



March 16, 2026

Dear Shareholder,

You are cordially invited to attend the annual meeting of shareholders of Commencement Bancorp, Inc. The meeting will be held Monday, April 27, 2026 at 2 p.m., local time. Our annual meeting of shareholders will be a virtual meeting conducted solely online and can be attended by visiting [www.virtualshareholdermeeting.com/CBWA2026](http://www.virtualshareholdermeeting.com/CBWA2026). You will not be able to attend the annual meeting in person.

To participate in the virtual meeting, you will need your 16-digit control number located on your Notice, proxy card and voting instruction form. You will be able to attend the meeting online, vote your shares electronically, and submit questions during the meeting by visiting [www.virtualshareholdermeeting.com/CBWA2026](http://www.virtualshareholdermeeting.com/CBWA2026).

At the meeting, shareholders will be asked to consider and vote on the election of ten nominees for director to serve on our Board of Directors until the next annual meeting of shareholders. Our Board of Directors recommends that you vote FOR all ten nominees. Attached to this letter is proxy material with additional information on the official item of business.

It is important that your shares are represented at the annual meeting. If you vote by proxy and then decide to attend the virtual annual meeting to vote your shares online, you may still do so. Your proxy is revocable in accordance with the procedures set forth in the Proxy Statement.

The Bank's 2025 earnings release is enclosed, and available at [www.commencementbank.com](http://www.commencementbank.com) - "About" - "Financial Performance." The 2025 Annual Report will be available on our website on April 3, 2026. If you would like to submit a question to be addressed at the Annual Meeting, please send it to Jazarae Augustin at: [jaugustin@commencementbank.com](mailto:jaugustin@commencementbank.com), or mail to: Commencement Bank, 1313 Broadway, Suite 400, Tacoma, WA 98402.

On behalf of the Board of Directors, and all Commencement Bank employees, we greatly appreciate and value your continued support. We hope that you can join us online on April 27<sup>th</sup>. **Whether or not you plan to attend the virtual meeting, it is very important that you take the time to vote online, by telephone, or by completing and mailing the proxy card (if you received one) as soon as possible.**

Sincerely,

John E. Manolides  
Chief Executive Officer





1313 BROADWAY, SUITE 400  
TACOMA, WA 98402

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**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS  
TO BE HELD APRIL 27, 2026**

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<b>TIME</b>	2:00 p.m., local time on Monday, April 27, 2026
<b>VIRTUAL MEETING</b>	<a href="http://www.virtualshareholdermeeting.com/CBWA2026">www.virtualshareholdermeeting.com/CBWA2026</a>
<b>HOW TO PARTICIPATE</b>	To participate in the virtual shareholder meeting, visit <a href="http://www.virtualshareholdermeeting.com/CBWA2026">www.virtualshareholdermeeting.com/CBWA2026</a> and enter the control number found on your notice, proxy card, and instruction form. During the virtual meeting, you will be able to vote your shares electronically and submit questions.
<b>ITEMS OF BUSINESS</b>	<ol style="list-style-type: none"><li>1. To elect the ten nominees for director named in this Proxy Statement to serve on the Board of Directors until the next Annual Meeting of Shareholders.</li><li>2. To transact any other business that may properly come before the Meeting or any adjournment thereof.</li></ol>
<b>RECORD DATE</b>	You are entitled to vote at the annual meeting if you were a shareholder of record at the close of business on March 2, 2026.
<b>VOTING BY PROXY</b>	<b>Please vote online or by telephone or submit your proxy card (if you received one) as soon as possible so that your shares can be voted at the annual meeting in accordance with your instructions.</b> For specific instructions on voting, please refer to the instructions in the Proxy Statement and on the Notice of Internet Availability of Proxy Materials that you received in the mail or, if you received a hard copy of the proxy materials, on the enclosed proxy card.
<b>ANNUAL REPORT</b>	<p>On April 3, 2026, Commencement Bancorp, Inc.'s 2025 Annual Report will be available on our website at: <a href="http://www.commencementbank.com">www.commencementbank.com</a>. A copy will be provided without charge upon request directed to Commencement Bank, attention Jazarae Augustin, at 1313 Broadway, Suite 400, Tacoma, Washington 98402.</p> <p>Commencement Bancorp, Inc.'s 2025 earnings release is enclosed and available on our website at <a href="http://www.commencementbank.com">www.commencementbank.com</a> – "About" – "Financial Performance."</p>

