



CW Bancorp
Disclosure Statement
Rule 15c2-11(5) and Rule 144(c)(2)
Under the Securities Exchange Act of 1934

1. The exact name of the issuer and its predecessor (if any):

CW Bancorp
CommerceWest Bank

2. The address of the issuer's principal executive offices:

2445 McCabe Way, Suite 300
Irvine, CA 92614
Telephone: 866-521-CWBK
Website: www.cwbk.com

3. The state of incorporation:

California

4. The exact title and class of securities:

Common stock (CWBK)

5. The par or state value of the securities:

No par value.

6. The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year:

3,000,598 shares of outstanding common stock as of September 30, 2024.

7. The name and address of the firm that facilitates stock purchases and sales:

Michael Natzic
Hilltop Securities Inc.
42605 Moonridge Rd.
Big Bear Lake, CA 92315

Telephone: 909-584-4500
Email: michael.natzic@HilltopSecurities.com
Website: www.HilltopSecurities.com

Jeffrey T. McMurray
Janney Montgomery Scott LLC
1717 Arch Street
Philadelphia, PA 19103

Telephone: 800-526-6397
Email: jmcmurray@janney.com
Website: www.janney.com

Joey Warmenhoven
JWTT Inc.
1231 NW Hoyt St., Suite 206
Portland, OR 97209

Telephone: 971-323-0698
Email: joey@jwttinc.com
Website: www.jwttinc.com

8. The name and address of the stock transfer agent:

Computershare
350 Indiana St., Suite 800
Golden, CO 80401

Telephone: 800-962-4284
Email: syed.hussaini@computershare.com
Website: www.computershare.com

9. The nature of the issuer's business:

The issuer is a one-bank holding company for CommerceWest Bank, a California chartered commercial bank that was organized in 2000 and is based in Irvine, California.

10. The nature of the products or services offered:

CommerceWest Bank is a full service commercial bank that offers a wide range of loan products, depository products and treasury management services.

11. The nature and extent of the issuer's facilities:

Both the issuer and the Bank operate from a facility in Irvine, California.

12. The name of the Chief Executive Officer and members of the Board of Directors:

Mr. Ivo A. Tjan, Chairman & Chief Executive Officer
Mr. Christopher J. Deering, Director
Mr. David L. Gaba, Director
Mr. Gregory R. Games, Director
Ms. Linda Iannone, Director
Ms. Rosanne Luth, Director
Mr. Kenneth A. Shelton, Director

13. The issuer's most recent balance sheet and profit and loss and retained earnings statements:

See financial statements as of September 30, 2024 at the end of this document.

14. Similar financial information for the preceding fiscal year:

The financial statements that are referenced in Item 13 also contain comparative information for the years ended December 31, 2023 and 2022.

15. Whether the broker or dealer of any associated person is affiliated, directly or indirectly with the issuer:

N/A

16. Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so the name of such broker dealer:

N/A

17. Whether the quotation is being submitted or published directly or indirectly on behalf of the issuer, or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares of any equity security of the issuer, and, if so, the name of such a person, and the basis for any exemption under the federal securities laws for any sales of such securities on the behalf of such a person:

N/A

CW Bancorp and Subsidiary

Consolidated Statements of Financial Condition

as of September 30, 2024, December 31, 2023 and 2022

Consolidated Statements of Income

for the Quarters and Nine Months ended September 30, 2024 and 2023

for the Years ended December 31, 2023 and 2022

Consolidated Statement of Changes In Stockholders' Equity

for the Nine Months ended September 30, 2024

for the Years ended December 31, 2023 and 2022



Bank on The Difference™

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

CW BANCORP AND SUBSIDIARY ASSETS	September 30, 2024 <u>(unaudited)</u>	December 31, <u>2023</u> <u>2022</u> <u>(audited)</u>	
Cash and Due from Banks	\$ 236,666,000	\$ 385,967,000	\$ 287,188,000
Interest-Bearing Deposits in Other Banks	752,000	752,000	150,500,000
TOTAL CASH AND CASH EQUIVALENTS	<u>237,418,000</u>	<u>386,719,000</u>	<u>437,688,000</u>
Time Deposits in Other Banks	495,000	745,000	745,000
Securities Available for Sale	126,950,000	110,809,000	124,608,000
Securities Held to Maturity (net of allowance for credit losses)	30,509,000	50,610,000	51,613,000
Loans:			
Real Estate	571,113,000	570,935,000	629,524,000
Commercial	113,575,000	85,834,000	108,627,000
Consumer	59,275,000	59,072,000	48,000,000
TOTAL LOANS	<u>743,963,000</u>	<u>715,841,000</u>	<u>786,151,000</u>
Premium on Loans Purchased	5,656,000	6,116,000	6,496,000
Net Deferred Loan (Fees) Costs	2,384,000	2,487,000	1,736,000
Allowance for Credit Losses	(11,494,000)	(11,533,000)	(10,892,000)
NET LOANS	<u>740,509,000</u>	<u>712,911,000</u>	<u>783,491,000</u>
Premises and Equipment	906,000	1,038,000	1,076,000
Restricted Stock, at Cost	6,840,000	6,840,000	6,244,000
Bank Owned Life Insurance ("BOLI")	8,675,000	8,502,000	8,288,000
Deferred Income Taxes	8,393,000	9,838,000	9,679,000
Goodwill	3,061,000	3,061,000	3,061,000
Right of Use ("ROU") Asset	2,895,000	3,368,000	3,977,000
Accrued Interest and Other Assets	8,567,000	7,328,000	7,376,000
TOTAL ASSETS	<u>\$ 1,175,218,000</u>	<u>\$ 1,301,769,000</u>	<u>\$ 1,437,846,000</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-Bearing Demand	\$ 578,535,000	\$ 548,149,000	\$ 584,722,000
Money Market	161,789,000	88,643,000	159,199,000
Savings and NOW	173,702,000	419,797,000	485,394,000
Time	112,857,000	101,900,000	74,755,000
TOTAL DEPOSITS	<u>1,026,883,000</u>	<u>1,158,489,000</u>	<u>1,304,070,000</u>
Subordinated Debenture	50,000,000	50,000,000	50,000,000
Operating Lease Liability	3,214,000	3,721,000	4,356,000
Other Liabilities	10,144,000	10,698,000	9,800,000
TOTAL LIABILITIES	<u>1,090,241,000</u>	<u>1,222,908,000</u>	<u>1,368,226,000</u>
Commitments and Contingencies			
Stockholders' Equity:			
Preferred Stock - 100,000,000 Shares Authorized, No Par Value; No Shares Issued and Outstanding	-	-	-
Common Stock - 100,000,000 Shares Authorized, No Par Value; Issued and Outstanding 3,000,598 at September 30, 2024, 3,096,360 at December 31, 2023 and 3,314,358 at December 31, 2022	12,167,000	12,939,000	13,986,000
Additional Paid-in Capital	2,282,000	2,117,000	2,305,000
Retained Earnings	77,828,000	72,921,000	65,128,000
Accumulated Other Comprehensive (Loss) Income, Net of Taxes of (\$3,054,000) on September 30, 2024, (\$3,815,000) on December 31, 2023 and (\$4,937,000) on December 31, 2022	(7,300,000)	(9,116,000)	(11,799,000)
TOTAL STOCKHOLDERS' EQUITY	<u>84,977,000</u>	<u>78,861,000</u>	<u>69,620,000</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 1,175,218,000</u>	<u>\$ 1,301,769,000</u>	<u>\$ 1,437,846,000</u>

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	Three Months Ended		Nine Months Ended September 30,	
	September 30, 2024	September 30, 2023	2024	2023
INTEREST INCOME				
Interest and Fees on Loans	\$ 10,044,000	\$ 9,988,000	\$ 29,834,000	\$ 29,871,000
Interest on Taxable Investment Securities	970,000	790,000	2,811,000	2,398,000
Interest on Tax-Exempt Investment Securities	223,000	226,000	674,000	802,000
Other Interest Income	2,619,000	2,700,000	6,122,000	6,150,000
TOTAL INTEREST INCOME	13,856,000	13,704,000	39,441,000	39,221,000
INTEREST EXPENSE				
Interest on Deposits	3,372,000	2,575,000	9,121,000	6,886,000
Interest on Subordinated Debenture	469,000	469,000	1,406,000	1,406,000
Interest on Borrowings	-	-	-	9,000
TOTAL INTEREST EXPENSE	3,841,000	3,044,000	10,527,000	8,301,000
NET INTEREST INCOME	10,015,000	10,660,000	28,914,000	30,920,000
Provision for Credit Losses	-	(1,500,000)	-	(1,326,000)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	10,015,000	12,160,000	28,914,000	32,246,000
NONINTEREST INCOME				
Service Charges and Fees on Deposits	1,402,000	1,482,000	3,234,000	3,891,000
Earnings on BOLI	59,000	54,000	173,000	158,000
Servicing Fees	88,000	104,000	265,000	337,000
Other	178,000	278,000	482,000	612,000
Net Loss on Sale of AFS Securities	-	-	-	(166,000)
	1,727,000	1,918,000	4,154,000	4,832,000
NONINTEREST EXPENSE				
Salaries and Employee Benefits	2,716,000	2,558,000	7,974,000	7,780,000
Furniture and Equipment Expense	114,000	165,000	332,000	383,000
Occupancy Expense of Premises	229,000	214,000	671,000	633,000
Data Processing	612,000	450,000	1,612,000	1,305,000
Professional and Legal	267,000	435,000	775,000	813,000
Marketing	80,000	90,000	254,000	251,000
FDIC Insurance	205,000	137,000	557,000	380,000
Other Client Expense	2,105,000	1,700,000	5,415,000	3,506,000
Other	1,016,000	1,063,000	2,592,000	2,669,000
	7,344,000	6,812,000	20,182,000	17,720,000
INCOME BEFORE INCOME TAXES	4,398,000	7,266,000	12,886,000	19,358,000
Income Tax Expense	1,267,000	2,032,000	3,678,000	5,292,000
NET INCOME	\$ 3,131,000	\$ 5,234,000	\$ 9,208,000	\$ 14,066,000
Basic Earnings Per Common Share	\$ 1.04	\$ 1.63	\$ 3.03	\$ 4.32
Diluted Earnings Per Common Share	\$ 1.03	\$ 1.61	\$ 2.99	\$ 4.26

