constitute a quorum. Proxies received but marked as abstentions or broker non-votes will be included in the calculation of the number of shares considered to be present at the meeting.

What if a quorum is not present at the meeting?

If a quorum is not present at the scheduled time of the meeting, a majority of the shareholders present or represented by proxy may adjourn the meeting until a quorum is present. The time and place of the adjourned meeting will be announced at the time the adjournment is taken, and no other notice will be given unless a new record date for the meeting is set. An adjournment will have no effect on the business that may be conducted at the meeting.

How do I vote at the annual meeting?

Proxies are solicited to provide all shareholders on the voting record date an opportunity to vote on matters scheduled for the annual meeting and described in these materials. This answer provides voting instructions for shareholders of record. You are a shareholder of record if your shares of Commencement common stock are held in your name. If you are a beneficial owner of Commencement common stock held by a broker, bank or other nominee (i.e., in "street name"), please see the instructions in the following question.

Shares of Commencement common stock can only be voted if the shareholder is present in person or by proxy at the annual meeting. To ensure your representation at the annual meeting, we recommend you vote by proxy even if you plan to attend the annual meeting. You can always change your vote at the meeting if you are a shareholder of record.

Voting instructions are included on your proxy card. Shares of Commencement common stock represented by properly executed proxies will be voted by the individuals named on the proxy card in accordance with the shareholder's instructions. Where properly executed proxies are returned to us with no specific instruction as to how to vote at the annual meeting, the persons named in the proxy will vote the shares FOR the election of each of our director nominees. If any other matters are properly presented at the annual meeting for action, the persons named in the enclosed proxy and acting thereunder will have the discretion to vote on those matters in accordance with their best judgment. We do not currently expect that any other matters will be properly presented for action at the annual meeting.

What if my shares are held in "street name" by a broker?

If you are the beneficial owner of shares held in "street name" by a broker, your broker, as the record holder of the shares, is required to vote the shares in accordance with your instructions. If you do not give instructions to your broker, your broker may nevertheless vote the shares with respect to discretionary items, but will not be permitted to vote your shares with respect to non-discretionary items, pursuant to current industry practice. In the case of non-discretionary items, the shares not voted will be treated as "broker non-votes." The proposal for the election of directors is considered a non-discretionary item; therefore, you must provide instructions to your broker in order to have your shares voted on this proposal.

If your shares are held in street name, you will need proof of ownership to be admitted to the annual meeting. A recent brokerage statement or letter from the record holder of your shares are examples of proof of ownership. If you want to vote your shares of common stock held in street name in person at the annual meeting, you will have to get a written proxy in your name from the broker, bank or other nominee who holds your shares.

How do I vote my shares without attending the meeting?

Whether you hold shares directly or in street name, you may direct your vote without attending the annual meeting. For shares held in street name, you may vote by submitting voting instructions to your broker or nominee. If you are a shareholder of record, you may vote by signing and dating your proxy and mailing it in the envelope provided. You should sign your name exactly as it appears on the proxy. If you are signing in a representative capacity (for example as guardian, executor, trustee, custodian, attorney or officer of a corporation), you should indicate your name and title or capacity. You may also vote electronically via the instructions included on the enclosed proxy ballot.

What does it mean if I receive more than one proxy?

It means you hold shares registered in more than one account. To ensure that all your shares are voted, sign and return each proxy.

May I change my vote?

Yes. You may change your vote and revoke your proxy by:

Sending a written statement to that effect to the secretary of Commencement;
Submitting a properly signed proxy with a later date; or
Voting in person at the annual meeting.

If you have instructed a broker, bank or other nominee to vote your shares, you must follow directions received from your nominee to change those instructions.

Vote Required to Approve Proposal: Election of Directors

Directors are elected by a plurality of the votes cast, in person or by proxy, at the annual meeting by holders of Commencement common stock. Accordingly, the 10 nominees for election as directors who receive the highest number of votes actually cast will be elected. Pursuant to our Articles of Incorporation, shareholders are not permitted to cumulate their votes for the election of directors. Votes may be cast for or withheld from each nominee. Votes that are withheld and broker non-votes will have no effect on the outcome of the election because the 10 nominees receiving the greatest number of votes will be elected. **Our Board of Directors unanimously recommends that you vote FOR the election of each of its director nominees.**

PROPOSAL – ELECTION OF DIRECTORS

The Board of Directors consists of 10 members and the terms of all current members expire at the 2016 annual meeting. Each of these incumbent directors has been nominated by the Board to serve a one-year term ending at the next annual meeting, or when their respective successors have been duly elected and qualified.