By Order of the Board of Directors,

John E. Manolides  
Chief Executive Officer

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1313 BROADWAY, SUITE 400  
TACOMA, WA 98402

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**ANNUAL MEETING OF SHAREHOLDERS  
APRIL 27, 2026**

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**PROXY STATEMENT**

The Board of Directors of Commencement Bancorp, Inc. is using this Proxy Statement to solicit proxies from our shareholders for use at the annual meeting of shareholders. The information provided in this Proxy Statement relates to Commencement Bancorp, Inc. and its wholly-owned subsidiary, Commencement Bank. In this Proxy Statement, the terms "Commencement," the "Company," "we," "us" or "our" refer to Commencement Bancorp, Inc.

We are furnishing proxy materials to our shareholders on the Internet, rather than mailing paper copies of the materials to each shareholder. You will not receive hard copies of these proxy materials unless you previously requested one. If you received a Notice and want a hard copy, then you can request by (1) visiting [www.ProxyVote.com](http://www.ProxyVote.com), (2) calling 1-800-579-1639 or (3) emailing [sendmaterial@proxyvote.com](mailto:sendmaterial@proxyvote.com), with your control number in the subject line. We are sending to our shareholders a copy of the Notice, which will instruct you as to how you may access and review the proxy materials over the Internet. The Notice will also instruct you as to how you may access your proxy card to vote your shares by telephone or over the Internet. If you would like to receive a paper copy of our proxy materials, free of charge, please follow the instructions included in the Notice.

The Notice was mailed to shareholders on or about March 16, 2026.

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**INFORMATION ABOUT THE ANNUAL MEETING**

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**Time and Place of the Annual Meeting**

Our annual meeting will be held as follows:

**Date:** Monday, April 27, 2026

**Time:** 2:00 p.m., local time

**Place:** Virtual meeting at [www.virtualshareholdermeeting.com/CBWA2026](http://www.virtualshareholdermeeting.com/CBWA2026)

**What proposals will be voted on at the meeting?**

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

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

**Who is entitled to vote?**

We have fixed the close of business on March 2, 2026, 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 March 2, 2026, there were 3,752,371 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, virtually or by proxy, of one-third of the shares of Commencement common stock issued and outstanding will constitute a quorum.

### **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 virtually 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?**

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 next question.

By Internet before the meeting For shares registered in your name, you may go to [www.proxyvote.com](http://www.proxyvote.com) to transmit a proxy to vote your shares by means of the Internet. You will be required to provide the control number listed on the Notice and proxy card. In order for your shares to be voted, we must receive your proxy via the Internet by 11:59 p.m. ET on April 26, 2026.

At the Virtual Meeting Shares held in your name as the shareholder of record may be voted by you online at the Annual Meeting at [www.virtualshareholdermeeting.com/CBWA2026](http://www.virtualshareholdermeeting.com/CBWA2026). You will be required to provide the control number listed on the Notice and proxy card.

By Telephone To vote by telephone, call 1-800-690-6903 by 11:59 p.m. ET on April 26, 2026. Please see the instructions on the Notice or proxy card, as applicable.

By Mail Shareholders who request to receive a paper proxy card may vote by mail and should complete, sign, and date their proxy card and mail it in the pre-addressed envelope that will accompany the delivery of the paper proxy card. 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.

Proxy cards submitted by mail must be received by the time of the meeting in order for your shares to be voted. 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 routine items, but will not be permitted to vote your shares with respect to non-routine items, pursuant to current industry practice. In the case of non-routine items, the shares not voted will be treated as "broker non-votes." The above stated proposal 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 to follow the instructions provided by your broker in order to virtually attend the annual meeting.

