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March 17, 2017

Dear Shareholder:

As First Commerce Bank transitioned into 2016, neither the Directors, Founders, Shareholders nor Executive Management anticipated the year would continue to evolve in such an extraordinary manner. From the beginning of the year, First Commerce Bank continued to overcome the myriad of economic and regulatory challenges that can constrain the overall financial performance of the Bank. The unchanging variable within First Commerce Bank has been a strong Management team, with Officers, Managers and Staff whose commitment and loyalties to excellence has been one-hundred-percent.

First Commerce Bank's financial accomplishments through year-end 2016 are set forth below. These results include the effects of raising \$34,636,430 through the Capital Offering which closed on September 30, 2016, and with support of our Shareholders.

- Total assets increased from \$669,227,000 on December 31, 2015 to \$ 867,376,000 on December 31, 2016. This represents a \$198,149,000, or 29.6 %, increase year to date.
- Total gross loans were \$794,163,000 on December 31, 2016 representing a \$174,074,000, or 28.07%, increase over year end 2015 gross loans of \$620,089,000.
- Total deposits increased from \$588,476,000 on December 31, 2015 to \$746,288,000 on December 31, 2016. This represents a \$157,812,000, or 26.8 % increase year over year.
- Net income for fiscal year 2016 was \$11,685,000 compared to \$7,568,000 through year-end 2015. The net income year over year increased \$ 4,117,000, or 54.4%.
- Total capital as of December 31, 2015 was \$57,444,000. As of December 31, 2016, total capital was \$103,817,000. Total capital increased \$46,373,000, or 80.7%. Net of the \$34,636,430 capital raise, total capital increased by \$11,736,000 for fiscal year 2016, or 20.4%.

Our capital ratios at year-end, 2016 reflect a well-capitalized financial institution in each category. Our capital ratios were as follows:

GREAT RATES, GREAT SERVICE, GREAT PEOPLE

	12/31/16	12/31/15	Adequately/ Well Capitalized
Tier 1 Leverage Capital Ratio	12.24%	8.74%	4.0%/5.0%
Common Equity Risk Based Capital Ratio	13.28%	9.38%	4.5%/6.5%
Tier 1 Risk Based Capital Ratio	13.28%	9.38%	6.0%/8.0%
Total Risk Based Capital Ratio	14.54%	10.63%	8.0%/10.0%

Under Basel III, banks are required to maintain proper leverage ratios and meet certain minimum capital requirements. Under the requirement, we must maintain an adequate Capital Conservation Buffer which started to phase in on January 1, 2016 and will be fully phased in on January 1, 2019. The current requirement of the Conservation Buffer is to maintain additional capital of 1.25% of Risk Weighted Assets. As you can see, we satisfy this requirement.

Throughout 2016, there were several accomplishments which made contributions to the overall financial success of the Bank. Please note that our branch locations are in Mercer, Ocean, Monmouth and Bergen Counties and soon Essex County, New Jersey.

1. Received an "Outstanding" rating on our FDIC Community Reinvestment Act (CRA) Examination
2. Eighth retail branch opened in May, 2016 in Robbinsville Township, Mercer County
3. Capital Offering completed on September 30, 2016 for \$34,636,430
4. Completed acquisition of Corporate Headquarters in Lakewood, Ocean County in December, 2016
5. Received regulatory approval for ninth retail location in Fairfield, Essex County and acquired location in December, 2016
6. Continued to be the fastest, organically growing commercial bank headquartered in New Jersey
7. Operational efficiency continues to be in the top 5 among banks headquartered in New Jersey

The year 2017 will be a period of strategically deploying and leveraging our capital to enhance shareholder value. This will be accomplished through internal, organic growth and establishment of new retail branch locations. The plan has always been to create a high level of franchise value. The Strategic Planning process during the second quarter of 2017 will establish a foundation of planned growth.

As to retail branch expansion, there have been challenges in identifying locations that could be opportunistic. We remain flexible but ultimately the measurement is enhancement to franchise growth combined with ensuring operational efficiencies. There are communities that are attractive but we have been challenged in identifying locations immediately available- Clifton, Fair Lawn, Mahwah, Monroe, Marlboro, West Windsor and Hamilton. The Bank is seeking sites that could be open within a reasonable time frame with appropriate demographics.

In considering acquisitions, we are advised by different capital market firms to "stay the course." They caution that an acquisition may distract the Directors, Executive Management and Staff from the core

values that represent First Commerce Bank. Moreover, the advice is to be careful of the unknown in an acquisition-essentially to stick to our knitting of organic growth.

Our motto is “keep it simple and stay in the box”. The Bank does not offer products and services to be all things to all people. The emphasis is basic banking products, service, efficiency and quick decisions. So often we find ourselves welcoming our customers to our family with a return to “old time” banking. Our staff knows that we work for our “handshake”.

Over the years, we have introduced you to our Executive/Senior Management team with the Officers and Staff who together have formed a family that is respectful, supportive, and unified with one another. This team of individuals has formed a cohesive organization that is superior to most financial institutions in New Jersey as well as nationally. We thank them each and every day for their leadership, trust and commitment. They are so very special.

On behalf of the Directors, Executive Management and Staff, thank you to our Shareholders for the confidence that you give to the team at First Commerce Bank. “We believe in the dream. We believe in ourselves. We believe in the mission.”



C. HERBERT SCHNEIDER
President & CEO



ABRAHAM S. OPÁTUT
Chairman of the Board

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. 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: _____