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November 4, 2014

Dear Shareholder:

Since raising capital in 2010 to complete the Recapitalization of Northern State Bank, the financial performance of First Commerce Bank has exceeded all expectations. The first 9 months of 2014 have validated your commitment and trust in the Directors and Senior Management team of the Bank. Although the financial results are unaudited, we are pleased to share them with you along with our recent events and future plans

For the nine month period ending September 30, 2014, total assets reached \$449.0 million versus \$308.9 million as of September 30, 2013. This represents a \$140.1 million, or 45.4%, increase period over period. As of December 2013, total assets were \$342.0 million, thus indicating a \$107.0 million, or 31.3%, increase in the first nine months of 2014.

As of September 30, 2014, net loans were \$388.7 million representing a \$124.6 million, or 47.2%, increase over total net loans at September 30, 2013 of \$264.1 million. Total net loans increased \$103.7 million, or 36.4%, since year-end 2013, when they totaled \$285.0 million.

Total deposits increased \$135.3 million or 52.5% from \$257.8 million at September 30, 2013 to \$393.1 million at September 30, 2014. Since year-end 2013, total deposits increased from \$287.4 million representing a \$105.7 million, or 36.8% increase, through September 30, 2014.

Net income for the first nine months of 2014 was \$2,753,777 after taxes versus \$2,281,474 for the full year ended December 31, 2013. This represents a \$472,303, or 20.7%, increase. This result is even more impressive because the Bank's operations were fully taxable in 2014, while the Bank had minimal tax liability in the first nine months of 2013 due to net loss carry forwards. During the first nine months of 2014, the Bank paid \$1,712,121 in taxes versus \$222,000 for the same period in 2013.

Total capital as of September 30, 2013 was \$40.3 million compared to \$44.6 million as of September 30, 2014, representing a \$4.3 million or 10.7% increase. Total capital as of December 2013 was \$41.6 million reflecting a \$3.0 million or 7.2% increase in the first nine months of 2014.

During the 3<sup>rd</sup> Quarter 2014, First Commerce Bank received regulatory approval to open a branch office in Freehold Township to be located at 120 Schanck Road and is expected to open March 2, 2015. Furthermore, First Commerce Bank received regulatory approval to open a branch office in the Borough of Montvale, to be located at 101 Chestnut Ridge Road. The expected opening date is scheduled for March 23, 2014. The Bank will make application for its Robbinsville, NJ branch office to be located at Hankins Road and Route 130 by December 2014. We will continue to evaluate opportunities to acquire other financial institutions that would enhance franchise value within our strategic plan.

First Commerce Bank has formed two new corporations known as FC Delaware Investment Company, Inc. and FC Preferred Capital, Inc. as part of a strategy to rationalize the Bank's tax liability. The targeted date for implementation is November 6, 2014.


Furthermore, the Bank has submitted application to the SBA to be approved as a "Preferred Lender." This will facilitate growth in the Bank's SBA program and is consistent with the Bank's Strategic Plan. Management anticipates receiving approval in November 2014.

The mission of First Commerce Bank continues to be the enhancement of franchise value. We will continue to grow our franchise through expansion of our branch locations in Bergen and Monmouth Counties. Your bank has been quite fortunate to have solid loan growth to sustain the profitability of the Bank which funds the growth of the Bank. However, the Bank's success is more the result of a very committed, talented staff.

We thank you for the continued confidence that you have given to the Directors, Management and Staff.

Handwritten signature of Abraham S. Opatut in cursive script, positioned above a horizontal line.

ABRAHAM S. OPATUT  
CHAIRMAN OF THE BOARD

Handwritten signature of C. Herbert Schneider in cursive script, positioned above a horizontal line.

C. HERBERT SCHNEIDER  
PRESIDENT & CEO