### **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, please vote 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 at 1313 Broadway, Suite 400, Tacoma, Washington 98402;
- Voting again by Internet or telephone (only your last Internet or telephone proxy submitted prior to the meeting will be counted)
- Submitting a properly signed proxy with a later date; or
- Voting at the virtual 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 ten 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 ten 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 ten members and the terms of all current members expire at the 2026 annual meeting. Each of these 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**

**CHERYL L. DURYEA** Director Since 2016

Ms. Duryea, age 78, practiced law primarily in the area of business, finance and state regulatory matters since 1978. She has held a variety of upper management positions in state government, including Assistant Director of Licensing in charge of regulating securities, real estate, and professional licensing. She has served as a member of the governor’s Securities Advisory Board and was a member of the advisory board to the Department of Financial Institutions. In addition to her law practice, through 2010 Ms. Duryea was the owner of two women’s clothing boutiques – Juicy Fruits in Olympia and Willow at University Village in Seattle. She has a BA and MSW (community organization) from the University of Michigan and a law degree from Seattle University. She has been a “Big Sister” and has served on the boards of the YMCA, the EDC, Olympia Symphony, Patrons of South Sound Cultural Arts, Washington Center for the Performing Arts, The Mayday Foundation, and Leadership Thurston County and has been active in a variety of organizations to promote gender and racial equity.

**NIGEL L. ENGLISH** Director Since 2022

Mr. English, age 56, joined Commencement as President and Chief Operating Officer in 2022, following a longstanding position as commercial banking market president at Heritage Bank. With over 30 years’ experience, Nigel has a proven track record in increasing market share for local banks and demonstrates strong leadership skills, which make him a key member of the Bank’s Executive Management Team. Nigel is a graduate of Eastern Washington University, as well as Pacific Coast Banking School at University of Washington. Throughout his career, he has held positions in commercial, retail and consumer banking, and senior level management. Nigel has always been active in the local community and currently serves as chair for Visit Tacoma-Pierce County and is also a board member of Economic Development Board Tacoma Pierce County.

**L. ROSE LINCOLN HAMILTON** Director Since 2007

Ms. Lincoln Hamilton, age 72, 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 retired from the Community Foundation and remains active in many community organizations. She resides in Port Ludlow.

**LAMONT C. LOO** Director Since 2024

Mr. Loo, age 57, is a practicing attorney at the Tacoma law firm, Davies Pearson, PC, where he has been since 1996. His practice areas focus on business law and estate planning for business owners. He holds an education degree from the University of Lethbridge, a law degree from the University of Idaho, and a graduate tax law degree from the University of Florida. He is currently a member of the firm’s executive management team and previously served as the firm’s managing partner. In addition to involvement with the firm, Lamont has served on numerous nonprofit boards and committees in our community.

**JOHN E. MANOLIDES** Director Since 2018

Mr. Manolides, age 63, a founding member of Commencement Bank and Chief Executive Officer, joined the Bank’s Board of Directors in January 2018. Mr. Manolides is a Washington native and attended both the University of Washington and Pacific Coast Banking

School. After graduation from the University of Washington in 1987, he began his banking career as an adjuster for Puget Sound National Bank. From there, he worked as a collector, loan buyer, branch manager, and finally as a commercial lender following Key Bank's acquisition of Puget Sound National. In 1997, he accepted a commercial lending position with Columbia Bank, where he stayed for the next nine years. Prior to being named President and Chief Executive Officer, Mr. Manolides was the Bank's President and Chief Operating Officer from 2018 through 2019, and served as Executive Vice President and Chief Credit Officer since inception in 2006. His past and present community activities include: Independent Community Bankers of America (Legislative Issues committee member and Federal Delegate board member), The Better Business Bureau (current board member; 2017 Chairman), Safe Streets (board member), Community Bankers of Washington (board member), and supporter of numerous local charities.

**THOMAS H. NIXON**

Director Since 2006

Mr. Nixon, age 79, is a founding director of Commencement Bank. 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. His past community involvement includes: the Foundation for Private Enterprise Education, d/b/a Washington Business Week (past Chairman, Board of Trustees and Company Advisor); 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).

**DAVID J. OWENS, M.D.**

Director Since 2016

Dr. Owens, age 55, is a practicing Gastroenterologist with Gastroenterology Associates in Olympia, WA, a division of Gastro Health. He serves as a managing partner for the practice. He currently holds Board Certifications in Internal Medicine and Gastroenterology. Dr. Owens received his M.D. from the University of Washington in 2001. He then went on to complete his graduate doctorate work which included an internship from 2001-2002, followed by a residency in 2002-2004 at the University of Washington. From 2005-2009, he completed his fellowship in Gastroenterology and Advanced Endoscopy at the University of California. He holds degrees in Economics and Chinese from Middlebury College. Dr. Owens supports numerous charitable organizations throughout Thurston County and the surrounding areas.

