

BANCORP BOARD OF DIRECTORS

S.K. DURAIRAJ, M.D.
Chairman of the Board, First Commerce Bank
President & CEO, Serra Community Medical Clinic

ARMAND ARABIAN
Associate Justice, Supreme Court of California (retired)

MUGURDICH BALABANIAN, M.D.
Kidney Consultants Medical Group

JOHN J. FELDMAN
President and Chief Executive Officer, First Commerce Bank

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Gelb Enterprises

SANDY GOLDMAN
BFI-Browning Ferris Industries

GREGORY N. LIPPE, C.P.A.
Lippe, Hellie, Hoffer & Allison LLP

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Oriental Foods, Inc.

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Naresh C. Saxena, M.D., Inc.

RAMACHANDRAN SRINIVASAN, M.D.
Ramachandran Srinivasan, M.D., Inc.

BURTON N. STERMAN, C.P.A.
Brown and Sterman, CPAs

FIRST COMMERCE BANK

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www.fcb.la

INTOUCH
24-Hour Automated
Customer Service Center
(800) 730-2265

 **FIRST COMMERCE BANCORP™**

Leading the way for business

OFFICES

Encino Main Office and Corporate Headquarters

16861 Ventura Boulevard
Encino, California 91436
(818) 501-2265
(818) 461-0176 (FAX)

Brentwood Regional Office

11661 San Vicente Boulevard
Los Angeles, California 90049
(310) 207-1517
(310) 207-8997 (FAX)

Glendale Regional Office

100 W. Broadway, Suite 510
Glendale, California 91210
(818) 637-2265
(818) 637-2260 (FAX)

Transfer Agent and Registrar

U.S. Stock Transfer Corporation
1745 Gardena Avenue
Glendale, California 91204
(818) 502-1404

Corporate Secretary

Jan Marantz
(818) 501-2265
(818) 461-0176 (FAX)

Annual Meeting of Shareholders

The Annual Meeting of Shareholders will be held at 5:00 p.m. on May 16, 2006 at our Corporate Headquarters, located at 16861 Ventura Boulevard, Encino, California 91436.

 **FIRST COMMERCE BANCORP™**



SENIOR OFFICERS

JOHN J. FELDMAN
President and Chief Executive Officer

WENDY R. MOSKAL
Executive Vice President,
Chief Operating and Financial Officer

GARY L. NUDELL
Executive Vice President, Chief Credit Officer

JOCELYN PASTORE
Executive Vice President, Branch Administrator

ALBA SILBERMAN
Senior Vice President, Commercial Loans

STEVE SOELBERG
Senior Vice President, Manager, Real Estate Loans

TRACY SPICER
Senior Vice President, Chief Risk Officer

JAN MARANTZ
Vice President, Corporate Secretary

1st Quarter
Report

Staying on Course

with Strong Community Banking

We are pleased to report another record first quarter.

For the three months ended March 31, 2006, First Commerce Bancorp recorded net income on a consolidated basis of \$693,000 as compared to net income of \$557,000 for the same period last year, an increase of 24%.

The following are additional financial results for the three months ended March 31, 2006:

- Assets increased to \$243,970,000, compared to \$220,669,000 for the same period last year, an 11% improvement.
- Deposits increased to \$219,153,000, compared to \$198,982,000, a 10% improvement from a year ago.
- Net loans increased to \$170,315,000, up 11% compared to \$152,810,000 for the same period last year.

As we go to press with this quarterly report, we are preparing an offering circular for our shareholders announcing a new intrastate capital offering program projected to raise up to \$6 million of new equity capital during the second quarter. You will receive our offering circular with all the details as soon as it becomes available.

We join our management and staff in appreciation of our shareholders' and customers' continued support and patronage. We invite you to visit us in our Encino, Brentwood or Glendale facilities at any time.



John J. Feldman
President and CEO



S. K. Durairaj
Chairman of the Board

The information contained in the Report fairly represents, in all material respects, the consolidated financial condition and results of operations of the Company at the dates and for the periods indicated.