Each nominee has consented to being named in this Proxy Statement and has agreed to serve if elected. If a nominee is unable to stand for election, the Board of Directors may either reduce the number of directors to be elected or select a substitute nominee. If a substitute nominee is selected, the proxy holders will vote your shares for the substitute nominee, unless you have withheld authority. At this time, we are not aware of any reason why a nominee might be unable to serve if elected.

NOMINEES FOR DIRECTOR

CHARLES F. DIESING Director Since 2006

Mr. Diesing, a founding director, age 75, has been in the real estate business for more than 40 years. From 1970 to the present, he has acquired over 100 single-family residences, over 2,000 apartment units and various other pieces of real estate. Over the past few years, he has liquidated a significant percentage of the residential portfolio. Currently, Mr. Diesing is retired and oversees his real estate holdings.

JOHN C. JAMES Director Since 2006

Mr. James, a founding director, age 71, retired on May 31, 2005 after 36 years with the Frank Russell Company (Russell Investment Group) where he served as Western Division Director for US Distribution, Regional Director, HR and Operations Director, President of Russell Building Management Co., as well as other duties and responsibilities. He received his BSBA from Bucknell University and MBA from Pacific Lutheran University. Mr. James' past and present community involvement includes the West End Athletic Club, Metro Park Board, Downtown Tacoma Association, Investment Committee of the Greater Tacoma Community Foundation, and the Pacific Lutheran University School of Business. Mr. James served as a lieutenant in the United States Army from June 1966 to 1968.

PETER J. LEMCKE Director Since 2006

Mr. Lemcke, a founding director, age 69, is a native of Tacoma, Washington. He graduated from the University of Puget Sound in 1969 with a B.A. in Business Administration. Mr. Lemcke is the former President and Chief Executive Officer of Zumar Industries Inc., a manufacturer of highway signs and related highway safety products. Mr. Lemcke was the second generation owner of Zumar Industries, which has manufacturing plants in Tacoma, Washington; Los Angeles, California; and Phoenix, Arizona. He is active in the community and various trade organizations.

L. ROSE LINCOLN HAMILTON Director Since 2007

Ms. Lincoln Hamilton, a director since 2007, age 62, has more than 40 years of broad experience in nonprofit management, corporate social responsibility, grant making and development. Ms. Lincoln led The Greater Tacoma Community Foundation as President and CEO from 2004 to 2015. At the Community Foundation, she was responsible for increasing the impact and focus of grant making, while continuing to foster increased philanthropic giving in Pierce County. Ms. Lincoln held the positions of Assistant Vice President of Public Relations and Director of Community Relations at Safeco Corporation. While at Safeco, she focused on developing community relations strategies designed to increase neighborliness in urban communities by increasing neighborhood assets and bringing neighbors together around common interests. Ms. Lincoln previously held the positions of Executive Director for Hood River County United Way and Chief Operations Officer of the Seattle-King County Private Industry Council. Ms. Lincoln is a graduate of the University of Connecticut. She is recently retired from the Community Foundation and remains active in many community organizations. She resides in Port Ludlow.

DANIEL K. MCFARLAND Director Since 2006

Mr. McFarland, a founding director, age 69, is a native of Seattle, Washington. He received his Bachelor's Degree from the University of Puget Sound in 1969. He is retired from his position as President of Ampac Flexibles, Seattle, formerly Mohawk Northern Plastics. He also serves on the board of Liberty Orchards, Cashmere, Washington. Mr. McFarland and his wife, Candace, are supporters of the University of Puget Sound, Green River Community College, Swedish Medical Center Foundation, and Seattle Children's Hospital.