**ROB C. RICE**

Director Since 2016

Mr. Rice, age 65, has been developing residential real estate in the Thurston County market for over 30 years. He is involved in land acquisition, planning, site development, home construction and real estate sales. He has an ownership position in numerous corporations and LLCs that currently do business within the county. Mr. Rice is involved in numerous activities in the community including the Olympia Master Builders, and Providence St. Peter Foundation (board member). He has served on the board of the Olympia Master Builders since 1999 and was formerly on the board of the Thurston Economic Development Council.

**H.R. RUSSELL**

Director Since 2006

Mr. Russell, age 71, is a founding director of Commencement Bank and serves as Chairman of the Board. 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 also the former President and Chief Executive Officer of Commencement Bank. Mr. Russell 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 (past board member).

**EDWARD A. ZITTEL**

Director Since 2006

Mr. Zittel, a founding director, age 76, 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.

**THE BOARD RECOMMENDS A VOTE FOR THESE NOMINEES.**

**2025 COMMENCEMENT BANK BOARD COMMITTEES**

The following table sets forth the Bank committees on which the current directors served in 2025:

<b>DIRECTORS:</b>	<b>Governance</b>	<b>Audit</b>	<b>Loan Oversight</b>	<b>ALCO</b>	<b>M &amp; A</b>
David J. Owens	X			X	X
L. Rose Lincoln Hamilton	X	X		X	
Lamont C. Loo	X		X		
Rob C. Rice		X	X	X	
Thomas H. Nixon	X	X	X		X
H.R. Russell	X	X	X		X
Cheryl L. Duryea	X	X	X		
Edward A. Zittel	X	X	X		X
John E. Manolides			X	X	X
Nigel L. English			X	X	X

**OTHER INFORMATION**

**Shareholder Proposals**

If a shareholder wishes to propose an item of business to be considered at an Annual Meeting of Shareholders (other than director nominations) that shareholder must give advance written notice of such proposal to our Corporate Secretary, which notice must be received at 1313 Broadway, Suite 400, Tacoma, Washington 98402, at least 120 days prior to the first anniversary date that the Corporation's proxy statement was released to shareholders in connection with this annual meeting. For the next annual meeting of shareholders, notice must be received by November 16, 2026, and must comply with all applicable statutes and regulations, as well as certain other provisions contained in our bylaws, which generally require the shareholder to provide a brief description of the proposed business, reasons for proposing the business, and certain information about the shareholder and the Commencement securities held by the shareholder.

**Nomination of Director Candidates**

Any shareholder who wishes the Board of Directors to consider a candidate for nomination should submit a written request and related information to our Corporate Secretary no later than November 16<sup>th</sup> of the calendar year preceding the next Annual Meeting of Shareholders. Under our bylaws, if a shareholder plans to directly nominate a person as a director at an Annual Meeting of Shareholders, the shareholder is required to place the proposed director's name in nomination by written request received by our Corporate Secretary, at 1313 Broadway, Suite 400, Tacoma, Washington 98402, at least 120 days prior to the first anniversary of the date that the Corporation's proxy statement was released to shareholders in connection with this Annual Meeting of Shareholders. Shareholder-proposed nominations for our next Annual Meeting of Shareholders must be received by November 16, 2026, and must comply with all applicable statutes and regulations, as well as certain other provisions contained in our bylaws, which generally require the shareholder to provide certain information about the proposed director, the shareholder and the Commencement securities held by the shareholder.

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**

The Board of Directors does not intend to bring before the meeting any matters not referred to in this Proxy Statement, and the Board of Directors 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,



John E. Manolides  
Chief Executive Officer



FOR IMMEDIATE RELEASE

## Commencement Bancorp, Inc. Announces Record Fourth Quarter and Annual 2025 Results

### **2025 Fourth Quarter and Annual Financial Highlights:**

- Record high quarterly net income of \$2.0 million, or \$0.55 earnings per share.
- Record high annual net income of \$6.7 million and return on average assets of 1.00%.
- Annual earnings per share of \$1.78, a 78.0% increase from prior year, adjusted for 2024 Strategic Measures.
- Tangible book value per share of \$15.83, a 20.0% increase from prior year, adjusted for 2024 Strategic Measures.
- Loans increased \$57.0 million for the year ended 2025, or 12.2% annual growth rate.
- Average deposits increased \$52.8 million for the year ended 2025, or 9.6% annual growth rate.
- Net interest margin of 4.17% during the fourth quarter of 2025 and 4.10% for the year ended 2025 (3.44% for the year ended 2024).
- Total cost of deposits of 1.41% during the fourth quarter of 2025 and 1.49% for the year ended 2025 (1.85% for the year ended 2024).
- Capital ratios remained well above regulatory requirements.

