



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:**
3,177,402 shares of outstanding common stock as of September 30, 2023.
7. **The name and address of the firm that facilitates stock purchases and sales:**

Michael Natzic	Telephone:	909-584-4500
Hilltop Securities Inc.	Email:	michael.natzic@HilltopSecurities.com
42605 Moonridge Rd.	Website:	www.HilltopSecurities.com
Big Bear Lake, CA 92315		

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 M. 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, 2023 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, 2022 and 2021.

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, 2023, December 31, 2022 and 2021

Consolidated Statements of Income

for the Quarters and Nine Months ended September 30, 2023 and 2022

for the Years ended December 31, 2022 and 2021

Consolidated Statement of Changes In Stockholders' Equity

For the Nine Months ended September 30, 2023

for the Years ended December 31, 2022 and 2021



Bank on The Difference™

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

CW BANCORP AND SUBSIDIARY ASSETS	September 30, 2023 (unaudited)	December 31, 2022 2021 (audited)	
Cash and Due from Banks	\$ 150,200,000	\$ 287,188,000	\$ 251,828,000
Interest-Bearing Deposits in Other Banks	753,000	150,500,000	145,049,000
TOTAL CASH AND CASH EQUIVALENTS	150,953,000	437,688,000	396,877,000
Time Deposits in Other Banks	745,000	745,000	1,244,000
Securities Available for Sale	100,171,000	124,608,000	150,470,000
Securities Held to Maturity (net of allowance for credit losses)	50,646,000	51,613,000	27,688,000
Loans:			
Real Estate	582,541,000	629,524,000	551,460,000
Commercial	85,840,000	108,627,000	162,411,000
Consumer	57,049,000	48,000,000	48,143,000
TOTAL LOANS	725,430,000	786,151,000	762,014,000
Premium on Loans Purchased	6,218,000	6,496,000	5,353,000
Net Deferred Loan (Fees) Costs	2,368,000	1,736,000	83,000
Allowance for Loan Losses	(11,530,000)	(10,892,000)	(9,710,000)
NET LOANS	722,486,000	783,491,000	757,740,000
Premises and Equipment	1,070,000	1,076,000	1,318,000
Restricted Stock, at Cost	6,840,000	6,244,000	3,917,000
Bank Owned Life Insurance ("BOLI")	8,446,000	8,288,000	8,087,000
Deferred Income Taxes	5,597,000	9,679,000	3,291,000
Goodwill	3,061,000	3,061,000	3,061,000
Right of Use ("ROU") Asset	3,522,000	3,977,000	4,565,000
Accrued Interest and Other Assets	7,754,000	7,376,000	7,667,000
TOTAL ASSETS	\$ 1,061,291,000	\$ 1,437,846,000	\$ 1,365,925,000
LIABILITIES AND STOCKHOLDERS' EQUITY			
Deposits:			
Noninterest-Bearing Demand	\$ 548,107,000	\$ 584,722,000	\$ 699,968,000
Money Market	134,691,000	159,199,000	307,440,000
Savings and NOW	141,923,000	485,394,000	139,447,000
Time	99,888,000	74,755,000	82,195,000
TOTAL DEPOSITS	924,609,000	1,304,070,000	1,229,050,000
Subordinated Debenture	50,000,000	50,000,000	50,000,000
Operating Lease Liability	3,884,000	4,356,000	4,791,000
Other Liabilities	9,739,000	9,800,000	8,549,000
TOTAL LIABILITIES	988,232,000	1,368,226,000	1,292,390,000
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 3,177,402 at September 30, 2023 and 3,314,358 at December 31, 2022 and 3,437,891 at December 31, 2021	13,657,000	13,986,000	14,693,000
Additional Paid-in Capital	2,059,000	2,305,000	2,288,000
Retained Earnings	71,664,000	65,128,000	54,377,000
Accumulated Other Comprehensive (Loss) Income, Net of Taxes of (\$5,993,000) on September 30, 2023, (\$4,937,000) on December 31, 2022 and \$911,000 on December 31, 2021	(14,321,000)	(11,799,000)	2,177,000
TOTAL STOCKHOLDERS' EQUITY	73,059,000	69,620,000	73,535,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 1,061,291,000	\$ 1,437,846,000	\$ 1,365,925,000

