

PRESIDENT'S MESSAGE:

It is with deep gratitude that I welcome our shareholders, guests, staff, and Directors.

The success of First Commerce Bank has its' genesis in all of you that are here as well as those who are not present – your commitment every day to ensure a financial institution that is not just financially successful, but commits each of us to the highest level of service with honesty and integrity.

Let me take a few moments and share with you a few financial facts regarding the financial success of FCB and NSB before and after our marriage.

On September 30, 2010, Northern State Bank had \$66.1 million in total assets. This increased to \$77.6 million on December 31, 2010 following the change in control closing on December 14, 2010, to \$154.6 million on December 31, 2011, and \$171.6 million on March 31, 2012. From December 31, 2010 to December 31, 2011, the increase was 98.9% and the 1st quarter increase was 11.0% over previous quarter.

Total loans at Northern State Bank were \$50.4 million on September 30, 2010 and increased to \$55.6 million December 31, 2010 following the closing on December 14, 2010. Loans then increased to \$114.3 million on December 31, 2011 or 105.6% and to \$134.8 million on March 31, 2012 or 18% over previous quarter.

Total deposits at Northern State Bank were \$61.1 million on September 30, 2010 and decreased to \$55.7 million on December 31, 2010 following the closing on December 14, 2010. Total deposits increased to \$131.4 million on December 31, 2011 or 135.7% and to \$142.9 million on March 31, 2012 or 8.77% over the previous quarter.

Total capital increased from \$5.8 million at Northern State Bank on September 30, 2010 to \$21.6 million on December 31, 2010. On March 31, 2012 total capital was \$26.7 million following \$2.6 million being paid back to the U.S. Treasury (TARP). This represents a net 460% increase since September 30, 2010.

When First Commerce Bank was in formation, our consultant, FinPro, projected accumulated losses over 3 years at \$2.7MM. FCB lost \$58 thousand at year-end 2011 and recorded a profit of \$260 thousand at the end of the first quarter on March 31, 2012 of \$260 thousand. We have budgeted net income for 2012 to be just shy of \$1.0 million with assets of \$208 million.

First Commerce Bank is truly a success story

1. FCB is profitable in a much shorter time frame than originally anticipated.
2. FCB not only raised \$18.3 million in 2010 to close with NSB, but subsequently had a very successful secondary offering that closed in January, 2012 and raised \$7.2 million.
3. FCB has paid back the US Treasury (TARP), in-full, the \$2.658 million in preferred capital received by NSB in 2009.

4. FCB has achieved remarkable financial success as to total assets, total loans, total deposits, earnings and capital.

The future is ours. What does it bring?

Currently, we have identified branch locations in both Freehold and Teaneck. Application for the Freehold Office should be made in the 2nd quarter with opening during the 4th quarter, 2012. The application for the Teaneck Office should be made in the 3rd quarter with opening during the 1st quarter, 2013. Your bank is being offered a number of branch location opportunities. We are also negotiating the purchase of our Closter Office which will enhance the profitability of the bank and then we will seek to do the same in Lakewood.

We are currently processing the necessary forms with the SBA to have an active SBA program.

Also, we are interviewing processors to evaluate the possibility of introducing a third party merchant processing program.

Moreover, First Commerce Bank has created a Heter Iska document for both loan and deposit products. This document has been developed under the leadership of our Organizer, Zeev Rothschild, along with Mr. Penzer, Mr. Biegeleisen, Mr. Weinman, and Mr. Sussman and has been reviewed and accepted by Counsel, Robert Schwartz. It has received unwavering acceptance in the Lakewood Community and has contributed to the success and acceptance of First Commerce Bank in the Lakewood Community.

The success of First Commerce Bank is a direct result of our staff and their leadership. They have committed countless hours to ensure that our customers and our shareholders receive the service and rewards that they so richly deserve. At the senior level, Lew Foulke, Michelle Jones, Rosa Pavia and Mary Kay Malec have formed a core group of strength and consistency that has recently been expanded to include Shawn Tiernan and Lauren Dezzi.

To complement these folks, is a team, a family of so many others, many of them you know or have heard of. Originally, I wanted to name them all, but time will not allow. Today, your bank employs close to 40 employees.

And then, there are our Advisory Boards in Closter and Lakewood, our Heter Iska Advisory Board and our Founders who each day contribute to the ongoing success of the bank. These people are successful business people as well as shareholders who have brought with them a conviction to support First Commerce Bank.

I wish to conclude with a very special recognition of our Board of Directors under the Chairmanship of Abe Opatut. I have been in banking for a number of years and president for most of the past 22 years. Never could I have envisioned this group as being so cohesive, so determined, and so committed. They have given hours and hours and hours of their time. I thank them individually and collectively for all that they have done for the employees, the shareholders and our customers.

Thank you.