TACOMA, WASH. – Commencement Bancorp, Inc. (OTCQX: CBWA) (the “Company”, “we,” or “us”), the parent company of Commencement Bank (the “Bank”) reported net income of \$2.0 million, or \$0.55 per share, for the fourth quarter of 2025, which is the highest ever single quarter earnings per share for the Company. Comparable earnings were \$1.9 million, or \$0.49 per share, for the third quarter of 2025 and \$538,000, or \$0.14 per share, for the fourth quarter of 2024. Net income for the year ended 2025 was \$6.7 million, or \$1.78 per share, and represent the highest annual earnings for the Company. Comparable earnings were \$3.0 million, or \$0.78 per share, for the year ended 2024. The Bank recorded return on average assets of 1.15% for the fourth quarter of 2025, compared to 1.06% for the third quarter of 2025 and 0.33% for the fourth quarter of 2024. Return on assets for the year ended 2025 increased to 1.00% compared to 0.50% for the year ended 2024. The fourth quarter and year ended 2024 were impacted by strategic measures; adjusted results are shown in the *2024 Strategic Measures Impact* chart below.

“I am incredibly proud that the hard work and dedication of our bankers produced record earnings for the fourth quarter and for 2025 as a whole. Over the past several years, we’ve invested in our personnel and our technology to grow the Bank with increased efficiency. We remain firmly committed to maintaining a disciplined approach in managing our deposit costs



and loan yields, even as we strategically accelerate asset growth. It's rewarding to see these efforts delivering tangible results," said John E. Manolides, Chief Executive Officer.

"The year 2025 was a culmination of our heightened brand awareness stemming from our successful business development activities across our footprint. These dedicated efforts were centered on increasing new loan originations and new customer acquisitions, which grew year-over-year by 72% and 64%, respectively. Several of our record achievements in 2025 reflect our unwavering commitment to deliver a meaningful increase in tangible book value per share," stated Nigel L. English, President & Chief Operating Officer. "I would like to thank our dedicated bankers for their commitment to our bank and customers this past year."

### **Balance Sheet**

Total assets increased \$6.9 million to \$683.3 million at December 31, 2025, from \$676.3 million at September 30, 2025.

Investment securities available for sale decreased \$1.9 million, or 2.3%, to \$82.8 million at December 31, 2025, from \$84.8 million at September 30, 2025. This decrease was due to principal payments and amortization of \$2.4 million and a decrease in unrealized losses of \$374,000. The decrease in market rates at December 31, 2025, caused the decrease in unrealized losses.

Loans receivable increased \$12.0 million to \$524.4 million at December 31, 2025, from \$512.3 million at September 30, 2025, due to loan originations, offset by scheduled loan payments. Loans increased \$57.0 million, or 12.2%, during the year-ended 2025. The Bank originated commitments of \$38.7 million during fourth quarter of 2025 compared to \$43.0 million during the third quarter of 2025 and \$13.4 million during the fourth quarter of 2024. Originated loan commitments were \$164.8 million during the year ended 2025 compared to \$95.1 million during the year ended 2024, or a 73.3% increase.

Total deposits increased \$4.3 million, or 2.8%, to \$610.3 million at December 31, 2025 from \$606.0 million at September 30, 2025. Deposits increased \$18.4 million, or 3.1%, during the year-ended 2025. Noninterest bearing deposits, as a percentage of total deposits, increased to 29.34% at December 31, 2025, compared to 28.1% at December 31, 2024.

### **Credit Quality**

The Bank had nonperforming assets of \$1.3 million, or 0.19% of total assets, at December 31, 2025, compared to no nonperforming assets at September 30, 2025 or December 31, 2024. The increase is related to three credit relationships, two of which were previously classified as Substandard but experienced additional deterioration during the recent quarter. The three relationships are recorded at net realizable value, resulting in one charge-off of \$241,000 during the fourth quarter of 2025. The allowance for credit losses to loan receivable remains strong at 1.20% at December 31, 2025, compared to 1.24% at September 30, 2025, and 1.20% at December 31, 2024.