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended September 30,</u>	
	<u>September 30, 2023</u>	<u>September 30, 2022</u>	<u>2023</u>	<u>2022</u>
INTEREST INCOME				
Interest and Fees on Loans	\$ 9,988,000	\$ 8,897,000	\$ 29,871,000	\$ 25,023,000
Interest on Taxable Investment Securities	790,000	713,000	2,398,000	2,047,000
Interest on Tax-Exempt Investment Securities	226,000	370,000	802,000	1,123,000
Other Interest Income	2,700,000	681,000	6,150,000	1,359,000
TOTAL INTEREST INCOME	<u>13,704,000</u>	<u>10,661,000</u>	<u>39,221,000</u>	<u>29,552,000</u>
INTEREST EXPENSE				
Interest on Deposits	2,575,000	383,000	6,886,000	708,000
Interest on Subordinated Debenture	469,000	469,000	1,406,000	1,406,000
Interest on Borrowings	-	4,000	9,000	6,000
TOTAL INTEREST EXPENSE	<u>3,044,000</u>	<u>856,000</u>	<u>8,301,000</u>	<u>2,120,000</u>
NET INTEREST INCOME	<u>10,660,000</u>	<u>9,805,000</u>	<u>30,920,000</u>	<u>27,432,000</u>
Provision for Credit Losses	(1,500,000)	300,000	(1,326,000)	800,000
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	<u>12,160,000</u>	<u>9,505,000</u>	<u>32,246,000</u>	<u>26,632,000</u>
NONINTEREST INCOME				
Service Charges and Fees on Deposits	1,482,000	1,197,000	3,891,000	3,338,000
Earnings on BOLI	54,000	50,000	158,000	150,000
Servicing Fees	104,000	126,000	337,000	433,000
Other	278,000	192,000	612,000	552,000
Net Loss on Sale of AFS Securities	-	-	(166,000)	-
	<u>1,918,000</u>	<u>1,565,000</u>	<u>4,832,000</u>	<u>4,473,000</u>
NONINTEREST EXPENSE				
Salaries and Employee Benefits	2,558,000	2,517,000	7,780,000	7,336,000
Furniture and Equipment Expense	165,000	102,000	383,000	343,000
Occupancy Expense of Premises	214,000	206,000	633,000	621,000
Data Processing	450,000	413,000	1,305,000	1,191,000
Professional and Legal	435,000	222,000	813,000	608,000
Marketing	90,000	115,000	251,000	353,000
FDIC Insurance	137,000	74,000	380,000	163,000
Other	2,763,000	1,010,000	6,175,000	2,634,000
	<u>6,812,000</u>	<u>4,659,000</u>	<u>17,720,000</u>	<u>13,249,000</u>
INCOME BEFORE INCOME TAXES	<u>7,266,000</u>	<u>6,411,000</u>	<u>19,358,000</u>	<u>17,856,000</u>
Income Tax Expense	2,032,000	1,816,000	5,292,000	5,017,000
NET INCOME	<u>\$ 5,234,000</u>	<u>\$ 4,595,000</u>	<u>\$ 14,066,000</u>	<u>\$ 12,839,000</u>
Basic Earnings Per Common Share	\$ 1.63	\$ 1.37	\$ 4.32	\$ 3.78
Diluted Earnings Per Common Share	\$ 1.61	\$ 1.33	\$ 4.26	\$ 3.68

CW BANCORP AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,	
	2022	2021
	(audited)	
INTEREST INCOME		
Interest and Fees on Loans	\$ 34,566,000	\$ 26,496,000
Interest on Taxable Investment Securities	2,854,000	1,339,000
Interest on Tax-Exempt Investment Securities	1,489,000	1,151,000
Other Interest Income	2,411,000	1,223,000
TOTAL INTEREST INCOME	41,320,000	30,209,000
INTEREST EXPENSE		
Interest on Deposits	2,114,000	993,000
Interest on Subordinated Debenture	1,875,000	1,031,000
Interest on Borrowings	8,000	-
TOTAL INTEREST EXPENSE	3,997,000	2,024,000
NET INTEREST INCOME	37,323,000	28,185,000
Provision for Loan Losses	1,200,000	525,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	36,123,000	27,660,000
NONINTEREST INCOME		
Service Charges and Fees on Deposits	4,475,000	4,447,000
Earnings on BOLI	201,000	198,000
Gain on Sale of Loans	-	(4,000)
Servicing Fees	634,000	912,000
Other	752,000	602,000
	6,062,000	6,155,000
NONINTEREST EXPENSE		
Salaries and Employee Benefits	9,889,000	7,949,000
Furniture and Equipment Expense	450,000	467,000
Occupancy Expense of Premises	829,000	786,000
Data Processing	1,665,000	1,319,000
Professional and Legal	817,000	752,000
Marketing	426,000	293,000
FDIC Insurance	238,000	605,000
Other	3,769,000	3,049,000
	18,083,000	15,220,000
INCOME BEFORE INCOME TAXES	24,102,000	18,595,000
Income Tax Expense	6,741,000	4,416,000
NET INCOME	\$ 17,361,000	\$ 14,179,000
Basic Earnings Per Common Share	\$ 5.14	\$ 4.04
Diluted Earnings Per Common Share	\$ 5.00	\$ 3.95

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, 2020 (audited)	3,531,996	\$ 13,905,000	\$ 3,069,000	\$ 49,830,000	\$ 3,404,000	\$ 70,208,000
Net Income				14,179,000		14,179,000
Stock-Based Compensation			90,000			90,000
Stock Repurchase	(318,993)	(2,712,000)		(6,795,000)		(9,507,000)
Stock Options Exercised	224,888	3,500,000	(871,000)			2,629,000
Dividends on Common Stock				(2,837,000)		(2,837,000)
Other Comprehensive Income					(1,227,000)	(1,227,000)
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 principles				(587,000)		(587,000)
Net Income				14,066,000		14,066,000
Stock-Based Compensation			168,000			168,000
Stock Repurchase	(212,856)	(1,884,000)		(4,700,000)		(6,584,000)
Stock Options Exercised	75,900	1,555,000	(414,000)			1,141,000
Dividends on Common Stock				(2,243,000)		(2,243,000)
Other Comprehensive Income					(2,522,000)	(2,522,000)
Balance at September 30, 2023 (unaudited)	<u>3,177,402</u>	<u>\$ 13,657,000</u>	<u>\$ 2,059,000</u>	<u>\$ 71,664,000</u>	<u>\$(14,321,000)</u>	<u>\$ 73,059,000</u>