



phone: 732-364-0032 | 105 River Ave
fax: 732-364-0042 | Lakewood, NJ 08701
WWW.FIRSTCOMMERCEBK.COM

May 16, 2016

Dear Shareholder:

Since the beginning of the year, First Commerce Bank has remained consistent to its mission and the execution of its strategic plan. The organizational structure established in October, 2015, continues to strengthen our staffing under the Executive leadership of Angela Farina, EVP, Retail Banking Group & IT and Michelle Jones, EVP/COO. The maturation of the staff within these strategic areas has resulted in greater efficiencies.

Set forth below are our unaudited financial results for the first quarter of 2016. These results reflect the impact of certain non-core transactions during the quarter: the sale of a significant SBA guaranteed loan; the gain on the sale of some tax free bonds; and, finally, the accelerated level of loan pre-payment fees.

- Total assets increased from \$669,226,698 on December 31, 2015 to \$718,513,818 on March 31, 2016. This represents a \$49,487,120, or 7.36% increase for the quarter. Compared to March 31, 2015, total assets increased \$170,595,500 or 31.1%.
- Total gross loans were \$662,739,295 on March 31, 2016 representing a \$42,675,382 or 6.88% increase over year-end 2015 gross loans of \$620,063,913. Year over year, gross loans increased \$174,589,726 or 35.76 % from \$488,149,569 on March 31, 2015.
- Total deposits increased from \$588,476,056 on December 31, 2015 to \$632,193,574, or 6.88% on March 31, 2016. This represented a \$53,627,518 or 7.4% increase. Versus total deposits of \$480,283,958 on March 31, 2015, the year over year increase was \$151,819,616 or 31.6%.
- Net income for the first 3 months of 2016 was \$3,132,408. This compared to \$1,535,288 for the first quarter, 2015. The net income, quarter over quarter, increased \$1,579,120 or 104.0%. Included in the net income for the first quarter of 2016 was approximately \$400,000 from the non-core transactions discussed above.
- We had \$57,452,541 in total capital as of December 31, 2015. The first quarter total capital increased to \$60,856,462, a \$3,404,011 or 5.92% increase. Total capital increased by \$12,696,737 or 26.4% from March 31, 2015.

The high level of income for the quarter was positively impacted by the non-core events discussed above. The substantial increases in loans and deposits is explained by the Bank's emphasis on relationship banking and the product plans to reinforce the relationship brand. Capital increased year-over-year as approximately \$3.0 million in warrants were exercised by Directors, Founders and Shareholders.

GREAT RATES, GREAT SERVICE, GREAT PEOPLE

Since the beginning of the year, First Commerce Bank has achieved the following:

1. Received an "Outstanding" rating on its FDIC Community Reinvestment Act (CRA) Examination.
2. Robbinsville Branch opening anticipated the week of May 23rd.
3. SNL out of Charlottesville, VA has ranked First Commerce Bank number 27 in overall financial performance in the country for banks below \$1.0 Billion in total assets.
4. Completion of a Capital Plan with Board approval on May 5, 2016 to raise up to \$25.0 Million. The offering will be for shares of the Bank's common stock, and there will be a shareholder preference period during which our current shareholders will have the first opportunity to subscribe for shares of stock.
5. Financial Management Consulting Group ranked First Commerce Bank number 1 in overall financial performance for the first quarter 2016 for all banks headquartered in New Jersey.

Management recognizes that we do not know what the future may bring, but until now, the success of First Commerce Bank has exceeded anyone's original expectations. Economic and Regulatory challenges are always present. Management continues to believe that earnings are a short-term goal versus the long-term goal of enhancing franchise value. What is phenomenal is that First Commerce Bank has achieved these successes while being one of the fastest, if not the fastest, growing bank in New Jersey in 2013, 2014 and 2015, based on organic growth.

On behalf of the Directors, Executive Management and Staff, we wish to thank you, our Shareholders, for the confidence that you have given to us. We believe in the dream. We believe in ourselves. We believe in the mission.



Abraham S. Opatut
Chairman of the Board



C. Herbert Schneider
President & CEO

If you are interested in purchasing additional stock, please let us know by completing and returning this portion of the letter to any of our eight branch locations, and we will be in touch with you. You are also welcome to contact Cheryl Gertner, Investor Relations, at 732-719-6520 or by email at cgertner@firstcommercebk.com.

Name: _____

Phone Number: _____

Email Address: _____

Amount of shares are you interested in purchasing: _____