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Dear Shareholder:

Through the first six months, the financial performance of First Commerce Bank has again exceeded expectations. Although the financial results are unaudited, we are pleased to share them with you. Furthermore, we will discuss our recent events and future prospects.

For the six month period ending June 30, 2014, total assets were \$411.0 million versus \$266.5 million as of June 30, 2013. This represents a \$144.5 million, or 52%, increase period over period. As of December, 2013, total assets were \$342.0 million, thus indicating a \$69.0 million, or 20.2%, increase in the first half of 2014.

As of June 30, 2014, net loans were \$346.1 million representing a \$116.2 million, or 50.5%, increase over total loans at June 30, 2013 of \$229.9 million. Total net loans increased \$61.1 million, or 21.4%, since year-end 2013, when they totaled \$285.0 million.

Total deposits increased \$125.6 million or 55.3% from \$227.1 million in June 30, 2013 to \$355.5 million at June 30, 2014. Since year-end 2013, total deposits increased from \$287.4 million representing a \$68.1 million, or 23.7% increase, through June 30, 2014.

Net income for the first half of 2014 was \$1,789,033 after taxes versus \$1,696,239 for the prior year. This represents a \$182,794, or 11.4%, increase. This result is even more impressive because the Bank's operations were fully taxable in 2014, while the Bank had no tax liability in the first half of 2013 due to net loss carry forwards. During the first six months of 2014, the Bank paid \$958,829 in taxes versus no tax liability for the same period in 2013.

Total capital as of June 30, 2013 was \$28.8 million compared to \$43.6 million as of June 30, 2014, representing a \$14.8 million or 51.4% increase. The capital increase reflects the \$11.0 million capital raised during the 3rd quarter of 2013 and earnings of over \$4.0 million in the past 12 months. Total capital as of December, 2013 was \$41.6 million reflecting a \$2.0 million or 4.8% increase in the first six months of 2014.

Our 5th and newest office opened in Englewood on April 30, 2014. This branch has been very successful with deposits exceeding \$16.0 million in two months. We are pleased to inform you both the Teaneck office, which opened in October, 2013, and Allentown office, which opened in May, 2013, now exceed \$30 million in deposits. Moreover, both the Closter and Lakewood offices continue to be strong performing offices with Closter exceeding \$150.0 million in deposits and Lakewood exceeding \$120.0 million in deposits.

GREAT RATES, GREAT SERVICE, GREAT PEOPLE

The loan volume has continued to far exceed expectations and has led the growth of the Bank and the related profitability. The lenders, community banking managers and loan administration staff are truly outstanding. They are a talented, hardworking group and without them, First Commerce Bank would not be the success it has become.

The Bank received regulatory approval for a new branch to be located at 120 Schanck Road, Freehold Township. This office is expected to open prior to year-end. Furthermore, the Bank anticipates receiving regulatory approval for a new branch to be located at 101 Chestnut Ridge Road, Montvale, NJ. This branch should open no later than January, 2015. The Bank has executed a lease to locate a new office at Route 130 and Hankins Road in Robbinsville Township. Regulatory application should be made by December, 2014 with opening expected in the 1st quarter 2016.

As a result of your Bank's financial success and its commitment to staying with and executing its well defined Strategic Plan, we are now being asked to consider the acquisition of other financial institutions. Over the past 2 years, we have evaluated the financials, management and locations of other financial institutions and have concluded that each one did not enhance franchise value and were not consistent with the execution of our Strategic Plan. However, we remain open to growth through acquisition, if we find an opportunity that enhances shareholder and franchise value and accelerates our strategic plan. We will not buy simply to buy.


We wish to introduce to you a very special group of employees who form an outstanding, very talented, management group and are very worthy and dependable to the core.

Lewis Foulke - Senior Vice President, CFO, COO
Michelle Jones - Senior Vice President, Chief Lending Officer
Karen Zoda – Senior Vice President, Marketing & Branch Administration
Angela Farina – Senior Vice President, Retail Banking
Mary Kay Malec – Senior Vice President, Human Resources & Compensation

There are so many wonderful, talented people with First Commerce Bank who each and every day give their heart, honesty and dedication to First Commerce Bank.

As stated previously to our Shareholders, the mission of First Commerce Bank is to build franchise value over several years. Financial performance represents a short-term vision, when building long-term franchise value is the strategic goal. We must develop the right family of employees coupled with the strategic, selective growth of branch locations.

Our Shareholders have shown consistent confidence in our Directors, Management and Staff. For all that you have given, we thank you.


ABRAHAM S. OPATUT
CHAIRMAN OF THE BOARD


C. HERBERT SCHNEIDER
PRESIDENT & CEO