John J. Feldman
President and CEO



Wendy R. Moskal
Executive Vice President
Chief Operating and
Financial Officer

CONSOLIDATED BALANCE SHEETS

March 31, 2006 and 2005 (Unaudited)

Assets	2006	2005
Cash and Due from Banks	\$ 18,152,000	\$ 15,139,000
Federal Funds Sold	18,800,000	29,900,000
TOTAL CASH AND CASH EQUIVALENTS	36,952,000	45,039,000
Interest-bearing Deposits in Other Banks	0	396,000
Investment in First Commerce Bancorp Statutory Trust	155,000	155,000
Securities Available for Sale	33,233,000	19,258,000
Federal Home Loan Bank Stock	885,000	958,000
Loans, net	170,315,000	152,810,000
Leasehold Improvements and Equipment, net	387,000	276,000
Accrued Interest and Other Assets	1,203,000	1,139,000
Deferred Tax Assets	840,000	638,000
TOTAL ASSETS	\$243,970,000	\$220,669,000

Liabilities and Stockholders' Equity

LIABILITIES	2006	2005
Noninterest-bearing Demand	\$ 83,261,000	\$ 81,138,000
Money Market and NOW	105,695,000	99,448,000
Savings	1,526,000	1,846,000
Time Deposits under \$100,000	3,339,000	4,235,000
Time Deposits \$100,000 and over	25,332,000	12,315,000
TOTAL DEPOSITS	219,153,000	198,982,000
Junior Subordinated Debentures	5,155,000	5,155,000
Accrued Interest and Other Liabilities	1,619,000	1,390,000
TOTAL LIABILITIES	\$225,927,000	\$ 205,527,000

STOCKHOLDERS' EQUITY

Common Stock, no par value, 15,000,000 shares authorized; issued and outstanding 7,601,106 in 2006 and 7,576,106 in 2005	\$ 13,761,000	\$ 13,726,000
Additional Paid-in Capital	32,000	0
Retained Earnings	4,400,000	1,563,000
Accumulated Comprehensive Loss	(150,000)	(147,000)
TOTAL STOCKHOLDERS' EQUITY	\$ 18,043,000	\$ 15,142,000
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$243,970,000	\$220,669,000

CONSOLIDATED STATEMENTS OF INCOME

For Three Months Ended March 31, 2006 and 2005 (Unaudited)

	2006	2005
Interest income on:		
Loans	\$3,341,000	\$2,490,000
Securities	338,000	100,000
Federal Funds Sold	84,000	200,000
Other	41,000	15,000
TOTAL INTEREST INCOME	\$3,804,000	\$2,805,000

Interest expense on:		
Deposits	\$ 990,000	\$ 525,000
Other Borrowings	96,000	72,000
TOTAL INTEREST EXPENSE	\$ 1,086,000	\$ 597,000

NET INTEREST INCOME	\$2,718,000	\$2,208,000
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Provision for Loan Losses	12,000	54,000
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$2,706,000	\$2,154,000

Noninterest income:		
Service Charges and Fees	\$ 187,000	\$ 192,000
Gain on Sale of Securities	0	0
Gain on Sale of SBA Loans	28,000	90,000
TOTAL NONINTEREST INCOME	\$ 215,000	\$ 282,000

Noninterest expense:		
Salaries, Wages, and Employee Benefits	\$1,117,000	\$ 921,000
Occupancy and Equipment	171,000	146,000
Loss on Sale of Securities	0	0
Other	438,000	408,000
TOTAL NONINTEREST EXPENSE	\$1,726,000	\$1,475,000

Income before Income Tax Expense	\$1,195,000	\$ 961,000
Income Tax Expense	502,000	404,000
NET INCOME	\$ 693,000	\$ 557,000

Per-share data:		
Basic Earnings per Share	\$ 0.09	\$ 0.08
Diluted Earnings per Share	\$ 0.08	\$ 0.07