The percentage of classified loans (loans rated Substandard or worse) to loans receivable increased to 2.06% at December 31, 2025, from 1.63% at September 30, 2025, due primarily to the addition of three relationships, two of which were previously classified as Watch. The Bank proactively downgrades loans if the borrower is experiencing financial difficulties and upgrades loans if the borrower demonstrates sustained financial performance.

### **Liquidity**

The Bank has ample liquidity with both on-and off-balance sheet sources. Total on-balance sheet liquidity of \$114.7 million, or 16.8% of total assets, at December 31, 2025, includes unencumbered cash, cash equivalents and investment securities. The Bank also had access to available Federal Home Loan Bank advances, Federal Reserve's discount window, and federal funds lines with correspondent banks of \$217.8 million at December 31, 2025.

### **Income Statement**

Net interest income increased \$65,000, or 0.95%, during the fourth quarter of 2025 compared to the third quarter of 2025 due to the decrease in interest expense of \$167,000, offset by the decrease in interest income of \$102,000. Net interest income was impacted by the reduction of the federal funds rate of 75 basis points ("bps") in the latter part of 2025 (September, October, December). Net interest margin ("NIM") decreased 4 bps to 4.17% during the fourth quarter of 2025 from 4.21% during the third quarter of 2025 also as a result of the decrease in market interest rates. NIM increased 43 bps from 3.74% during the fourth quarter of 2024 due to a combination of a reduction of deposit costs and an increase in loan yields. NIM increased to 4.10% for the year ended 2025 compared to 3.44% for the year ended 2024.

Interest income on loans decreased \$61,000 during the fourth quarter of 2025 compared to the third quarter of 2025 due primarily to the repricing of variable rate loans in conjunction with the federal funds rate decreases. The yield on net loans decreased 10 bps to 6.18% for the fourth quarter of 2025 from 6.28% for the third quarter of 2025 due to the previously mentioned variable loan repricing, offset partially by higher yields on new originations and renewals, and higher repricing rates on the adjustable portfolio.

Interest expense on deposits decreased \$103,000 during the fourth quarter of 2025 compared to the third quarter of 2025 due to a decrease in exception pricing rates, offset by an increase in the average balance of interest-bearing deposits of \$6.5 million. Total cost of deposits was 1.41% for fourth quarter of 2025 compared to 1.51% for the third quarter of 2025. Average noninterest bearing demand deposits increased \$9.2 million during the fourth quarter of 2025 and represent 29.3% of total deposits at December 31, 2025.

There was no interest expense on borrowings during the fourth quarter of 2025 as the Federal Home Loan Bank ("FHLB") advance of \$15.0 million was paid off during the third quarter of 2025. Interest expense was \$64,000 during the third quarter of 2025. The cost of the short-term funding



was augmented by dividends from the FHLB stock, which is included in Dividends and Other Interest.

Total non-interest income increased \$74,000 during the fourth quarter of 2025 compared to the third quarter of 2025 due primarily to the increase in income from a one-way sale of deposits of \$47,000. The Bank did not have any non-reciprocal deposit balances at December 31, 2025.

Total non-interest expense decreased \$80,000, or 1.7%, during the fourth quarter of 2025 compared to the third quarter of 2025 due primarily to a decrease in compensation and employee benefits related to the incentive compensation accrual based on final year end results.

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## **About Commencement Bancorp, Inc.**

*Commencement Bancorp, Inc. is the holding company for Commencement Bank, headquartered in Tacoma, Washington. Commencement Bank was formed in 2006 to provide traditional, reliable, and sustainable banking in Pierce, King, Kitsap, and Thurston counties and the surrounding areas. Their team of experienced banking experts focuses on personal attention, flexible service, and building strong relationships with customers through state-of-the-art technology as well as traditional delivery systems. As a local bank, Commencement Bank is deeply committed to the community. For more information, please visit [www.commencementbank.com](http://www.commencementbank.com). For information related to the trading of CBWA, please visit [www.otcmarkets.com](http://www.otcmarkets.com).*