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,	
	2023	2022
	(audited)	
INTEREST INCOME		
Interest and Fees on Loans	\$ 40,017,000	\$ 34,566,000
Interest on Taxable Investment Securities	3,283,000	2,854,000
Interest on Tax-Exempt Investment Securities	1,026,000	1,489,000
Other Interest Income	7,859,000	2,411,000
TOTAL INTEREST INCOME	52,185,000	41,320,000
INTEREST EXPENSE		
Interest on Deposits	9,584,000	2,114,000
Interest on Subordinated Debenture	1,875,000	1,875,000
Interest on Borrowings	9,000	8,000
TOTAL INTEREST EXPENSE	11,468,000	3,997,000
NET INTEREST INCOME	40,717,000	37,323,000
Provision for Loan Losses	(1,326,000)	1,200,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	42,043,000	36,123,000
NONINTEREST INCOME		
Service Charges and Fees on Deposits	5,088,000	4,475,000
Earnings on BOLI	214,000	201,000
Gain on Sale of Loans	(166,000)	-
Servicing Fees	481,000	634,000
Other	764,000	752,000
	6,381,000	6,062,000
NONINTEREST EXPENSE		
Salaries and Employee Benefits	10,465,000	9,889,000
Furniture and Equipment Expense	498,000	450,000
Occupancy Expense of Premises	854,000	829,000
Data Processing	1,748,000	1,665,000
Professional and Legal	1,015,000	817,000
Marketing	337,000	426,000
FDIC Insurance	643,000	238,000
Other Client Expense	4,950,000	851,000
Other	3,577,000	2,918,000
	24,087,000	18,083,000
INCOME BEFORE INCOME TAXES	24,337,000	24,102,000
Income Tax Expense	6,726,000	6,741,000
NET INCOME	\$ 17,611,000	\$ 17,361,000
Basic Earnings Per Common Share	\$ 5.46	\$ 5.14
Diluted Earnings Per Common Share	\$ 5.39	\$ 5.00

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Total
	Number of Shares	Amount				
Balance at December 31, 2021 (audited)	3,437,891	\$ 14,693,000	\$ 2,288,000	\$ 54,377,000	\$ 2,177,000	\$ 73,535,000
Net Income				17,361,000		17,361,000
Stock-Based Compensation			121,000			121,000
Stock Repurchase	(151,763)	(1,326,000)		(3,658,000)		(4,984,000)
Stock Options Exercised	28,230	619,000	(104,000)			515,000
Dividends on Common Stock				(2,952,000)		(2,952,000)
Other Comprehensive Income					(13,976,000)	(13,976,000)
Balance at December 31, 2022 (audited)	3,314,358	\$ 13,986,000	\$ 2,305,000	\$ 65,128,000	\$ (11,799,000)	\$ 69,620,000
Cumulative effect of change in accounting principle				(587,000)		(587,000)
Balance at January 1, 2023 (as adjusted for change in accounting principle)	3,314,358	13,986,000	2,305,000	64,541,000	(11,799,000)	69,033,000
Net Income				17,611,000		17,611,000
Stock-Based Compensation			225,000			225,000
Stock Repurchase	(293,898)	(2,601,000)		(6,286,000)		(8,887,000)
Stock Options Exercised	75,900	1,554,000	(413,000)			1,141,000
Dividends on Common Stock				(2,945,000)		(2,945,000)
Other Comprehensive Income					2,683,000	2,683,000
Balance at December 31, 2023 (audited)	3,096,360	\$ 12,939,000	\$ 2,117,000	\$ 72,921,000	\$ (9,116,000)	\$ 78,861,000
Net Income				9,208,000		9,208,000
Stock-Based Compensation			205,000			205,000
Stock Repurchase	(104,330)	(947,000)		(2,205,000)		(3,152,000)
Stock Options Exercised	8,568	175,000	(40,000)			135,000
Dividends on Common Stock				(2,096,000)		(2,096,000)
Other Comprehensive Income					1,816,000	1,816,000
Balance at September 30, 2024 (unaudited)	<u>3,000,598</u>	<u>\$ 12,167,000</u>	<u>\$ 2,282,000</u>	<u>\$ 77,828,000</u>	<u>\$ (7,300,000)</u>	<u>\$ 84,977,000</u>