



FOR IMMEDIATE RELEASE

July 8, 2016

Commencement Bank and Thurston First Bank Announce Strategic Merger

Tacoma and Olympia, Washington – Commencement Bank (OTCQX “CBWA”) and Thurston First Bank are pleased to jointly announce a strategic merger of their banking organizations pursuant to a merger-of-equals. Upon completion of the transaction, both banks will continue to operate under their respective names, but the two banks will consolidate regulatory charters with Thurston First Bank merging into Commencement Bank.

The transaction has been approved by the boards of directors of both banks and is subject to regulatory approval and approval by the shareholders of both banks. The merger is likely to be completed in the fourth quarter of 2016. Based on financials as of March 31, 2016, the combined company will have approximately \$308 million in assets, \$228 million in loans, \$265 million in deposits, and a strong capital position with over \$35 million in common equity.

Under the terms of the definitive agreement, shareholders of Thurston First will receive 0.9024 shares of CBWA common stock in exchange for each share of Thurston First common stock. Fractional shares will be exchanged for cash based on the book value of CBWA stock as of the month end preceding the closing date. As a result of the transaction, Commencement’s shareholders are expected to own approximately 65% of the combined company and Thurston First’s shareholders are expected to own approximately 35%. Excluding one-time merger-related expenses, this transaction is expected to be immediately accretive to the earnings per share of the combined bank.

H.R. (“Hal”) Russell will remain President and CEO of Commencement Bank, and Jim Haley will join the combined company’s executive team and continue as President and CEO of Thurston First Bank. Four members of the Thurston First board of directors will join the board of CBWA, and most members of the Thurston First board of directors will become a part of an Advisory Board to the combined company.

According to Mr. Russell, “Both Commencement and Thurston First are young, healthy, and growing banks. Joining forces makes tremendous strategic and financial sense, especially considering our shared values and similar cultures. Both banks are led by seasoned bankers committed to local decision-making with a vision for helping accelerate growth in our respective communities. This partnership creates opportunities for earnings growth which should produce greater shareholder value than either bank could achieve on a stand-alone basis.”

Mr. Haley added, “We are enthusiastic about this partnership because of its ability to enhance our commitment to our local community in the coming years. As a larger and stronger financial institution with a significantly higher legal lending limit, we will be better able to compete in today’s challenging environment and serve our customers. The City of Olympia and Thurston County are on the cusp of tremendous growth, and we will now be better positioned to play a significant role by helping businesses and residents meet their financial needs.”

Commencement was advised in the transaction by Performance Trust Capital Partners, LLC as financial advisor and Keller Rohrback, LLP as legal counsel. Thurston First Bank was advised by D.A. Davidson & Co. as financial advisor and Stinson Leonard Street LLP as legal counsel.

About Commencement Bank

Commencement Bank, headquartered in Tacoma, Washington, was formed in 2006 to provide traditional, reliable, and sustainable banking in Pierce County, South King County and the surrounding areas. The 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. For information related to the trading of CBWA, please visit www.otcmarkets.com.

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Hal Russell

President & CEO

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About Thurston First Bank

Thurston First Bank, headquartered in Olympia, Washington, was founded in 2004 and designed to provide businesses and professionals with knowledge and resources of innovative banking solutions that did not previously exist in Thurston County. It has earned an excellent reputation for integrity, personalized service, technology-based solutions, and a highly valued base of exceptional clients and partners. As a local bank, it is committed to promoting social and cultural growth by reinvesting in the community. To learn more about Thurston First Bank, please visit www.thurstonfirstbank.com.

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President & CEO

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Additional Information About the Merger

In connection with the proposed merger, the banks will prepare a joint proxy statement for the special meetings of shareholders. It is anticipated that the proxy statement and other relevant materials (as they become available) will be mailed to shareholders in the third quarter of 2016. Before voting on the merger, shareholders are urged to read the proxy statement and the other relevant materials as they become available.

Certain statements in this news release contain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, such as statements relating to

future plans and expectations, and are thus prospective. Such forward-looking statements are subject to risks, uncertainties, and other factors, such as the businesses of CBWA and Thurston First Bank may not be integrated successfully or such integration may take longer to accomplish than expected, the expected cost savings and any revenue synergies from the merger may not be fully realized within the expected timeframes, disruption from the merger may make it more difficult to maintain relationships with customers, associates, or suppliers, the required governmental approvals of the merger may not be obtained on the proposed terms and schedule, or CBWA shareholders or Thurston First shareholders may not approve the merger, any of which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. Although we believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove to be inaccurate. Therefore, we can give no assurance that the results contemplated in the forward-looking statements will be realized. The inclusion of this forward-looking information should not be construed as a representation by the banks or any person that the future events, plans, or expectations contemplated by the banks will be achieved. All subsequent written and oral forward-looking statements concerning the banks or any person acting on their behalf is expressly qualified in its entirety by the cautionary statements above. None of CBWA or Thurston First Bank undertake any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, to reflect circumstances or events that occur after the date the forward-looking statements are made.