### ***For further discussion, please contact the following:***

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Forward-Looking Statement Safe Harbor: This news release contains comments or information that constitutes forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are based on current expectations that involve a number of risks and uncertainties. Forward-looking statements describe Commencement Bancorp, Inc.'s projections, estimates, plans and expectations of future results and can be identified by words such as "believe," "intend," "estimate," "likely," "anticipate," "expect," "looking forward," and other similar expressions. They are not guarantees of future performance. Actual results may differ materially from the results expressed in these forward-looking statements, which because of their forward-looking nature, are difficult to predict. Investors should not place undue reliance on any forward-looking statement, and should consider factors that might cause differences including but not limited to the degree of competition by traditional and nontraditional competitors, declines in real estate markets, an increase in unemployment or sustained high levels of unemployment; changes in interest rates; greater than expected costs to integrate acquisitions, adverse changes in local, national and international economies; changes in the Federal Reserve's actions that affect monetary and fiscal policies; changes in legislative or regulatory actions or reform, including without limitation, the Dodd-Frank Wall Street Reform and Consumer Protection Act; demand for products and services; changes to the quality of the loan portfolio and our ability to succeed in our problem-asset resolution efforts; the impact of technological advances; changes in tax laws; and other risk factors. Commencement Bancorp, Inc. undertakes no obligation to publicly update or clarify any forward-looking statement to reflect the impact of events or circumstances that may arise after the date of this release.

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION (Unaudited)**

(Dollars in thousands, except shares)

	December 31, 2025	September 30, 2025	December 31, 2024
<b>Assets</b>			
Cash on hand and in banks	\$ 8,580	\$ 11,113	\$ 10,564
Interest earning deposits	11,731	24,533	47,757
Investment securities available for sale, at fair value	82,845	84,788	90,055
Federal funds sold	13,065	8,588	5,779
FHLB, FRB and PCBB stock	1,976	1,960	1,904
Loans receivable	524,350	512,316	467,319
Allowance for credit losses on loans	(6,292)	(6,327)	(5,590)
Loans receivable, net	518,058	505,989	461,729
Premises and equipment, net	13,309	13,521	6,332
Accrued interest receivable	2,308	2,079	1,778
Intangible assets	1,214	1,214	1,214
Other assets	30,166	22,518	22,580
Total Assets	<u>\$ 683,252</u>	<u>\$ 676,303</u>	<u>\$ 649,692</u>
<b>Liabilities and Shareholders' Equity</b>			
Non-interest bearing deposits	\$ 179,046	\$ 169,736	\$ 166,313
Interest bearing deposits	362,234	367,469	341,618
Certificates of deposit	69,037	68,789	83,981
Total Deposits	610,317	605,994	591,912
Borrowings	-	-	-
Accrued interest payable	492	433	499
Other liabilities	12,239	12,179	5,859
Total Liabilities	623,048	618,606	598,270
<b>Shareholders' Equity</b>			
Common stock, \$1 par value, 50,000,000 shares authorized	3,727	3,723	3,814
Additional paid in capital	41,153	40,986	41,906
Retained Earnings	24,173	22,126	17,465
Accumulated other comprehensive loss, net	(8,849)	(9,138)	(11,763)
Total Shareholders' Equity	60,204	57,697	51,422
Total Liabilities and Shareholders' Equity	<u>\$ 683,252</u>	<u>\$ 676,303</u>	<u>\$ 649,692</u>
<b>Shares Outstanding</b>	<b>3,726,859</b>	<b>3,723,190</b>	<b>3,814,068</b>



**CONDENSED CONSOLIDATED STATEMENTS OF INCOME (Unaudited)**

(Dollars in thousands)

	Quarter Ended			Year Ended	
	December 31, 2025	September 30, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Interest Income</b>					
Interest and fees on loans	\$ 7,937	\$ 7,998	\$ 6,966	\$ 30,172	\$ 26,514
Interest on investment securities	589	681	591	2,603	2,368
Interest on interest earning deposits and federal funds sold	591	536	456	1,822	811
Dividends and other interest	33	37	27	127	122
Total interest income	9,150	9,252	8,040	34,724	29,815
<b>Interest Expense</b>	0			0	
Deposits	2,261	2,364	2,438	9,016	10,185
Borrowings	-	64	-	178	134
Total interest expense	2,261	2,428	2,438	9,194	10,319
<b>Net Interest Income</b>	6,889	6,824	5,602	25,530	19,496
Provision for credit losses	249	261	(3)	944	(442)
<b>Net interest income after provision for credit losses</b>	6,640	6,563	5,605	24,586	19,938
<b>Non-Interest Income</b>				-	
Service charges and other fees	66	69	67	255	262
Interest rate swap fees	-	-	-	188	43
Loss on sale of investment securities, net	-	-	(944)	-	(944)
Other income	470	393	373	1,512	1,252
Total non-interest income	536	462	(504)	1,955	613
<b>Non-Interest Expense</b>				-	
Compensation and employee benefits	2,873	3,067	2,756	11,813	10,781
Occupancy and equipment	445	453	411	1,765	1,477
Data Processing	167	137	160	581	438
Marketing	110	83	120	362	475
Professional Services	502	496	533	1,870	1,851
Other expense	537	478	416	1,805	1,899
Total non-interest expense	4,634	4,714	4,396	18,196	16,921
Income before income taxes	2,542	2,311	705	8,345	3,630
Income tax expense	495	461	167	1,637	618
<b>Net Income</b>	<b>\$ 2,047</b>	<b>\$ 1,850</b>	<b>\$ 538</b>	<b>\$ 6,708</b>	<b>\$ 3,012</b>

