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Dear Shareholder:

During the first 9 months of 2017, the economy has continued to experience steady, but generally increasing growth. Paralleling this growth, the unemployment rate has continued to decrease to what is often considered a full employment level. The Federal Reserve Bank has steadily increased its federal funds/overnight interest rate to 1.25% with an expected increase to 1.50% in December, 2017. Expected in 2018 are two more increases to bring the interest rate to 2.00% by year-end 2018.

As the year 2017 progressed through September, the Board of Directors realized that the asset growth of our bank was far surpassing the growth in core deposits with the bridge funding coming from the wholesale market. Strategically, this did not meet the mission of First Commerce Bank and we decided to focus on re-positioning the assets on the balance sheet and to enhance liquidity through loan maturities and re-positioning funding sources. Our Board has also elected to use this opportunity to review our lending operation, and make sure that it is adding to shareholder value, rather than simply increasing our loans outstanding.

Given the above, through September 30, 2017, First Commerce Bank reported the following unaudited financial results:

- Total Assets increased from \$826,024,620 as of September 30, 2016 to \$1,055,990,482 on September 30, 2017. Total assets increased \$229,965,862 or by 27.84%.
- On September 30, 2017, Gross Loans were \$961,743,223 which was a \$207,280,692 increase over \$754,462,531 as of September 30, 2016. This represented an increase of 27.47%.
- Total Deposits increased \$185,229,119, from \$704,740,804 on September 30, 2016 to \$889,969,923 on September 30, 2017. This represents a 26.28% increase. Without wholesale deposits of \$49,261,000 on September 30, 2017 and \$15,867,000 on September 30, 2016, total deposits increased 22.04%.
- As of September 30, 2017, total capital was \$115,574,142 which represented a \$14,144,464 increase over \$101,429,678 or a 13.95% increase from September 30, 2016.
- Net income through September 30, 2017 was \$11,148,624 versus \$8,912,859 for September 30, 2016. This represents an increase of \$2,235,765 or 25.08%.

GREAT RATES, GREAT SERVICE, GREAT PEOPLE

The financial information indicates the increasing reliance on wholesale funding to support the growth of First Commerce Bank. The strategic objectives of our Bank is to have growth based on relationships in our desire to enhance franchise value.

With market interest rates expected to continue to rise, there could be a negative effect on the broad economy and on our borrowers. The Bank is undertaking a transition of enhancing on balance sheet liquidity and re-positioning its asset distribution both by product type and geographic presence. Furthermore, given the accelerated growth of First Commerce Bank over the past several years, the Bank has strategically developed a plan to recruit key personnel to strengthen our management team and to build depth at all levels within our organization. Existing personnel are receiving diversified training.

As a result of these initiatives, our rate of growth will begin to decelerate, beginning in the third quarter of this year. This deceleration will become more visible in the fourth quarter of 2017. In addition, as we see a slowing in the growth of our earning assets, we also expect to incur additional costs for personnel and for consulting help. Both will, at least in the near term, adversely affect our results of operations. However, we believe these investments are needed for the long term health and value of our Bank.

In July, we opened our 9th branch location in Fairfield, Essex County and we will open our 10th branch location in Bordentown, Burlington County. First Commerce Bank will then be represented in Bergen, Essex, Mercer, Monmouth, Ocean and Burlington Counties, but we will also then take a pause in new branch openings.

We wish to acknowledge the management team who have been committed to the continuing success of the Bank.

Angela Farina, EVP, Retail Banking Group
Parwinder Virk, SVP, Chief Financial Officer and Chief Operating Officer
Mary Kay Malec, SVP, Human Resources
Eli Rennert, SVP, Chief Lending Officer
Rhiannon Lewis, VP, Chief Credit Officer
Nancy Bendokas, VP, Loan Administration
Cheryl Gertner, Assistance Corporate Secretary and Investor Relations
Tonia Thompson, SVP, Compliance Officer

Every day we thank these leaders as well as every employee who is dedicated to First Commerce Bank.

On behalf of the Board of Directors, we wish to say thank you to our Shareholders, Personnel and Customers for their confidence and trust.



C. Herbert Schneider
President & CEO



Abraham S. Opatut
Chairman of the Board