THOMAS H. NIXON Director Since 2006

Mr. Nixon, a founding director, age 69, is a consultant to small businesses. For approximately 30 years he served the banking community in various capacities, including Senior Vice President and District Manager, Key Bank, Tacoma; Branch Manager and Regional Manager, Puget Sound National Bank. He is a graduate of the University of Washington with a degree in Finance and graduated from the Pacific Coast Banking School at the University of Washington. Mr. Nixon also served as an Aviation Officer Candidate in the U.S. Navy Reserve from 1968-1969. In addition to his banking career, his current community involvement consists of the Foundation for Private Enterprise Education, d/b/a Washington Business Week (Past Chairman, Board of Trustees and Company Advisor). He is also Treasurer of his condominium association. His past community involvement includes: Twin Lakes Golf and Country Club (member and past President, Board of Trustees); Franciscan Foundation (member, Board of Trustees); Highline Community College (member and past Chair, Board of Trustees); St. Francis Hospital (member, Board of Trustees); and Seattle Seafair Clowns (member).

H. R. RUSSELL Director Since 2006

Mr. Russell, a founding director, age 61, the President and Chief Executive Officer of Commencement Bank, has been a resident of the state of Washington for 45 years. He is a graduate of NW Intermediate Banking School and Pacific Coast Banking School and attended the University of Washington. Mr. Russell began his banking experience in 1977 and has been a branch manager, Senior Vice President and commercial loan team leader, Executive Vice President and loan production manager, and Executive Vice President and Chief Credit Officer until resigning from Tacoma, Washington based Columbia Bank in 2004. He is the recipient of the 2014 University of Washington Tacoma Milgard School of Business Leadership Award which recognizes outstanding business leaders in the South Sound Region. His past and present community activities include: the Pierce County American Red Cross (Board President), Puyallup Kiwanis, Auburn Kiwanis, Boy Scouts of America, Tacoma Rotary #8, the Northwest Financial Associations' Employee Benefit Trust, Tacoma Country and Golf Club Finance Committee, Pediatric Interim Care Center in Kent, Community Bankers of Washington Association (past Chairman), the Impact Investment Committee for the Greater Tacoma Community Foundation, and the Federal Reserve Bank of San Francisco's Twelfth District Community Depository Institution Advisory Council (current board member).

JAMES L. WALTON Director Since 2006

Mr. Walton, a founding director, age 77, served the City of Tacoma for 32 years in several leadership capacities before retiring in 2005 from the position of City Manager. Prior to becoming City Manager, Mr. Walton served as Deputy City Manager from 1990-2003 and Assistant City Manager from 1979-1990. His past and current community involvements include: United Way of Pierce County, Campaign Chair, 2005; County Charter Review Commission (elected office), Vice Chair, 2005; William M. Factory Small Business Incubator, Vice Chair 2006-2008; Foundation for Tacoma Students, board member; Goodwill Heritage Foundation, board member; Tacoma-Pierce County Black Collective, lifetime member; Franke Tobey Jones Retirement Estates, past board member; and Tacoma Sunrise Rotary, past President, member.

THOMAS A. VALENTINE Director Since 2006

Mr. Valentine, a founding director, age 76, has over 40 years of professional experience in general business management, technical systems management, sales and marketing and national account management. He graduated from Florida Technical University in 1964. From 1964 to 1985, Mr. Valentine was employed by AT&T in a variety of management positions in operations, national sales and marketing. From 1985 to 1999 he worked for the Weyerhaeuser Company in Federal Way, Washington as a sales manager, systems manager and director of communications and facilities. From 1999 to 2005, he was engaged in business and technology consulting and a technology startup company in Tacoma Washington, retiring in November 2005. Mr. Valentine's past community and civic organizations include: American Red Cross, Mount Rainer Chapter, (Board Chair, Board member); Tacoma Rotary 8 Club (member and Board member); Franke Tobey Jones Retirement Estates (Chair of the Board, Chair of the Governance Committee); Greater Tacoma Community Foundation (Distribution Committee Member).

EDWARD A. ZITTEL Director Since 2006

Mr. Zittel, a founding director, age 66, is a native of Tacoma, Washington. He graduated from the University of Puget Sound and spent the majority of his business career with the CPA firm Knight, Vale and Gregory (1972-2005). During his tenure with the firm, his Federal taxation and business consulting expertise was utilized in working with high net worth individuals and closely held businesses while managing the Tacoma Office. At present, he is the owner and manager of Matman Wrestling Co, Inc. which is a manufacturer and distributor of wrestling team apparel and

accessories. His civic and community activities have included: the Chamber of Commerce; the Tacoma Rotary #8; the Tacoma Country and Golf Club (President 2011); the Tacoma Club (President 2000), Tacoma Goodwill Board, and assistance with various charities.