**SELECT QUARTERLY FINANCIAL STATISTICS (Unaudited)**  
(Dollars in thousands, except per share amounts)

	As of or for the Quarter Ended					As of or for the Year Ended	
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
<b>Select Balance Sheet:</b>							
Total assets	683,252	676,303	681,657	643,975	649,692		
Loans receivable, net	518,058	505,989	505,796	468,309	461,729		
Total deposits	610,317	605,994	599,892	579,367	591,912		
Non-interest demand deposits	179,046	169,736	163,059	168,389	166,313		
Shareholders' equity	60,204	57,697	54,473	53,532	51,422		
<b>Earnings</b>							
Earnings per share	\$0.55	\$0.49	\$0.40	\$0.34	\$0.14	\$1.78	\$0.78
Net income	2,047	1,850	1,496	1,315	538	6,708	3,012
Net interest income	6,889	6,824	6,082	5,735	5,602	25,530	19,496
<b>Financial Ratios</b>							
Return on average assets <sup>(1)</sup>	1.15%	1.06%	0.91%	0.84%	0.33%	1.00%	0.50%
Return on average equity <sup>(1)</sup>	13.69%	13.10%	11.14%	10.17%	4.11%	12.10%	6.21%
Efficiency ratio	62.41%	64.70%	67.04%	71.70%	86.23%	66.20%	84.15%
Non-interest expense to average assets <sup>(1)</sup>	2.60%	2.69%	2.73%	2.80%	2.73%	2.70%	2.79%
Yield on total interest earning assets <sup>(1)</sup>	5.54%	5.71%	5.57%	5.45%	5.37%	5.57%	5.27%
Cost of total deposits <sup>(1)</sup>	1.41%	1.51%	1.53%	1.53%	1.67%	1.49%	1.85%
Net interest margin <sup>(1)</sup>	4.17%	4.21%	4.02%	3.96%	3.74%	4.10%	3.44%
<b>Financial Measures</b>							
Tangible book value per share	\$15.83	\$15.17	\$14.21	\$13.83	\$13.16		
Tangible equity to tangible assets	8.6%	8.4%	7.8%	8.1%	7.7%		
Loan to deposits	85.9%	84.5%	85.3%	81.8%	79.0%		
<b>Credit Quality Ratios</b>							
Allowance for credit losses							
on loans to loans receivable	1.20%	1.24%	1.20%	1.21%	1.20%		
Nonperforming assets to total assets	0.19%	0.00%	0.00%	0.00%	0.00%		

<sup>(1)</sup> Quarterly amounts are annualized.

Significant strategic measures were taken during the fourth quarter of 2024 to improve future profitability and risk profile of the Bank, including an investment securities loss trade, an interest rate swap, and a BOLI restructure. The after-tax net income impact of these measures was a loss of \$849,000 during the fourth quarter of 2024. The adjusted financial metrics, excluding these strategic measures were as follows:

**2024 STRATEGIC MEASURES IMPACT (Unaudited)**

Financial Ratios	Adjusted Quarter Ended	Adjusted Year Ended
	December 31, 2024	December 31, 2024
Return on average assets <sup>(1)</sup>	0.61%	0.64%
Return on average equity <sup>(1)</sup>	7.51%	7.96%
Efficiency ratio	72.76%	80.37%
Earnings per share	\$0.32	\$1.00
Tangible book value per share	\$13.19	\$13.19

<sup>(1)</sup> Quarterly amounts are annualized

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