BENEFICIAL OWNERSHIP OF SHARES

The following table shows the number of shares of the Bank's Common Stock beneficially owned at February 29, 2016 by the Bank's nominees for director, executive officers, and all directors and executive officers as a group.

Name	Number of Shares Beneficially Owned [1]	% of Shares Outstanding [2]
Directors:		
Charles F. Diesing	219,730 [3]	9.81%
John C. James	23,500 [4]	1.05%
Peter J. Lemcke	50,000 [4]	2.24%
L. Rose Lincoln	1,500	*
Daniel K. McFarland	72,500 [4]	3.25%
Thomas H. Nixon	25,000 [5]	1.12%
Thomas A. Valentine	16,000 [7]	*
James L. Walton	17,500[6]	*
Edward A. Zittel	36,500 [4]	1.64%
Executive Officers:		
H. R. Russell**	60,000 [4]	2.69%
John E. Manolides	20,320	*
Mary Ann Haglund	7,100	*
All executive officers and Directors as a group (12 persons)	549,650	23.81%

* Less than 1% of shares outstanding.
** Also a director of the Bank.

(1) The shares "beneficially owned" include shares owned by or for, among others, the spouse and/or minor children of the individual and any other relative who has the same home as such individual, as well as other shares with respect to which the individual has or shares voting or investment power, or has the right to acquire within 60 days under outstanding stock options. Beneficial ownership may be disclaimed as to certain of the shares.

(2) Any securities not outstanding but which are subject to options and presently exercisable by the named person within 60 days, are deemed to be outstanding for computing the percentage of outstanding securities owned by such person, but are not deemed to be outstanding for the purposes of computing the percentage of the class owned by any other person.

(3) Includes a warrant to purchase 20,000 shares at $10 a share, expiring on December 10, 2016.

(4) Includes a warrant to purchase 10,000 shares at $10 a share, expiring on December 10, 2016.

(5) Includes a warrant to purchase 5,000 shares at $10 a share, expiring on December 10, 2016.

(6) Includes a warrant to purchase 7,500 shares at $10 a share, expiring on December 10, 2016.

(7) Includes a warrant to purchase 6,000 shares at $10 a share, expiring on December 10, 2016.

THE BOARD RECOMMENDS A VOTE FOR THESE NOMINEES.

OTHER INFORMATION

Shareholder Proposals and Board of Director Nominations

In order to be eligible for inclusion in the proxy materials of the Bank for the next Annual Meeting of Shareholders, any shareholder proposal to take action at such meeting must be received at the Bank's main office, 1102 Commerce Street, Tacoma, Washington 98402, no later than January 31, 2017.

In accordance with the Bank's Articles of Incorporation, nominations for the election to the Board of Directors may be made by the Board of Directors or by any shareholder entitled to vote for the election of directors. Such nominations other than by the Board of Directors shall be made in writing, delivered or mailed by first class United States mail, postage prepaid, to the Secretary of the Bank not less than 60 days prior to the first anniversary of the date of the last meeting of shareholders of the Bank called for the election of directors.

Each notice shall set forth (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice; (ii) the principal occupation or employment of each such nominee; (iii) the number of shares of stock of the Bank which are beneficially owned by each such nominee; and (iv) such other information as would be required by the Federal Securities Laws and the Rules and Regulations promulgated thereunder in respect to any individual nominated as a director of the Bank and for whom proxies are solicited by the Board of Directors of the Bank.

The Chairman of any meeting of shareholders may, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the foregoing procedure, and if he should so determine, he shall so declare to the meeting and the defective nomination shall be disregarded.

Other Business

Management does not intend to bring before the meeting any matters not referred to in this Proxy Statement, and the Bank has not been informed that any other matters are to be presented by others. If any other matters properly come before the meeting, it is intended that the shares represented by proxies will be voted in accordance with the recommendations of management.

By Order of the Board of Directors,



H. R. Russell
President and Chief Executive Officer